Simpler. Faster. Safer.

2019 Universal registration document

ANNUAL FINANCIAL REPORT

Teleperformance
each interaction matters

Teleperformance
each interaction matters

2019 Universal Registration Document

INCLUDING THE ANNUAL FINANCIAL REPORT

Incorporation by reference:

In application of Article 19 of Regulation (EU) No. 2017/1129, the following documents are incorporated by reference in this universal registration document:

1. Regarding the financial year ended December 31st, 2018:

The management report, the consolidated financial statements, the Company financial statements and the corresponding statutory auditors' reports contained in the Registration Document filed with the AMF on March 4th, 2019 under number D.19-0093 (https://www.teleperformanceinvestorrelations.com/media/4502596/teleperformance-ddr-2018-vf.pdf).

2. Regarding the financial year ended December 31st, 2017:

The management report, the consolidated financial statements, the Company financial statements and the corresponding statutory auditors' reports contained in the Registration Document filed with the AMF on March 2nd, 2018 under number D.18-0095 (https://www.teleperformanceinvestorrelations.com/media/3810379/teleperformance-ddr-2017-vf.pdf).

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This universal registration document has been filed on March 2, 2020 with the AMF (French financial markets authority) as the competent authority pursuant to to Regulation (EU) no. 2017/1129, without prior approval in accordance with Article 9 of said Regulation.

The universal registration document may be used for the purposes of an offer of financial securities to the public or the admission of financial securities to trading on a regulated market if it is accompanied by a securities note and if applicable, a summary and all amendments to the universal registration document. The entire documentation then constituted is approved by the AMF in accordance with Regulation (EU) 2017/1129.

Teleperformance in 2019

Mission

Teleperformance serves businesses and government agencies to help them solve the problems their clients' and citizens' face on a daily basis. The Group operates in an increasingly complex environment with regard to interaction channels, security, and disruptive technologies.

Activities

Founded in 1978 by Daniel Julien, Teleperformance is **a leading global group in digitally integrated business services**. It is the preferred high-tech, high-touch partner of market leading global companies undergoing rapid expansion, as well as government agencies for the implementation of digital strategies to optimize and transform their customer experience and other business processes.

"Simpler. Faster. Safer."

To satisfy clients, Teleperformance is fully committed to:

- Staying agile, flexible and globally consistent
- Well-equipped for a speedy set up and ramp up, with solutions combining latest high-tech with employee skills and expertise
- Providing peace of mind by protecting the client's brand with regard to high standards in security and privacy, while staying financially sound and stable

Teleperformance offers clients a comprehensive and integrated range of "One-Office" solutions broken down into three high value-added services:

"One-Office"

• Customer Experience Services
- Customer care
- Technical support
- Sales
- Account receivable*
- Interpreting & translation*

• Back-Office Services
- Industry-specific services
- Financial & accounting
- Human resources
- Content moderation
- Visa application management & consulate services*

• Knowledge Services
- Consulting
- Advanced analytics
- Intelligent automation

Teleperformance's unique service offering is underpinned by a ***high-tech***, ***high-touch*** approach combining latest tech with emotional intelligence, which is the Group's underlying culture. World-class operations are assured by the Lean Six Sigma operational discipline, deployed throughout the Group.

High-tech

- Reliable and robust IT architecture
- Integrated omnichannel solutions
- Analytics and artificial intelligence
- Intelligent automation
- Cybersecurity

High-touch

- Hire the right people: digital recruitment processes, psychographic assessments, and predictive recruitment models
- Coaching and training at all levels
- Management with a purpose
- Multicultural and diverse environment with local understanding

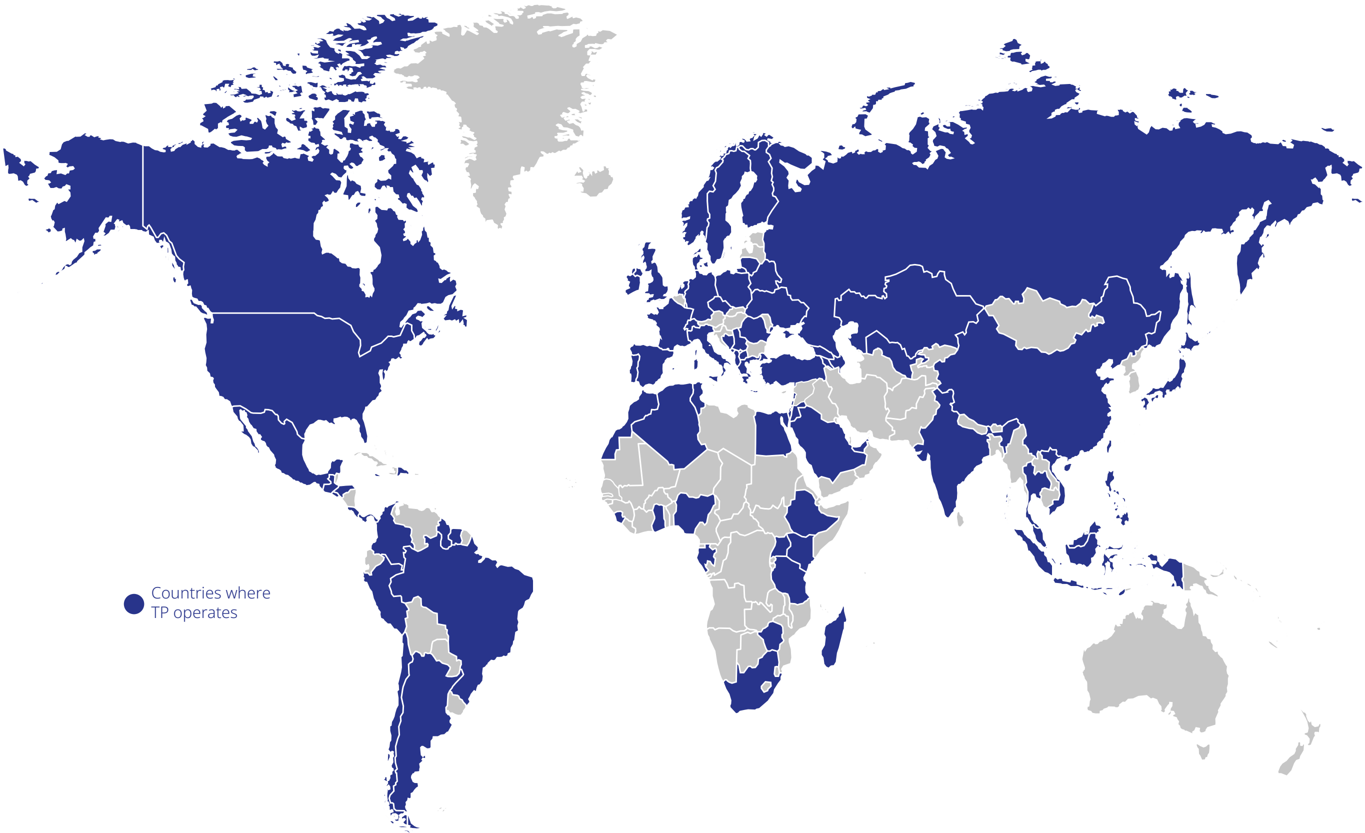
** Solutions classified under Specialized Services in the financial breakdown of Teleperformance's businesses, other solutions being classified under Core Services & D.I.B.S. – see key financial performance figures.*

Global leadership

Operating in 80 countries, Teleperformance is a multicultural group with the largest geographical footprint in its core business market and has the capacity to manage programs in over 265 languages.

The Group has 1,000 clients and posted €5.4 billion in revenues, nearly 50% of which is earned with multinational companies.

During 2019, Teleperformance shored up its global footprint by expanding and opening new sites, and launched operations in new countries including Japan and North Macedonia.



Key figures

OPERATIONS IN 80 COUNTRIES	265+ LANGUAGES	170+ MARKETS	1,000 CLIENTS	330,000+ EMPLOYEES

Highlights for the year

Strengthened management team

Former Intelenet CEO Bhupender Singh was appointed to the newly created position of President of Transformation in September 2019. Ibero-LATAM region President and Chief Operating Officer Agustin Grisanti also took on the role of CEMEA region Chief Operating Officer. These key appointments shore up the senior management team aiming to boost the Group's transformation into a leading global group in digitally integrated business services.

Inauguration of the Teleperformance Innovation Experience Center (T.I.E.C.) in the heart of Silicon Valley

In October 2019, the Group inaugurated the Teleperformance Innovation Experience Center (T.I.E.C.) in Santa Clara, California.

This new center showcases the Group's global expertise and entire range of state-of-the-art digital solutions in the heart of its new client and partner digital business ecosystem.

Deployment of a new global cybersecurity program

In 2019, Teleperformance launched the Eagle Project seeking to reinforce its global operations' cybersecurity, which underpins its value-enhancing offering.

The program is based notably on a major employee awareness-raising and training campaign, taking on board security by design, and a network architecture overhaul in order to improve risk visibility.

Consolidation of the CSR organization

In January 2019, Teleperformance consolidated its corporate social responsibility (CSR) activities by expanding dedicated CSR teams and strengthening policies. This new organization strives to structure and step up the Group's global CSR activities by drawing on UN Global Compact principles, which the Group signed up to in 2011. The goal is also to promote all the Group's CSR initiatives among all its stakeholders.

Values

"The five Teleperformance values underpin our corporate culture and business model while assuring world-class services and solutions."

Cosmos | Integrity
I say what I do, I do what I say

Earth | Respect
I treat others with kindness and empathy

Metal | Professionalism
I do things right the very first time

Air | Innovation
I create & I improve

Fire | Commitment
I am passionate & engaged

Message from the Chairman and Chief Executive Officer

DANIEL JULIEN

"Teleperformance set new records for growth, profitability and job creation worldwide in 2019"

Once again, Teleperformance set new records for growth, profitability and job creation worldwide in 2019. We embraced digital transformation by combining high-touch and high-tech strategies to deliver an enhanced, more personalized customer experience that is ***"simpler, faster, safer"***.

With revenue of €5,355 million, or US$6 billion*, we consolidated our global leadership in outsourced omnichannel customer experience management by integrating digital solutions.

On the back of our financial position and our results, we are investing in support of our clients, including in cybersecurity and artificial intelligence, while also developing high-quality work environments, promoting our employees and paying out a healthy dividend to our shareholders.

We are a conscious, proactive corporate citizen. As proof of that fact, we have earned recognitions, by Vigeo and MSCI, as well as Great Place to Work® and Best Places to Work® honors on numerous occasions: 70% of Teleperformance employees across five continents currently work at a subsidiary that has won a special distinction for the quality of its work environment.

In 2020, we will remain committed to our growth project, to deepening our client partnerships and achieving progress alongside all our stakeholders. Our ambition is to become a leading reference worldwide, as a group delivering services that create value for consumers, clients, employees, partners and shareholders.

We expect to continue growing by more than +7% like-for-like – far faster than the market – while also improving our margins, creating more jobs and making further progress on our CSR indicators.

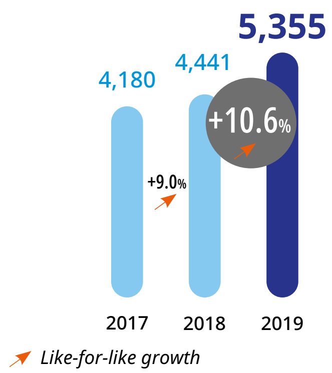
It's up to us to shape the future, leveraging a vision, energy and opportunities despite the challenges and risks, as always thanks to the enthusiasm and engagement of each and every contributor.

** Based on €1 = $1.12.*

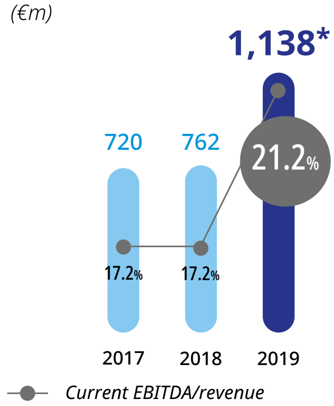
Key financial figures*

GROWTH AND PROFITABILITY

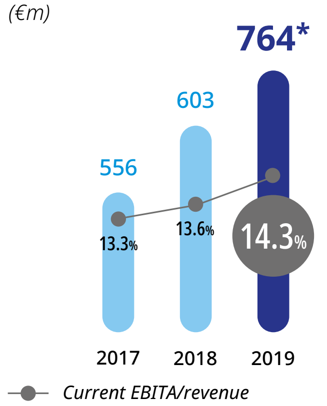
Revenue
(€m)



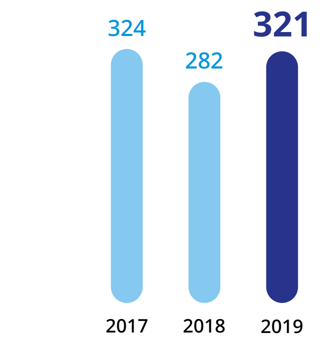
Current EBITDA
(€m)



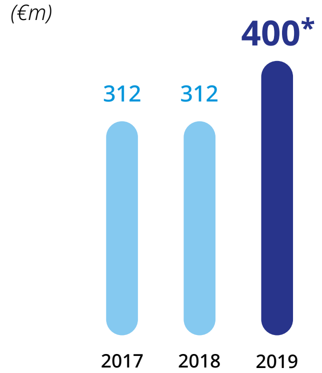
Current EBITA
(€m)



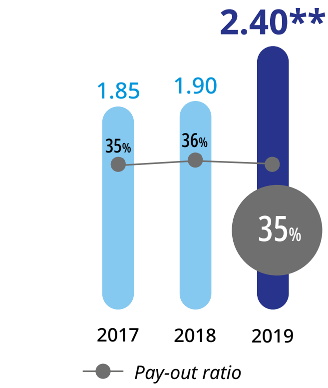
Net free cash flow
(€m)



Net result Group share
(€m)



Dividend per share
(€)

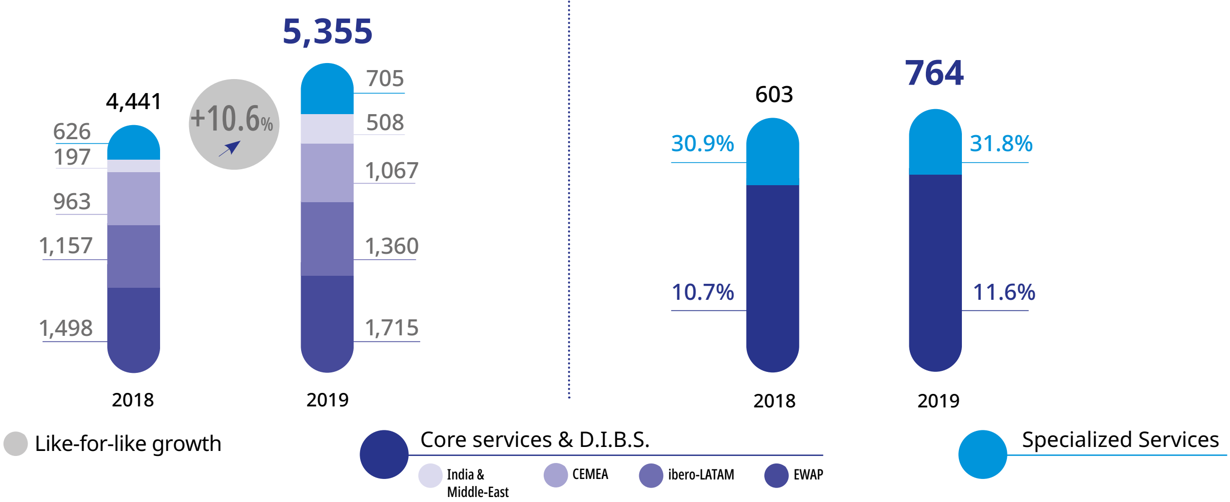


** Including IFRS 16 impacts.*
*** Subject to shareholder approval at the Annual General Meeting, to be held on April 16, 2020.*

A DIVERSIFIED AND PROFITABLE PORTFOLIO OF ACTIVITIES

Revenue breakdown by activity and linguistic region in 2019 *vs* 2018 (€m)

Current EBITA breakdown by activity in 2019 *vs* 2018 (€m) **and margin** (%)



Key extra-financial figures

HIGH-TOUCH
A unique work environment

70%

OF EMPLOYEES ARE WORKING
IN A CERTIFIED BEST WORKPLACE*

** Share of employees working in a subsidiary recognized by at least one of the following independent institute: Great Place to Work®, Kincentric Best Employer (ex A.On Hewitt) or Best Places to Work®.*

CARBON FOOTPRINT

0.68 -4%

CARBON FOOTPRINT
TONNE
PER EMPLOYEE

COMMITMENT IN FAVOR OF COMMUNITIES

4.9

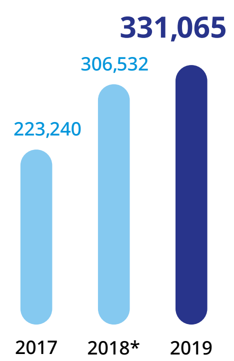
MILLION EUROS
OF DONATIONS
IN CASH IN ANY
KIND*

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

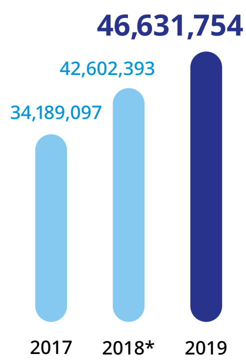
A RECOGNIZED CSR STRATEGY

RATED AAA
BY MSCI

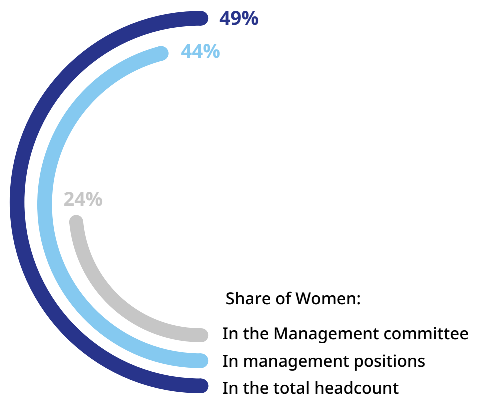
Evolution
of total headcount



Training hours



Diversity & equality



** Excluding Intelenet.*

Management Committee

A seasonned and agile team to lead the transformation of the group

21	24%	8
MEMBERS	WOMEN	NATIONALITIES

Composition of the Executive Committee

Daniel Julien
Chairman and
Chief Executive Officer

Jeff Balagna
Chief Operating Officer of the English-speaking World & Asia-Pacific region (EWAP)

Eric Dupuy
President of Global Business Development

Agustin Grisanti
Chief Operating Officer of the CEMEA and Ibero-LATAM regions

Scott Klein
President of Specialized Services

Olivier Rigaudy
Deputy Chief Executive Officer and Group Chief Financial Officer

Leigh Ryan
Chief Legal and Chief Compliance Officer

Bhupender Singh
President of Transformation

Composition of the Management Committee

Daniel Julien	Chairman and Chief Executive Officer
Olivier Rigaudy	Deputy Chief Executive Officer and Group Chief Financial Officer
Jeff Balagna	Chief Operating Officer of the English-speaking World & Asia-Pacific region (EWAP)
Eric Dupuy	President of Global Business Development
Agustin Grisanti	Chief Operating Officer of the Ibero-LATAM and Continental Europe, Middle East and Africa (CEMEA) regions
Scott Klein	President of Specialized Services
Leigh Ryan	Chief Legal and Chief Compliance Officer
Bhupender Singh	President of Transformation
Brian Johnson	President of English-speaking World (EW)
Yannis Tourcomanis	President of the Continental Europe, Middle East and Africa region (CEMEA)
Alan Winters	Global Chief Administrative Officer
Joao Cardoso	Chief Research and Development Officer
Ana Teresa Mesquita	Chief Global Marketing Officer
Dev Mudaliar	Group Chief Information Officer
Rajendra Deshpande	Chief Information Officer of TP D.I.B.S., Head of Global Cybersecurity
Miranda Collard	Chief Client Officer of the English-speaking World (EW)
Stephanie Wilson	Chief Client Officer of the Continental Europe, Middle East and Africa region (CEMEA)
Gustavo Mir González	Chief Client Officer of the Ibero-LATAM region
Christine Ernult	Deputy Group Chief Financial Officer
David Cook	VP of Business Development of the English-speaking World (EW)
Pablo Antoja	Executive VP of Business Development of the Ibero-LATAM

Board of directors

An expert and independent board of directors to set the group's strategic orientations


Daniel Julien


Patrick Thomas


Emily Abrera


Philippe Dominati


Jean Guez


Christobel E.Selecky


Alain Boulet


Pauline Ginestié


Wai Ping Leung


Leigh Ryan


Bernard Canetti


Robert Paszczak


Angela Maria Sierra-Moreno


Stephen Winningham

C Chairman and CEO

L Lead independent director

I Independent director

Mandate ending in 2020

64% INDEPENDENT DIRECTORS

14 MEMBERS

43% WOMEN

8-year AVERAGE TENURE *(excluding Daniel Julien, Group Founder)*

6 NATIONALITIES

China

Colombia

USA

France

The Philippines

United Kingdom


1
Group and Risk Presentation

1.1 GROUP

1.1.1 Major stages of the Group's development

1978-1995: Building Teleperformance's European leadership

1978

Teleperformance was founded in Paris by Daniel Julien, currently Group Chairman and Chief Executive Officer. Initially, 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 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, parent company of Teleperformance International listed on the Paris Bourse. Ten years later, Rochefortaise Communication and Teleperformance International merged to form SR Teleperformance. This company was renamed Teleperformance in 2006.

1990

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

1993

Teleperformance opened its first contact center in the US.

1995

Teleperformance became European market leader and continued to strengthen its market share 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 big US technical support provider in the telecommunications, Internet access, cable TV, specialized retail and original equipment manufacturer (OEM) markets.

2009

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

2010

Teleperformance significantly bolstered its UK presence by acquiring beCogent, primarily operating in the retail, financial services, telecoms and ISP markets. Meanwhile, Teleperformance pursued expansion in Latin America: after acquiring Colombia-based Teledatos in 2009, a subsidiary was set up 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 and Chief Executive Officer, appointing Daniel Julien as Chairman and Paulo César Salles Vasques as CEO.

2014

Teleperformance shored up its North American market share by acquiring Aegis USA Inc., a leading manager of US outsourced contact centers.

TLScontact, a Teleperformance outsourced services management subsidiary working for governments, started a contract with the UK 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 consolidated its global leadership by adopting the legal form of a European company and the name Teleperformance SE.

1

2016-2019: Development of Specialized Services and stepping up Teleperformance's transformation into a leading global business services and integrated digital solutions provider.

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 performed a €600 million seven-year bond issue. This issue 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 created a new range of solutions: 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 advisory 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.

2019

Teleperformance steps up its transformation into a leading global group in digitally integrated business services.

The Group's managerial organization has been strengthened. The position of President of Transformation was created in September 2019 and entrusted to Bhupender Singh, ex-CEO of Intelenet. President and director of operations of the Ibero-LATAM zone, Agustin Grisanti has also taken charge of the operations management of the CEMEA zone.

The Group inaugurated the Teleperformance Innovation Experience Center (T.I.E.C.) in Santa Clar, California. Reflecting the Group's transformation, this new showroom presents the global expertise and the Group's digital and innovative solutions, at the heart of its new digital ecosystem for customers and partners.

1.1.2 The Group's businesses

Introduction: a leading global group in digitally integrated business services

Founded in 1978 by Daniel Julien, Teleperformance is a leading global group in digitally integrated business services. It is the preferred partner of market leading global companies undergoing rapid expansion, as well as government agencies for the implementation of digital strategies to optimize and transform their customer experience and business processes.

The Group has over 330,000 employees in 80 countries, and manages programs in 265 languages and dialects in over 170 markets, and numerous business sectors. Its operating capacities include 242,000 workstations at some 460 sites.

Teleperformance operations comprise **two activities:**

- **Core Services & D.I.B.S. (Digital Integrated Business Services):**
  - customer care;
  - technical support;
  - customer acquisition (sales);
  - back-office solutions in human resources and accounting and services specific to each client sector;
  - knowledge services in the field of analytics solutions, automated systems and artificial intelligence.
- **Specialized Services:**
  - interpreting and translation services;
  - visa application management and consulate services;
  - debt collection services.

D.I.B.S (Digital Integrated Business Services) were created following the acquisition of Intelenet on October 4th, 2018*. They include the former Intelenet businesses, comprising high value-added business process management, digital platform services, as well as the Group's consulting activities. This range of solutions was fully integrated and deployed across all of the Group's Core Services, giving rise to the Core Services & D.I.B.S. business on January 1st, 2019.

The majority of the D.I.B.S. solutions cover integrated services and dedicated support services. By combining experience and know-how in business-critical processing services, D.I.B.S. comprise a range of integrated digital transformation solutions across the entire customer experience value chain.

Teleperformance defines itself as a high-touch, high-tech business, reflecting the two pillars of its value-adding business model: a human touch and technology. The Group offers businesses around the world its know-how in human resource management, management of dedicated customer experience infrastructures as well as high-performance technology ensuring quality, security and reliability.

* *A description of the operation can be found in the 2018 Registration Document, under section 1.1.2.2.3 Acquisition of Intelenet and creation of Teleperformance D.I.B.S.*

1.1.2.1 Core services & D.I.B.S.

2019 key figures

	Perimeter of activity	Revenue *(in millions of euros) – % of total Group revenues*	Total headcount at Dec. 31st, 2019	Number of countries of operations	Client key sectors
Core Services & D.I.B.S.		**4,650 (87%)**	**318,948**	**55**	**All sectors**
Linguistic regions	EWAP	1,715 (32%)	93,654	13	All sectors
	Ibero-LATAM	1,360 (25%)	104,010	13	All sectors
	CEMEA	1,067 (20%)	51,131	28	All sectors
	India & Middle East*	508 (10%)	70,153	6	All sectors

* *Ex-Intelenet activities.*

Core Services & D.I.B.S. cover a broad service offering primarily comprising technical support, customer care, customer acquisition (sales), back-office and business process consulting services.

Core Services & D.I.B.S. break down into four broad linguistic regions:

- English-speaking and Asia-Pacific (EWAP);
- Ibero-LATAM;
- Continental Europe, Middle East and Africa (CEMEA);
- India & the Middle East, including former Intelenet activities, acquired in October 2018.

Teleperformance's Core Services & D.I.B.S. provides an omnichannel offering including management of all channels that consumers or people use to contact firms and government agencies, whether by voice (*i.e.* phone, video and face-to-face) or non-voice (*i.e.* chat, email and social media) services. These integrated services are backed by both global quality standards and state-of-the-art IT systems.

Despite falling in 2019 (78% *vs* 84% of revenues in 2018), a large portion of the Group's Core Services & D.I.B.S. revenues are generated by handling calls from consumers or people seeking information.

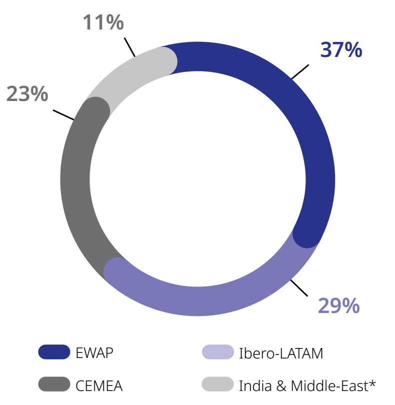
Following the October 2018 Intelenet acquisition, the contribution of "non-voice" services (such as business process management, operational advisory services and chat and email solutions) increased sharply in 2019 to 14% of the revenue of the Core Services & D.I.B.S. activities, compared to 9% in 2018.

Management of outbound calls, a smaller Group business, that was flat at 6% of revenues, largely comprises customer acquisition (sales) services.

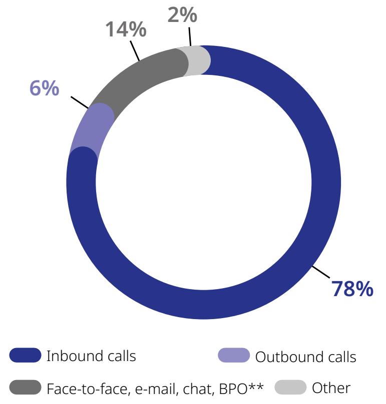
The Group draws on its global network to cover a larger number of markets from domestic, multi-lingual, nearshore or offshore operating centers.

Breakdown of Core Services & D.I.B.S. revenue (2019)

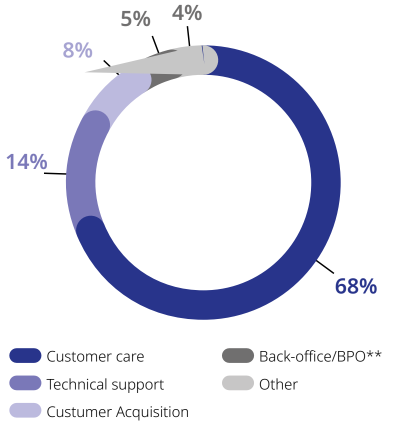
By linguistic region



By contact type



By service type



* *Ex-Intelenet activities.*
** *BPO: Business Process Outsourcing.*

Details of main service type

Service type	Description of services and solutions
Customer relations	• 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 • Social media assistance • New specific e-services, such as online gaming assistance
Technical support	• Corrective action procedure management and co-ordination • Customer assistance during the installation of products (e.g. equipment, software and networks) and applications (operating systems, databases and programming environments) as well as post-installation assistance (BtoC) • Assistance installing, operating and repairing networks, and setting up firewalls and data distribution (BtoB) Teleperformance provides several levels of support: • Level 1 – solutions to standard problems • Level 2 – solving complex problems by phone, through remote systems access, or on site • Level 3 – high level assistance for one-off and critical cases
Customer acquisition (sales)	• Generating leads and scheduling appointments • Data verification services • Cross-selling and up-selling • Loyalty campaigns • Surveys and programs to attract customers • Customer account management
Back-office services	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: • Dedicated solutions specific to each client sector (e.g: data processing for financial services during the bank loan process) • Outsourced payroll and workforce management • Payment procedures/client order processing • Fraud risk management • Order and account management • Invoicing and refunds • Coding • New e-services, such as social media content moderation
Knowledge services*	• Operational consulting/evaluation – optimization procedures – implementation of a global transformation program • Development of predictive models based on interactions with consumers • Automated solutions & Artificial intelligence

* *2019 merger of Praxidia and Intelenet's knowledge services, acquired in October 2018.*

1.1.2.2 Specialized Services

2019 key figures

	Perimeter of activity	Total headcount at Dec. 31st, 2019	Number of countries of operations	Client key sectors
Specialized Services		12,053	53	All sectors
Main companies	LanguageLine Solutions (LLS)	6,200*	17	Healthcare Government agencies Banking and insurance Telecommunications
	TLScontact	1,738	40**	Government agencies/ Authorities
	AllianceOne Receivables Management (ARM)	4,088	3	Financial services Government agencies Telecommunications

* *Excluding external interpreters under LLS contracts.*
** *TLScontact visa application centers.*

2019 Specialized Services revenues amounted to €639 million and accounted for 13% of total Group revenues. The Group does not disclose revenues by company.

LanguageLine Solutions (LLS)

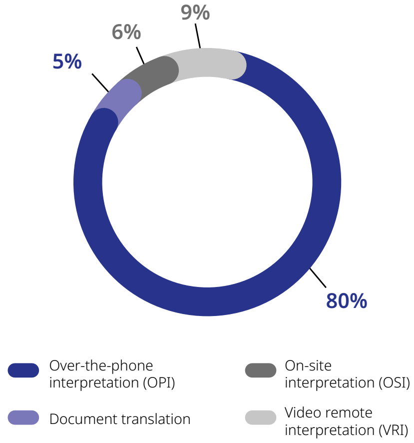
Founded in 1982 and acquired by Teleperformance in September 2016, LanguageLine Solutions is the leading provider of over-the-phone and video interpreting solutions in North America, serving a range of companies and institutions in the healthcare, insurance, financial services, telecommunications and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

LLS provides essential services to a wide range of clients in sectors where Teleperformance already has a strong presence with its Core Services & D.I.B.S. activities. In 2019, LLS delivered services in more than 240 languages to 30,000 customers in the United States, Canada and the UK, backed by an efficient, top-class network of 10,900 employed and freelance interpreters.

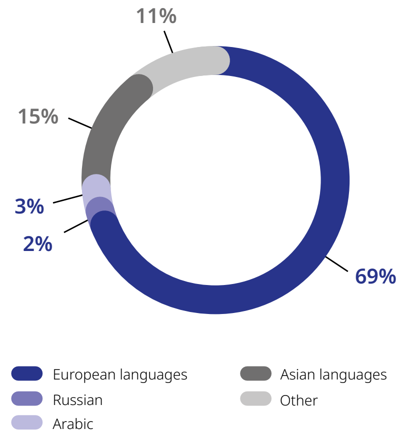
Details of main service type

Service type	Description of services and solutions
Over-the-phone interpreting (OPI)	• 24/7, year-round fast access to top-class interpreters covering more than 240 languages
Video remote interpreting (VRI)	• Direct face-to-face interaction thanks to dedicated equipment or mobile platforms that improve the communication experience, due to visual cues and body language • Specially suited for groups and young children
On-site interpreting (OSI)	• Required for more complex interactions regarding confidential issues • Or 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

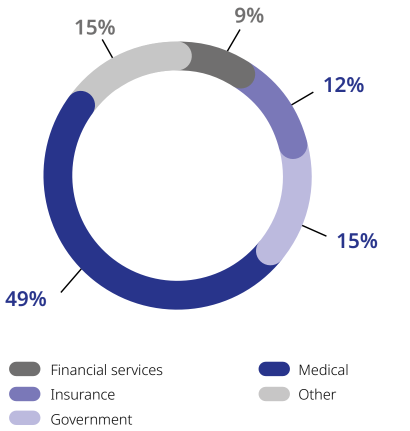
Breakdown of LanguageLine Solutions revenue by language service type (2019)



Breakdown of LanguageLine Solutions workforce by language (2019)



Breakdown of LanguageLine solutions revenue by client sector (2019)



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 10,900 LLS interpreters are currently spread across 17 countries. 6,200 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 nearly 80% of all interpreters working for the firm.

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

Synergies with other Teleperformance Group business activities: development of offshore

In 2017, the first synergies between Teleperformance's Core Services & D.I.B.S. and LanguageLine Solutions were developed in the hiring business. In 2019, there were close to 1,400 employed interpreters (double 2018) working at Teleperformance sites, serving the North American market in Arabic, Spanish, Italian, Portuguese and Russian. These interpreters have external employee status at Teleperformance (affiliates). This development can be explained by the Group's significant presence in Egypt, Colombia, Albania, Portugal, Lithuania and Dubai. These synergies have a positive impact on LanguageLine Solutions' business growth and earnings.

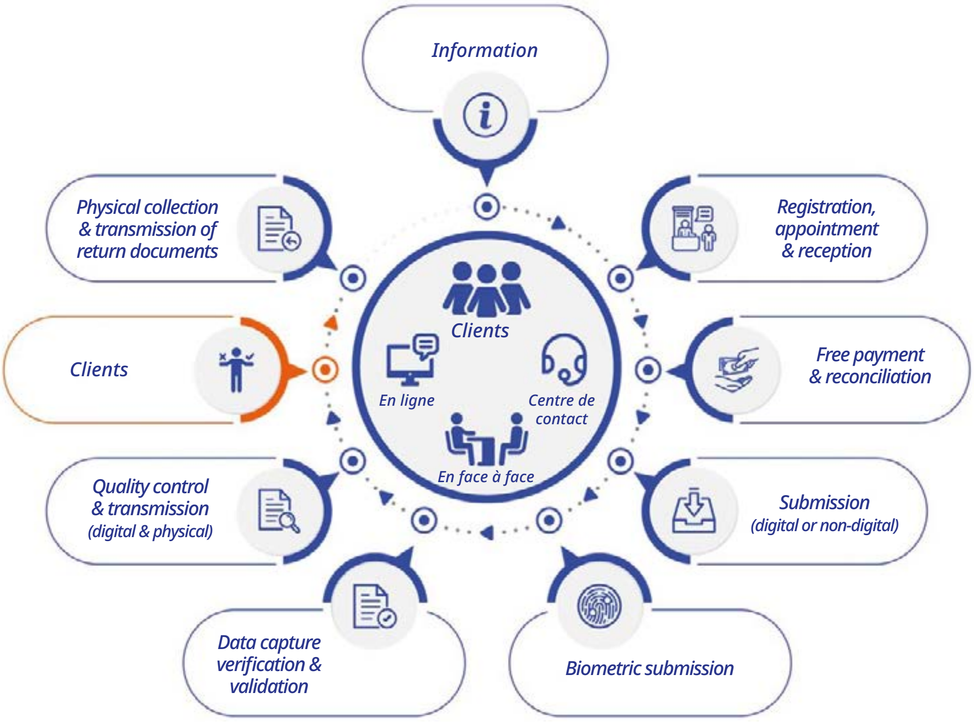
Teleperformance aims to progressively develop LLS' business on all markets and generate synergies between its various activities.

1

TLScontact

TLScontact is a major player in the global outsourced visa application management and consulate services 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.

Description of the visa issuance procedure



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 been multiplied by nearly 50 since its creation in 2009. Its success can be attributed to state-of-the-art technology such as biometrics and digitalization 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.

The company operates from 150 locations throughout Europe, Asia and Africa, handling over 4 million visa applications per year, for 13 countries:

- in the Schengen area: France, Switzerland, Italy, Germany, Denmark, the Netherlands, Hungary, Belgium, Portugal;
- in Commonwealth countries: UK;
- and countries with specific regulations: Israel, 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.).

The outsourcing market continues to evolve with new governments signing up, 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 driving licenses.

Changes in the geo-political and geo-economic landscape in certain regions (*e.g.* Brexit, Middle East conflicts, 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 around 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.

1.1.3 Group markets

1.1.3.1 Core Services & D.I.B.S. markets

Teleperformance's 2018 acquisition of Intelenet significantly expanded its market. In addition to outsourced customer experience management, this now covers business process management and consulting, specifically in human resources, finance and accounting, and sector-specific solutions.

The total market for business services (or business process management) with high technological content (automation and artificial intelligence) covered by Teleperformance is worth 4 to 6 times more than the Group's core market, where it is still the worldwide leader.

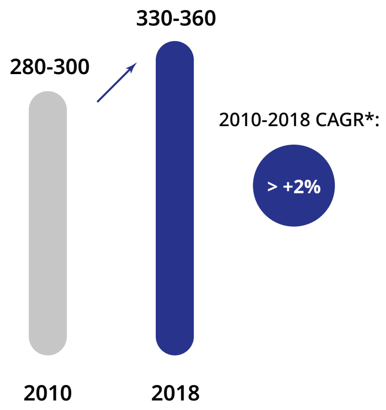
1.1.3.1.1 Customer experience management market

In 2018, customer experience management represented a worldwide market worth around US$330-360 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, thanks in particular to:

- a rapid adoption of mobile devices like smartphones and tablets, allowing consumers/users to instantly connect with brands and get immediate answers;
- a surge in "non-voice" contact channels (email, SMS, social media and chat) which generate double-digit annual growth. Phone calls remain the main channel by far, albeit with slower growth;
- an ongoing expansion of new on-line services designed to assist consumers and citizens in their daily lives, such as IoT or cloud services, are creating new needs in a variety of client sectors such as retail, hotels and leisure.

The market mainly comprises customer care, technical support and customer acquisition (sales).

Customer experience management global market size and trends (2010-2018) *(in billions of US dollars)*

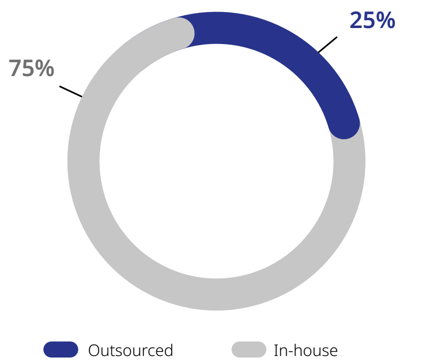


Source: Everest (2019).
* *Compound Annual Growth Rate.*

The outsourcing rate remains limited. The outsourced market grows at around 4% per year. According to Everest, 25% of the market is outsourced, representing around US$86 billion in 2018, and is expected to grow 3.5% per year between 2018-2021. The outsourcing rate is up compared to 2010 (22%). HFS Research estimates this market at US$60 billion in 2018, up 4.3% per year between 2018-2021.

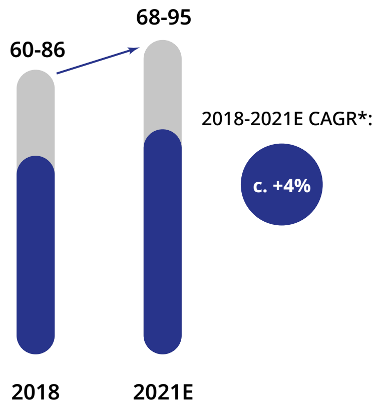
The ability of specialized outsourcing companies to improve the customer experience in an increasingly complex and uncertain omnichannel and digital environment (individual safety and security, data and systems security) explains the steady increase in the outsourcing rate.

Customer experience management global market outsourcing rate in 2018



Source: Everest (2019).

Size and evolution of the outsourced customer experience management market (2018-2021E)
(in billions of US dollars)

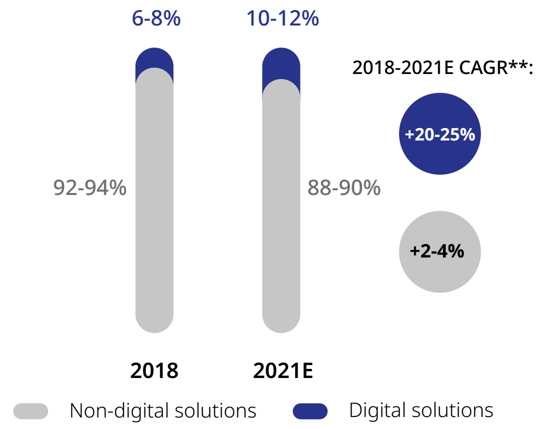


Source: HFS (2019) for low-end estimates and Everest (2019) for high-end estimates.
* *Compound Annual Growth Rate.*

The growth of this market is being driven by the rapid development of digital solutions based on machine learning, robotic solutions, chatbots and artificial intelligence.

From 2018 to 2021, Everest estimated the average growth rate of this market at 20-25% per year, compared to just 2-4% for the "traditional" market (management of phone interactions, for example). Digital solutions should represent around 10 to 12% of the outsourced customer experience market by 2021, up from 6-8% in 2018.

Digital solutions share of outsourced customer experience management market (2018-2021E)



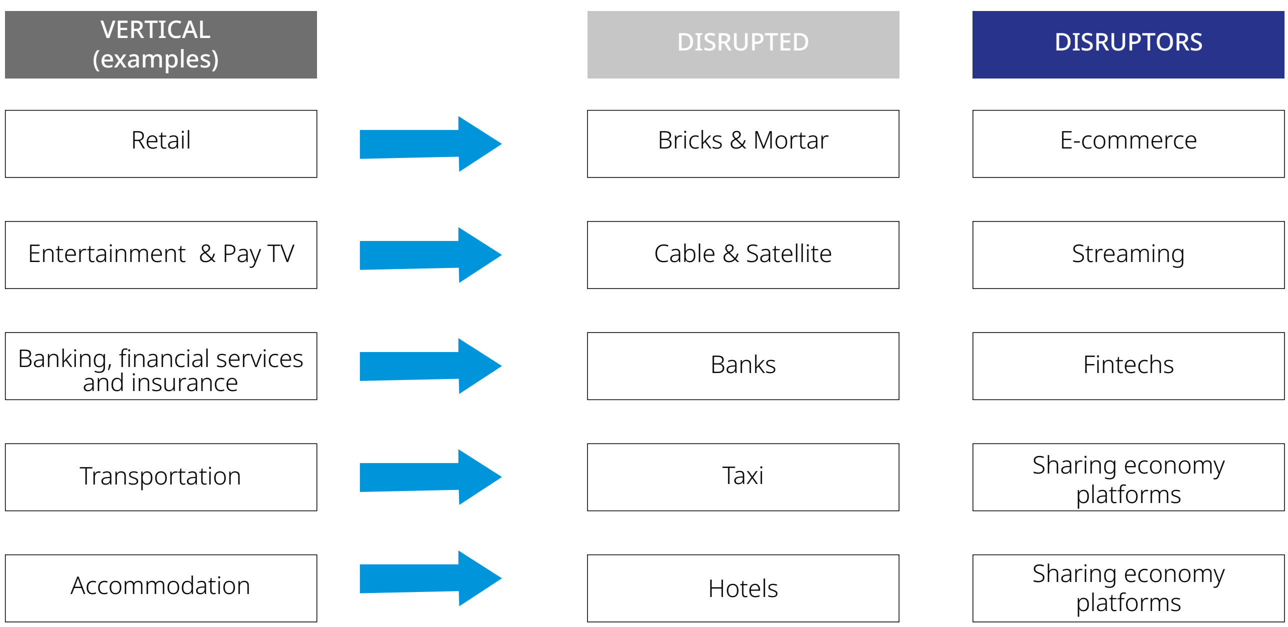
Source: Everest (2019).
* *Machine learning, robotic solutions, chatbots and artificial intelligence.*
** *Compound Annual Growth Rate.*

1.1.3.1.2 Business process management (or "business services") market

In order to fully meet client demand for more integrated and complex services, Teleperformance Group is expanding into new markets. With the October 2018 acquisition of Intelenet, a major player in business process management, the Group is broadening its scope of activities and development market.

The market's complexity and expansion is the result of its digitalization, with the emergence of two categories of clients: the disruptors and the disrupted companies. The first are "digital" companies that develop online activities, such as GAFA (Google Amazon Facebook Apple), often multinationals, which require support from companies with expertise in omnichannel integrated customer experience management worldwide. They aim at reducing the "frictions" of the real world. The second category belongs to the traditional economic environment ("legacy" clients) seeking to minimize their operating costs by implementing automated, end-to-end solutions.

Dualisation of market demand as a result of digitalization

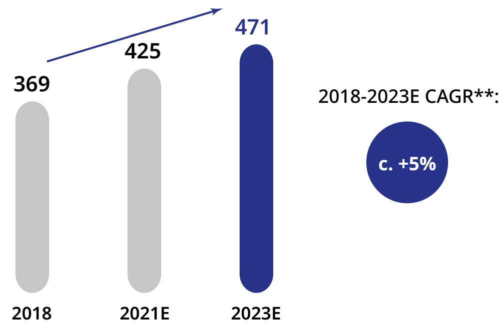


The business process management global market (or "business services market"), corresponding to Teleperformance's Core Services & D.I.B.S., was worth US$369 billion in 2018.

It covers industry-specific integrated business process management services (healthcare, banks, travel agencies) and support functions (customer experience, human resources, finance and accounting, etc.).

The business process management market is worth four to six times more than the outsourced customer experience management market, and is growing slightly faster than the Group's core market.

Size and evolution of business services* market (2018-2023E) *(in billions of US dollars)*



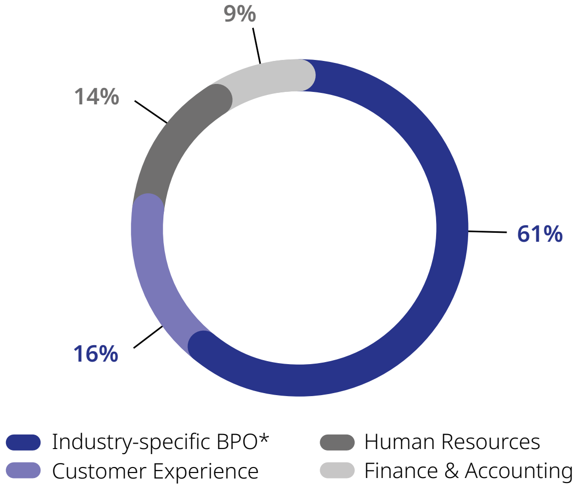
Source: HFS Research (2019).
* *Human resources, finance and accounting, sector-specific business processes, and outsourced customer experience management.*
** *Compound Annual Growth Rate.*

HFS Research estimates annual growth in the value of this market at approximately 5% between 2018E-2023E. This growth is mainly driven by new demand from companies and government agencies for process automation, and growing needs for global, end-to-end digital transformation solutions.

The current boom in customer interactions as well as the constant drive to improve quality and achieve greater process efficiency underpins this growth.

Segment-specific business process management is the largest source of market demand and accounts for 61% of volumes.

2018 breakdown of the business process management market by business line



Source: HFS Research.
* *BPO: Business Process Outsourcing.*

This market excludes visa application management and online interpreting services, which are included in the Group's Specialized Services (see section 1.1.3.3 *Specialized Services market and competition*).

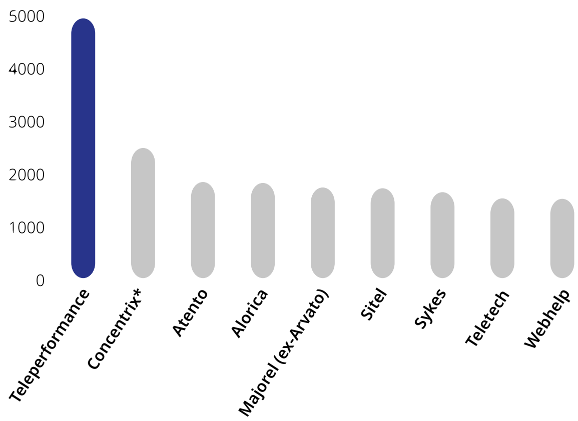
1.1.3.2 Core Services & D.I.B.S. competitive environment

1.1.3.2.1 Direct outsourced customer experience management competitors

Teleperformance is the global leader in outsourced customer experience management.

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

2018 ranking of the global top ten outsourced customer experience management market firms by revenue
(in billions of US dollars)



Source: HFS Research.
* *Merged with Convergys as part of Synnex group; Concentrix 2018 revenues include Convergys revenues from Q4 2018.*

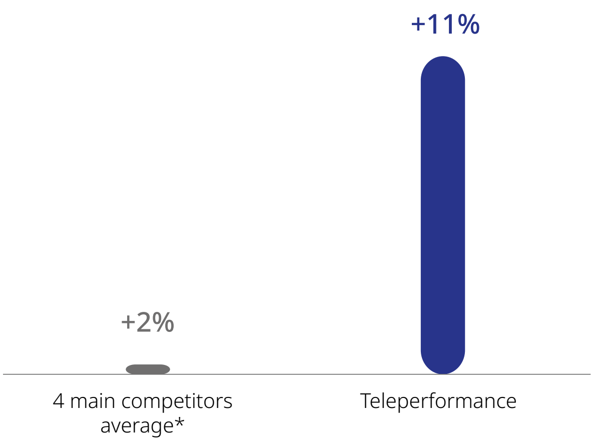
2019E ranking of the global top 10 outsourced customer experience management market firms by number of countries of operations

#	Competitors	Countries
1	Teleperformance	80
2	Concentrix *	40
3	Webhelp	36
4	Majorel **	28
5	Sitel	27
6	Sykes	23
7	Transcom	20
8	Sutherland	16
9	TTEC	16
10	Alorica	14

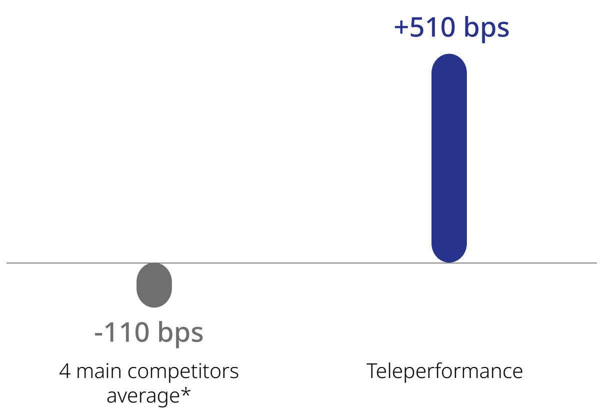
Source: Group and corporate data.
* *Merged with Convergys as part of Synnex group; Concentrix 2018 revenues include Convergys revenues from Q4 2018.*
** *Ex-Arvato.*

Financial results of direct competitors (2011-2018)

Revenue growth (2011-2018 CAGR**)



EBIT margin evolution (2011-2018)



* *Sample includes: Atento, Convergys, Sykes and Teletech; data covers the 2011-2017 period for Convergys, before it was merged with Concentrix into the Synnex Group.*
** *Compound Annual Growth Rate.*
Source: Company annual reports.

Today's customer experience management market is globalized, omnichannel, increasingly digital and complex, particularly in the field of security. It is also marked by the emergence of alternative solutions from market newcomers using disruptive technologies such as artificial intelligence and automation.

In this fast-changing, demanding environment, the sector's ongoing trend towards consolidation is expected to continue over the coming years, with:

- acquiring companies seeking both critical mass and new expertise, technologies and business lines, so they can develop global Digital Integrated Business Services offering the highest potential for profitable growth;
- financially distressed companies and/or lacking a robust strategy, that do not have the funds either to compete or grow without help from an operational or financial partner.

2018-2019 main M&A transactions in the customer experience management market

Date	Country	Type	Target	Buyer	Revenue acquired
December 2019	USA - Germany	Acquisition	CCC	Telus	$450M (2019E)
September 2019	Brazil	Acquisition	Chain Serviços and Contact Center	Almaviva Do Brasil	Undisclosed
July 2019	France	61% stake acquisition	Webhelp Group	Group BBL	€1.5B (2019E)
April 2019	Sweden - Germany	Partnership	ASA Informationsdienste GmbH	Transcom	Undisclosed
March 2019	Sweden - Germany	Acquisition	TMS connected!	Transcom TopCo AB	Undisclosed
March 2019	Italy	Acquisition	PayCare	Comdata	Undisclosed
January 2019	Italy - Spain	Acquisition	Grupo GSS	Covisian	Undisclosed
January 2019	Germany - Morocco	JV : 50% Saham + 50% Bertelsmann	Arvato CRM (excl. actvities in France)	Saham Group	Combined revenues of €1.2B
July 2018	Czech Republic	Acquisition	Comgate	Comdata	Non disclosed
July 2018	USA	JV: 55% Aegis + 45% Startek	Aegis + Startek business	CSP	Combined revenue of $700M
June 2018	USA	Acquisition	Convergys	Concentrix (Synnex)	$2.7B
June 2018	France - Germany	Acquisition	Sellbytel	Webhelp	Non disclosed but target combined Revenue of: €1.3B (EOY 2018)
May 2018	France - Latvia	Acquisition: majority of the share capital	Runway BPO	Webhelp	Undisclosed
April 2018	Italy - Albania	Acquisition: 85% Comdata	CC Tirana	Comdata	Non disclosed
April 2018	Italy - France	Acquisition	CCA International	Comdata	€164M

1.1.3.2.2 Enlarged competition to consulting and IT service companies in the business process management market

Given the growing complexity of the outsourced customer experience management markets and the changing needs of increasingly integrated customers (digital and automated end-to-end solutions), Teleperformance's competitive environment is broadening and diversifying.

The boundaries of this competitive environment are also becoming vaguer. New firms are emerging in the customer experience management market, including technology service companies or information technology outsourcer (ITO), business process management consulting firms and back-office service specialists (BPO).

The boundaries are now less clear-cut between various business process management market segments (see Group markets below), with multi-disciplinary firms pitching themselves as "global business service partners". These new competitors also stand out from most traditional customer experience management players backed by a strong focus on high value-enhancing services rather than labor cost arbitrage.

Expanding the competitive environment to consulting and business process management firms

Markets	Previously	Today
CCO* services (1)	Direct competitors (CCO*)	Direct competitors (CCO*) ITO/BPO companies** Consulting firms
Back-office services (2)	ITO/BPO companies**	Direct competitors (CCO*) ITO/BPO companies** Consulting firms
Operational consulting/knowledge services (3)	Consulting firms	Direct competitors (CCO*) ITO/BPO companies** Consulting firms
D.I.B.S = (1) + (2) + (3)	N/A	Direct competitors (CCO*) ITO/BPO companies** Consulting firms

* *Contact Center Outsourcing.*
** *IT Outsourcing/Business Process Outsourcing.*

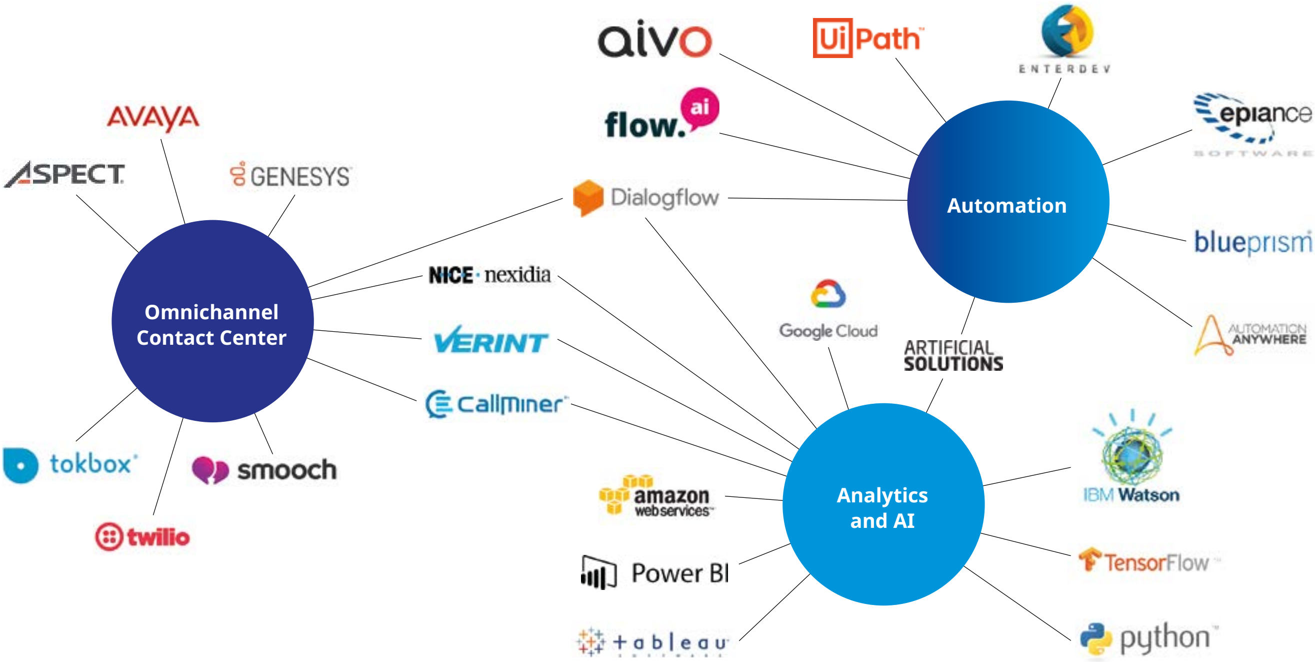
An expanding competitive environment: examples

Direct competitors (CCO)	ITO/BPO companies*	Consulting Firms
Atento Concentrix/Convergys (Synnex group) Sykes Teletech Webhelp	Cognizant EXL Genpact Infosys Tata Consultory Services Wipro WNS	Accenture Cap Gemini

* *IT Outsourcing/Business Process Outsourcing.*

Suppliers of integrated technological solutions (Software as a Service/Cloud as a Service/Workflow management/CRM, etc.) in omnichannel and automated systems, and using artificial intelligence generally do not compete with Teleperformance. They more often take on roles as expert partners, involved in the development of integrated global digital, omnichannel, multilingual and multi-market offerings. Teleperformance takes a pragmatic approach to its partnerships: it is either a Group initiative if its proprietary solutions are not suitable, or is based on client specifications.

New ecosystem of high-tech expert partners



1.1.3.3 Specialized Services market and competition

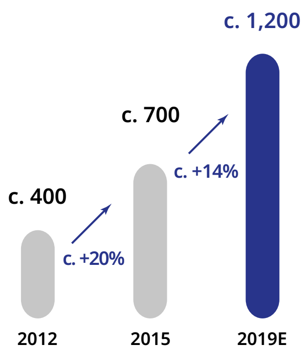
1.1.3.3.1 Online interpreting services

Online interpreting services include telephone and video 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$2.9 billion in 2019, *i.e.* 6% of the total language services market, estimated at nearly US$50 billion. The United States accounted for some 40% of the worldwide over-the-phone interpreting market.

The US over-the-phone and video remote interpreting markets were worth more than US$1,200 million in 2019.

2012-2019E US over-the-phone and video remote interpreting market trends *(in millions of US dollars)*



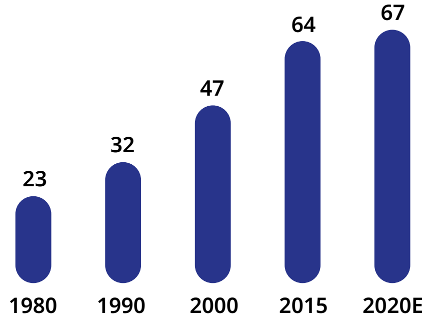
Source: Common Sense Advisory.

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

- latest technologies and functionalities enabling a broader application of language solutions;
- organizations focusing on their core business, leading to them outsourcing interpreting services;
- growing regulatory requirements in key sectors (health, insurance, etc.) continues to generate client demand;
- only half of immigrants, who are estimated to account for nearly 90 percent of U.S. population growth by 2065, are fluent in English (Source: Pew Research Center U.S.).

The number of US residents who speak a language other than English at home is expected to continue to grow steadily to around 67 million by 2020, or 20% of the total population.

Increase in US residents who speak a language other than English at home *(in millions of people)*



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

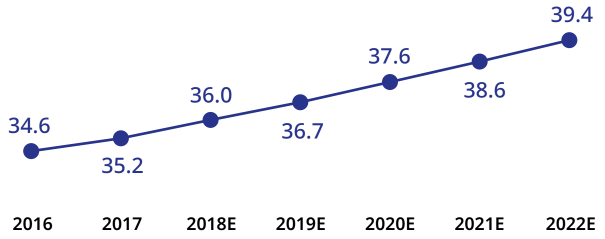
LanguageLine Solutions is the leading provider of telephone and video interpreting solutions in North America, serving a range of companies and institutions in the healthcare, insurance, financial services, telecommunications and public sectors.

In the US over-the-phone market, LanguageLine Solutions is four times bigger than its main competitor, Cyracom.

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.

2013-2022E change in number of visa applications for the Schengen zone and English-speaking countries
(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.

TLScontact's main rival is market-leader VFS.

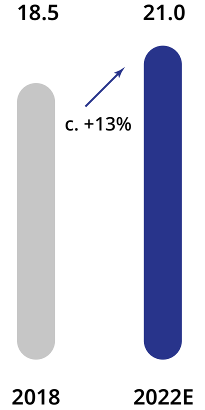
The outsourced visa application management market will continue to grow, underpinned by the following trends:

- ongoing increase in the number of international tourists, estimated at around 3% over the next decade (according to World Tourism Organization forecasts);
- governments' permanent need to minimize expenditure 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 Debt collection services in the United States

Kaulkin & Ginsberg estimated the US outsourced debt collection market at US$18.5 billion in 2019. The average annual growth rate is expected to exceed +3% between 2018 and 2022.

US outsourced debt collection market trends (2018-2022E) *(in billions of US dollars)*



Sources: Kaulkin & Ginsberg.

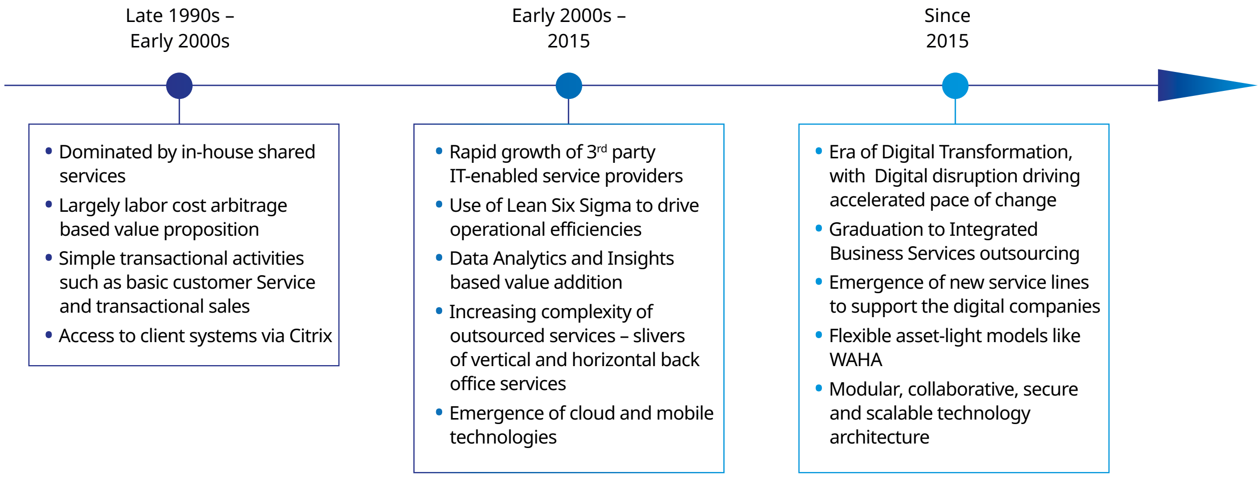
1.1.4 Group strategy

1.1.4.1 Transformation

Over the last few years, Teleperformance has successfully transformed itself. Today, by anticipating and adapting to major changes in the global business services market, the Group stepped up its transformation *via* the Intelenet acquisition and late 2018 launch of D.I.B.S. (Digital Integrated Business Services), enabling it to expand its services offering.

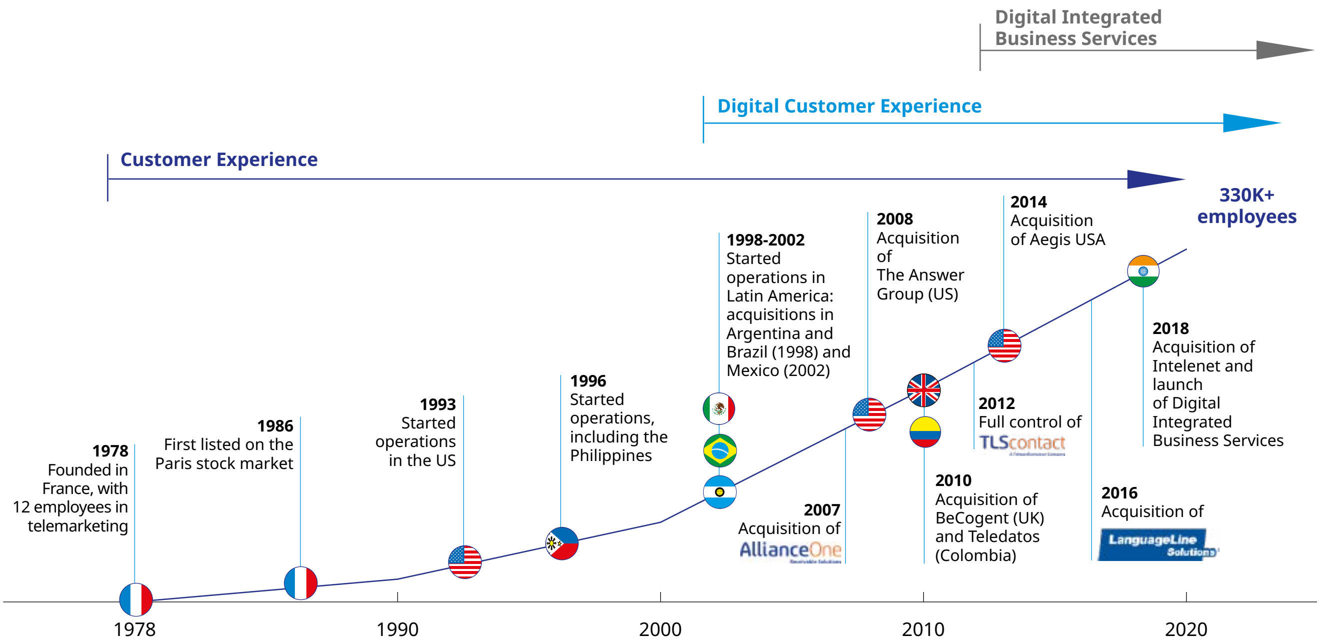
It also diversified its activities and revenue streams from its high value-added services, which combine strong organic growth with improved profit margins.

2000-2020 milestones in the evolution of the global business services* market



* *Business Process Management.*

1990-2020 milestones in Teleperformance's transformation



The Intelenet acquisition, finalized October 4th, 2018, made it possible to step up Teleperformance's transformation into a leading global group in digitally integrated business services, and so take advantage of the Group's changing market environment.

Founded in 2000 and headquartered in Mumbai India, Intelenet was 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 its acquisition, Intelenet had over 110 blue-chip clients, mainly in English-speaking countries, India and the Middle East.

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

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

- the company delivers proprietary solutions designed by multi-skilled consultants including 600-plus highly-qualified engineers and expert business and procedure consultants;
- digital integration underpinned by robotic process automation;
- best-in-class operations with nearly 60,000 employees working at 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 have significantly strengthened Teleperformance's offering;
- Intelenet's leading position in India has also helped consolidate the Group's presence on this growing market;
- Intelenet's expertise in a wide range of sectors has enabled Teleperformance to continue diversifying its global client base.

This acquisition was a major step towards the successful implementation of Teleperformance's medium-term strategic plan, with the launch of D.I.B.S. (Digital Integrated Business Services).

1.1.4.2 2022 strategic plan and objectives: step up value-enhancing transformation

1.1.4.2.1 Driving forward the transformation strategy over the next three years

This strategy is designed to create value through robust, sustainable and profitable growth in the Group's operations based on organic growth and targeted acquisitions.

A favorable environment

Teleperformance's transformation underpins its three-year strategic plan to seize opportunities on a high-growth market tapping into four decades of experience. It is also based on the trust and reputation built up among a broad range of blue-chip multinational companies.

- **Expand the Group's market** – a business process management global market worth four to six times more than the outsourced customer experience management market, which is Teleperformance's core business;
- **The customer experience management market still has considerable further outsourcing potential** – 75% of services still managed by companies and government agencies themselves (according to specialist firm Everest);
- **the digital revolution has created both an increase in transactions** and new business sectors that didn't exist a few years ago (*e.g.* content moderation, online sales, chat sales and services);
- **Teleperformance is well-positioned with its high-tech, high-touch global integrated offering,** alongside market newcomers primarily focusing on high-tech, and traditional customer experience management competitors, some of whom do not have sufficient expertise or funds to strengthen their offering and pursue growth.

A strategy founded on sustained organic growth

In 2019, the Group stepped up the global roll-out of its digital solutions (omnichannel offering, TAP™ solutions, predictive models, automation and process), involving a team of 600 dedicated engineers, a key differentiating factor.

The Group launched new initiatives and optimized its organizational structure to ensure the success of this transformation and make things simpler, faster, safer and more efficient for its clients:

- **review the Go-To-Market strategy** based on a three-pronged approach covering "lines of business/specific client activities/digital platforms";
- **ongoing expansion to new regions around the world** that offer strong potential for serving clients and winning new ones, notably in Japan and through projects to expand operations in Africa over the next two years;
- launch of key projects that are part of the **high-tech, high-touch** strategy, including new investments in information systems security (cybersecurity) and the deployment of the Lean Six Sigma operational discipline for all Group managers;
- **strengthen management** with the appointment of Bhupender Singh as President of Transformation, reporting directly to the Chief Executive Officer, the appointment of Agustin Grisanti, Ibero-LATAM and CEMEA regions Chief Operating Officer, as well as the creation of a 21-person Management committee, agile, expert and incorporating 24% of women.

A strategy including 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 furthered the Group's transformation plan (see above).

Via targeted acquisitions, Teleperformance is gradually positioning itself as a global leader in high-end, digital, automated and integrated business services.

1.1.4.2.2 2022 targets

Between 2020 and 2022, backed by its global sales approach, a market positioning increasingly centered around digital transformation solutions, and its strengthened management, Teleperformance strives to grow revenues faster than the average in its market (around 4% per year).

The Group aims to report revenues of at least €6.5 billion by 2022 excluding acquisitions, with average like-for-like growth of at least 7% per year.

Meanwhile, the Group plans to pursue targeted acquisitions under its strategy to ramp up its service offering, particularly in Specialized Services, with additional revenues of between €250 and €500 million over the next three years.

In total, the Group seeks to post full-year revenues of around €7 billion by 2022.

Ramping up Teleperformance's transformation into a leading global group in digitally integrated business services while keeping a tight lid on costs and pursuing a selective new client strategy, will mean the Group can grow its average EBITA margin by at least 10 basis points per year over the 2020-2022 period.

The Group also plans to continue generating a strong level of net free cash flow.

1.1.4.3 Teleperformance's strategic strengths for achieving its targets

1.1.4.3.1 40+ years managing the customer experience: global and multicultural leadership

A broad geographical and linguistic scope

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

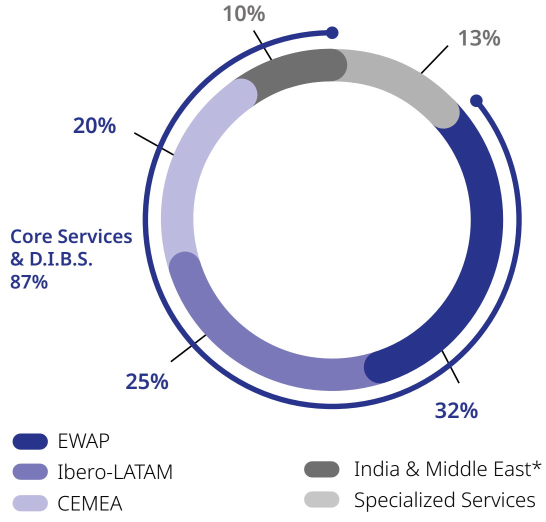
With operations in 80 countries, the Group covers over 170 markets in over 265 languages and dialects on behalf of 1,000 clients, mainly big multinationals operating in various sectors.

This global presence and these capabilities are a real asset for multinational groups seeking the same standards of quality, safety and efficiency in the rapid roll-out of complex, integrated and global solutions all over the world, whatever the market. These global accounts represent almost 50% of the Group's Core Services & D.I.B.S. revenues.

The Group has a stable and buoyant corporate client base around the world. The revenue breakdown per region and the Group's total workforce in Core Services & D.I.B.S. reflect its world market leadership in its core business.

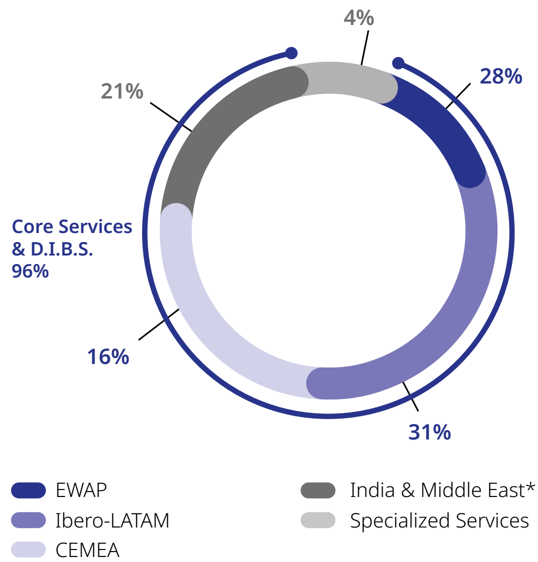
The breakdown of operating countries is presented in section 1.1.6.2 *Operational organization chart*.

Breakdown of revenue by business and linguistic region (2019)



** Ex-Intelenet activities.*

Breakdown of total workforce at December 31st, 2019 by business and linguistic region



** Ex-Intelenet activities.*

Total headcount of the Group's top 10 countries at December 31st, 2019

Countries	Total headcount
India	68,645
Philippines	47,802
United States	34,434
Colombia	26,308
Brazil	22,932
Mexico	21,256
Portugal	10,449
Greece	8,200
Tunisia	7,583
El Salvador	6,732

A global offering of operational "Smart-Shoring" solutions

Backed by a global integrated domestic multilingual, nearshore and offshore network of operations in 33 countries, Teleperformance offers a unique range of smart-shoring solutions worldwide in all languages, tailored to all customer needs and constraints. The Group also delivers telework solutions.

Breakdown of Core Services & D.I.B.S. revenue by program type

(% of annual revenue)	2019	2018	2017
Domestic	54%	57%	60%
Nearshore/offshore/multilingual	46%	43%	40%

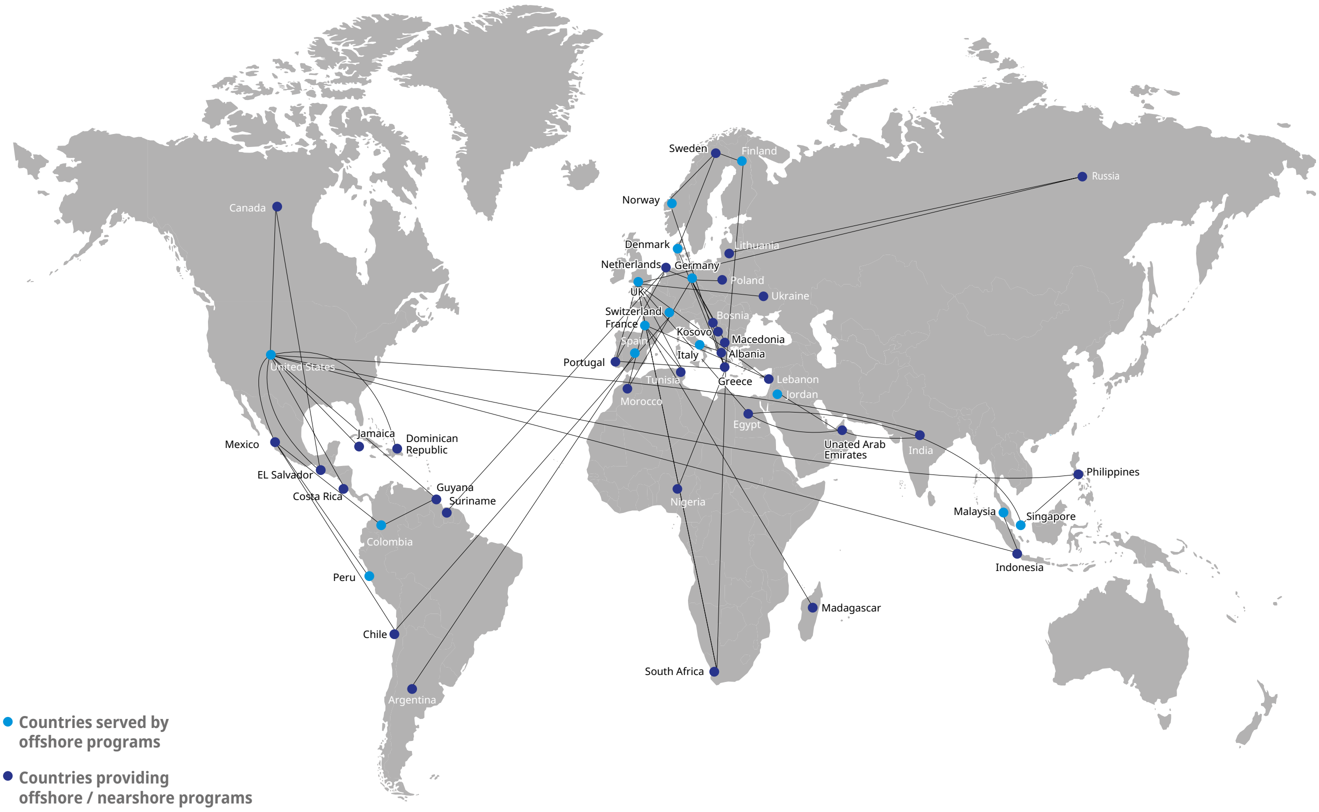
Domestic, offshore and nearshore solutions

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

Benefits offered by program type

Domestic	Nearshore	Offshore
• No cultural differences • Same language and time zone • Proximity of operations • Same regulations	• Geographic proximity • Cultural proximity • Easier travel • Less expensive communications	• Cost-effective operations • Highly skilled agents • Select the most culturally close locations

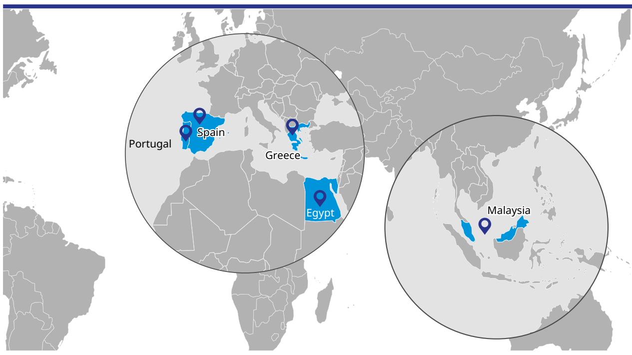
Map of offshore/nearshore Group locations and main markets covered



Multilingual hubs

Teleperformance also operates multilingual hubs delivering optimal customer experience management multi-channel solutions to big multinationals. These hubs house staff from around the world, who work together on Pan-European and Pan-Asian multilingual programs.

A genuinely differentiating factor, Teleperformance's multilingual offering is assured in 5 countries serving 140 markets, in more than 40 different languages primarily located in Portugal, Spain, Greece, Egypt and Malaysia. Criteria applied to selecting these locations are very exacting. Hubs should be set up in appealing, stable cities with an educated, multicultural population.



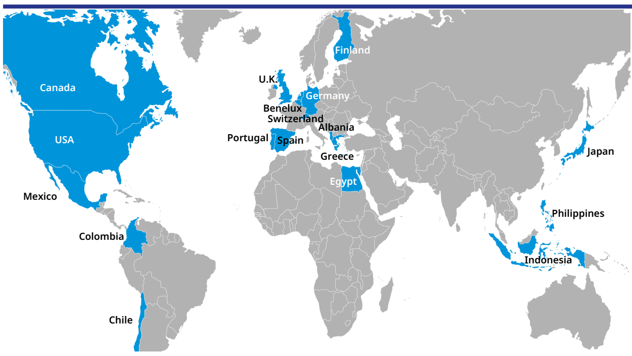
Solution features:

- Operations centralized in strategic locations best suited to providing an efficient and quality service
- Consolidated data management, standardized and consistent omnichannel and multi-lingual processes involving multiple markets
- Nimble HR practices during start-up phase and in emergency
- Agents native to countries where they work ensuring effective communication with end-users
- Sites regularly certified Great Place to Work

Work At Home

Teleperformance employs close to 10,000 people (excluding outsourced and freelance interpreters employed by LanguageLine Solutions) who work from home in 18 countries. Numbers of home-working staff, albeit a small proportion of total Group headcount, are rising sharply.

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:



Solution features:

- Access to a global workforce: agents can work from their home location.
- Increased flexibility in the recruitment process and in reacting to seasonality volume spikes
- Improved employee engagement leading to improved employee satisfaction and, in turn, greater customer satisfaction
- Access to agent jobs for people with disabilities

1.1.4.3.2 40+ years managing the customer experience: a diversified client portfolio

With 1,000 clients (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 30,000 (including many individual) clients.

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

This diversification trend continued in 2019 with industries other than telecommunications, internet and pay TV accounting for 83% of Group revenues, up from 60% in 2014.

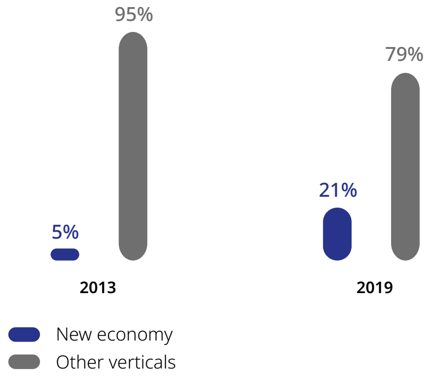
Breakdown of revenue by client business sector

(in % of total revenue)	2019	2018	2017
Telecoms, Internet	12%	14%	14%
Pay TV	5%	6%	7%
"Telecommunications" sector	**17%**	**20%**	**21%**
Healthcare and insurance	16%	13%	14%
Financial services	14%	12%	12%
Technology, consumer electronics, media	11%	14%	14%
Retail, e-commerce	7%	8%	7%
Public sector	6%	7%	7%
Travel agencies, hotels, airlines	6%	6%	6%
Transport and logistics	5%	4%	5%
Media and leisure	4%	2%	2%
Energy	3%	3%	3%
Other	11%	11%	9%
"Non-telecommunications" sector	**83%**	**80%**	**79%**
TOTAL	**100%**	**100%**	**100%**

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

The share of digital economy clients in the Group's 250 top clients' revenue surged from 5% in 2013 to 21% in 2019. 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 250 top clients' revenue



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

	2019	2018	2017
Top client	6%	8%	8%
Top 5	16%	18%	20%
Top 10	26%	28%	30%
Top 20	39%	41%	43%
Top 50	56%	58%	61%
Top 100	68%	72%	75%

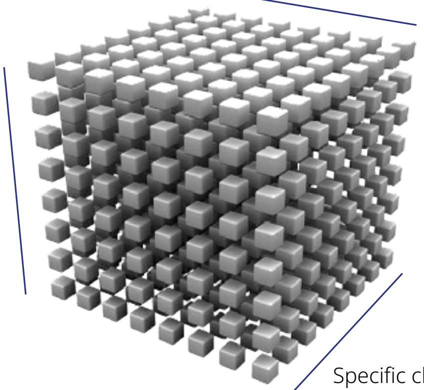
* *Excluding LanguageLine Solutions revenues given the specific nature of LanguageLine Solutions' interpreting business, with 30,000 clients including individual users; this company, a Group subsidiary since September 2016, is not included in the calculation of the concentration rates.*

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 6% of revenues, excluding LanguageLine Solution business. The biggest client accounted for 5.1% of 2019 Group revenues, including LanguageLine Solutions. The concentration of the client base has slightly reduced overall since the previous year.

Moreover, thanks to its unique global foothold, the Group earns almost 50% of its revenues with multinational clients it serves in more than two markets.

1.1.4.3.3 A new Go-to-Market strategy for successful transformation

In 2019, Teleperformance overhauled its "Go-To-Market" product marketing strategy, based on a three-pronged approach covering lines of business, specific client activity and digital platforms. As a result, it can significantly improve its positioning as an expert global business services partner. So the Group can now meet clients' varied needs, depending on their status as a disruptor or a disrupted company.



"One-Office" service offering

The Group now provides clients a global and integrated "One-Office" service offering, divided into three lines of business, each drawing on specific expertise: customer experience, back-office services and knowledge services.

Customer experience	Back-office	Consulting/Knowledge Services
• Customer care • Technical support • Sales • Accounts receivables • Interpretation and translation	• Industry-specific solutions • Finance & accounting • Human resources services • Content moderation • Visa application management and consular services	• Consulting • Advanced analytics • Intelligent automation

Since January 1st, 2019, this services range has been divided into two activities: Core Services & D.I.B.S. and Specialized Services, as presented in the financial breakdown of revenues and operating income.

Specific client activity

The Group's primary client sectors are banking and financial services, transport and logistics, e-commerce and other online activities, healthcare, telecommunications, media and technology, and the public sector.

Digital platforms

- Predictive models and advanced analytics;
- Omnichannel solutions;
- Intelligent automated systems;

Digital solutions are used by agents to deliver an optimized customer experience.

1.1.4.3.4 Backed by a strong high-tech positioning: technologies and dedicated teams

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 Group-wide from 2005. The software helped to standardize operational procedures 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 10,600 interpreters working from home, the right language among over 240 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.

World-class tech solutions in four fields:

- Omnichannel contact center tools;
- Analytics and artificial intelligence tools;
- Automation tools;
- Industry-specific solutions;

Omnichannel contact center tools

Tool	Description	Industries
Teleperformance Client	Omnichannel and workflow mgmt tool	All industries
Teleperformance Observer	Real time floor management and security monitoring	All industries
TP pulse	Real time dashboard with key business metrics	All industries
TP simulation	SW for quick, accurate, effective knowledge transfer	All industries
TP gamification	Platform for reward and gamification on operations floor	All industries

Automation tools

Tool	Description	Industries
TP automation	Optimization RPA / RDA projects with TP methodology	All industries
TP chat bot	Analytics for unstructured data, sentiment analysis	All industries

Analytics and AI tools

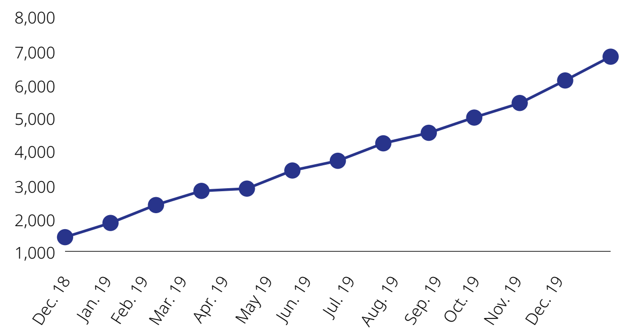
Tool	Description	Industries
TP prompto	Outil d'analyse des données non structurées et des perceptions	All industries
TP insight	Interactive analytics with advanced visualization options	All industries
TP interact	Speech analytics	All industries
TP recommender	Recommends Next Best Alternative products or services	All industries
Social Media solutions	Recommends Next Best Alternative products or services	All industries

Industry specific solutions

Tool	Description	Industries
TP fare	Automates calculating refunds and change charges	Travel (airlines)
TP flow	Workflow for an F&A process end to end mgmt	Financial
TP optify	Automate manual process of medical coding CPT/ICD	Healthcare
TP unify	Unify several applications on one screen with RPA	Banking

Examples of solutions	Description of services and solutions
TP Client (Omnichannel customer experience CRM solution)	Versatile 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 Observer (security solution in omnichannel customer experience)	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.
TP chat bot (automation solutions)	Automated smart service 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.
TP fare (back-office solution tailored to the tourism and air travel sector)	Automated and smart system iFare is a solution designed for the travel and hospitality sector that taps into AI technology for 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.

Development TP chat bot offer*



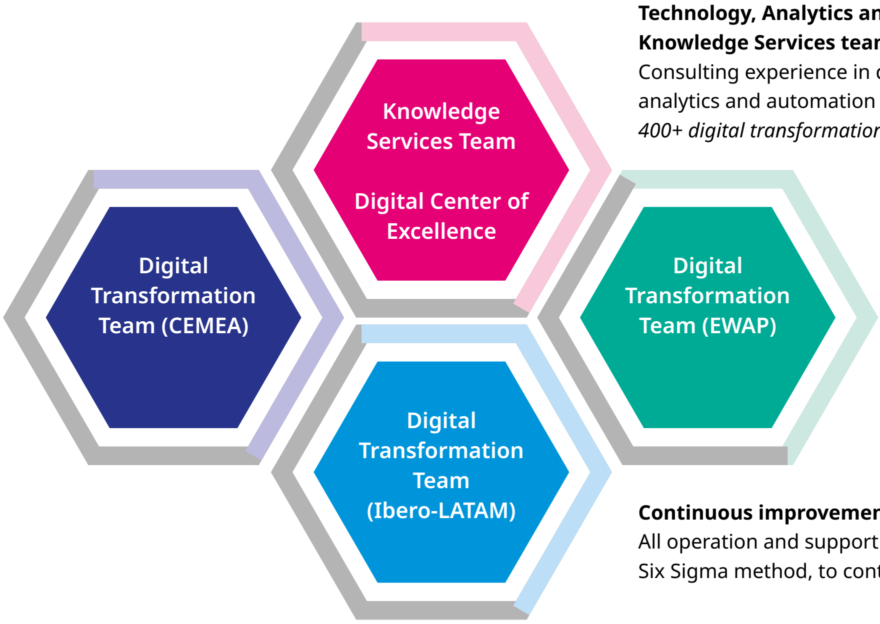
** Nearly 7,000 bots deployed as of 31/12/2019.*

The Technology, Analytics, Process Consulting (T.A.P.™) teams

Following the integration of Intelenet, the Group has formed a new worldwide "Technology, Analytics, Process" (T.A.P.™) unit composed of expert engineers and analysts, who support the Group's operations and sales teams and are tasked with rolling out high value-added digital transformation solutions worldwide. Fields of expertise include predictive models, automation, artificial intelligence and business process consulting.

This high value-added service is delivered by over 600 flexible and responsive staff meeting Group client needs and seeking in turn to improve the clients' customer satisfaction in a dynamic environment while minimizing overheads.

Organization of T.A.P.™ people on three levels



Technology, Analytics and Process (T.A.P.™) – Knowledge Services team
Consulting experience in digital transformation, analytics and automation engagements
400+ digital transformation experts

Technology, Analytics and Process (T.A.P.™) regional teams[1]
Regional teams with expertise in technology, automation, analytics and process optimization
200+ digital transformation experts

Continuous improvement: all at Teleperformance
All operation and support functions are trained on Lean Six Sigma method, to continuously improve performance

Cybersecurity

Like many large B2B and B2C firms, Teleperformance operates in an increasingly high-risk IT security environment. It is marked by a surge in cyber-attacks on IT systems of large companies and government agencies.

In response, in 2019 the Group launched a cybersecurity investment program (Eagle Project), seeking to adopt best practices of the NIST (National Institute of Standards and Technology) that the US government's Department of Commerce set up in 2014.

Teleperformance has established a unit and procedures that aim to ensure complete control over cybersecurity risks (covering prevention, early detection and appropriate responses), thereby becoming a "cyber-resilient" business partner for its clients.

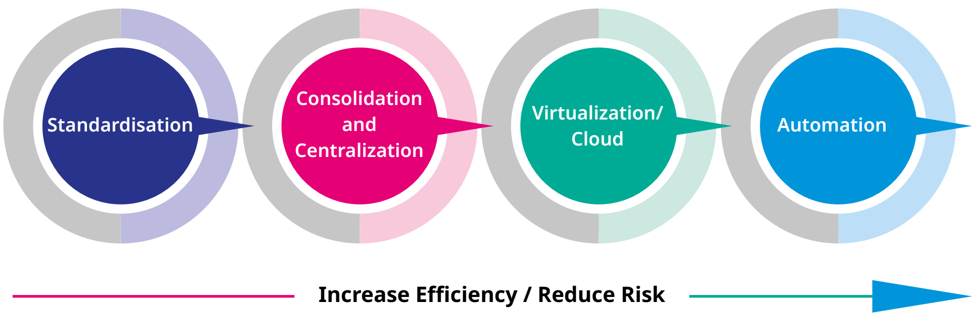
This program is entirely in line with the Group's high-touch, high-tech approach. It involves a high-tech aspect including an IT environment supported by latest tech and a human and procedural aspect including building a genuine corporate culture, regular audits and ad hoc training.

Investments in technology mainly concern the overhaul of the information systems network, ensuring greater segmentation and therefore protection, and rolling out systems to build a more secure cyber-environment. This program includes modernizing and standardizing global Security Operations Centers (SOCs), which will significantly improve cyberattack detection capabilities around the world.

Investment in technology

Prevention/Detection:
- Cloud Access Security Broker (CASB)
- Endpoint Detection and Response (EDR)
- Data Loss Prevention (DLP)

Analytics:
- Firewall and traffic auditing and analytics
- Passive vulnerability scanning and analytics
- ML/AI for log for detection and threat hunting



Incident/crisis:
- Regional emergency response teams
- Retainer:
  - Cybersecurity
  - Forensic investigation experts
- Regular trainings
- Feedback loop and targeted sharing of lessons learned
- Attack / crisis simulation

This new ecosystem, a genuine differentiating factor in the Group's new market, is expected to be operational by 2020.

1.1.4.3.5 A high-touch positioning: human and procedure management

Human management: emotional and environmental intelligence at work

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 330,000 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, an essential prerequisite in creating value for all stakeholders. A happy employee is the first step towards ensuring end-user 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 progress and the achievement of this goal. (cf. section 2.3.2 *Human resources development* et section 2.3.3 *Creation of a working environment conducive to wellbeing, health and safety*).

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).

In the context of the acceleration of the transformation of the Group, initiatives were taken in 2019 in the management of human capital aimed at upgrading the profiles by recruiting, training and deploying the Lean Six Sigma operational discipline.

Recruitment procedures have benefited from the development of psychographic analysis and predictive models helping to better identify talent with high potential.

Taking care of workplace 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. In 2019, 11 Group subsidiaries obtained Great Place to Work® awards in:

- Argentina;
- Brazil;
- Colombia;
- Costa Rica;
- India;
- Mexico (for two subsidiaries);
- Peru;
- Philippines for the second year running;
- Portugal for the ninth year running;
- Dominican Republic for the fifth year running;
- El Salvador, for the sixth 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*).

Training and procedures for optimizing human resources

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

46,631,754 training hours were provided in 2019, representing an increase of 9.5%. This represents 160 hours on average per employee, *versus* 170 hours in 2018. (see section 2.3.2.1 *Employee training*).

The development of the Six Sigma culture within the Group

Since 2018, the development of the Six Sigma culture within the Group has been one of the five priorities of the Teleperformance Institute, which is one of the three main e-learning platforms of the Group.

To highlight the importance of this initiative, Teleperformance hired a director in charge of creating a Six Sigma culture at the Company. This person organized 15 Six Sigma Green Belt training sessions and 108 Six Sigma Yellow Belt sessions for 1,992 directors and managers, in cooperation with the trainer network. Moreover, 33,314 employees completed a Six Sigma e-learning course.

Reinforcement of training and implementation of new human resources management procedures

En 2019, the Group developed training axes to continue to increase the excellence and commitment of its employees (cf. section 2.3.2.1 *Employee training*).

Training can be done face-to-face (Teleperformance Academy) or e-learning (Teleperformance eInstitute).

Teleperformance Academy has developed a training method and spaces which aim to optimize knowledge transfer and stimulate learning.

Teleperformance eInstitute is one of the Group's three e-learning platforms for online training accessible to everyone, everywhere and all the time: eInstitute, Saba and Skillport.

In 2019, 1,154,718 e-learning hours were provided, *i.e.* 2.5% of total training hours delivered in 2019, *versus* 1.8% in 2018.

This year, the training platform scored a resounding success with an average of 58,604 unique visitors per month (up from 40,638 in 2018). This performance may be attributed to the platform recast and expanded content offer.

New content was developed in 2019 and in particular:

- the Group training and development department focused on designing new content to foster team development worldwide, including a new e-learning catalog and face-to-face emotional intelligence training scheduled for roll-out in early 2020;
- all employees received the annual refresher training in data security awareness. Over 26,000 managers completed a series of cybersecurity training courses designed to foster awareness and vigilance with regard to phishing;
- 50,000 employees in the Philippines, Mexico and Egypt used the talent management platform, that was developed in 2018, in accordance with the Group's commitment to developing high-tech, high-touch solutions;
- the Group continued to develop regional centers of excellence. Selected supervisors complete a week-long course in best practices in their business line.

As part of career development and advancement, the Jump! and Teleperformance University complete the Group's training program. Teleperformance promotes internal promotion. In 2019, the Group has an internal promotion rate of 69% for all positions from the supervisor level.

The goal of the Jump! is to allow promotion from agent to supervisor and from supervisor to manager.

Teleperformance University is an internal university intended for high potential executives who aspire to become the future leaders and senior managers of the Group.

The training emphasizes the multicultural and global aspect of the Group. The 2019 promotion, which took place in September 2018 and July 2019, had 40 participants from 23 countries. In line with Teleperformance's digital transformation objective, the program focused on developing the skills of leaders in a high-touch, high-tech environment and on Six Sigma Green Belt training.

Specific support plans for employees (coaching) and change management methods ("managing with a purpose") have also been consistently deployed.

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. These procedures were 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.

Quality management procedures

Success of the high-touch model also calls for dedicated quality management procedures, which help deliver quality as required, measure and ensure quality is consistent worldwide in a strict work environment in terms of personal safety and data security.

Group subsidiaries have 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 processes 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 quality standard manuals to ensure top service quality, high performance and proactive management of existing and future programs. BEST also serves to reinforce HR best practices 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.

Data protection and cybersecurity procedures, certifications and compliance

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 see this as a major differentiating factor. The Group continues to invest to maintain excellence in a constantly shifting environment, and launched an investment program in 2019 to bolster cybersecurity procedures (Eagle Project).

Data protection

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 framework is strengthened by a compliance audit function (see section 1.2.1 *Risks factors*) 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 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. This major global project has enabled Teleperformance to keep up with changes and to ensure that all its sites were GDPR-compliant as soon as new rules took effect.

Teleperformance is also fully aware of its duty towards clients and employees in terms of protecting sensitive data collected and used on a daily basis. In February 2018, Teleperformance became BCR (Binding Corporate Rules) approved by CNIL (French data protection authority), an EU supervisory authority. BCRs provide Teleperformance legal grounds to make totally secure international data transfers within and outside the EU. Teleperformance is currently the only BCR-approved international corporate services provider as both data controller and data processor.

Teleperformance also set up the Global Privacy Office in 2018. This unit, led by the Chief Privacy Officer, is responsible for managing the Group's global privacy program. The office actively monitors changes in regulations in all markets and countries where Teleperformance operates.

Cybersecurity

In addition to introducing an IT environment backed by latest tech (see section 1.1.4.3.4 *High Tech*) to prevent cyber-attacks, the cybersecurity program roll-out is based on the Group's high-touch approach:

- in-depth training for all Group employees worldwide;
- promoting a cyber smart culture within the enterprise;
- upgrading procedures by introducing a new IT architecture, security by design, audits, and white hacking.

1.1.5 2019 Highlights

1.1.5.1 Organization and capital expenditure

Bolstered management including appointment of a new President of Transformation and Chief Operating Officer for the CEMEA and Iberico-LATAM regions

Former Intelenet CEO Bhupender Singh was appointed to the newly created position of President of Transformation in September 2019. Iberico-LATAM region President and Chief Operating Officer Agustin Grisanti also took on the role of CEMEA region Chief Operating Officer. These key appointments shore up the senior management team aiming to boost the Group's transformation into a leading global business services and integrated digital solutions provider.

Inauguration of the Teleperformance Innovation Experience Center (T.I.E.C.) in the heart of Silicon Valley

In October 2019, the Group inaugurated the Teleperformance Innovation Experience Center (T.I.E.C.) in Santa Clara California. This new center showcases the Group's global expertise and entire range of ground-breaking digital solutions in the heart of its new client and partner digital business hub.

Deployment of a new global cybersecurity program

In 2019, Teleperformance launched the Eagle program seeking to beef up its global operations' cybersecurity, an issue that underpins its value-enhancing offering. The program is based on a major employee awareness-raising and training campaign, taking on board security by design, and a network architecture overhaul in order to improve risk visibility.

Consolidating CSR organization

In January 2019, Teleperformance ramped up its corporate social responsibility (CSR) activities by introducing a dedicated CSR department and policies. The new CSR department strives to structure and step up the Group's global CSR activities by drawing on UN Global Compact principles, which the Group signed up to in 2011. The goal is also to promote all the Group's CSR initiatives among all its stakeholders.

1.1.5.2 Extensions, new facilities and capital expenditure over three years

Extensions and new facilities

In 2019, Teleperformance continued implementing its global development strategy by opening new facilities:

- in the English-speaking and Asia-Pacific regions (EWAP): the United States, Indonesia, and the United Kingdom;
- in the Ibero-LATAM region: Colombia, Portugal, Spain and Argentina;
- in Continental Europe & MEA (CEMEA) regions: mainly Greece and Turkey;
- in India & Middle East: India.

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

- in the English-speaking and Asia-Pacific regions (EWAP): South Africa, the United States, the Philippines, and the United Kingdom;
- in the Ibero-LATAM region: mainly Brazil, Colombia, Dominican Republic, El Salvador, Spain and Mexico;
- in Continental Europe & MEA (CEMEA) regions: mainly Greece, Tunisia, Egypt, Turkey, Russia and Albania;
- in India & Middle East: India.

Over 23,000 new workstations were created in total in 2019, 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)	2019	2018	2017
Net capital expenditure	252	196	147
% of revenue	4.7%	4.4%	3.5%

The Group strictly monitors volumes and ROI per project, notably when supporting rapid business growth in booming markets, in order to optimize Group capital allocation.

1.1.5.3 Awards

In 2019, 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.

Teleperformance's leadership and world-class services

- Teleperformance recognized by the Everest Group:
  - among outsourced contact center management world leaders for the seventh year in a row;
  - in the Top 3 of the Business Process Services Top 50 Global Report.
- Six 2019 Frost & Sullivan prizes awarded to Teleperformance:
  - Contact Center Outsourcing Company of the Year – Europe;
  - Contact Center Service Provider of the Year – Asia-Pacific;
  - Customer Contact Outsourcing Technology Leadership – India;
  - Contact Center Outsourcing Services Company of the Year – Argentina;
  - Competitive Strategy Innovation and Leadership – Brazil;
  - Security & Compliance Competitive Strategy Innovation and Leadership – Philippines.
- Teleperformance won the following European Contact Centre & Customer Service Awards (ECCCSA):
  - first prize in the following three categories: Best Pan-European Contact Centre, Best Use of AI and Associated Technologies and Most Effective Digital Customer Experience;
  - the best multilingual solution and the gold medal for the Best Large Outsourcing Partnership in Greece;
  - the bronze medal for Best Use of Customer Insight in Benelux;
  - the bronze medal for Most Effective Management of Peak Demand Category in Russia.
- Teleperformance was named one of the Top 100 outsourced services companies in 2019 by IAOP® (International Association of Outsourcing Professionals®).

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): in 2019, 11 Group subsidiaries received Great Place to Work® awards in:
  - Argentina;
  - Brazil;
  - Colombia;
  - Costa Rica;
  - India;
  - Mexico (for two subsidiaries);
  - Peru;
  - Philippines for the second year running;
  - Portugal for the ninth year running;
  - Dominican Republic for the fifth year running;
  - El Salvador, for the sixth year running.
- Global Best Employers™ Program awarded to Teleperformance in 2019 by Kincentric (formerly AON Hewitt) in seven countries:
  - China;
  - India;
  - Morocco;
  - Tunisia;
  - Algeria, Morocco and Tunisia, for its TLScontact subsidiary.
- Best Place to Work® awarded to four countries:
  - Albania;
  - Morocco;
  - Portugal;
  - Tunisia.

1.1.6 Organization chart (December 31st, 2019)

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* in section 6.4 *Notes to the parent Company financial statements* 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 (see section 5 of this Universal Registration Document).

1.1.6.2 Operational organization chart*

Core Services & D.I.B.S.				Specialized Services		
CEMEA	**EWAP**	**Ibero-LATAM**	**India & Middle East (D.I.B.S.)**	**LanguageLine Solutions**	**TLScontact**	**ARM**
Albania	Australia	Argentina	Egypt	Canada	Albania	Canada
Belgium	Canada	Brazil	France	Costa Rica	Algeria	Jamaica
Bosnia-Herzegovina	China	Chile	Italy	Panama	Armenia	USA
Czech Republic	India	Colombia	India	Taiwan	Azerbaijan	
Denmark	Indonesia	Costa Rica	Jordan	UK	Bangladesh	
Egypt	Ireland	Dominican Republic	Luxembourg	USA	Belarus	
United Arab Emirates	Japan	Guatemala	Mauritius		Cambodia	
Finland	Korea	Guyana	Netherlands		Cameroon	
France	Malaysia	Honduras	Saudi Arabia		Canada	
Germany	Mauritius	Mexico	UAE		China	
Greece	Philippines	Peru	UK		Egypt	
Italy	Singapore	Portugal	USA		Ethiopia	
Kosovo	South Africa	Salvador			France	
Lebanon	UK	Spain			Gabon	
Lithuania	USA				Georgia	
Luxembourg					Germany	
Madagascar					Ghana	
Morocco					Indonesia	
Netherlands					Ireland	
Suriname					Italy	
North Macedonia					Jordan	
Norway					Kazakhstan	
Poland					Kenya	
Romania					Kosovo	
Russia					Lebanon	
Sweden					Luxembourg	
Switzerland					Madagascar	
Tunisia					Morocco	
Turkey					Mauritius	
Ukraine					Malaysia	
					Mongolia	
					Montenegro	
					Netherlands	
					Nigeria	
					Philippines	
					Poland	
					Russia	
					Serbia	
					Sierra Leone	
					Singapore	
					South Africa	
					Spain	
					Sri Lanka	
					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 SYSTEM 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 adversely impact the Company's business, staff, assets, environment, objectives, earnings, financial position, stock price or reputation.

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.

Organization

Identifying, analyzing, measuring and processing risk is the responsibility of the Group's three main departments, which manage the risks within their remit on a daily basis: finance, legal & compliance and operations, at Company and Group level. This organization provides the framework for the risk management system.

The system is based on interaction between the three main functional and operational departments and senior management, the Audit, Risk and Compliance Committee and the Board of Directors.

Implementation and continuous improvement

Interaction mainly takes the form of procedures carried out jointly by the main departments. In 2019, this work related to compliance and protection topics such as:

- ongoing cross-functional review of the legal, operational or security-related aspects of the Group sites;
- the global application of risk maps covering financial reporting processes, corporate social responsibility and corruption risk;
- the organization of several exercises as part of the crisis management plan and its ongoing roll-out *via* a training program delivered to a greater number of employees.

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). It takes into account recent European regulations applicable since July 21st, 2019, designed to ensure a clearer presentation of risk factors.

They are presented in a limited number of categories. In each category the most material factors are mentioned first. The remaining risk factors withing each category are not ranked in order of their materiality.

In accordance with these new regulations, the organization of this section was presented at the Audit, Risk and Compliance Committee meeting held on November 21st, 2019.

This section presents, firstly, the risk factors to which the Group is exposed in relation to its business operations, secondly, insurance and risk coverage, 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 not currently known to the Group or which are not considered material on the date of this universal registration document, may become major factors having an adverse impact on the Group.

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

1.2.1 Risk factors

1.2.1.1 Strategic risks	Innovation and disruptive technology
	International presence (country risks and health crises)
	Competitors
	Acquisitions
1.2.1.2 Operating risks	System failure and cybercrime
	Human resources and employee safety
	Client portfolio
	Campaigns and/or negative image in the media/social media
1.2.1.3 Legal and regulatory risks	Personal data protection
	Litigation and employee disputes
	Ethics, corruption and human rights
1.2.1.4 Financial risks	Credit (clients)
	Market (exchange and interest rate)
	Liquidity (debts) and offical Group rating
	Equities

1.2.1.1 Strategic risks

Risks relating to innovation and disruptive technology

Risk identification

Teleperformance operates in an environment subject to very fast-paced technological evolution. The Group must adapt to its clients' latest requirements with regard to services and innovation, in order to anticipate increasing demand for solutions, particularly digital ones, that will transform the customer experience.

The Group may be impacted by these disruptive innovations if it fails to adapt by offering clients new solutions.

Risk management

Teleperformance ensures that it responds to client demands by developing its customer relations solutions, advisory and data analysis offering, high value-added specialized services and integrated digital solutions.

In 2019, Teleperformance stepped up its digital integration and extended its range of business services by deploying its high-tech, high-touch strategy. The Group has put together a TAP™ team (Technology, Analytics, Process) comprising over 600 engineers dedicated to digital integration and the implementation of RPA solutions (Robot Process Automation). In this respect, Teleperformance enjoys worldwide recognition for having boosted its digital technology capabilities.

Risks relating to the Group's international presence

Risk identification

Teleperformance has subsidiaries in 80 countries. This extensive geographical footprint increases the Group's exposure to geopolitical risks and health crises, including epidemics and natural disasters, which may be made more intense by climate change.

Growing political tensions, social instability and acts of terrorism, as well as epidemics, earthquakes, hurricanes and floods may occur in some of these countries, resulting in the loss or shutdown of a Group location. Such events could interrupt services provided to clients, directly or indirectly impacting clients, customers, employees or Group assets. This could lead to operating losses, overturn the profit forecasts underlying investment decisions and curtail earnings.

Based on the country ratings published by COFACE in February 2020, the breakdown of the Group's revenues in its 80 countries is as follows:

- 57% in countries where the situation is regarded as favorable and low-risk or presenting acceptable risks; these include major contributors to Group revenues, notably the USA, Philippines and UK;
- 36% in countries where the situation is uncertain, including Brazil, Colombia, Greece, India, Mexico and Turkey;
- 7% in countries where the economic and political outlook is considered to be highly uncertain, notably El Salvador and Tunisia.

Risk management

Together with the operating divisions, Teleperformance senior management constantly assesses the Group's exposure to risks relating to its international operations, in particular in countries where the economic and political outlook is deemed uncertain or highly uncertain, or in countries hit by natural disasters.

The impact of these events, potentially resulting in the discontinuation of services, is mitigated by the Group's wide geographical footprint, enabling emergency solutions to be set up at other sites or in other countries whenever it is possible. Contractual business continuity plans are also entered into with clients for this purpose. These plans include the roll-out of emergency solutions and alternative means of production.

Employee and client protection remains an absolute priority. Regulation drills are conducted in relevant countries in order to prepare sites should these events occur. The Group has also implemented a crisis management plan to handle these events, as described in section 1.2.2.3 *Crisis management*.

Competition risks

Risk identification	Risk management
Teleperformance is a global leader in outsourced customer experience management that is currently transforming itself into a worldwide leader in business services and integrated digital solutions, in response to client demands for increasingly complex and integrated services. Due to its growth and transformation strategy, the Group's competitive environment is expanding and now includes other market operators such as global leaders in consulting, IT services and digital transformation. Furthermore, in each country where the Group operates, it faces extensive competition from international and domestic players and companies specializing in contact center management. The Group is in competition with these companies both in terms of retaining existing clients and acquiring new ones. The expansion and growing complexity of the competitive environment could force the Group to reduce its prices, which could adversely impact revenues and earnings.	The roll-out of the Group's transformation strategy was presented to investors in Santa Clara in California's Silicon Valley, during Digital Day on October 17th, 2019. The client-focused high-tech, high-touch strategy will allow the Group to extend its range of business services. It is supported by a strengthened management structure designed to accelerate the Group's transformation and maintain its global leadership while improving its competitive positioning. In addition, the Group's acquisition strategy is constantly adapted to changes in the competitive environment.

Acquisition risks

Risk identification	Risk management
Acquisitions form part of the Group's development strategy. It aims to extend its range of services and develop its business in high-growth sectors. However, identifying potential acquisition targets can prove complex, as it involves finding opportunities at an acceptable price and under suitable conditions. The integration of a newly acquired company within the Group can also generate risks and may not produce all of the expected benefits. Difficulties encountered during the integration process could impact earnings if the Group is unable to overcome these difficulties and achieve the expected results. Any goodwill recorded on the Group's balance sheet in relation to acquisitions may need to be impaired when valued at the balance sheet date. The assumptions made in estimating future earnings and cash flows at the time of these valuations may not be confirmed by subsequent results. If this is the case, the Group would be required to record impairment losses, which may adversely affect its earnings and financial position.	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 follows a centralized acquisition process coordinated by senior management, to which the main departments contribute, before acquisition opportunities are reviewed and voted on by the Board of Directors. For all acquisitions, the Group implements the customary procedures under its consolidation policy for acquired companies. The analysis of goodwill recorded on the Group's balance sheet is presented in Note 4 of the section *5.6 Notes to the consolidated financial statements*.

1.2.1.2 Operating risks

System failure and cybercrime risks	
Risk identification	**Risk management**
Teleperformance delivers its services to clients through a complex technological platform that integrates various aspects of information technologies: powerful telephone technology, hardware and software. The growing use of these technologies exposes the Group to risks such as IT or telecommunication system failure (due to internal or external factors), malicious acts (such as cyber attacks), human error, whether unintentional or deliberate (phishing, whaling) or employees' failure to comply with Group procedures. Risks relating to system failures and cybercrime may result in a loss or unintended disclosure of data, client service interruptions and additional costs. If these risks materialize, the Group's liability may be invoked. These risks may impact clients and employees and may have negative consequences for the Group's business and reputation.	The Group's goal is to establish the highest standards and best practices in order to satisfy and protect its clients and their customers. For this purpose, the Group has set up an organizational system that has earned worldwide recognition for best practices in terms of compliance, data security and privacy. It is based on a specific security structure that pursues a policy of comprehensive and regular operational assessments for our clients in order to reduce risk. The protective measures implemented are set out in section 2.4.3 *Data protection and cybersecurity.* Each subsidiary adheres to internal data security and protection standards, as well as international security and quality standards including ISO 27001 and 22301. In addition, Teleperformance complies with PCI Data Security standards when required by clients. This is based on procedures to safeguard its business in the event of system failure. Additional, contractually defined measures may be implemented to protect information systems and networks dedicated to specific projects or clients. The Group makes regular investments in order to maintain cutting-edge IT architecture in response to the growing complexity of cybercrime. A new round of investment in cybersecurity was launched in 2020 in line with the Group's high-tech, high-touch strategy, confirming its position as a leader in data and IT system security. The Group ensures that the requisite insurance cover is obtained and applied in relation to its business.

Risks relating to human resources and employee safety	
Risk identification	**Risk management**
The Group's employees are its most precious asset. The quality of the services provided by the Group depends on its ability to manage its employees and offer them a high-quality working environment, guaranteeing them the necessary safety conditions. This quality also depends on the Group's ability to attract, train, retain and develop the skills of its employees, in order to ensure the proper execution of their tasks, while maintaining an optimal level of training. The departure of certain executive officers could have an adverse impact on the coordination of the Group's operating and strategic activities and earnings. The ability to maintain a high-quality working environment is a key part of the Group's culture, given that its business depends first and foremost on its employees. Difficult working conditions and inadequate health and safety represent a serious risk for our employees that would also impact Group operations.	The Group pays close attention to the quality of its human resources management and working conditions. Employee safety has always been the Group's priority. From an operating standpoint, the Group has implemented a number of mechanisms to limit the impact and occurrence of individual safety risks. A dedicated global department reports to the Group's Chief Administrative Officer. It focuses on the development of global programs to promote employee engagement and wellbeing. These programs are in line with the Group's high-tech, high-touch strategy. All of the initiatives taken to improve employees' quality of life at work, promote health and prevent workplace accidents and occupational illnesses are detailed in section 2.3 *An employer of choice.* Employee expectations are regularly gaged through satisfaction surveys conducted at each subsidiary, after which appropriate action plans are drawn up. Similarly, the employee turnover rate is regularly monitored so as to meet respective expectations. In order to protect the Group's interests, certain key executives are bound by non-compete clauses or benefit from performance share plans set up in April and November 2016, June 2017, January 2018 and May 2019. The Group has also implemented a succession planning process in order to identify high-potential key executives. The Group's status as a preferred employer in the market is widely recognized. Teleperformance has been recognized as Best Employer for a major portion of its subsidiaries. The Group has also obtained international certification awarded in recognition of the best working environments across all sectors.

Client portfolio risks

Risk identification	Risk management
Teleperformance's business depends on its ability to retain customers and win new business, thereby maintaining a diversified portfolio. This ability is generally assessed in light of various contractual criteria such as service quality, security, cost and any aspect enabling it to stand out from its competitors. The duration of contracts in the inbound calls business, which accounts for most of the Group's revenue, varies between two and five years. A client may request that certain criteria be amended. Price, which is a determining factor for certain business sectors (particularly in telecommunications) and allocation of entrusted volumes are aspects that can impact the Group's business. A decrease in volumes, whether or not linked to a deterioration in economic conditions, could lead to a decline in or the loss of the client's business, which would have a negative impact on the Group's business and earnings, especially if this client represented a significant percentage.	A large proportion of Group revenues is generated by long-standing clients. The average length of a client relationship is 13 years. This loyalty is the result of the Group's extremely customer-centric culture, reflected in rigorous processes, contractual compliance, solid understanding of client expectations and a highly responsive organizational system. This is founded on specific management of key accounts, regular business reports and the creation of fast-responding operational units. The Group places particular importance on regularly assessing client satisfaction in order to continuously assess the risk of losing major contracts. Client satisfaction is monitored by the operating departments and at Group level. It is maintained throughout the contract so as to forestall any risk of withdrawal. Teleperformance has a diverse client portfolio comprising 1,000 customers (excluding LanguageLine Solutions – as stated in section 1.1). No single client accounts for more than 6% of Group revenue. The top 5, 10, 50 and 100 clients accounted for 16%, 26%, 56% and 68% respectively of Group 2019 consolidated revenues. The Group's clients operate across a broad range of business sectors. The largest is telecommunications in the broad sense of the term, which accounted for 17% of Group 2019 revenues compared to 47% in 2013.

Risks relating to campaigns and/or negative image in the media and on social media

Risk identification	Risk management
The Group could be exposed to the risk of defamation or unsubstantiated or false allegations, due to negative comments made on social media platforms (Twitter, Facebook, etc.) or media attacks by external or internal stakeholders considering certain policies, decisions or actions taken by the Group to be unacceptable or acting with malicious intent. This risk of defamation could jeopardize the Group's image. New technologies, the rapid dissemination of information and the growing influence of social networks encourage the spread of negative information in the media, whether proven or not. If the Group is the subject of prejudicial media coverage or inappropriate messages, these could have a negative impact on the Group's image and business, which could in turn affect the share price.	In order to understand the risks arising from such events, the Group has asked an external, specialized agency to monitor press and social media, so as to keep abreast of relevant posts and publications and be ready to act if necessary. Senior management has designated persons authorized to make statements on behalf of the Group, which is listed on the Paris stock exchange, to control risks relating to its image. The Group has adopted a global crisis management plan designed to prevent, manage and limit the consequences of such events. In the event of widespread criticism or allegations against the Group, crisis management and communication procedures can also be activated locally with the support of specialized agencies.

1.2.1.3 Legal and regulatory risks

Data privacy risks	
Risk identification	**Risk management**
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 based on strict direction for each client. The Group must meet not only statutory requirements and contractual commitments to clients but also more than 300 data security compliance criteria. Non-compliance with statutory and contractual requirements could lead to adverse consequences for the Group's performance. Electronic fraud cases have continued to increase worldwide, as evidenced by the most significant cases published in the international press. These incidents are settled confidentially in the normal course of business.	The Group has implemented a set of security rules ("Global Essential Compliance and Security Policies" or GECSPs) designed to anticipate and mitigate possible risks of fraud or violation of legal security rules. The Group has established an internal compliance audit function, which reviews the operational sites on a rotating 24-month or 12-month basis for the top 10 clients, for adherence to the GECSPs and client requirements. In addition, external auditors audit 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, ensure regular compliance with the GECSPs and review internal and external audit findings and other compliance matters. As Teleperformance places special attention on security matters, regional Presidents and relevant operational and compliance officers attend the Global Compliance and Security Council meetings. The Group Deputy Chief Compliance Officer and Chief Privacy Officer reports to the Group Chief Legal Officer and Chief Compliance Officer, who is under direct supervision of the Group Chairman and CEO. These officers provide reports of activities to the Board's Audit, Risk Management and Compliance Committee. As part of the Group's ongoing efforts to manage these functions proactively, a Global Privacy Office has also been set up. This office is comprised of the Global Deputy Chief Compliance Officer and Chief Privacy Officer, along with the three regional Senior Vice Presidents in charge of privacy and data protection. The Global Privacy Office is responsible for implementing the Group's global privacy policy and ensuring that Teleperformance is in full compliance with global privacy regulations such as the European Commission's General Data Protection Regulation (GDPR) effective May 25th, 2018. Teleperformance also has a Global Technology, Privacy and Security Committee 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, the regional Senior Vice Presidents for privacy and data protection and the Region Chief Information Security 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 used for collecting or processing data as both data processor and data controller. The Committee is also conducting a detailed review of cyber and data security issues. On February 12th, 2018, Teleperformance obtained certification of its Binding Corporate Rules (BCRs) from the CNIL (French data protection authority). This certification applies to all Group subsidiaries acting as data controllers for Group employees and data processors for clients, which allows Teleperformance to transfer and process data globally.

Risks relating to litigation and employee disputes

Risk identification

In some countries where the Group operates or is located, failure to comply with applicable domestic legislation or regulations could expose the Group to legal action by employees, third parties or an administrative or regulatory authority. Accordingly, the Group could be jointly summoned or called as a witness in a lawsuit brought against one of its clients by a third party.

In the ordinary course of business, the Group is involved or risks being involved in various administrative, regulatory or court proceedings. Within the scope of some of these proceedings, monetary claims are made or may be made against the Group. Such claims could have a negative impact on the Group's earnings.

In the course of its business, the Group is also involved in a certain number of employee disputes. In the future, the Group may further restructure or reorganize its business in certain countries. Such 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 restructuring operations, they could nevertheless damage the Group's relationships with its employees, which could lead to employment disputes or disruption that could adversely impact the Group's reputation, revenue, financial position or earnings.

The Group considers that the provisions booked to cover the risks, disputes and proceedings of which it is aware or that are currently pending provide sufficient assurance that the Group's consolidated financial position will not be materially impacted in the event of an unfavorable outcome. Provisions for employee-related risks mainly concern disputes with former employees, particularly in Argentina, Brazil and France. A breakdown of provisions is provided in Notes 5.6 *to the consolidated financial statements*.

Risk management

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

Group and subsidiary managers take care to consult employee representative bodies, if any, and/or take into account employee comments and aspirations in the relevant countries via other mechanisms.

To the Company's knowledge, as of the date of the present universal registration document, there are no governmental, legal or arbitration proceedings (including pending or potential proceedings) other than those stated in this section and in note 9.5 *Litigation* of section *5.6 Notes to the consolidated financial statements*, that could have or have had, over the last 12 months, a material impact on the financial position or profitability of the Company and/or the Group.

Risks relating to ethics, corruption and human rights

Risk identification

Due to its operations in 80 countries, the Group may be exposed to inappropriate behavior by some of its employees or by third parties, whether with regard to ethics, compliance with human rights or corruption.

Practices in conflict with anti-corruption regulations and business ethics could arise in countries where the Group operates.

Such practices would expose the Group to penalties and a risk to its reputation, which would impact the Group as a whole. They would also impact its overall credibility as a socially responsible company, preferred employer, trusted partner for stakeholders and good corporate citizen.

Risk management

As part of its business activities, including procurement and sales, the Group ensures that all acts of corruption are prohibited. This zero-tolerance approach is set out in the Group's Code of Conduct. This Code refers to the United Nations Global Compact (UNGC), which aims to align businesses with human rights, labor, environmental and anti-corruption principles. The Group has been a signatory since 2011.

The Group's Code of Conduct, Code of Ethics and Supplier Code of Conduct setting forth Teleperformance's values, as well as the principles for respecting diversity in dealings with third parties, are also published on the Group website. These codes aim to prevent any unethical activities or practices, notably by raising awareness among Group employees in the performance of their duties, so that the Group is always viewed as a preferred employer, a trusted partner for its stakeholders and a responsible corporate citizen.

Furthermore, in accordance with the French Sapin II law, the Group has developed a corruption risk map, which has been reviewed by the Audit, Risk and Compliance Committee. The anti-corruption policy is implemented under the responsibility of the Group's Legal & Compliance department.

The Group's commitment to ethical business practices is described in section 2.4.2 *Fair practices.*

1.2.1.4 Financial risks

The Group is exposed to the following risks:

- credit risk;
- market risk;
- liquidity 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 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, Risk and Compliance Committee.

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

Management considers that the departure of the United Kingdom from the European Union (Brexit), effective from the February 1st, 2020 should not have any significant impact on the financial statement, in view of the Group's business in that country.

Credit risk

Risk identification	Risk management
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. Sales to the main Group client account for 5.1% of Group revenues. In addition, sales to telecommunications sector clients and Internet access providers account for 13.2% of Core Services and D.I.B.S. revenues. The Group's dependence on this sector is constantly decreasing. No country accounts for more than 10% of customer receivables, except for the United States, which accounted for approximately 33% of total customer receivables as of December 31st, 2019.	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 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 clients. Guarantees are disclosed in note 9.4 *Guarantees and other contractual* of the section *5.6 Notes to the consolidated financial statements*.

Market (exchange and interest rate) 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 market risk exposure, keeping it within acceptable limits, while optimizing returns.

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 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. These hedges are more fully described in note 7.5 *Currency hedging operations in this section 5.6 Notes to the consolidated financial statements.*

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 granted to Group companies are denominated in the functional currency of the borrower;
- interest due on borrowings is denominated in the same currency as the cash flows generated by the underlying operations of the Group, primarily the euro, the US dollar and the 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 to 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 to the consolidated financial statement*s of the section 5.6 *Notes to the consolidated financial statements*.

Interest rate risk

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:

(in millions of euros)	12/31/2019	Fixed rates	Subject to interest rate risk
Total financial liabilities	3,083	2,270*	813
Total cash and cash equivalents	-418		-418
NET DEBT	**2,665**	**2,270**	**395**

(in millions of euros)	12/31/2018	Fixed rates	Subject to interest rate risk
Total financial liabilities	2,437	1,986	451
Total cash and cash equivalents	-336		-336
NET DEBT	**2,101**	**1,986**	**115**

* Further to implementing CAPS on some loans in order to limit the interest rate risk, a 100 basis-point increase in interest rates would lead to a €6.7 million increase in financial costs, while an equivalent reduction in interest rates would reduce financial costs by €6.8 million.

Like any Group subject to rating, Teleperformance could suffer an unfavorable impact on its capacity to fund ongoing operations and to refinance its debt if Standard & Poor's were to downgrade the Group's long-term debt rating due to a higher-than-expected debt level or other reasons related to credit. A possible downgrading of the Group's long-term debt rating by a rating agency could potentially curb the Group's ability to raise funds, thereby resulting in an increase in the interest rate at which the Group could borrow in the future.

Risk management

The Group currently has the best financial rating in the customer experience management sector. Its long-term debt rating is "BBB-" - Investment grade - with a stable outlook. This rating was confirmed in May 2019 by Standard & Poor's, which considers that it reflects Teleperformance's leading position, the diversification of its client portfolio and global presence, as well as the development of high value-added digital solutions.

Liquidity risk

Risk identification	Risk management
Liquidity risk is the risk that the Group may experience difficulty settling its liabilities as they fall due.	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. Cash pool member companies represent over 59% 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 operations are 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 2020 and 2026, as stated under note 7.4 *Financial liabilities* of the section *5.6 Notes to the consolidated financial statements*. The available balance of the multi-currency syndicated credit line (euro, US dollar) is €300 million and the balance available on credit lines contracted from a number of banks is €200 million as of December 31st, 2019. Net debt as of December 31st, 2019 amounted to €2,665 million, including €730 million in lease liabilities, compared to €2,101 million as of December 31st, 2018. 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 section *5.6 Notes to the consolidated financial statements*.

Equity risk

Risk identification

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, 2019 amounted to €25 million, principally represented by money market funds and mutual funds.

Share capital and equity management

The Group's policy in terms of share capital and equity management is to maintain a strong equity base so as to maintain 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 (gearing) ratio is as follows:

(in millions of euros)	12/31/2019	12/31/2018
Net debt*	2,665	2,101
Total shareholders' equity	2,569	2,225
GEARING RATIO	**1.04**	**0.94**

** Including €732 million in lease liabilities at 12/31/2019.*

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. The amount of funds committed to this arrangement is €2 million. The number of treasury shares held at the end of the year is set out in note 6.1 *Share capital* of the section *5.6 Notes to 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 2019 amounted to €8 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 and more generally in many countries of the CEMEA region. 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 third 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

Since 2018, Teleperformance has implemented a Group-wide crisis management scheme to anticipate and manage sudden, unforeseen and major events with a likely negative impact on staff, continuity of business, 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 continuously improving the scheme.

In 2019, the Group continued to roll out this scheme through a training program provided to a greater number of employees and by conducting three crisis drills. These drills, which vary in length from 3 to 6 hours, are organized through a cross-functional approach involving 15 to 30 representatives from the Executive Committee, regional and local management teams and support functions. This year, two main crisis scenarios were tested: a fire drill at one of the Group's major centers, and two "cyber" attack simulations.

These exercises, which form an essential part of the scheme, make it possible to test the Group's ability to manage major events by processing information flows, identifying crisis stakeholders, anticipating the development of unfavorable scenarios and developing the appropriate communication strategy.

1.2.3 Risk management and internal control procedures

1.2.3.1 Choice of reference framework

In drafting this section, the Group drew from 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*
- *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, as set out below.

Control environment, values and codes

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 its employees and subsidiaries.

The Group's values are brought to the attention of all Teleperformance personnel. Teleperformance places great emphasis on its managers' ability to live up to these values on a daily basis, and appropriate training programs are developed.

The Code of Conduct, Code of Ethics and Supplier Code of Conduct covering these values, as well as the principles for respecting diversity in dealings with third parties, are published on the Group's website. The Code of Conduct refers to the United Nations Global Compact, which Teleperformance joined in July 2011. The principles of the Global Compact are also set out in section 2.

Organization and responsibilities

The Group's organization is based on two categories of services: customer experience management (Core Services & D.I.B.S.) and Specialized Services, which include interpreting, visa application management and debt collection services.

In 2019, Teleperformance stepped up its digital integration and extended its range of business services by deploying its high-tech high-touch strategy, aiming to become a world leader in integrated digital solutions for businesses.

In October 2019, the Group's senior management structure was modified, in order to better reflect Teleperformance's strategy. Since then, it has comprised the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer and a Senior Management Committee composed of the Executive Committee, whose numbers have been reduced, and thirteen Group key managers in their respective fields.

The Executive Committee is responsible for the Group's operational management. It implements the strategic guidelines defined by the Board of Directors, ensures subsidiary compliance and discusses the major operational initiatives necessary for the development of the Group and its performance.

The Group's thirteen key managers assist senior management and the Executive Committee in developing and coordinating key strategic initiatives and projects defined by the Executive Committee. They are responsible for the Group's business activities and for implementing its main cross-functional policies within the remit of their respective skills and expertise. They are also responsible for ensuring widespread consultation on the Group's strategy and development and contribute to an ongoing dialog. They do not have any collective decision-making powers.

Within the linguistic regions, the Group's organizational system relies on matrix management structures to establish a direct link between 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 the Group's business line.

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 the responsibility of a Chief Administrative Officer. 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) and BEST (Baseline Enterprise Standard for Teleperformance), as well as business standards such as the COPC (Customer Operations Performance Centers) 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's Board of Directors 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 procedures and risk managers as described in the introduction to this section and under 1.2.1 *Risk factors.*

Group management pays particular attention to this organizational framework, in order to ensure that the necessary measures and procedures are in place to control the business and prevent risks, in accordance with rules defining Teleperformance's objectives and strategy.

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.

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

The organization of the section entitled "*Risk factors*" was also presented at the Audit, Risk and Compliance Committee meeting held on November 21st, 2019. The results of the annual analysis of the main control points of subsidiaries' financial reporting procedures, the process for which is described under *Process for preparing accounting and financial reporting* herein, were presented at the Audit, Risk and Compliance Committee meetings held in May, July and November 2019. Risk maps were drawn up on the basis of this analysis and the analysis of processes relating to corporate social responsibility.

Control activities

In addition to the measures listed under 1.2.1 *Risk factors*, this paragraph sets out the centralized and decentralized control measures taken in order to limit the risks liable to jeopardize the achievement of our objectives. Control measures are devised 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 Group companies. These procedures involve finance, legal, IT and sales operations.

Financial procedures

Section 1.2.3.5 *Description of the risk management and internal control system for published accounting and financial information* 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 is designed to limit these risks, preserve sales margins and control interest charges, is presented in section 1.2.1 *Risk factors*.

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 and international network of internal and external lawyers. It also plays a central role in monitoring changes in laws and regulations and advising the various Group entities.

As part of the main internal policies and procedures, the Group's Legal Department has for several years implemented a monitoring system for the trademarks used and registered by Group companies, and in particular a system for worldwide monitoring of the "Teleperformance" corporate name, domain names, the 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.

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

In order to mitigate the legal risks inherent in client contracts, the Group's lawyers defined a series of best practices for certain provisions in client contracts and calls for tenders that may present a particular risk. Any deviation from these principles is subject to a specific approval procedure with the executives, financial officers and operational managers concerned. In addition, global client's 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 internal and external 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.

IT and security procedures

The Group has streamlined its security technology, including cybersecurity, 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 installation of malware, protect personal data and detect and prevent intrusions.

Each subsidiary adheres to internal data security and protection standards, as well as international security and quality standards including ISO 27001, ISO 22301 and PCI Data Security standards when required by clients.

The third-party certification requested by clients and obtained by Group subsidiaries also serves 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.

All personal data is collected and processed in accordance with applicable laws in the countries where the Group operates. A set of Global Essential Compliance and Security Policies (GECSPs) is applied at each Teleperformance location, in order to prevent any potential risk of fraud, breaches of security standards and physical security procedures at contact centers.

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.

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 (RFPs). Key international RFPs are handled directly by specialized staff.

Decentralized control 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 internal control system is overseen by the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer and the Senior Management Committee, under the supervision of the Board of Directors, in order to verify the relevance and appropriateness of this system with regard to the Group's objectives.

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 2019, audit assignments were carried out in Group subsidiaries by the Internal Audit departments of the three main divisions (finance, legal and compliance, 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 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.

The Audit, Risk and Compliance Committee

The Audit, Risk and Compliance 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 risk management.

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

Senior management

Senior management comprises the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer and a Senior Management Committee composed of the Executive Committee, whose numbers have been reduced, and thirteen Group key managers in their respective fields.

The Executive Committee is responsible for the Group's operational management. It implements the strategic guidelines defined by the Board of Directors, ensures subsidiary compliance and discusses the major operational initiatives necessary for the development of the Group and its performance.

The Group's thirteen key managers assist senior management and the Executive Committee in developing and coordinating key strategic initiatives and projects defined by the Executive Committee. They are responsible for the Group's business activities and for implementing its main cross-functional policies within the remit of their respective skills and expertise. They are also responsible for ensuring widespread consultation on the Group's strategy and development and contribute to an ongoing dialog. They do not have any collective decision-making powers.

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 security incidents, if any, and analyze their potential risks.

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 under Risks relating to personal data protection in section 1.2.1 *Risk factors*.

The Internal Audit Department

The Group is audited internally by a central team reporting 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, Risk and 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 Risk and Compliance. 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, Risk and Compliance Committee and shared with the auditors.

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

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 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.

The Group's 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.

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 take part in Audit, Risk and Compliance Committee meetings. They inform the Committee of their work on Group procedures, present the Committee with their conclusions on the financial statements and report on the key points raised during the audit. The auditors also present their audit plan to the Audit, Risk and Compliance Committee.

The Audit, Risk and Compliance Committee

Matters related to financial information that were reviewed at Audit, Risk and Compliance Committee meetings in 2019 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 of *the Reference Framework*

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, Risk and Compliance Committee. A selection of the answers to the questionnaires from the main subsidiaries is also checked by those subsidiaries' auditors.

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

Accounts closing

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

Information forwarded by subsidiaries is inspected by the consolidation team, 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, Risk Management and Compliance Committee. Within the scope 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 on the major European, US and Asian stock exchanges.

1.2.4 Vigilance plan

In accordance with Article L.225-102-4 of the French Commercial Code, the vigilance plan (the "Vigilance Plan") of Teleperformance SE ("Teleperformance" and, together with its subsidiaries, the "Group") 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 Teleperformance 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.

This Vigilance Plan is based on the five main obligations set out in the French law: (i) risk identification and mapping, (ii) risk assessment procedures, (iii) deployment of systems for mitigating risk and preventing serious harm, (iv) establishment of a hotline policy and internal reporting system, and (v) system for monitoring measures in place.

The 2019 Vigilance Plan was presented to the Global Corporate Social Responsibility (CSR) Committee and to the Group's Executive Management.

Teleperformance commits to comply with applicable laws and regulations in each of the Group's operating countries to safeguard the objectives of the Group and the Vigilance Plan. In addition, Teleperformance has been a signatory of the United Nations Global Compact since 2011, thereby committing to abide by its 10 principles.

The Vigilance Plan covers three main areas:

- Human Rights;
- Health and Safety;
- The Environment.

Stakeholder dialogues were conducted in all main subsidiaries to capture stakeholders' key expectations and to identify and prioritize risks.

Several tools and procedures had already been introduced Group-wide. Other tools and procedures have been added and/or enhanced in 2018/19 in order to meet new regulatory requirements and to provide for the Group's new consolidation scope. More additions and enhancements will be made in the future as part of a continual improvement process.

To ensure the deployment of the vigilance plan and the success of its programs and objectives, a dedicated governance structure was set up, articulated around the Chief Administrative Officer, the Corporate Social Responsibility department, as well as the Compliance, Privacy and Security teams.

1.2.4.1. Risk Identification and Mapping

The Group's risks are presented in section 1.2.1 from this Universal Registration Document.

In 2019 Teleperformance has completed an exhaustive CSR Risk Mapping, including Human Rights, International Labor Standards, Health and Safety, Ethics and Compliance, Corporate Governance, Environment, Value Chain and Communities. The methodology used to elaborate this CSR risk mapping is detailed in section 2.2.1 of this Universal Registration Document.

As part of the duty of vigilance, Teleperformance identified the following risks:

- Risks of serious harm to human rights and fundamental freedoms: discrimination in respect of employment and occupation, forced or compulsory labor, breach of freedom of association and the right to collective bargaining, inappropriate behavior by some of its employees or by third parties, or risks related to data security and data privacy of Teleperformance's employees, corporate clients and final customers.
- Risks of serious harm to health & safety and security: stress at work, risks of musculoskeletal disorders due to sedentary job, or risks related to physical security at sites that could be affected by growing political tensions, social instability and acts of terrorism, or epidemics and natural disasters.
- Risks of serious harm to the environment: Teleperformance's risks of serious harm to the environment are mainly linked to excessive consumption of resources, especially electricity.
- Risks of CSR breaches in the value chain: following the CSR risk mapping and the materiality matrix, the risks linked to Teleperformance's supply chain are not the most salient for the Group. With that said, the behavior expected from suppliers and subcontractors 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, respect of data privacy, responsible use of natural resources and prevention of gradual or accidental pollution of the air and soil.

1.2.4.2. Assessment of the situation of subsidiaries, subcontractors and suppliers

The Group has established procedures for assessing risks at its subsidiaries' level. 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 and fundamental freedoms, health and safety or to the environment.

All sites are extensively controlled, visited and audited. They do not operate in silos, but on the contrary are closely managed following the Group's global values, global operating standards and global policies.

The risk management and internal control system components, such as the control environment, the management and industry procedures, the risk management system or the control procedures, are presented in section 1.2.3.3 of this Universal Registration Document.

Beyond the global risk assessment and control scheme, Teleperformance developed specific procedures linked to the areas of the Vigilance plan.

Specific assessment procedures with regard to human rights and fundamental freedoms

- "Chats with CEO" and focus groups are organized and conducted at each site by local management (i.e. in the Philippines, Colombia, etc.);
- Employee Satisfaction Survey (E.Sat): since 2008, Teleperformance has been measuring employee satisfaction. Based on the results, specific action plans are defined in each subsidiary, and implemented under the responsibility of the local Chief Human Resources Officer;
- HR Assessments: when the Group identifies a decrease in employee satisfaction or in overall performance, an independent global team, responsible for Employee Engagement, performs a thorough on-site assessment reviewing all Human Resources processes and Human Rights aspects;
- Security & Compliance Audits: the Group has established an internal compliance audit function, which reviews the operational sites on a rotating 24-month or 12-month basis for the top 10 clients, for adherence to the Group's policies in terms of security, personal data protection, health & safety and anti-corruption;
- Teleperformance's global operating standards (TOPS and BEST) cover the entire activity lifecycle, including recruitment processes, training and development, global premises standard and well-being at work, and management guidelines.

Specific assessment procedures with regard to health & safety and security

- These procedures are presented in section 2.3.3. of this Universal Registration Document.

Specific assessment procedures with regard to serious harm to the environment

- Environmental data (electricity consumption, water, paper, and business travels) are reported on a monthly basis by each site, and closely monitored by the Corporate Social Responsibility department and by Executive Management, in order to achieve the Group's objective of continuously reducing the carbon footprint per employee. The full environmental scheme is presented in section 2.6. of this Universal Registration Document.

In addition to internal control mechanisms, Teleperformance's sites are also visited, audited, evaluated and certified by numerous external stakeholders (clients, prospects, public administrations, certification entities, auditors, etc.).

Specific assessment procedures with regard to CSR breaches in the value chain

- Procurement spend accounts for ~5% of the Group's total revenue. The top Group suppliers are mainly temporary employment agencies, IT hardware and software suppliers, and telecommunications providers.
- Teleperformance has been working on standardizing the Procurement processes and the Supplier assessment and selection process globally and, in 2019, risks related to the supply chain were incorporated into the Internal Control Questionnaire.

- The Group is committed to exercising vigilance in identifying potential adverse impacts in its supply chain, whether direct or indirect, in order to prevent and, if identified, minimize 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 Code of Conduct.
- Suppliers and subcontractors are periodically assessed, at the subsidiary level, in accordance with the precepts of the Group Supplier Code of Conduct and Internal Procurement Policy.
- Teleperformance has created Purchasing Committees at the Group, regional and local levels to make sure the Group's global policies and procedures are applied consistently.

1.2.4.3 Mitigating risks and preventing serious harm

Teleperformance has introduced measures to mitigate risks and 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.

Teleperformance's success and reputation are closely related to the Group's conduct of its business activities in a responsible manner in accordance with its core values and applicable law.

Teleperformance has developed global standards and processes to ensure the Group complies with the ten principles of the UN Global Compact and with international labor standards in all its subsidiaries.

These consist primarily of the following codes and policies:

- Code of Ethics
- Code of Conduct, including anti-corruption and anti-influence peddling, which was launched in May 2018, replacing the previous Anti-Corruption Policy
- Human Rights Statement
- Diversity & Inclusion Policy launched in March 2019, replacing the previous Equal Opportunity Policy
- Privacy Policy
- Global Essential Compliance and Security Policies, updated in May 2018
- Health and Safety Policy, updated in August 2019
- Environmental Policy
- Supplier Code of Conduct launched in Fall 2019, replacing and enhancing the previous Supplier Policy.

Teleperformance has continued to invest significantly to verify the due application and continual improvement of the Group's global policies and Vigilance Plan.

Training sessions on the Group's codes and policies ensure their effective deployment and application in all subsidiaries:

- As part of the Group onboarding process, all new employees receive training in CSR, Security & Compliance (including GDPR compliance), and Health & Safety.
- All Group 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 and more than 17,000 managers completed additional training.
- The Group has developed a comprehensive training module on the Code of Conduct, including anti-corruption, provided to senior managers and employees.
- The Group has appointed local CSR ambassadors in each subsidiary, responsible to liaise with the Global CSR Department. All local CSR ambassadors must complete a mandatory learning path, which includes knowledge of the ten principles of the UN Global Compact and training on their mission and responsibilities.

Together with the operating divisions, Teleperformance senior management constantly assesses the Group's exposure to risks relating to its international operations, in particular in countries where the economic and political outlook is deemed uncertain or highly uncertain, or in countries hit by natural disasters. Employee and client protection remains an absolute priority. Regulation drills are conducted in relevant countries in order to prepare sites should these events occur. The Group has also implemented a crisis management plan to handle these events.

Since 2018, Teleperformance has implemented a Group-wide crisis management scheme to anticipate and manage sudden, unforeseen and major events with a likely negative impact on staff, continuity of business, financial results or reputation.

The crisis management scheme is described in section 1.2.2.3 of this Universal Registration Document.

Regular discussions with stakeholders lead to the implementation of corrective or adaptive measures based on their feedback.

In addition, the Group has set up specific mitigation and prevention measures linked to the Duty of Vigilance's areas, all presented in this Universal Registration Document.

- Measures with regard to human rights and fundamental freedoms are presented in sections 2.3.2 *Human Resources development*, 2.3.4 *Living wage,* 2.3.5 *Labor relations*, 2.3.6 *Diversity and equal opportunities*, 2.4.2 *Fair practices*, and 2.4.3 *Data protection and cybersecurity*.
- Measures regarding Health & Safety and Security are part of section 2.3.3 *Creation of a working environment conducive to health and safety*.
- Measures related to the Environment are detailed in section 2.6 *Promoting Teleperformance's environmental responsibility*.
- Measures related to the mitigation and prevention measures in the value chain are presented in section 2.4.2.3. *Suppliers and subcontractors.*

1.2.4.4 Whistleblowing and grievance mechanisms

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

In 2018, the Group launched the Global Ethics Hotline (whistleblowing mechanism), accessible to both internal and external stakeholders, to report on any breach relating to Human Rights and fundamental freedoms, Health and Safety of persons or the environment, Ethics, Corruption, or Fraud. It has been deployed in 98% of Teleperformance's footprint in 2019.

Prior to launch, the Global Ethics Hotline was submitted to local employee representatives and unions in any country where the law required it.

The Global Ethics Hotline Policy is publicly available on the Teleperformance website.

More details are available in section 2.4.2.1 of this Universal Registration Document.

1.2.4.5 System for monitoring measures in place

Teleperformance closely monitors a large number of indicators to evaluate the effectiveness of its policies. Some examples include:

- Employee satisfaction is measured once a year through the annual Employee Satisfaction Survey. The results are analyzed by a dedicated team, communicated internally at the local, regional and Group level, and lead to specific action plans to improve weak spots. Actions plans are approved by the local leadership team, and progress is closely monitored. Teleperformance leadership team's incentive remuneration is tied to the Employee Satisfaction score;
- Attrition;
- Absenteeism;
- Accident rate;
- Internal Control Questionnaire (over 200 questions and controls, requested to each subsidiary three times a year);
- Global Ethics Hotline statistics and resolution rate;
- GHG emissions, reported on a monthly basis by all subsidiaries, and consolidated and analyzed by the Group's CSR Department;
- Percentage of employees trained on the Group's global policies.

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.

In 2020, the Group plans to implement additional risk management measures, including a CSR self-assessment questionnaire to be completed by all subsidiaries. This questionnaire will integrate Teleperformance's main CSR risks, based on the CSR risk mapping, consultation with stakeholders, and the materiality matrix, into the Group's internal control scheme.

Following some allegations published in July 2019 regarding potential human rights breaches in Teleperformance in Colombia, the Group has undertaken a thorough internal assessment. Additionally, two of its clients commissioned an exhaustive CSR audit to independent auditors. These audits concluded that nothing could support those allegations, and that, on the contrary, Teleperformance in Colombia showed good practices when it comes to the respect of human rights and fundamental freedoms.

1.2.4.6 Vigilance plan implementation report 2018/19

The report below summarizes the measures taken in 2018/19 under the duty of vigilance law:

- Completion of a CSR Risk Mapping;
- Completion of a Corruption Risk Mapping;
- Completion of a Materiality Analysis, involving external stakeholders in its main regions and countries (including consultation with employee representatives, clients, suppliers, public administrations, advocacy groups, NGOs);
- Establishment of an enhanced governance for CSR and Human Resources;
- Re-launch of the Global CSR Committee, including key support functions and specialists in their respective fields (CSR, HR, Legal & Compliance, Finance, Communication);
- Presentation of CSR action plan to the Board of Directors and to the General Assembly of Shareholders;
- Renewed adherence to the UN Global Compact;
- Revision of global policies, aligned with the ten principles of the UN Global Compact: Code of Conduct, Diversity & Inclusion, Supplier Code of Conduct, Health & Safety Policy;
- Development of CSR and Ethics & Compliance training modules;
- Launch and roll-out of the Global Ethics Hotline (whistleblowing mechanism), accessible to both internal and external stakeholders, to report on any breach relating to Human Rights and fundamental freedoms, Health and Safety of persons or the environment, Ethics, Corruption, or Fraud.

Teleperformance is committed to a continual improvement approach and has already listed some of its next priorities:

- Further integrating CSR risks into global risk mapping;
- Developing a CSR self-assessment questionnaire to further monitor CSR compliance in all subsidiaries and integrate it into the Group's internal control scheme;
- Standardizing the supplier due diligence process / CSR assessment on a global basis;
- Having the Global Ethics Hotline (whistleblowing mechanism) assessed by an external CSR expert.

The full Vigilance plan can be found on Teleperformance's website https://www.teleperformanceinvestorrelations.com/en-us/.

2

Declaration of non-financial performance

2.1 BUSINESS MODEL

Teleperformance's mission is to "help brands and businesses find solutions to their customers' daily problems". The Group specializes in handling the relations between brands and governments and their customers.

Teleperformance uses a range of resources and assets to achieve its mission. These resources and assets are presented below and deployed in strict compliance with the Group's values, which must be observed worldwide in all locations and departments.

The Group creates value for its stakeholders based on the **universal principle of individual satisfaction: employee satisfaction is the first step in ensuring end-user satisfaction and, as such, that of Teleperformance's clients. This "satisfaction chain" needs to function smoothly in order to create value for other Group stakeholders** (communities, lenders and shareholders).

Resources & assets

HUMAN
- 330k employees
- 265 dialects & languages

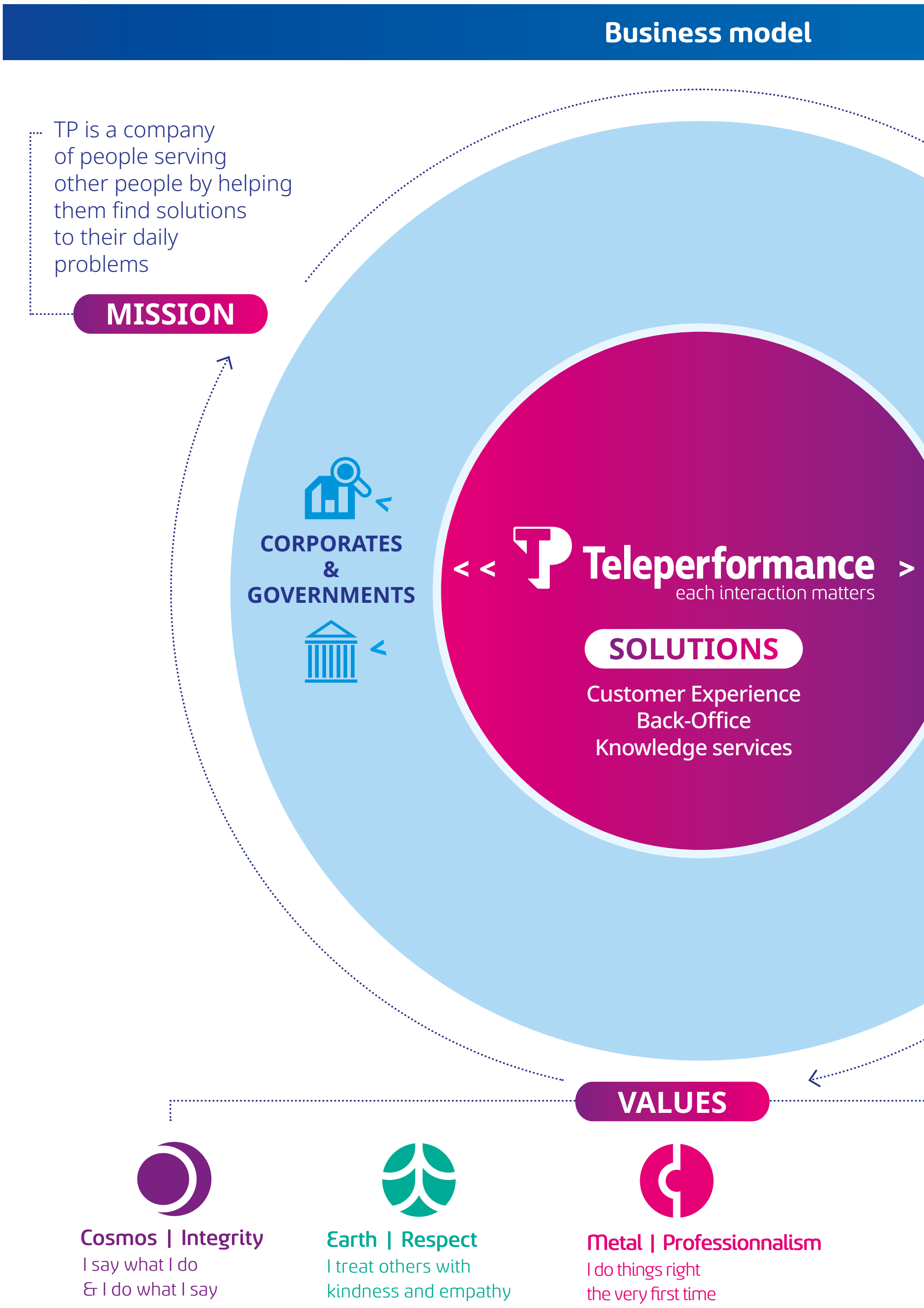
FINANCIAL
- €5.4B Revenue
- 14.3% EBITA margin
- €321M Free cash flow

INDUSTRIAL
- 460 sites
- Premises Standard
- Multilingual hubs
- Customer Journey Showrooms

INTELLECTUAL CAPITAL
- Operational Processes and Standards (TOPS and BEST)
- CX Lab (research center)
- 100+ proprietary digital platforms

SOCIAL AND RELATIONSHIP
- 1,000 clients*, of which 50% global accounts
- + 170 markets
- Citizen of the World, charity initiative

ENVIRONMENTAL
- Natural resources
- Mainly electricity
- Citizen of the Planet, environmental initiative



*Excluding LanguageLine Solutions (30,000 clients including individuals).

The Group's vision is that, in an increasingly automated world driven by a growing need for efficiency and speed, **"Each interaction matters".** Teleperformance aims to become the preferred high-tech, high-touch partner for major brands and distributors as well as emerging companies by efficiently managing their daily interactions with customers while ensuring total security. Striking a balance between technology and human touch is the cornerstone of the customer experience; emotional intelligence is essential in order to deliver value and ensure that changes are sustainable.

As a forward-looking company, Teleperformance has embarked on a significant transformation journey. From being the worldwide leader in outsourced customer experience management, the Group is accelerating its pace of innovation and transforming into a global leader in digitally integrated business services.

To meet today's major global challenges, Teleperformance is committed to developing in a sustainable manner: creating meaningful connections to bring people together and creating value for all stakeholders, while ensuring that future generations can meet their own needs.

The Group's strategy is detailed in section 1.1 of this Universal Registration Document.

Creating value to all stakeholders

EMPLOYEES

€3.4B wages and social benefits

160 training hours per employee

69% non-agent positions filled internally

70% employees working at a best employer subsidiary

CORPORATE CLIENTS & GOVERNMENTS

26% revenue from Top 10 clients

21% revenue from the digital economy

13 YEARS average client tenure (Top 50)

FINAL CUSTOMERS

1.3B** interactions

TAILORED CUSTOMER EXPERIENCE

DATA SECURITY: BCR, GDPR

SHAREHOLDERS

x2 Growth vs market

56% share price increase in 2019

COMMUNITIES

€155M income tax paid

€4.9M raised for charities

82,000 volunteer hours

ENVIRONMENT

-4.21% decrease yoy carbon footprint per employee

-12.2% decrease yoy electricity consumption per employee

***Excluding Specialized Services.*

Impact on society

Teleperformance dialogs continuously with its main stakeholders.

Stakeholders	Employees	Clients	Final Customers	Shareholders	Local Communities
Methods of dialogue	Annual Employee Satisfaction Survey (E.Sat), regular "Chats with CEO" and focus groups, continuous dialog through Intranet, coaching, performance reviews	Client Satisfaction Surveys (K.Sat), RFPs, Strategic Account Management, Events, Website	Systematic Customer Satisfaction Surveys (C.Sat), Omnichannel interactions	Continuous dialog through investor meetings, roadshows, general meetings, financial reporting. Face-to-face ESG meetings with 41.5% of the capital.	Regular voluntary work, job fairs, partnerships with public administrations and NGOs, industry associations
Needs & expectation	Well-being at work Competitive remuneration Career development Diverse and inclusive work environment	Increase final customers' satisfaction & loyalty Growth and digital transformation Easy to "work with" partner Secure solutions Cost effective	Find solution to their daily problem, get a simple and fast response when they need it and where they need it	Reliable and sustainable financial performance. Transparency and sound governance.	Find local work opportunities, develop local economy, inclusion of minorities, responsible use of natural resources
TP's strategic response	Health and well-being programs Attractive compensation scheme Training and development: JUMP!, TP University Gender equality initiative, multicultural teams	Simpler. Faster. Safer. Augmented Customer Experience, advanced analytics, digitalization and automation, Lean Six Sigma, subject matters experts by vertical, Smart shoring, operational standards	Emotional Intelligence, Omnichannel, multilingual capabilities in 265 languages, Data Security (BCRs approval), Advanced Analytics	31 quarters of consecutive YoY revenue LFL growth of at least + 5%, 9 years of continuous recurring EBITDA ratio improvement, continued dialog with main investors, incorporation of best practices in governance	Major employer, measures taken to favor the employment and inclusion of local and underprivileged communities, charitable initiative Citizen of the World, environmental initiative Citizen of the Planet

2.2 KEY EXTRA-FINANCIAL ISSUES AND CSR STRATEGY

2.2.1 Main risks and opportunities

In 2019 Teleperformance developed two essential tools for defining and coordinating its CSR strategy: a CSR risk mapping and a materiality matrix drawn up in consultation with the Group's main stakeholders.

CSR risk mapping

Identifying, analyzing, measuring and processing risks are mainly the responsibility of three Group's departments: finance, legal & compliance and operations, at both subsidiary and Group level. This organization provides the framework for the risk management scheme. The system is based on the interaction between these three departments with general management, the Audit, Risk and Compliance Committee and the functional and operational departments, which perform day-to-day management of the risks within their respective remits.

In 2018, this work covered compliance and protection issues, such as mapping corruption risks in accordance with the French Sapin II law. In 2019, the Group continued the improvement process by drawing up a CSR risk mapping covering human rights, international labor standards, health and safety, ethics and compliance, corporate governance, the environment, the value chain, the communities, and more.

While preparing the list of CSR issues to be submitted to stakeholders, Teleperformance took into account international standards (ISO 26000, the United Nations Global Compact, GRI standards), sector and media watch benchmarks and analyses of existing internal documentation. The risk mapping was drawn up through consultation with executives representing all Group business functions (legal and compliance, human resources, operations, information system security, business development, client management, finance and risk management), and all regions and key countries (focusing on the Group's major operations in the EMEA region, India, the Philippines, USA, Mexico, Colombia and Brazil). The results of the 2018 annual employee satisfaction survey (E.Sat), in which over 118,000 employees took part, were also incorporated into the risk analysis as a weighting factor.

The Group's major risks are all presented in section 1.2 of this Universal Registration Document.

The risks covered by the duty of vigilance (human rights and fundamental freedoms, health and safety, the environment and value chain) and the policies and initiatives introduced to mitigate such risks are set out in section 1.2.4 of this document.

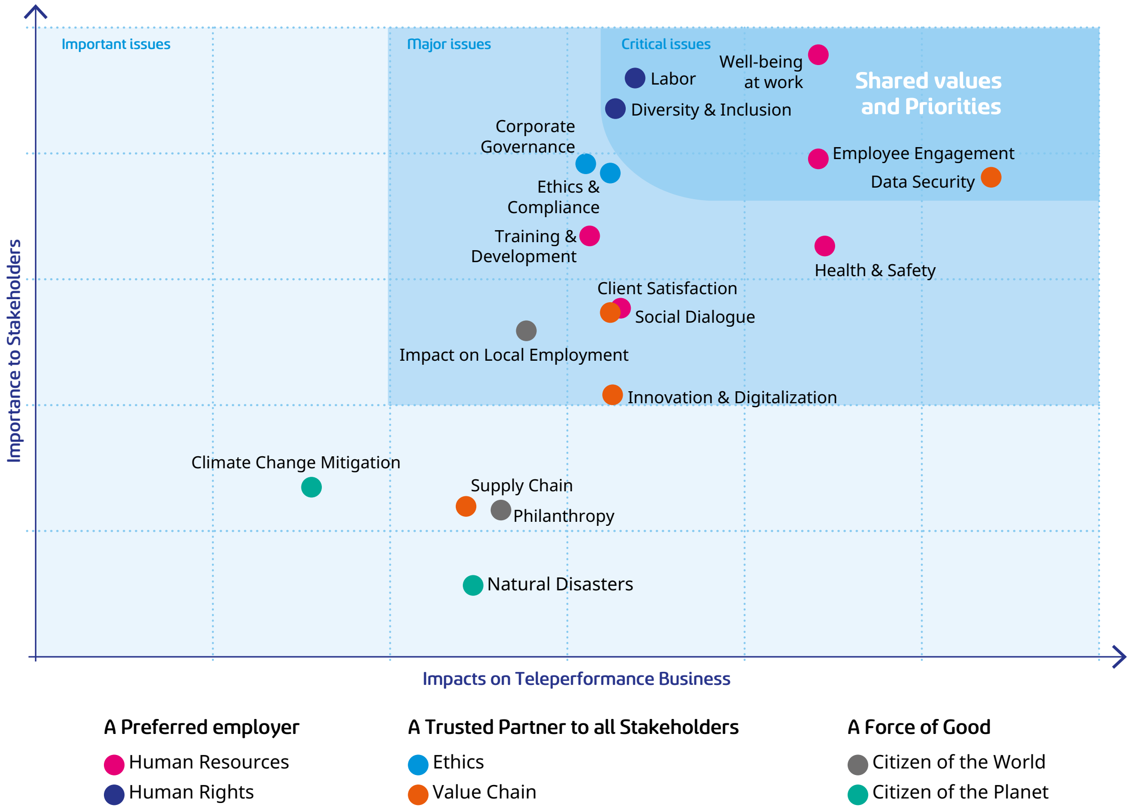
Materiality analysis

The CSR risk mapping was used as a starting point to draw up Teleperformance's first materiality analysis. The Group organized a consultation process with stakeholders consisting of interviews on relevant CSR issues identified during the risk mapping process on which Group management had already issued an opinion. Staff representatives, suppliers, partners, clients and interest groups (public bodies, NGOs, sector analysts) based in the main Teleperformance operating countries expressed their opinion on the importance of each CSR issue for Teleperformance so that these issues could be placed in order of priority.

In 2019, Teleperformance decided to involve mainly staff representatives (over 50% of the sample) and encourage dialog with employees for the first year of assessment. The Group plans to periodically update the materiality analysis by revising the list of relevant CSR issues identified as required and extending the consultation process to a broader sample of in-company and external stakeholders.

KPMG, acting as the independent third-party body appointed by the Group to audit non-financial reporting, has confirmed that the materiality analysis was conducted, under the responsibility of Teleperformance's CSR department, in accordance with the methodology protocol and, in this respect, provided a report on agreed-upon procedures in accordance with ISRS 4400.

The materiality chart below presents CSR issues classified on one hand in terms of their importance for stakeholders and on the other hand the degree of risk they entail for Teleperformance's operations as defined during the CSR risk mapping process.



This analysis aimed to prioritize the wide range of social, staff-related and environmental challenges faced by the Group in view of its global stature. The analysis also helped strengthen dialog with stakeholders on CSR issues, in order to ensure that the initiatives and programs created by Teleperformance met their expectations.

In accordance with the priority areas pinpointed by the analysis, specific action plans and initiatives have been devised to mitigate and control the related risks and take advantage of the opportunities arising from this procedure. These action plans and initiatives have been incorporated into the Group's strategic objectives. As a further demonstration of the importance of these priority areas, part of the Executive officers' variable remuneration depends on the Group's performance in this respect.

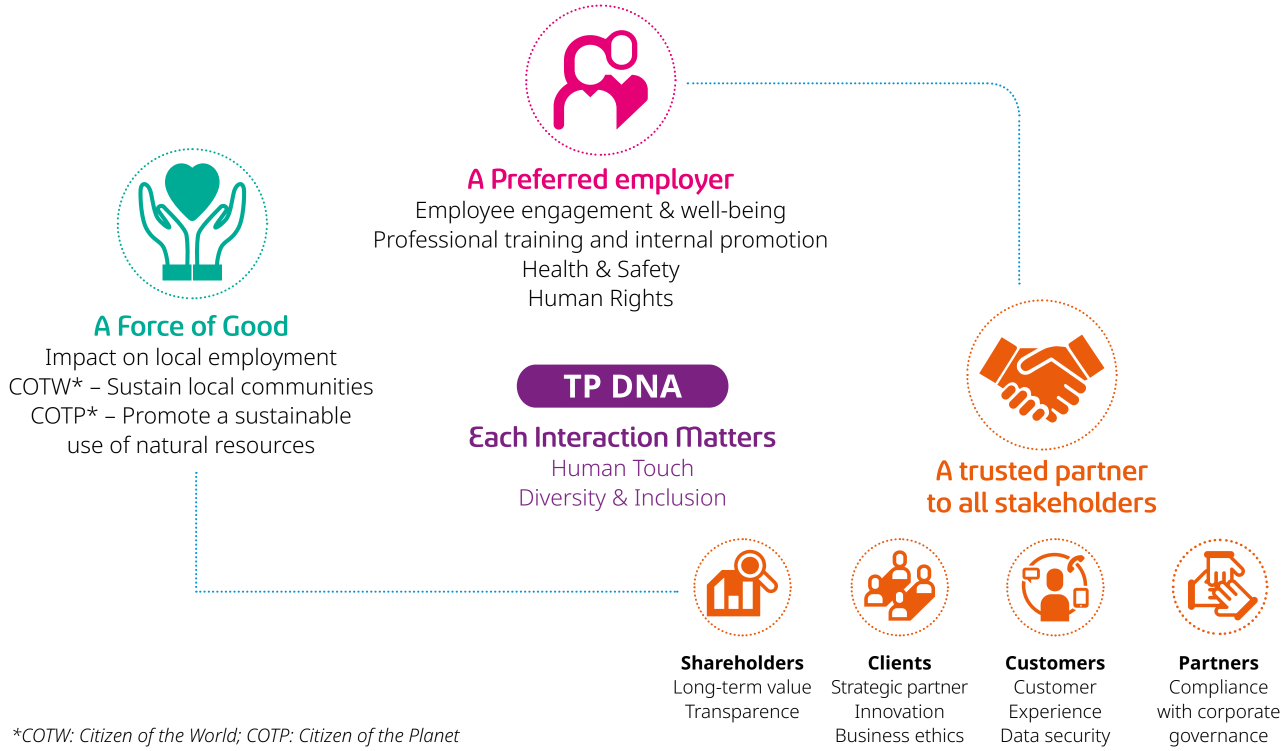
2.2.2 CSR vision and governance

CSR vision

Identifying the main CSR issues helped the Group organize its CSR initiatives. These have been incorporated into Teleperformance's **strategy** and are based on three commitments underpinned by specific programs. Teleperformance aims to be:

- the market's **preferred employer**: Teleperformance's people are the Group's primary responsibility and are essential to the fulfillment of all other commitments. Employee well-being is crucial for end-user satisfaction and that of Teleperformance's clients; Teleperformance is focusing on developing a Great Place to Work® ecosystem: being the best employer in the sector is essential in order to hire, train and retain the best talent. Already a major employer in many countries, the Group workforce will total between 400,000 and 500,000 in five years' time;
- **a trusted partner** for all stakeholders by adopting the most stringent ethical standards, providing the best possible customer experience while guaranteeing seamless data security for end-users, or by acting as a strategic partner and delivering transparent, high-quality reporting to investors;

- **a Force of Good** within the Group's sphere of influence by helping to create jobs and build the local economy, positively impacting communities where the Group is present *via* its Citizen of the World (COTW) initiative and promoting sustainable use of natural resources under the Citizen of the Planet (COTP) program.



**COTW: Citizen of the World; COTP: Citizen of the Planet*

Each interaction matters and every employee, client, consumer and investor is treated uniquely. Diversity and inclusion are core values for Teleperformance that underpin all its commitments.

The Group's commitments are in line with the United Nations Global Compact, which Teleperformance joined in 2011. The Group ensures that all of its subsidiaries apply and comply with the UNGC's fundamental principles.

The Global Compact is the most important global initiative in terms of sustainable development. It is based on the companies' commitment to implement the ten sustainable development principles, as follows:

Human rights	1. Businesses should support and respect the protection of internationally proclaimed human rights; and 2. Make sure that they are not complicit in human rights abuses.
Labor	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; 4. The elimination of discrimination in respect of employment and occupation; 5. The effective abolition of child labor; and 6. The elimination of all forms of forced and compulsory labor.
Environment	7. Businesses should support a precautionary approach to environmental challenges; 8. Undertake initiatives to promote greater environmental responsibility; and 9. Encourage the development and diffusion of environmentally friendly technologies.
Anti-corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.

Teleperformance's commitment is strongly reflected in its policies, including the Code of Ethics, Code of Conduct, diversity and inclusion policy, Global Essential Compliance and Security Policies (GECSPS) health and safety policy, human rights statement, environmental policy and Supplier Code of Conduct. The Group ensures that its policies are put into practice and that employees are trained in all operations.

CSR governance

A **dedicated governance structure was set up** to ensure the success of these programs and objectives. In January 2019, the Group appointed a Corporate Social Responsibility (CSR) director reporting directly to the Deputy CEO. Her missions, together with her team, are to coordinate the Group CSR strategy, harmonize CSR initiatives and monitor the whole program on a regular basis.

The Group CSR department works with a network of local CSR ambassadors tasked with liaising daily with the Group CSR department and subsidiaries in order to monitor local application of Group policies and tracking and reporting CSR information. The CSR ambassadors receive instructions from the CSR director, who sees that Teleperformance's practices are aligned with the 10 principles of the United Nations Global Compact and with the Group Vigilance Plan.

The CSR roadmap and associated programs are also coordinated and overseen by a CSR steering committee that meets at least four times a year. The committee comprises representatives of key support functions and experts in the relevant fields (CSR, human resources, legal and compliance, finance, communications).

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 in its market, an essential prerequisite in creating value for all stakeholders. A happy employee is the first step towards ensuring end-user 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, well-being and work safety to monitor progress and the achievement of this goal.

The Group also launched a high-touch strategy spanning the entire human resources value chain. The high-touch strategy targets Teleperformance's employees and both clients and their customers, and is illustrated by the catchphrase that sums up Teleperformance's identity and mission: "Each Interaction Matters". The Group believes that, as a responsible employer, it has a duty to help all of its employees fulfill their maximum potential.

In 2019, Teleperformance revised its hiring processes, job descriptions and appraisals, as well as remuneration criteria, to make emotional intelligence a key consideration.

Teleperformance's high-touch strategy aims to boost employee happiness and help it stand out 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. In 2019, the Group received 22 best employer awards from Great Place to Work®, Kincentric Best Employer (formerly Aon Hewitt) or Best Places to Work®. These awards cover 70% of the Group's workforce.

11 Great Place to Work® awards: Argentina, Brazil, Colombia, Costa Rica, Dominican Republic, El Salvador, India, Mexico, Peru, Philippines, Portugal.

Seven subsidiaries recognized by Kincentric under the Global Best Employers™ program: China, India, Morocco, Tunisia, TLScontact Algeria, TLScontact Morocco and TLScontact Tunisia.

Four Best Places to Work® awards: Albania, Morocco, Portugal and Tunisia.

Competing companies must submit to a rigorous selection process to receive these awards. The Great Place to Work® ranking is based on employees' perception of their employer (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.

Awards and rankings given by independent entities in recognition of employee workplace satisfaction are now taken into account in the Executive Officers' remuneration scheme (see sections 3.2.2 and 3.2.3 related to the *remuneration of corporate officers*).

2.3.1 A major job creator

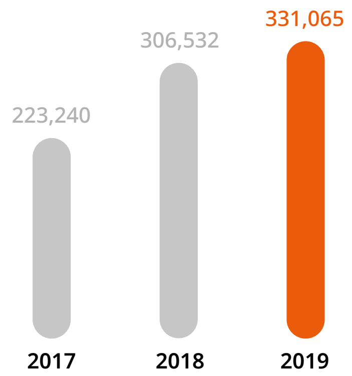
The information contained in this section concerns all Group consolidated companies, unless otherwise specified.

2.3.1.1 Breakdown of total workforce by age, gender and linguistic region as of December 31st, 2019

2019	Men	Women	Total	< 25 years old	< 35 years old	< 45 years old	> 45 years old
English-speaking world and APAC	27,457	38,513	65,970	24,974	28,360	8,735	3,901
	41.62%	58.38%		37.86%	42.99%	13.24%	5.91%
Ibero-LATAM	50,316	53,694	104,010	46,221	39,252	12,268	6,269
	48.38%	51.62%		44.44%	37.74%	11.80%	6.03%
Continental Europe & MEA	22,994	28,137	51,131	14,275	21,538	9,945	5,373
	44.97%	55.03%		27.92%	42.12%	19.45%	10.51%
India & ME	46,807	23,346	70,153	35,068	28,531	5,494	1,060
	66.72%	33.28%		49.99%	40.67%	7.83%	1.51%
Core services & D.I.B.S. (excl.USA)	147,574	143,690	291,264	120,538	117,681	36,442	16,603
	50.67%	49.33%		41.38%	40.40%	12.51%	5.70%
Specialized Services (excl. USA)	1,769	3,546	5,315	2,231	2,225	625	234
	33.28%	66.72%		41.98%	41.86%	11.76%	4.40%
Holdings	33	31	64	4	21	15	24
	51.56%	48.44%		6.25%	32.81%	23.44%	37.50%
Total excluding USA	149,376	147,267	296,643	122,773	119,927	37,082	16,861
	50.36%	49.64%	100.00%	41.39%	40.43%	12.50%	5.68%
USA			34,422				
TOTAL			**331,065**				

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:



2.3.1.2 Full-time equivalent workforce by linguistic region

	2019 workforce	2019 payroll expenses *(in millions of euros)*	2018 workforce	2018 payroll expenses *(in millions of euros)*
English-speaking world and APAC	80,171	1,226	73,845	1108
Ibero-LATAM	90,875	877	72,253	742
Continental Europe	42,788	758	38,138	696
India & ME	67,899	288	57,806	116
Core services & D.I.B.S.	281,733	3,148	242,042	2661
Specialized Services	9,467	245	9,099	235
Holdings	64	21	49	19
TOTAL	**291,264**	**3,414**	**251,190**	**2,915**

Salaries are determined in accordance with the laws in force in the countries in which the Group operates. Teleperformance also conducted an analysis to compare its salaries against living wage– see section 2.3.4.

2.3.1.3 Change in total headcount in 2019 by type of employment contract

	Permanent contract	Fixed-term contract	Temporary	Total
AS OF 1/1/2019	**244,270**	**51,166**	**11,096**	**306,532**
Hiring	264,122	44,758	10,000	318,880
Lay-offs	-44,572	-5,710	-1,232	-51,514
Transfers	10,098	-10,845	747	0
Other departures	-203,247	-30,266	-9,320	-242,833
AT DECEMBER 31ST, 2019	**270,671**	**49,103**	**11,291**	**331,065**

It is not possible to determine the exact number of disabled employees working for the Group, given that this information is considered to be discriminatory in certain jurisdictions, such as the USA and Italy.

In 2019, 8.5% of the Teleperformance France workforce were officially recognized as disabled (excluding temporary staff).

2.3.1.4 Employee remuneration and loyalty schemes

The Group remuneration 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 includes its most valuable managers in 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 contribution to the Group's development. This is an exceptional remuneration scheme and is therefore distinct from the Group's general remuneration policy applicable to all employees. A detailed summary of the performance shares allotted by the Group is presented in section 7.2.5.3 of this Universal Registration Document.

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

2.3.2 Human resources development

Employee development is a central focus for the Group. It is essential for providing clients and their 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 employees on arrival and throughout their career with the Company.

The Group has developed specific on- and off-site training programs for all employees. These training programs cover a wide range of subjects, including Teleperformance corporate culture, campaign- and client-specific training, professional development, safety, compliance and data security.

In 2019, Teleperformance introduced gamification into its training, in order to promote concentration and learning. Gamification is mainly used for the induction process, but also during in-service training. Its use will be extended in 2020.

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.

46,631,754 training hours were provided in 2019, representing an increase of 9.5%: partially explained by the integration of Intelenet into the reporting scope. This represents 160 hours on average per employee, *versus* 170 hours in 2018.

Training is provided in the form of face-to-face sessions (Teleperformance Academy) and e-learning modules (Teleperformance eInstitute).

Teleperformance Academy

Teleperformance Academy has developed a set of training methods and premises designed to optimize knowledge transfer and stimulate the learning process.

Since 2014, all new employees have attended 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 to help them support a new customer or product launch 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. Every new agent completes a compliance program geared towards ensuring data security for Teleperformance clients, end-users and employees.

Teleperformance eInstitute

In 2011 Teleperformance developed a proprietary e-learning platform named Teleperformance eInstitute. The Group currently uses three main platforms to provide online training to all employees, anywhere and anytime: eInstitute, Saba and Skillport. In 2019, 1,154,718 e-learning hours were provided, *i.e.* 2.5% of total training hours delivered in 2019, *versus* 1.8% in 2018.

This year, the training platform scored a resounding success with an average of 58,604 unique visitors per month (up from 40,638 in 2018). This performance may be attributed to the platform recast and expanded content offer.

In 2019, the Teleperformance eInstitute focused on seven areas:

1) Developing the Six Sigma culture within the Group.

   To highlight the importance of this initiative, Teleperformance hired a director in charge of creating a Six Sigma culture at the Company. This person organized 15 Six Sigma Green Belt training sessions and 108 Six Sigma Yellow Belt sessions for 1,992 directors and managers, in cooperation with the trainer network. Moreover, 33,314 employees completed a Six Sigma e-learning course.

2) Development of new content.

   In 2019, the Group training and development department focused on designing new content to foster team development worldwide, including a new e-learning catalog and face-to-face emotional intelligence training scheduled for roll-out in early 2020. Group training programs (Foundations, JUMP!, etc.) are undergoing revision and will be standardized Group-wide in 2020 to ensure a uniform development pathway for all employees.

3) Data security training.

   In 2019, all employees received the annual refresher training in data security awareness. Over 26,000 managers completed a series of cybersecurity training courses designed to foster awareness and vigilance with regard to phishing.

4) Creation of a talent management platform.

   In 2018, in accordance with the Group's commitment to developing high-tech, high-touch solutions, Teleperformance coordinated the creation of a talent management platform. 50,000 employees in the Philippines, Mexico and Egypt used this platform in 2019. In view of its success, the platform will be rolled out worldwide in 2020. The platform is designed to operate not only as a learning management system (LMS) but also as a comprehensive talent management platform covering the annual performance appraisals, target-setting, high-potential talent guidance and succession plans. Under this program the Group will strive to promote diversity and balanced representation, particularly in terms of gender.

5) Additional external training.

   Free licenses were granted to over 6,000 users in order to access additional online training content on external service provider websites.

6) Continued development of regional centers of excellence.

   Selected supervisors complete a week-long course in best practices in their business line.

7) Continued roll-out of the internal training quality standard (improvement of instructor training) and certification of Group subsidiaries.

2.3.2.2 Professional development

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

Teleperformance encourages internal promotion. For 2019 the Group posted an internal promotion rate of 69% in respect of all positions, from supervisor upwards.

JUMP!

Exclusively designed for Teleperformance employees, the JUMP! program was introduced to encourage promotion from agent to supervisor and supervisor to manager. The program is designed to:

- promote career development within the Group;
- identify high-potential employees and prepare them for 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. A comprehensive catalog listing all program components will be published in 2020.

Teleperformance University

Teleperformance University is an in-house university geared towards high-potential managers seeking to become future senior leaders within the Group. The course consists of six on-site modules over one week, followed by additional e-learning modules:

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

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

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

40 participants from 23 countries completed the training course over the academic year from September 2018 to July 2019. In line with Teleperformance's digital transformation targets, the course focused on developing leadership skills in a high-tech, high-touch environment and on Six Sigma Green Belt training.

2.3.3 Creation of a working environment conducive to health and safety

With over 330,000 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 Teleperformance health and safety management system aims to control risks efficiently and prevent staff injuries during the performance of their duties.

The Group health and safety policy may go beyond local regulatory requirements. Where Group policy is more stringent than local requirements, Group policy prevails. Otherwise, the Company must abide by local requirements.

Besides focusing on employer and employee responsibilities, Group policy aims to increase awareness of workplace hazards and promote the use of preventive measures by all persons concerned. Staff representatives are periodically consulted to ensure the Group health and safety policy is rigorously applied at local level.

Each Group entity has its own Health and Safety Committee supervised by the local management team, local experts and the central health and safety department.

The Teleperformance health and safety management policy is designed to provide a consistent approach by integrating risk assessment within the corporate culture. The global health and safety department works closely with each subsidiary through 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 by implementing the rules and procedures laid down 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 network 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 a mandatory health and safety training. The goal is to raise their awareness and knowledge of these areas from the very beginning of their career.

Health and safety awareness video

In 2018, the Group produced and released a teaching video on health and safety at work. This entertaining and instructive video is presented by a Group senior executive in order to drive home the importance of occupational health and safety issues. The video is played in waiting areas at call centers, as well as in recruitment, relaxation and operating areas. It has been translated into multiple languages and is an efficient way to convey key messages to all those concerned.

Local Health and Safety Committees, risk assessment and site inspections

In an effort to strengthen the global organization and ensure consistency at local level, every subsidiary has its own local Health and Safety Committee. These local committees handle the collective issues facing each center, enabling managers to efficiently implement the Group health and safety policy at their facility.

One of the cornerstones of the safety management policy is the identification of risks facing the Group at both global and local level. Assessments are carried out once a year at each facility in order to identify potential risks and devise appropriate solutions to reduce them. The Group periodically audits local risk assessments to improve their accuracy. The importance of health issues in the risk assessment has been increased in order to continuously improve staff well-being.

2.3.3.2 Supporting local roll-out of the Teleperformance health and safety policy

Toolkit: safety directives

Teleperformance is committed to providing all of its employees and subcontractors with a safe working environment and minimizing the risk of injury and illness. 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 those concerned.

An excellent working environment: guidelines on work premises

The working environment is an integral part of an employee's life. Teleperformance aims to create an appropriate and innovative working environment, focusing on well-being and culture at work, in which employees can fulfill their potential.

Teleperformance implements directives and guidelines on workplace layout in order to provide a working environment conducive to well-being and efficiency. Acoustics and lighting are also important for a calm and healthy working environment. Plans and designs for adapting specific areas such as hiring and training areas, are shared with all subsidiaries. Good practices are submitted to the internal expert network for quality feedback. Teleperformance provides employees with specially designed relaxation areas and cafeterias, as well as gyms, games rooms and other communal areas.

These directives were extensively revised in 2019, in consultation with architect and designer partners in order to keep up with market trends, employee expectations and international safety standards.

Passion for you: well-being 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, well-being 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 for you initiative promotes well-being and better quality of life at work. By improving awareness of the benefits of adopting healthy habits and reducing stress, this program encourages the sharing of best practices between all Group entities. All of the Passion for you 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 policies
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 well-being and cultivate a feeling of belonging.
Content moderation	Special attention is paid to agents in charge of social media content management and moderation, as their job tends to generate a good deal of stress. A number of measures have been taken, including hiring people with appropriate profiles and skills, resilience training during the induction seminar, a positive working environment enhanced by a custom-developed infrastructure, expert counseling to foster psychological and emotional well-being and a 24/7 support program.
Work-life balance	A healthy work-life balance is essential for every employee. Having too little time to relax can cause 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 teleworking 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 well-being. 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	To promote well-being, performance and health, Teleperformance encourages employees to do physical exercise through initiatives such as fitness, yoga and zumba classes at work, stretching exercises, riding to work, sports days and active breaks.
TP Sport Club	Teleperformance fosters physical and emotional well-being as well as quality of life through games, fun and a spirit of camaraderie. TP Sport Club is one of the most successful employee engagement initiatives. In 2019, 13,600 employees were members of more than 1,400 sports teams, mainly football, volleyball, basketball, tennis, bowling, badminton and softball.

2.3.3.3 Workplace accidents

The workplace accident frequency rate in 2019 was 2.9 excluding commuting accidents It was of 6.7 including the commuting accidents (20% of the subsidiaries do not track this indicator).

All workplace accidents and incidents are reported and recorded. Each accident is analyzed in detail in order to determine the root cause and continually improve employee safety by mitigating the risks identified.

2.3.3.4 Preventing workplace accidents: audits and inspections

A global remote audit system has been set up to ensure that all locations comply with the Group health and safety policy. The system is backed up by systematic on-site inspections, aiming to cover all Group locations over an 18-month period. Depending on the maturity level and results obtained by each inspected location, the Group offers to work closely with the subsidiary in order to achieve compliance with the required standards. A full health and safety audit of the location is also proposed.

	Objectives	Methodology	2019 audits
Remote H&S audits	Remotely assess whether key health and safety elements comply with Group H&S requirements, identify discrepancies and prepare an action plan to rectify them.	Each company provides documents as proof of its compliance with Group 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 country directors for their respective entity, and quarterly to the Group management team.	Over 300 locations audited in 2019, including new sites integrated during the year.
On-site H&S inspections	Conduct a H&S site inspection and determine whether the key elements are satisfactory, or if any risk, critical or not, has been identified. Define an action plan to correct any deviation.	These inspections are conducted by an in-house safety and compliance audit team trained in critical health and safety aspects, *via* a three-stage process: 1. prior evaluation; 2. on-site inspections using an evaluation grid; 3. bi-monthly meetings to align with auditors. The inspection findings are forwarded to country management, which then requests an action plan with monthly tracking. The overall findings are sent to Group management every quarter.	199 sites were inspected in 2019.
Full H&S audit and support	Evaluate an entire site in order to assess compliance with Group requirements, international guidelines and local regulations.	These audits will be conducted by the Group H&S team via a three-stage process: 1. risk identification; 2. prior evaluation; 3. on-site audit using a comprehensive H&S audit evaluation sheet. The audit findings are forwarded to country management, which then requests an action plan with monthly tracking. The overall findings will be sent to Group management every month.	Launch of the process in 2020 following the definition of the methodology in 2019.
Compliance of H&S licenses	Check that all sites have the health and safety licenses required by local legislation	An initial investigation (phase 1) was conducted by each subsidiary to identify all licenses required for each site. Next (phase 2), each license identified was recorded in the internal system.	The compliance team broadened the scope of subsidiaries covered.
Client audits	Employee health and safety is a core component of most major international clients' subcontracting policies. In this context, clients conduct their own on-site H&S audits.	The methodology varies depending on the client.	Data unavailable.

2.3.3.5 Health insurance

92% of the Group's employees have access to health insurance. In some countries this is a legal requirement, while in others it is a benefit offered by Teleperformance. Furthermore, over half of all subsidiaries extend health insurance to family members of insured employees.

In the Philippines, Teleperformance provides an inclusive health insurance extended to the employees' partners, no matter their marital status or sexual orientation.

More than half of Group subsidiaries also provide on-site medical assistance: doctors, nurses, psychologists, etc.

In Portugal, Teleperformance has rolled out the TP Feel Well program, which offers psychological and general clinic consultations, medical examinations and other "fell well" initiatives. This program provides professional, free and continuous medical assistance.

2.3.3.6 Work organization

Working hours

The Group's human rights charter states 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 well-being 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 4.3% in 2019, with a number of regional differences depending on the local social and regulatory environment. In 2019, the Group updated its definition of absenteeism to adopt the one used by human resources and operations. This new definition, determined as the unscheduled absences divided by the total scheduled hours, gives a more accurate picture by dividing the absences by the expected hours. The prior definition divided the unscheduled absences by the total paid production hours, which could artificially inflate the ratio by using a denominator that already excludes the absence hours.

In 2018, the absenteeism rate was 5.2% with the new definition vs 6.8% per the previous definition.

WAHA programs

Core services & Digital Integrated Business Services (D.I.B.S.)

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 of years' application, has become particularly effective in creating close ties, developing loyalty to the Company and brand and improving efficiency.

The number of Teleperformance agents working under the WAHA program is growing constantly as of December 31st, 2019, close to 5,500 Core Services & D.I.B.S. employees were working under this model.

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

The development of remote work 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 proving their competence at the Group's traditional contact centers.
India	Most of 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 to two days of telework per week. This agreement was renewed in 2019.
Japan	In 2019, Teleperformance launched its activity in Japan, 100% WAHA.

Specialized Services

A large proportion of Specialized Services employees work from home. Indeed, the organization of the LanguageLine Solutions interpreting business is based on an efficient network of 10,900 interpreters (including Group employees and contractors), of whom almost 80% work from home.

2.3.4 Living wage

Partnering with Wage Indicator, Teleperformance conducted for the first time an analysis to compare Teleperformance's local salaries against local living wage. As a market leader, the Group is committed to providing a competitive remuneration to all its employees and to promoting a higher standard for its sector.

The living wage depends on the local cost of living. Different from minimum wage, it is the minimum income necessary for a worker to meet their basic needs, including food, housing, and other essential needs such as clothing, transportation, education and health. The goal of a living wage is to allow a worker to afford a decent standard of living through employment.

This analysis concluded that 99.3% of Teleperformance's employees have a base salary higher than the local living wage (excluding bonus).

Wage Indicator is a foundation with one of the most robust methodology and global database on living wages. It operates national Wage Indicator websites in more than 125 countries, functioning as online, up to date labor market libraries for workers, employers, governments, academics and media.

To estimate the local living wage, Wage Indicator gathers local prices for accommodation, food, clothing, transportation, public education and health through cost of living surveys. Data are updated on a quarterly basis and were compared as of January 2020.

The analysis was performed in 218 cities in 36 countries, covering 94% of Teleperformance's global headcount. Due to data availability, Guyana, Tunisia, Sweden and TLScontact were not part of the study and will be incorporated in coming years as part of the partnership with Wage Indicator.

Wage Indicator reports living wages as a range (low bound and high bound). Interval reflects the variations of prices within a city or a country. 99.3% of Teleperformance's employees have a base salary higher than the living wage - low bound, and 84% of employees have a base salary higher than the living wage – high bound.

Highlights in largest countries of operations that represent 42% of the Group's headcount

Country	Results
Colombia	In Colombia, the agent entry-level base salary is higher than the living wage by 56%- low bound and 25% - high bound.
India	In India, the agent entry-level base salary is higher than the living wage by 123%- low bound and 49% - high bound.
Philippines	In the Philippines, the agent entry-level base salary is higher than the living wage by 81%- low bound and 25% - high bound.

0.7% of the Group's employees have an entry-level base salary at the minimum wage, slightly lower than the local living wage. Further analysis is being made to understand the rationale, the total compensation package, and address any gap as needed.

2.3.5 Labor relations

Since its creation, Teleperformance has developed 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 representing and promoting employees' interests, and aims to build its reputation as an ethical company that applies good practices with regard to labor relations, in compliance with local regulations. All employees are free to meet or join organizations without interference, reprisal or discrimination. Teleperformance maintains regular and constructive 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.

2.3.5.1 Social dialog

Teleperformance respects freedom of association and recognizes the right to collective bargaining, in accordance with the third principle of the UN Global Compact. In countries where these fundamental freedoms are not guaranteed, Teleperformance ensures that channels for social dialog exist. Each Group entity included in the reporting scope has at least one employee representative body: employee representatives, works council, Health and Safety Committee, Grievance Committee, etc.

Employees can also share their opinions and express their concerns through the E.Sat employee satisfaction survey, regular chats with the CEO, discussion groups, etc.

An Ethics Hotline is also available to any employee or third party wishing to report breaches of international commitments, including principles relating to freedom of association (see section 2.4.2.2 *Anti-corruption measures)*.

Multiple channels of dialog and consultation

The corporate culture encourages direct access to Group managers and executives. Teleperformance has implemented a number of initiatives at its subsidiaries to encourage dialog and discussion with employees:

Examples of initiatives to encourage discussion with employees

Initiatives	Descriptions
Meetings with management	Organization of regular meetings between management and staff representatives or, where they exist, trade unions.
"Chats with the CEO"	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.
Focus groups	Focus groups between agents and managers.
Intranet and online communication tools	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 2019, 163,230 employees at 83 subsidiaries working in 58 countries (49% of the Group's total workforce) 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 labor agreement. If no specific agreement exists, the labor laws in the country in question apply. In many cases, additional collective bargaining agreements are also regularly signed annually 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, team turnover, etc. Around 20% of Group employees currently work at subsidiaries that have signed a collective bargaining agreement (Argentina, Brazil, Finland, France, Italy, Mexico, Netherlands, Norway, Sweden and the UK).

In 2018, the Teleperformance France subsidiary 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 expressly agreed 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 2019, the Works Council met Group management representatives four times, either in plenary session or in the form of a six-member delegation, to discuss transnational issues affecting employees during the year, at European level.

2.3.5.2 Employee benefits

Staff benefits are organized locally in accordance with established practices in each country.

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

Extra leave

More than 60% of Teleperformance employees benefit from extra holidays in addition to the local statutory allowance. Extra leave depends on Company agreements in place at each Group subsidiary. For example, there are two extra days in Tunisia, 10 days in Canada (or more depending on seniority), 4-10 additional days in Germany depending on the facility, two to five days in the United Kingdom, to which up to five days may be added depending on length of service, and up to 15 days in China and 25 days in the United States depending on length of service and seniority. Finally, certain subsidiaries grant extra leave for family events above and beyond the local statutory allowance, such as extended paternity leave in India, France, Costa Rica and Argentina, extended maternity leave in India and South Africa, leave for the marriage of a close friend or family member in Colombia or for a birthday in Indonesia.

Subsidized meals

Around 80% 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 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:

- 80% of subsidiaries offer discounts or free access to gyms and other sporting activities;
- 70% of subsidiaries offer employee discounts to cultural activities such as movies, concerts, shows, exhibitions, etc.;
- more than half of them also offer discounts at travel agencies and for holiday activities.

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.

2.3.6 Diversity and equal opportunities

The Teleperformance diversity and inclusion policy is based on the 6th principle of the United Nations Global Compact: "The elimination of discrimination in respect of employment and occupation".

The policy was revised in 2019 and cancels and supersedes the former equal opportunity policy. 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 fair hiring practices are respected. Improvements include a more conscious pro-active commitment to hiring people from different backgrounds, as well as promoting gender balance and equal pay for men and women.

The selection process is not founded solely on the type of vacant position. It is designed to offer equal opportunities to all candidates, irrespective of personal characteristics such as ethnic origin, religious convictions, gender, political opinion, nationality, social background, age, health, union membership or sexual orientation.

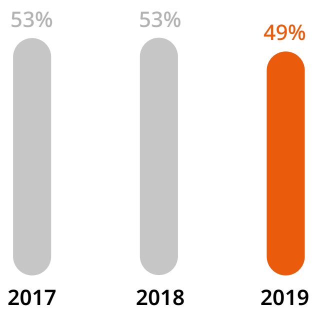
2.3.6.1 Measures taken to promote gender equality (1)

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

- 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 2019, the ratio was 49% women to 51% men.

Change in the percentage of women in the total headcount



The percentage of women in the total headcount includes for the first time the subsidiaries in India and Middle East acquired from Intelenet. Excluding these new subsidiaries, the percentage of women is 54%.

Change in the percentage of women in management positions

In 2019, the percentage of women in management positions (all employees except agents and supervisors) is 43.9% versus 49.6% in 2018 and 48.1% in 2017. This percentage includes for the first time the subsidiaries in India and Middle East acquired from Intelenet. Excluding these new subsidiaries, the percentage of women in management positions is 48.4%.

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

In 2019 the Group set up an enlarged Management Committee, comprising the eight members of the Executive Committee and 21 other managers, all tasked with stepping up the pace of the Group's transformation. 24% of Management Committee members are women.

(1) All figures presented in this section exclude the US subsidiaries, for which local laws prohibit collecting information on employee gender.

Initiatives to promote gender equality

TP Women

The TP Women initiative, launched in 2019, promotes diversity, inclusion and equality and is committed to equal opportunities at all levels and in all respects. The initiative aims to create a more diverse working environment, increase the number of women promoted to managerial positions, and develop a network of men and women devoted to raising awareness and promoting equality at work, while encouraging a corporate culture based on equality.

The TP Women Board comprises 15 primary members and 75 regional members, all women holding senior positions in the Group. They are tasked with promoting best practices and setting up initiatives to achieve gender equality in their respective positions and countries. TP Women Board members are involved in a mentoring scheme designed to help high-potential female talent attain more senior positions in the Group.

In addition, each subsidiary rolls out local initiatives geared towards gender equality, adapted to cultural characteristics:

Country	Examples of local initiatives
Denmark	During maternity leave, Teleperformance employees receive 100% of their salary instead of the statutory 50% under the labor agreement.
India	Teleperformance India set up “Gendersmart” initiative few years ago, an extensive system of targeted communications to schools and higher education establishments in order to present the company’s 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 guaranteed return to the same position and salary. Teleperformance is committed to promoting equality between its male and female employees in terms of promotion and pay, as well as maintaining a healthy work-life balance. The subsidiary has established strict and efficient procedures for preventing sexual harassment at work and has set up a special committee for this purpose, as required by the Indian POSH Act.

Gender pay gap analysis

Some subsidiaries have performed a gender pay gap analysis:

Country	Description
South Africa	A survey on pay differences between women and men conducted in 2019 showed a deviation of 5.06%.
France	In 2019, Teleperformance obtained a score of 84/100 on the Gender Equality index. The index takes into account differences in pay, individual pay rises and promotions, the percentage of employees receiving pay rises on return from maternity leave and the number of persons of the under-represented gender among the ten highest-paid employees. For the pay gap criterion Teleperformance obtained a score of 39/40, meaning that pay gap is less than 1%.
Portugal	A survey conducted in 2019 showed that men and women receive equal pay for equal work. The minor discrepancy of 1.3% is due to the fact that more men hold higher-paid multilingual positions.
United Kingdom	A survey on pay differences between women and men conducted in 2019 showed a deviation of 5.63%.
Sweden	A survey on gender pay differences conducted in 2019 recognized Teleperformance as a place to work guaranteeing equal conditions.

2.3.6.2 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 and 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
Germany	An agreement on the inclusion, employment and promotion of disabled persons came into force in 2019. The agreement provided for the creation of working groups at each center comprising employee, HR and Company representatives tasked with developing programs to encourage the promotion of disabled persons.
Canada	Teleperformance partners with three agencies working to promote and safeguard employment for disabled workers. Workstations are adapted whenever special needs are identified.
Colombia	In partnership with the FOAL Foundation, Teleperformance is involved in the AGORA program, a project supported by the Colombian government to promote employment for the visually impaired. The Group also partnered with the Best Buddies foundation to promote employment for the mentally handicapped. Workstations are regularly reorganized in consultation with the employees concerned.
France	In 2019, 8.5% of the Teleperformance France workforce were officially recognized as disabled (excluding temporary workers). Group employees take part in European Disability Employment Week in partnership with the LADAPT and AGEFIPH organizations, schools and charities, and in the annual mid-year “Handiperformant” week in France. This program includes daily personal support, reorganization of workstations and an internal policy of raising awareness so that each person’s differences and specific traits are considered as assets conducive to working better together. Throughout the year, in partnership with the *CAP-emploi* disability services and support organizations and local integration organizations, the Group constantly strives to safeguard disabled workers’ employment, adapt workstations and help them integrate into the workplace.

2.3.6.3 A multilingual and multicultural group

Given the Group's international scale and the development of multilingual centers, Teleperformance naturally hires people of different origin and nationality to work in every center. Specific programs are therefore organized to welcome foreign nationals and help them integrate.

In Europe and Asia, Teleperformance has pioneered the development of multilingual hubs where employees of all nationalities work together in a single location to serve pan-European and pan-Asian programs. These platforms in Portugal, Spain, Greece, Malaysia and Egypt offer major multinational groups dedicated and optimized omnichannel solutions in more than 40 languages.

Teleperformance organizes integration days to the local culture for all new foreign employees and provides assistance to help them settle in their new country of residence.

The management teams mostly come from the local communities, and are a reflection of the Group's international and multicultural aspects.

2.4 A TRUSTED PARTNER

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 is to give a quick and accurate answer to consumers and citizens' daily problems. Teleperformance serves a broad spectrum of customers and handles more than 1.3 billion interactions every year worldwide. The catchphrase "each interaction matters" 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 relationships between customers/citizens and brands/governments in a world that is 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 Fair practices

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

2.4.2.1 Commitments to ethical business practices

Teleperformance is committed to complying with international regulations that promote the highest ethical standards: the United Nations Global Compact, the Universal Declaration of Human Rights, ILO conventions, OECD guidelines, and with local laws and regulations in that matters.

The United Nations Global Compact

A signatory to the United Nations Global Compact since 2011, Teleperformance is committed to upholding and promoting the 10 fundamental principles of the Global Compact relating to human rights, working conditions, the environment and anti-corruption (see section 2.2.2 *CSR vision and governance*).

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 towards 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 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 conjunction with the anti-corruption Code of Conduct (see hereafter). Compliance with these Codes 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 Code of Ethics may be viewed on the Group website (https://www.teleperformance.com/en-us/codes-and-policies/code-of-ethics).

2.4.2.2 Anti-corruption measures

Teleperformance 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, Risk 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 an anti-corruption Code of Conduct in addition to the Global Ethics Hotline Policy.

Code of Conduct

The Group ensures that all acts of corruption are prohibited within the scope of its operations, including throughout its value chain. This "zero tolerance" principle is set out in the Code of Conduct, which was last updated in May 2018. This Code, which may be viewed on the Group website (www.teleperformance.com), reaffirms Teleperformance's commitments to combating corruption and influence peddling, as well as other behavior related to business ethics and fair practices (gifts, donations, conflicts of interest, etc.). As a global company, Teleperformance must comply with all applicable laws relating to corruption, bribery and all forms of illegal payments, including the US Foreign Corrupt Practices Act, the UK Bribery Act, the Sapin II law in France and other similar anti-corruption laws in the jurisdictions where the Group operates. 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, in accordance with local statutory and regulatory provisions, in the event of prohibited or non-compliant behavior.

Global Ethics Hotline Policy

A Global Ethics Hotline, under the responsibility of the Group Chief Legal and Compliance Officer and Deputy Chief Compliance Officer, was deployed to 98% of the Group's employees. Roll-out is underway in few countries, including China. The hotline is designed to report behavior or events that may constitute acts of corruption, anti-competitive behaviors, breaches to Human Rights, harm to the environment or any other crime or fraud 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. The ethics hotline can be used by anyone (employees, external parties...) and can be found on the Group's website (www.teleperformance.com/ethicshotline).

Corruption risk mapping

The Group has completed a corruption risk map that 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.

Due diligence

Due diligence measures to reinforce the Group's vigilance regarding the integrity of third parties with which it deals (clients and their own customers, suppliers, intermediaries, subcontractors, etc.) have been implemented.

Further measures

In addition to these measures, Teleperformance has drawn up a manual setting out the internal procedures in place to avoid any risk of corruption and has updated the anti-corruption e-learning module.

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

An internal audit will be performed in 2020 to ensure the effective implementation of the measures in all subsidiaries.

At the end of 2019, Teleperformance's Italian subsidiary was the first to be ISO 37001-certified, demonstrating that an anti-corruption management system and robust controls are in place.

2.4.2.3 Suppliers and subcontractors

Teleperformance makes sure that its subcontractors and suppliers are committed to an ethical approach and respect the principles of its Supplier Code of Conduct. Launched in September 2019, this supplier code of conduct replaces the previous Supplier policy. It includes the Group's updated requirements with regard to human rights, working conditions, health and safety, the environment, business ethics, integrity (including anti-corruption) and compliance with the General Data Protection Regulation (GDPR). The Supplier Code of Conduct ensures the consistency of procurement processes, the continuous improvement of procurement practices and their understanding by all internal and external stakeholders. The Code may be consulted on www.teleperformance.com.

Teleperformance has worked on standardizing purchasing processes and the global supplier evaluation and selection process and, in 2019, supply chain risks were integrated into the internal control questionnaire.

The Group is committed to exercising vigilance in identifying potential adverse impacts of its business on its supply chain, whether direct or indirect, in order to prevent and, if necessary, mitigate such impacts. The Group requires its subsidiaries to work with suppliers and subcontractors that agree to comply with the Group's requirements in this area and to abide by the Supplier Code of Conduct. Suppliers and subcontractors are subject to regular evaluations at subsidiary level in accordance with the Supplier Code of Conduct. Teleperformance has also created procurement committees at Group, regional and local levels, in order to ensure the systematic application of Group-wide policies and procedures.

In order to strengthen and standardize procurement processes at all Group entities, a Global Chief Procurement Officer (CPO) was appointed in early 2020. One of the CPO's tasks will be to restructure the approach and ensure that the procurement process adheres to and is consistent with the Group's values and Global Compliance Framework at every step of the relationship.

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, which is mainly used for payroll management in some countries in order to reduce costs. Core Services & D.I.B.S. operations (customer relations) are not subcontracted.

2.4.2.4 Prevention of antitrust practices

Teleperformance's relationship with the market and its competitors is based on fair and ethical competitive practices, in compliance with the law. Teleperformance abides by the principle of fair competition and does not enter into agreements or adopt behaviors that could be qualified as antitrust practices (abuse of a dominant position, dumping, artificial promotion of price increases and decreases, etc.).

Practices between competitors which intentionally or otherwise lead to a result inconsistent with normal market operation are prohibited. Teleperformance seeks to stand out from its competitors, not through anti-competitive practices, but through the quality of its services and the relationships it maintains with its existing and potential clients.

2.4.2.5 Code of Conduct regarding securities transactions

Teleperformance has introduced a Code of Conduct relating to securities transactions pursuant to the recommendations of the French Financial Markets Authority (*Autorité des marchés financiers*) 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 regarding securities transactions*.

2.4.2.6 Combating tax evasion

The Group believes that combating tax evasion 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 or make use of any specific policy that would enable it to avoid paying tax, for example by way of complex arrangements. The tax rate of 24.7% in 2019, as set out in note 5 *Income tax* of section 5.6 *Notes to the consolidated financial statements*, reflects these practices.

2.4.3 Data protection and cybersecurity

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.

2.4.3.1 Data protection

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

The Group's policies and processes comply with all international laws relating to data security, confidentiality and data protection in the countries where Teleperformance operates.

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

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

These standards arise from the fact that the digital transformation brings new challenges in the area of fraud or data leakage risk.

In 2016, the Group embarked on furthering its stance on data protection as the EU approved the new General Data Protection Regulation (GDPR), which came into force on May 25th, 2018. All Teleperformance sites operate in compliance with the GDPR.

Teleperformance is also fully aware of its duty towards clients and employees in terms of protecting sensitive data collected and used on a daily basis. In February 2018, the French data protection authority (*Commission nationale de l'informatique et des libertés* or CNIL), the competent authority in the European Union, ruled that Teleperformance was in compliance with the Binding Corporate Rules (BCRs). The BCRs are a legal framework that allows Teleperformance to transfer data within and outside the EU safely and securely. Teleperformance is the only compagny in its sector to have obtained BCRs as both Data Controller and Data Processor.

The "closed circuit" personal data protection framework is strengthened by a compliance audit function 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 GECSPs to reports sent to senior management.

The compliance audit department ensures regular compliance with the GECSPs and reviews operational sites on a rotating 24-month schedule or 12-month for the top 10 clients. Besides external audits are performed.

A Global Compliance and Security Council 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.

Activity reports are provided to the Audit, Risk and Compliance Committee of the Board.

The Global Technology, Privacy and Security Committee, which is chaired by the Chief Information Security Officer, is composed of 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 ensure that the Group's policy is adequately implemented and to monitor global changes to privacy regulations in all major world regions in which the Group operates and serves clients.

2.4.3.2 Cybersecurity

Teleperformance adheres to the cybersecurity framework developed by NIST (National Institute of Standards and Technology, U.S. Department of Commerce) and adopts best practices in order to be a "cyber-resilient" business partner for its customers. Teleperformance has also rolled out a comprehensive cybersecurity program known as Project Eagle, involving training, process review and the implementation of new technologies. The adequacy and effectiveness of controls are regularly reviewed in order to address the increasing number of threats.

2.5 A MAJOR SOCIAL COMMITMENT

2.5.1 Measures in favor of regional and community development

2.5.1.1 Value creation and economic development

In 2019, to measure Teleperformance's contribution to the countries where it is implemented, the Group commissioned Goodwill Management, a CSR consulting firm specialized in socio-economic analyses, to measure the socio-economic impact of its activity in five of its main countries of operation: Colombia, India, Mexico, the Philippines, and Tunisia.

To measure socio-economic footprints, Goodwill Management developed a tool: "Thesaurus-Leontief". This tool is based on tested economic research and institutional data from reliable sources such as OECD and ILO.

Every organization has an economic impact on the territories where it operates, employing workers, purchases products and services from other local companies, and pays taxes and fees. This whole activity has an economic spillover effect which can be split into three impacts:

- Direct impact (direct contribution of the organization to the local GDP through added-value and direct jobs);
- Indirect impact (the economic activity of the chain of suppliers). In these five countries, which represent 52% of the Group's headcount, 98% of purchases are spent with local suppliers;
- Induced impact (household consumption and impact of taxes and fees paid).

In 2019, Teleperformance activity supported €2.4 billion and 393,000 jobs in the five countries included in the study: Colombia, India, Mexico, the Philippines, and Tunisia.

For every direct job created at Teleperformance, there is 1.3 additional jobs created on the territory, hence a multiplying factor of 2.3.

For every euro of direct added value, the total added value generated on the territory is multiplied by 2.4.

2.5.1.2 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 close to 48,000 people operating from 13 cities spread across the country, is the 2nd largest Business Process Outsourcing 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. This is also the case in Colombia; with over 26,000 employees, the Group is the 5th largest employer in the country.

Some sites have a significant impact on local communities. In Natal (Brazil) and Tucuman (Argentina), Teleperformance is the largest private sector employer in the city, making it one of the main drivers of job creation in these regions.

In Portugal, Teleperformance is the fastest growing company in the country.

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 participates in accreditation panels of prior experiential learning 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 who have previously failed a recruitment test due to their lack of French language skills; once they have 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 15 volunteers at the Enniskillen site in Northern Ireland give introduction sessions to the business world to students at a dozen primary and secondary schools.

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

2.5.1.3 Impact Sourcing

Several countries have set up initiatives to promote the inclusion of people from minority groups or disadvantaged communities:

Country	Initiatives
Argentina	Teleperformance offers training in IT, interpersonal skills and job interview techniques to candidates from disadvantaged backgrounds.
Brazil	Teleperformance works alongside NGOs such as PARR *(Programa de Apoio para a Recolocação de Refugiados)* to advertise employment opportunities amongst migrants from other Latin American countries who are fluent in Spanish.
Colombia	Teleperformance has rolled out various initiatives to help hire and retain Venezuelan refugees. It works with a number of government and non-government organizations, including the United Nations High Commissioner for Refugees (UNHCR) and TENT, an NGO mobilizing the private sector to support refugees. According to the UNHCR, 4 to 5 million Venezuelans have fled their country since 2015. As of December 31st, 2019, 1,016 Venezuelan refugees had joined the Company. In addition to these measures, the Group provides administrative support, such as assistance in obtaining a work permit thanks to the creation of an internal dedicated department.
United States	In 2019, the Impact Sourcing program in the United States focused on the hiring of war veterans and their spouses. More than 1,000 were hired throughout the year. Teleperformance also continued to hire young people unemployed for over a year and people living below the poverty line.
Greece	Teleperformance works in partnership with the Curing The Limbo and Generation 2.0 Red charities to promote the hiring of refugees at the Company.
India	Through the TTNA program, the Teleperformance recruitment team works closely with the Tata Strive and ORION NGOs, that run training centers for people from rural and low-income areas.
Mexico	In Mexico, Teleperformance works alongside NEO, an initiative that helps vulnerable and unemployed young people find work.
Morocco	Teleperformance offers training to young people who do not speak French well, in order to improve their chances of finding work.
Philippines	The LEAP program *(Learning English Application for Pinoys)*, co-designed in partnership with government agencies and private training institutions, offers English classes to Filipinos from remote rural areas. This program increased the effective hiring rate from 3.85% in 2013 to 23% in 2017. The program has since been rolled out in other regions of the Philippines.
Tunisia	In Tunisia, Teleperformance partners with a number of government and non-government organizations, such as *EFE Tunisie* and the Robert-de-Sorbon Foundation, which help increase the employability of young people and create new opportunities for newly trained and unemployed people. These impact sourcing programs also include training prior to the actual hiring of applicants.

2.5.2 Citizen of the World (COTW)

Founded in 2006, the Citizen of the World (COTW) charitable initiative strengthens Teleperformance's commitment to supporting disadvantaged communities. The Group encourages its employees to take an active part in these local initiatives.

Globally, Teleperformance is involved in various international awareness days: Zero Discrimination Day, International Women's Day, Earth Hour, International Day of Peace, World Habitat Day, Human Rights Day, etc. Subsidiaries roll out various initiatives on these days, such as posting on social media, organizing activities and raising employee awareness.

At each Teleperformance subsidiary, one or more COTW ambassadors are appointed by the CEO. Their 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.

All charities are selected at local level following Group 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 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 training sessions on specific topics, policies and procedures.

As part of the Citizen of the World program, in 2019 Teleperformance collected the equivalent of 4.9 million euros in cash and in-kind from its employees, exceeding its targets. Since inception in 2006, the COTW program has collected more than 40.1 million euros. Over the last 13 years, Group employees have volunteered close to 600,000 hours, including 82,000 hours in 2019 alone.

2.5.2.1 Assistance to highly vulnerable children and victims of natural and humanitarian disasters

The COTW program was originally designed to help the world's most vulnerable children meet their basic needs. Since then, the program's scope of influence has gradually been extended to other beneficiaries, for example in the area of education and in response to natural or humanitarian disasters. All around the world, subsidiaries organize campaigns for disadvantaged or disaster-stricken families and children.

Initiatives	Description
Clothing/food drive	Organization of events and activities to raise money and collect non-perishable food and clothing 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	Fund-raising for medicine, 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.
Toy 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 by spreading holiday cheer all around the world.

Feed the Children

Teleperformance has been supporting the Feed the Children association since 2006, and has contributed US$4,100,000 to support its U.S. and international projects to help the most vulnerable children and their families. These projects include combating hunger and poverty, promoting education and assisting thousands of families affected by natural and humanitarian disasters.

As part of this partnership, in 2019 Teleperformance USA delivered essential supplies to populations affected by Hurricane Dorian in the Bahamas. 31 Group sites in the USA also helped distribute 7,750 school bags filled with school supplies to children living below the poverty line.

Promotion of quality education

Teleperformance believes education to be the foundation for improving people's lives, and works for the education of disadvantaged children in the various countries in which it operates. In 2019, Teleperformance had supported 39 new schools.

In India, the Group helped send 965 children to school in 2019, bringing the total to around 12,000 since the launch of the program.

Local initiatives

Country	Initiatives
Albania	On International Children's Rights Day, Teleperformance worked with the "National Center for the Treatment of Victims of Violence" to organize a party for the center's children.
Argentina	In partnership with the León Foundation, Teleperformance sponsors children to help them stay in school and complete their education. The Group also offers them and their families psychological support.
China	Teleperformance has launched the "Love & Caring for the left-behind children" program at six Chinese sites, in order to collect donations and school supplies. Disadvantaged kids got the chance to take part in activities such as playing, painting and building robots. A library was also set up thanks to book donations from employees.
Romania	Teleperformance took part in a Swimathon event in which employees swam to support children. Over 300 kids were provided with meals, school supplies, clothing, etc.
Tunisia	During its 11th annual food drive, Teleperformance collected 2,027 kg of food as well as 301 liters of milk, oil and juice, donated to the Tunisian Red Crescent for distribution to families in need. 55 cans of powdered milk and 51 packs of baby diapers were also given to the *Amal pour la Famille et l'Enfan*t charity.

2.5.2.2 Other initiatives

Besides initiatives to support underprivileged children and families affected by natural or humanitarian disasters, some subsidiaries support other local causes.

Country	Initiatives
Argentina	In partnership with the Argentinean Red Cross, Teleperformance organized a blood donation day for the 8th year in a row. 60 employees took part and made a valuable contribution to local communities.
Colombia	Under the partnership with the TECHO NGO, Teleperformance employees based in Bogotá and Medellin helped build houses for poverty-stricken families.
Greece, Italy	Teleperformance employees took part in the Race for the Cure charity run to raise funds for breast cancer research.

2.6 PROMOTING TELEPERFORMANCE'S ENVIRONMENTAL RESPONSIBILITY

The environmental impact of Teleperformance's business activities mainly relates to energy consumption.

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 and has not experienced any environmental incident. 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, particularly air travel.

2.6.1 Citizen of the Planet (COTP)

Launched in 2008, the Citizen of the Planet (COTP) program 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 on 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 encouraging employees to save water, use electronic signatures, print documents only if it is strictly necessary, etc. Many subsidiaries regularly circulate the site's energy and water consumption statistics and changes in its carbon footprint to raise employees' environmental awareness.

The Corporate Social 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 head office *via* monthly reports.

To take its environmental actions even further, Teleperformance has hired an environmental engineer tasked with rolling out the Citizen of the Planet program at Group level, implementing best practices guidelines at all subsidiaries and conducting targeted environmental audits in the most polluting subsidiaries.

2.6.2 Reducing the Group's carbon footprint

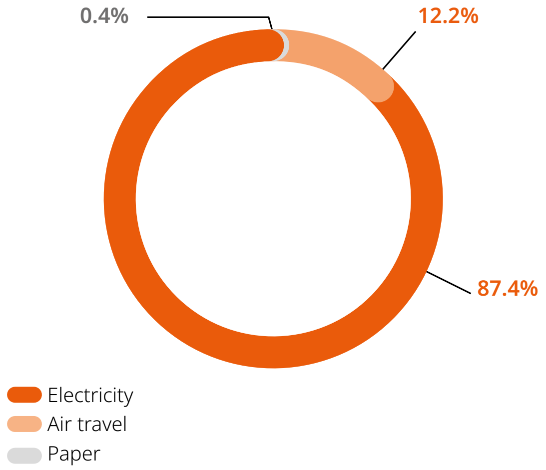
Teleperformance is a service company. The environmental impacts of Teleperformance's activities mainly relate to electricity consumption at the Group's operating sites (Scope 2).

2.6.2.1 Main sources of emissions included in the carbon footprint calculation

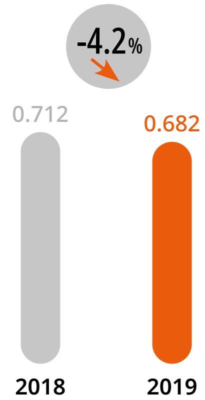
The Group's carbon footprint in terms of primary emission sources taken into account (electricity, paper, air travel) came to 211,867 tons in 2019.

At constant consolidation scope, the carbon footprint per Teleperformance employee fell 4.21% between 2018 and 2019 from 0.712 to 0.682 tons. This reduction is mainly due to the decrease in electricity consumption per employee. The Group's objective is to continuously reduce its carbon footprint per employee.

2019 Carbon footprint *(by source)*



Carbon footprint per employee *(tCO_2e)*

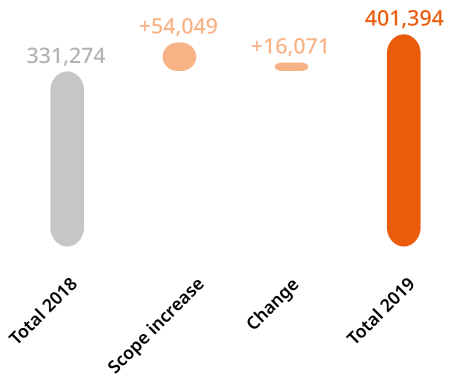


As reported, a 32% increase in the Group's overall carbon footprint compared to the previous year (160,319 tons in 2018) was recorded. This can be explained by the strong increase in headcount (up 37%) following the acquisition of Intelenet at the end of 2018.

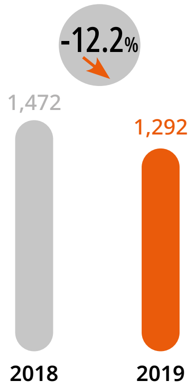
For the purposes of comparison, the amounts of consumption reported below are presented both in total and at constant headcount per employee.

Energy consumption

Electricity *(MWh)*



Energy consumption per employee *(kWh per employee)*



Energy consumption in 2019 amounted to 401,394,470 kWh, compared to 331,274,449 kWh in 2018.

Energy consumption per employee fell 12.2% from 1,472 kWh in 2018 to 1,292 kWh in 2019.

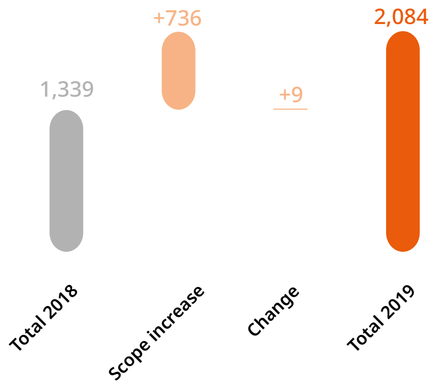
Teleperformance aims to constantly improve its energy efficiency through a number of measures:

- favoring high-energy performance buildings;
- implementing measures to reduce energy consumption, such as spreading the use of low-energy light bulbs, installing motion detectors, brightness detectors and timers and optimizing air conditioning systems;
- using 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.

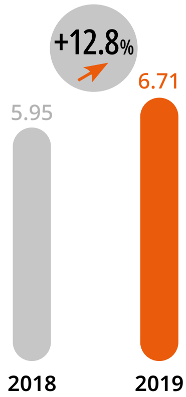
Colombia	In Colombia, 15% of electricity comes from renewable energy sources.
France	Since October 2019, all of Teleperformance France energy consumption has been supplied from renewable sources.
Italy	In Italy, 15% of the electricity used is of solar and wind origin.
Mexico	In Mexico, Teleperformance is developing a solar energy pilot project with its electricity supplier.
Sweden	In Sweden, all electricity consumed at the Stockholm site comes from renewable energy sources, and 48% at the Gothenburg site.

Paper consumption

Paper *(in tons)*



Paper consumption per employee *(in kg per employee)*



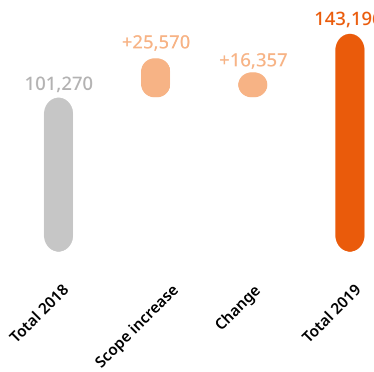
Paper consumption in 2019 came to 2,084 tons, compared to 1,339 tons in 2018.

Paper consumption per employee rose 12.8% from 5.95 kg per employee in 2018 to 6.71 kg in 2019.

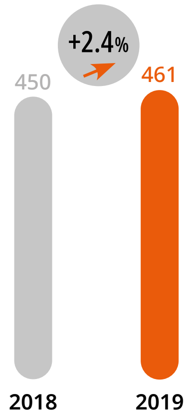
This increase is mainly due to the inclusion of the TLScontact subsidiaries in the reporting scope, as their visa management operations are particularly paper-intensive.

Business air travel

Air travel *(thousands of km)*



Air travel per employee *(in km per employee)*



Air travel in 2019 amounted to 143,196,123 km, up from 101,269,765 km in 2018.

461 km per employee was recorded in 2019, compared to 450 km in 2018, an increase of 2.4%.

This increase is mainly due to the integration of Intelenet, which required a considerable amount of travel, as well as an increase in the Ibero-LATAM region due to new regional client programs.

In order to reduce travel and shrink its carbon footprint, the Group has been encouraging the use of videoconferencing and Internet phone calls by employees wherever possible. Otherwise, rail is preferred to air travel.

2.6.2.2 Other major sources of emissions

Commuting

Travel to and from work is a major contributor to the Group's scope 3 emissions, which is why Teleperformance is involved in numerous initiatives to promote alternatives to personal vehicles.

Promotion of public transportation

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 not to use their personal vehicles, contracts with private transportation companies can be implemented locally.

For example, a system of regular shuttle buses has been made available at no charge to employees at all centers in North Africa, the Philippines, India and Jamaica, as well as centers in Xi'an (China), Usak and Balikesir (Turkey), Cairo (Egypt) and Água Branca and Lapa (Brazil). These buses are widely used: around 90% of employees at the six Moroccan sites use 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, Colombia, Peru, the Dominican Republic, Guatemala, Russia and Lithuania, 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" transportation

Teleperformance and its subsidiaries encourage their employees to use the greenest forms of transport available.

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.

In addition to these initiatives, the Group encourages the use of less harmful fuels. In India for example, employee shuttles run on natural gas.

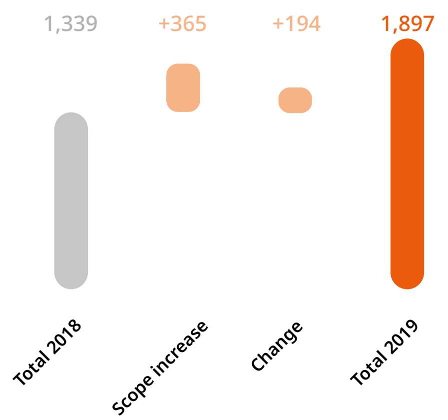
Promotion of car-sharing

Car-sharing is included in the Group recommendations regarding site layout.

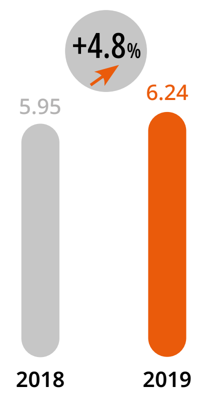
Ride-sharing is sometimes organized by Teleperformance, for example in Mexico. It is widely encouraged *via* posters displayed in break rooms, ads on the Company intranet and by means of special reserved parking spaces.

Water consumption

Water *(in thousands of m³)*



Water consumption per employee *(in m³ per employee)*



Water consumption in 2019 amounted to 1,897,200 m³, compared to 1,338,931 m³ in 2018.

Water consumption per employee is up 4.8% from 5.95 m³ per employee in 2018 to 6.24 m³ in 2019.

Awareness-raising initiatives amongst employees were launched, such as posters encouraging them not to waste water, and the publication of the local consumption report.

2.6.3 Waste management and reducing food waste

2.6.3.1 Waste management

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;

The need to be at the cutting edge of technological innovations requires frequent renewal of the 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 2019, around 6,600 computers and 4,900 phones were recycled for sustainable disposal and over 700 computers were donated worldwide.
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 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.

2.6.3.2 Measures to reduce food waste

Teleperformance uses service providers to manage on-site staff cafeterias and restaurants. Many subsidiaries have taken measures to combat food waste in partnership with their service provider.

Philippines, India, Dominican Republic, Czech Republic, Madagascar	Employees are made aware of the issue of food waste. Subsidiaries work with service providers to adapt quantities according to schedules and unsold items.
Bosnia, Italy	Leftovers from corporate functions are distributed to employees or donated to NGOs to avoid wastage.
Brazil	Company cafeterias and restaurants have implemented the Trim Trax program to raise awareness of food waste among kitchen staff and employee customers.
Costa Rica	Organic waste is donated to farms to feed animals and make compost.
Greece, Portugal	Thanks to partnerships in place with NGOs, surplus food is distributed to homeless people and disadvantaged communities.

2.6.4 Environmental certifications

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 by reducing the Company's carbon footprint.	All of the Scandinavian sites (Copenhagen, Oslo, Tampere, Stockholm and Gothenburg), all sites in Colombia (since January 2020), 10 sites in India, the Istanbul site in Turkey and Ashby-de-la-Zouch in Great Britain have obtained ISO 14001 certification.
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	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.
BREEAM (Building Research Establishment Environmental Assessment Method)	BREEAM is an international method for independent third-party assessment of the environmental performance of buildings and infrastructure.	The Teleperformance headquarters in Paris (France), Stockholm (Sweden), Warsaw and Katowice (Poland) and Bucharest (Romania) are all certified.

2.7 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 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 extra-financial ratings agencies and included on Socially Responsible Investment (SRI) indexes, Teleperformance's CSR track record is gaining recognition.

2.7.1 Certifications

2.7.1.1 Verego SRS

For the sixth year in a row, Verego awarded Teleperformance the SRS (Social Responsibility Standard) certification for all its sites. This certification provides a comprehensive framework for the effective management of social responsibility initiatives. Verego SRS certification is awarded to companies that stand out through the excellence of their policies and practices in five key areas: leadership, ethics, people, community and the environment. Teleperformance has obtained Group-wide certification in all five of these areas, covering all sites worldwide.

The Verego certification is an exhaustive process, witch includes a CSR questionnaire on Group policies, procedures and related evidence, a site assessment to validate and ensure that local practices are in line with Group policies, and an employee survey at new sites involved in the certification process, assessing employees' knowledge of the Group's CSR policy, satisfaction and their experiences regarding compliance.

Verego's main findings: "From our assessment of the sites, it is clear that the majority of Teleperformance's policies are well-established and visible at local level. The sites have fully implemented awareness-raising and training in the Code of Conduct, human rights statement and the health and safety policy".

Based on the results of the employee survey, Verego concluded that 90% of employees are satisfied with the Group's CSR performance, and that over 99% of employees have witnessed no compliance breaches in the last two years, demonstrating solid compliance with Group policies at local level.

Verego certifications reflect Teleperformance's determination to constantly beat its CSR goals.

2.7.1.2 EcoVadis

In 2019, 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: Sweden, Norway, Denmark and Finland.
- Teleperformance Portugal was awarded the Silver medal for the first time in 2019.

EcoVadis assessment covers the environment, labor practices, human rights, business ethics and responsible procurement.

These three 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.

2.7.1.3 CSR label

In France, Teleperformance has once again been awarded the Human for Client label based on ISO 26000 guidelines. This label enables organizations to boost their economic performance by leveraging their CSR performance.

2.7.2 Extra-financial ratings and ESG index

The Group places great importance on its extra-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 established and recognized extra-financial rating agencies: Its excellent results have enabled it to join the following indexes:

Rating agency	Description
MSCI	Teleperformance is included in the ESG MSCI indexes. MSCI has awarded Teleperformance an AAA rating (between 2014 and 2018 the rating awarded was AA).
Vigeo	Since December 2015, Teleperformance has been included in the Euronext Vigeo Eurozone 120 index comprising the 120 leading eurozone companies in terms of CSR.
FTSE4Good	Since June 2018, Teleperformance has been included in the international FTSE4Good index, which identifies socially responsible companies that comply with environmental, social and governance criteria.
Ethibel	Teleperformance was once again included in the Ethibel Sustainability Excellence Europe index in March 2019.
Sustainalytics	Teleperformance is included in a number of STOXX® ESG indexes, which are based on the evaluation provided by Sustainalytics. The Group's ESG score was 68/100 in 2018.

2.8 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 measures adopted with regard to the social and environmental consequences of its activity.

The Group has been committed to this endeavor for 13 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 confirmed its intention 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.

Given the tertiary nature of the Group's business as a service provider, and as confirmed by the materiality analysis, the issues Teleperformance faces with regard to social, labor and environmental responsibility are essentially human.

Teleperformance's Universal Registration Document, to be read in conjunction with the Group's integrated report, follows the GRI Sustainability Reporting Standards and applies the GRI Reporting Principles. The reporting has been prepared in accordance with the GRI standards: core option. The GRI Index, which provides an overview of the important information contained in the Registration Document and Integrated Report, is available on pages 62-64 of Teleperformance's 2019 Integrated Report.

The issues listed below have not been dealt with, as they are considered irrelevant at Group level given that our activity involves the provision of services:

- 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 welfare;
- responsible, fair and sustainable food.

2.8.1 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.	For any given year (N), the data corresponds to December 31st of such year.	It covers 100% of the headcount, for all subsidiaries in the consolidation scope (see note 13 to the consolidated financial statements).
Quantitative environmental information	This data is gathered *via* monthly reporting. This data is checked by the Group CSR 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 100% of Group headcount, except in the case of water consumption, for which some subsidiaries (Argentina, Dubai, Switzerland, Norway, Denmark and some TLScontact entities) 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 98% of Group headcount.
Qualitative information	This data is gathered via a specific questionnaire sent to CSR ambassadors at each subsidiary. This data is checked by the Group CSR Department via a comparative analysis and collection of supporting documentation.	For any given year (N), the data corresponds to December 31st of such year.	Qualitative information covers 96% of employees; Switzerland, Kosovo, Malaysia, Singapore, TLScontact and LLS have been excluded.

2.8.2 Main indicators

To guarantee the consistency of the information reported, guidelines were introduced and circulated to all Group subsidiaries. These guidelines specify the exact definitions and formulas to use when reporting quantitative information. In some cases, a given subsidiary may not monitor a requested indicator internally and therefore cannot provide the relevant information.

Further information on the indicators set out in this report are provided below:

Year-end workforce	The year-end 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.
Full time equivalent workforce	The full time equivalent workforce corresponds to total number of paid hours (worked or not worked) divided by the usual number of working hours during the year. The standard annual number of hours worked is specific to each country, depending on local regulations.
Training hours	Training hours per employee are calculated by dividing the total training hour by the full time equivalent workforce.
Workplace 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 workplace accidents does not include accidents that occurred during travel between home and work.
Rate of absenteeism	This is the number of hours related to unauthorized absences divided by the number of scheduled hours. 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 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.

2.9 REPORT BY THE INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL STATEMENT

This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France

For the year ended 31 December 2019

To the Annual General Meeting,

In our capacity as independent third party of your company (hereinafter the "entity") , and accredited by the French Accreditation Committee (Comité Français d'Accréditation or COFRAC) under number 3-1049(1) and, as a member firm of the KPMG International network, one of your statutory auditors, we hereby report to you on the consolidated non-financial statement for the year ended December 31, 2019 (hereinafter the "Statement"), included in the Group Management Report pursuant to the requirements 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 entity

The Management Board is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement and available upon request at the entity's head office.

Independence and quality control

Our independence is defined by the requirements of article L.822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R.225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

Nature and scope of our work

The work described below was performed in accordance with the provisions of Article A.225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes or CNCC) applicable to such engagements and with ISAE 3000(2) (international standard on assurance engagements other than audits or reviews of historical financial information):

- We obtained an understanding of all the consolidated entities' activities, and the description of the principal risks associated;
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- We verified that the Statement includes each category of social and environmental information set out in article L.225-102-1 III as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation;
- We verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L.225-102-1 III, paragraph 2 of the French Commercial Code;
- We verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;

(1) Accreditation scope available at www.cofrac.fr

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented;
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning certain risks (anti-corruption, personal data protection, diversity and inclusion, human rights, actions for local communities), our work was carried out on the consolidating entity, for the other risks, our work was carried out on the consolidating entity and on a selection of entities[3].
- We verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code;
- We obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- For the key performance indicators and other quantitative outcomes that we considered to be the most important presented in the Appendix, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities3 and covers between 15% and 28% of the consolidated data selected for these tests;
- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.
- We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

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Means and resources

- Our work was carried out by a team of five people between November 2019 and February 2020 and took a total of five weeks.
- We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted a dozen of interviews with the people responsible for preparing the Statement.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Paris-La Défense, on 28th February 2020

KPMG S.A.

Anne Garans
Partner
Sustainability Service

Jacques Pierre
Partner

(3) Teleperformance CRM India, D.I.B.S. India

Appendix

Qualitative information (actions and results) considered most important
Social Information
Measures taken to promote equality between women and men
Measures taken for the employment and integration of people with disabilities
Health and safety policies
Employee training
Dialogue social
Environmental Information
Waste management policy
Environmental certifications
Societal Information
Actions undertaken to prevent corruption
Human rights policies
Actions taken in benefit of regional development and communities
Personal data protection policies
CSR Certifications

Key performance indicators and other quantitative results considered most important
Social key performance indicators and outcomes
Workforce at 31/12 and breakdown by gender and age
Number of hirings and departures (by reason)
Average number of training hours per employee
Share of women in the workforce
Share of women in managerial positions
Share of women on the Board of Directors
Absenteeism rate (agents only)
Environmental key performance indicators and outcomes
Paper consumption
Electricity consumption
Water consumption
Business travels by plane
Carbon footprint per employee


3
Corporate Governance

This report constitutes the report of the Board of Directors on corporate governance presented to the Shareholders' Meeting of Teleperformance SE to be held on April 16th, 2020, 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 legal department and the financial department on the basis, in particular, of the works of the Board of Directors. It has been approved by the Board of Directors at its meeting held on February 20th, 2020, after review by the Remuneration and Appointments Committee.

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 who 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 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 May 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 since September 2019, an expanded Management Committee in terms of skills, experiences and expertise including the Executive Committee.

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 20th, 2020, 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 3.1.3.2.1 below and available on the Company's website) and in the Articles of association (available on the Company's website).

3.1.2 Corporate governance code

The Company refers to the AFEP-MEDEF Corporate Governance Code for listed companies updated in January 2020 (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 Teleperformance SE, its practices and its justifications.

Recommendations of the AFEP-MEDEF Code set aside or not applied	Teleperformance SE's practices and justifications
Non-compete compensation (§24) §24.3 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 undertaking entered into between Mr. Daniel Julien, Chairman and Chief Executive Officer, the Company and its subsidiary Teleperformance Group, Inc. The third amendment to this undertaking was signed on December 1st, 2017. It is reminded that this non-competition undertaking, 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 undertaking between the Company and its Deputy Chief Executive Officer, Mr. Olivier Rigaudy. This undertaking was signed on February 1st, 2018. For these two undertakings, the Board of Directors has made the choice 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 80 countries and employing more than 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 executive officer in the months following his departure. Through these non-compete undertakings, the obligations of key executive officers after their departure are thus 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 and all its stakeholders (employees, clients, shareholders).
§24.4 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 24.4 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 (see *supra*, about §24), to introduce a condition of age given the management criteria and the Group policy on the departure of corporate officers (see *supra*, about §24) 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.
§24.6 The non-competition benefit must be paid in instalments during its term.	The provisions of the non-compete agreements provide for (as has been the case since their conclusion): • with regard to the agreement incumbent on Mr. Daniel Julien, Chairman and Chief Executive Officer: a single payment of the non-compete compensation; • 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 (§8) 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.	Since 2015, Teleperformance SE has been a European company. As such, it has a Work Council of the European Company currently consisting of 17 employees representing 17 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, was considered to be more adapted to the international and European dimension of the Group and enabled employees to be involved in the Group's considerations. The Group's choice had been to place employee representation at the level that it considered 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, since October 2016, 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 and incurs the same responsibilities as the other directors. Following up to legislative developments and in particular the law known as the "PACTE law" and in accordance with the new provisions of Article L.225-27-1 of the French Commercial Code, it will be proposed to the shareholders' meeting to be held on April 16th, 2020 to amend the Articles of association in order to allow the designation of directors representing employees. Pursuant to legal provisions, the taking of office of directors representing employees will need to take place at the latest within six months following the approval of statutory amendments.

3.1.3 The Board of Directors

3.1.3.1 Composition of the Board of Directors

The Board of Directors currently consists of 14 members:

- nine are foreign nationals or binationals, representing 64%, six nationalities being represented;
- nine have the status of independent directors in 2019 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 and the main markets of the Group (see paragraph *Matrix of directors' skills and expertise* below).

Information on the Company's individual directors, and the list of their offices and positions and their relevant expertise and experience in terms of management, 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 75 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 75.

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 remuneration in respect of their positions as directors (formerly designated as "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 3.2.1.1 below).

Employees representation at the Board

It will be proposed to the shareholders' meeting to be held on April 16th, 2020 to amend the provisions of the articles of association in order to allow the designation of directors representing employees pursuant to the new dispositions of Article L.225-27-1 of the French Commercial Code. Their taking of office will occur at the latest within six months following said meeting provided that the required statutory amendments are approved.

In accordance with the law, the number of directors representing employees will be determined depending on the number of directors composing the Board as of the date of their entry into function.

It will be thus proposed that the first director representing employees be appointed by the Social and Economic Committee of Teleperformance SE and that the second director representing employees be appointed by the Council of the European Company. Their term of office will be of three years, renewable.

Lastly, as the participation of Group employees in the Company's share capital does not exceed the threshold of 3% set forth by Article L.225-23 of the French Commercial Code, no director representing the employee shareholders is to be appointed.

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 2019/12/31	Member of a Committee
EXECUTIVE OFFICERS										
Mr. Daniel Julien	67	M	French and American	1,150,314	0	No	05/31/2011	GM 2021	30 years(4)	-
INDEPENDENT DIRECTORS										
Ms. Emily Abrera	72	F	Philippines	1,000	0	Yes	11/27/2012	GM 2021	7 years	Remuneration and Appointments Committee
Mr. Alain Boulet	70	M	French	600	0	Yes	05/31/2011	GM 2021	8.5 years	Audit, Risk and Compliance Committee (Chairman)
Ms. Pauline Ginestié	49	F	French and British	1,000	1	Yes	04/28/2016	GM 2022	3.5 years	-
Ms. Wai Ping Leung	67	F	Chinese and British	1,000	0	Yes	04/28/2016	GM 2022	3.5 years	-
Mr. Robert Paszczak	69	M	American	1,014	0	Yes	05/31/2011	GM 2021	9.5 years	Remuneration and Appointments Committee (Chairman)
Ms. Christobel Selecky	64	F	American	1,000	0	Yes	05/07/2014	GM 2020(5)	5.5 years	-
Ms. Angela Maria Sierra-Moreno	65	F	Colombian	1,000	0	Yes	05/07/2014	GM 2020(5)	5.5 years	-
Mr. Patrick Thomas	72	M	French	500	2	Yes	11/30/2017	GM 2022	2 years	-
Mr. Stephen Winningham	70	M	American and British	1,000	0	Yes	05/31/2011	GM 2021	9.5 years	Audit, Risk and Compliance Committee
NON-INDEPENDENT DIRECTORS										
Mr. Bernard Canetti	70	M	French	1,000	0	No	05/31/2011	GM 2020(5)	14.5 years	Remuneration and Appointments Committee
Mr. Philippe Dominati	65	M	French	1,000	0	No	05/31/2011	GM 2020(5)	23.5 years	-
Mr. Jean Guez	74	M	French	1,000	0	No	05/31/2011	GM 2020(5)	9.9 years	Audit, Risk and Compliance Committee
Ms. Leigh Ryan	66	F	American	20,000	0	No	04/28/2016	GM 2022	3.5 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 April 16th, 2020.

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

Qualification as independent director

Upon recommendation of the Remuneration and Appointments Committee, the Board conducts, on the appointment, renewal, and at all events, each year, a review of the independence of its members.

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 9.5 of the AFEP-MEDEF Code. 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.

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 Universal Registration Document, this agreement concerns only a director (Mr. Daniel Julien) who is not qualified as 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 five years** Not to be, and not having been for the previous five 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 five 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 five 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, 2019 and as of the date of this Universal 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 and the committees

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 Appointments 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 and its evolution.

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 the independence, the objectivity and the expertise required.

At its meeting held on December 5th, 2019, 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 2019.

It considered that, in terms of Board composition, the objectives set for 2019 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 75 years old.

Given all those elements, the Board considered that its composition was still fully satisfactory in 2019 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, either in terms of rejuvenation of the Board, of seniority within it or addition of new or complementary competences and expertise.

The diversity policy within the senior management is described in section 3.1.4 *The Executive Management*.

Matrix of directors' skills and expertise

	Finance/ Audit/M&A	Marketing/ Clients Relations/ Customer experience/ Communication	Management experience in international companies/ Governance of listed companies	International experience	Human capital and CSR	Teleperformance industry specific experience	Technology/ Digital expertise	Knowledge of key clients and market sectors
Daniel Julien	•	•	•	•	•	•	•	•
Emily Abrera		•	•	•	•			•
Alain Boulet	•	•	•	•		•		
Bernard Canetti	•	•	•	•		•		•
Philippe Dominati				•		•		•
Pauline Ginestié	•	•		•			•	
Jean Guez	•			•		•		
Wai Ping Leung		•	•	•		•		•
Robert Pasczczak	•			•		•		•
Leigh Ryan	•		•	•	•	•		•
Christobel Selecky	•		•	•		•		•
Angela Maria Sierra-Moreno		•	•	•	•	•		•
Patrick Thomas	•	•	•	•				•
Stephen Winningham	•		•	•	•	•		•

Main activities exercised by directors in office

67 years old

Nationalities:

French and American

Number of shares held:

1,150,314

Term of office:

GM 2021

Daniel Julien

Chairman and Chief Executive Officer

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

72 years old

Nationality:
Filipino

Number of shares held:
1,000

Term of office:
GM 2021

Emily Abrera

Independent director and member of the Remuneration and Appointments Committee

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, and soon after became 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 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
- Chairwoman of the Board of J. Romero Advertising

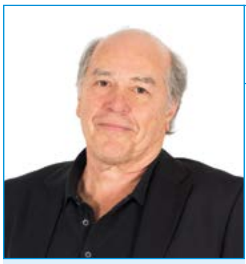
DIRECTORSHIPS EXPIRED WITHIN THE LAST FIVE YEARS

Teleperformance Group

None

Other

None



70 years old

Nationality:

French

Number of shares held:

600

Term of office:

GM 2021

Alain Boulet

Independent director and Chairman of the Audit, Risk and Compliance Committee

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

70 years old

Nationality:
French

Number of shares held:
1,000

Term of office:
GM 2020

Bernard Canetti

Director and member of the Remuneration and Appointments Committee

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, the Centre Européen de Formation, Biotyfull Box (minority) and Happineo.

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), Comme J'aime Deutschland GmbH (Germany) and Comme J'aime Italie SAS (Italy)
- Chairman of Centre Européen de Formation SAS (France)
- Chairman of Xynergy Groupe SAS (France)
- Chairman of Happineo SAS (France)
- Director of Productions Jacques Canetti SA and Editions Majestic SA (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

65 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 Île-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

49 years old

Nationalities:

French and British

Number of shares held:

1,000

Term of office:

GM 2022

Pauline Ginestié

Independent director

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

74 years old

Nationality:
French

Number of shares held:
1,000

Term of office:
GM 2020

Jean Guez

Director and member of the Audit, Risk and Compliance Committee

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
- President of SAS République Participation Conseil
- President of SASU Troubat

DIRECTORSHIPS EXPIRED WITHIN THE LAST FIVE YEARS

Teleperformance Group

None

Other

- Co-manager of SCI Sinimmo

67 years old

Nationalities:

Chinese citizen with British nationality

Number of shares held:

1,000

Term of office:

GM 2022

Wai Ping Leung

Independent director

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

69 years old

Nationality:
American

Number of shares held:
1,014

Term of office:
GM 2021

Robert Paszczak

Independent director and Chairman of the Remuneration and Appointments Committee

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 Clare Holdings (USA)

DIRECTORSHIPS EXPIRED WITHIN THE LAST FIVE YEARS

Teleperformance Group

None

Other

None

66 years old

Nationality:
American

Number of shares held:
20,000

Term of office:
GM 2022

Leigh Ryan
Director

EXPERTISE AND EXPERIENCE

Ms. Leigh Ryan was born on November 6th, 1953 and holds a Bachelor of Arts 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 two 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, Poland and Panama)

Other

None

DIRECTORSHIPS EXPIRED WITHIN THE LAST FIVE YEARS

Teleperformance Group

None

Other

None

Christobel Selecky

Independent director

64 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 non-profit 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

65 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 Prestigio (Colombia)

DIRECTORSHIPS EXPIRED WITHIN THE LAST FIVE YEARS

Teleperformance Group

None

Other

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

© Thomas Laisné

72 years old

Nationality:

French

Number of shares held:

500

Term of office:

GM 2022

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)
- 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 and censor (non-voting director) of Remy Cointreau (France)
- Member of the Supervisory Board of Château Palmer (France)
- Manager of Hermès International and various terms of office in subsidiaries of the Hermès Group

70 years old

Nationalities:

American and British

Number of shares held:

1,000

Term of office:

GM 2021

Stephen Winningham

Independent director and member of the Audit, Risk and Compliance Committee

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 35 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 diversified industries in 2009-2012. Stephen Winningham has been a managing director and Co-Head of the Corporate Finance – Europe, Middle East and Africa at Houlihan Lokey in London from February 2012-2018, and now is Managing Director and Member of Houlihan Lokey's global Management Committee. He is also co-Founder 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

3

Evolution of the composition of the Board and its committees

In 2019

The table hereafter presents in a summarized manner the changes which occurred during 2018 in the Board's composition and that of its committees.

	Departure	Appointment	Renewal/cooptation	Comments
Board of Directors	-	-	Renewal of the terms of office as directors of Ms. Pauline Ginestié, Wai Ping Leung and Leigh Ryan and Messrs. Alain Boulet, Robert Paszczak and Patrick Thomas.	Diversification in the Board's composition: competence/ independence/knowledge of the Group/Lead Independent director
Audit, Risk and Compliance Committee	-	-	Confirmation on the composition following up to the renewals.	-
Remuneration and Appointments Committee	-	-	Confirmation on the composition following up to the renewals.	-

Expected evolutions in 2020

	Departure	Appointment	Renewal/cooptation	Comments
Board of Directors	-	The taking of office of directors representing employees will occur at the latest within six months following the shareholders' meeting to be held on April 16th, 2020 called to approve the statutory amendments setting up the modalities of their designation (*i.e.*, October 16th, 2020).	Ms. Christobel Selecky and Angela Maria Sierra-Moreno and Messrs. Bernard Canetti, Philippe Dominati and Jean Guez are proposed to be renewed as directors at the shareholders' meeting to be held on April 16th, 2020.	Diversification in the Board's composition: competence/ independence/knowledge of the Group/employees representation

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

It is proposed that the shareholders' meeting to be held on April 16th, 2020 to renew the terms of office of five directors which are expiring. If the shareholders' meeting approves the propositions submitted:

- the terms of office of Ms. Christobel Selecky, Ms. Angela Maria Sierra-Moreno and Mr. Jean Guez will be renewed for three years;
- the terms of office of Messrs. Bernard Canetti and Philippe Dominati will be renewed for two years;
- directors representing employees shall be designated.

In accordance with the diversity policy presented above (see paragraph *Diversity policy within the Board of Directors and the Committees*), if the shareholders' meeting approves all the propositions thus submitted, these renewals will allow to maintain:

- a strong independence rate, *i.e.*, 64%.

  The Board of Directors, upon proposal from its Remuneration and Appointments Committee, considered that Ms. Christobel Selecky and Ms. Angela Maria Sierra-Moreno 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 expertise and knowledge 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 and as of the date of the present Universal Registration Document, there are no family ties between the directors.

Absence of conviction or indictment of directors and executive officers

To the Company's knowledge and as of the date of the present Universal Registration Document, over the past five years, no member of an administrative, management or supervisory body:

- had been convicted for fraud, or indicted and/or sentenced to an official public sanction by any statutory or regulatory authority (including designated professional bodies);
- had been involved in a bankruptcy, a sequestration of assets or a liquidation procedure or companies put into administration while serving as a member of an administrative, management or supervisory body;
- had been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

Absence of conflicts of interests

The internal regulations of the Board of Directors state 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 participating in the discussions and in the vote of the corresponding deliberations.

Every Director must notify the Board of Directors of any transaction in which he or she is involved and in which the Company or any other Group company has a direct interest, before such transaction is executed. Every Director must refrain from personally taking on duties in companies or in relation to business dealings that are in competition with the Company or any other Group company without notifying the Board of Directors in advance. Every Director undertakes not to seek or accept from the Company or any other Group company, whether directly or indirectly, any benefits that could be deemed liable to compromise his or her independence.

To the Company's knowledge and as of the date of this Universal Registration Document:

- no potential conflicts of interest are identified between the duties of any one of the members of an administrative, management or supervisory body to the Company and/or the Group and their private interests or other duties;
- no arrangement or agreement exists with the principal shareholders, or with customers, suppliers or others wherein any one of the members of an administrative, management or supervisory body has been selected in such capacity;
- no restriction has been accepted by members of an administrative, management or supervisory body concerning the transfer, in a certain amount of time, of their holdings in the Company, other than restrictions related to performance shares granted to them or in connection with long-term incentive plans.

Procedure for assessing ordinary agreements entered into on arm's length terms

In accordance with Article L.225-39 paragraph 2 of the French Commercial Code, the Board of Directors at its meeting held on February 20th, 2020 has approved a procedure to regularly assess agreements relating to ordinary business and entered into on arm's length terms (which will be a matter of proposals of statutory amendments at the shareholders' meeting to be held on April 16th, 2020).

This procedure aims at identifying and qualifying, by means of criteria, agreements as ordinary business agreements entered into on arm's length terms to which the company is a party. It sets for a regular review (at least once per year) and is applied prior to the conclusion of an agreement and on the occasion of any modification, renewal or termination of an agreement, including for agreements considered as ordinary at the time of their conclusion to ensure that they continue to meet those conditions.

The financial and legal departments are informed in order to qualify the agreement, it being specified that the Board of Directors can, in any case, proceed itself with this qualification and, where applicable, with the prior authorization of an agreement brought to its attention if it considers this agreement to be a regulated agreement.

At the meeting approving the financial statements of the last financial year, the Board of Directors is informed of the implementation of the assessment process, its results and its potential observations. They set for the abstention of persons who have a direct or indirect interest.

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. (Group subsidiary located in Mexico). The total rental income amounted to US$600,000 in 2019 compared to US$591,973.95 in 2018.

In the third quarter of 2019, a rental valuation was commissioned by the Group from an independent real estate valuation firm which showed that the aforementioned rent transaction was carried out at below market prices. This agreement is thus qualified as an ordinary agreement concluded on arm's length 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

For many years, the Group has pursued a policy of acquiring minority interests. When they concern interests held by directors or group executives, they abide by the following rules and principles:

- the value of the target is determined by an assessment entrusted to an independent and renowned appraisal firm;
- the rules of good governance within the Group require that such acquisition project be presented and/or decided, depending on the manager concerned and regardless of the price or financial stake, by the Board of Directors of Teleperformance SE (group holding company) before any implementation;
- this value is reviewed and debated by the Audit, Risk and Compliance Committee, which can hear any person for the setting up of its recommendations to the Board of Directors;
- the director or executive concerned does not take part in the discussions nor in the vote of the committee or of the Board of Directors.

In 2019, continuing its policy of acquiring minority interests, the Group acquired the interests held by the three historical minority shareholders of Hong Kong Asia CRM Ltd (Hong Kong), of which 7% of the capital held by Mr. Daniel Julien acquired for a total amount of €10,857,385.87. Following this acquisition of a total amount of US$26,057,682, the Group holds 100% of the share capital of Hong Kong Asia CRM Ltd (against 85% before these acquisition operations).

In accordance with the principles and rules described above, this transaction was carried out on the basis of the market value determined by means of an assessment carried out, separately, by two independent and reputable assessment firms. The Audit, Risk and Compliance Committee reviewed the work of these two firms and auditioned them in turn to receive explanations on the discrepancies noted. Based on its hearings and its work, the Audit, Risk and Compliance Committee presented its final recommendations to the Board of Directors. The acquisitions of minority interests were thus carried out on the elements decided by the Board of Directors, the interested party having not participated in the debates, nor in the vote.

Following this transaction and to the knowledge of the company, 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 20th, 2020, 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. The internal regulations are, in their entirety, on the Company's website.

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 disclose to it any documents or information of any kind that it considers necessary or 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 who sees that all relevant information is disclosed to the Directors; the directors may not personally interfere in the management of the Company or directly request the documents and/or the information.

The internal regulations 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 and the Lead Independent director of any conflict situation, even a potential situation, between the interests of the Company or any other Group Company and their direct or indirect interests, or, if applicable, those of the shareholder Group that they represent. In addition, they must abstain from attending or participating in the debate and from voting the related resolution.

Every director must notify the Board of Directors of any transaction in which he or she is involved and in which the Company or any other Group company has a direct interest, before such transaction is executed.

Every director must refrain from personally taking on duties in companies or in relation to business dealings that are in competition with the Company or any other Group company without notifying the Board of Directors in advance.

Every director undertakes not to seek or accept from the Company or any other Group company, whether directly or indirectly, any benefits that could be deemed liable to compromise his or her independence.

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, as well as all other persons invited to attend all or part of a meeting of the Board of Directors or one of its committees, are required to keep the proceedings and content of the discussions strictly confidential. Files and documents handed out at each Board or committee meeting, as well as all information received before or after such meetings, are strictly confidential. Directors are required to keep confidential, *vis-à-vis* all persons outside the Company as well as Group employees and other personnel, any information relating to the Company or the Group of which they may become aware while performing their duties, until that information is made public by the Company. They must also take all required steps to ensure that such information remains confidential until it is made public. 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, collectively, 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, Risk 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

The Board of Directors exercises the powers conferred on it by law. It decides on the Company's activities orientations and sees that they are implemented, in accordance with the corporate interests, while taking into account the social and environmental aspects of the Company's business. Subject to the powers expressly reserved to shareholders' meetings and within the limits of the corporate purpose, it examines any issue relating to the proper functioning of the Company and, through its deliberations, deals with matters that concern the Company. It is specifically responsible for the following assignments:

- approving the annual and consolidated financial statements and the management report;
- establishing management forecasts documents;
- convening and setting the agenda for the Company's shareholders' meetings and approving draft resolutions and reports to be submitted to them;
- deciding whether to issue bonds;
- authorizing sureties, endorsements and guarantees subject to the limitations and modalities set forth by the legal and regulatory provisions in force;
- prior authorization of the entering into regulated agreements and commitments;
- setting up any committee and determining its composition and remit;
- delegating to the Chief Executive Officer or a Deputy Chief Executive Officer, depending on the case, the power to reply to written questions submitted by any shareholder as part of the shareholders meetings;
- deciding whether to pay any interim dividends;
- reviewing and determining the Group's strategic guidelines and monitoring their implementation;
- deciding on the manner in which executive management is exercised and setting its remuneration under the conditions provided for by applicable regulations;
- 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, amongst directors, of the global amount of remuneration allocated by the shareholders' meeting within the global amount decided by the shareholders' meeting under the conditions provided for by the applicable regulations;
- deciding the grant of stock-options or performance shares to employees or executive officers of the company under the authorizations granted by the shareholders' meeting and determining, in that case, the number of performance shares that executive officers are required to retain in registered form until the end of their term of office;
- 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 to manage those opportunities and risks accordingly;
- ensuring the implementation of a mechanism to prevent and detect corruption and influence peddling;
- ensuring that the executive officers of the Company implement a policy of non-discrimination and diversity, notably with regard to the balanced representation of men and women on the governing bodies;
- approving 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' meeting held on May 9th, 2019 and propositions of delegations and authorizations submitted to the shareholders' meeting to be held on April 16th, 2020, on share capital increases

	Date of shareholders' meeting (Resolution No.)	Maximum nominal amount *(in euros)*	Duration (expiry)	Use made during 2019
ISSUES WITH PREFERENTIAL SUBSCRIPTION RIGHTS FOR SHAREHOLDERS				
Capital increase by issues of shares and/or 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	26 months (July 2021)	Not used
	April 16th, 2020 (17th)	**50 million(1)**	**26 months (June 2022)**	-
ISSUES WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS FOR SHAREHOLDERS				
Capital increase by issues of shares and/or securities giving access to the share capital without preferential subscription rights for shareholders by public offering (excluding offers set forth by paragraph 1 of Article L.411-2 of the French Monetary and Financial Code) and/or by remuneration of securities in public exchange offer, with an optional priority right of 3 trading days minimum*	**April 16th, 2020 (18th)**	**14.5 million(2)**	**26 months (June 2022)**	-
Capital increase by issues of shares and/or securities giving access to the share capital without preferential subscription rights for shareholders by private placement (offer set forth by paragraph 1 of Article L.411-2 of the French Monetary and Financial Code)*	**April 16th, 2020 (19th)**	**7.2 million(3)**	**26 months (June 2022)**	-
ISSUES RESERVED FOR EMPLOYEES AND, WHERE APPLICABLE, EXECUTIVE OFFICERS				
Free grants of performance shares to employees and/or executive officers	May 9th, 2019 (22nd)	3% of the share capital(4)	38 months (July 2022)	Used in respect of 442,241 shares(5)
Capital increases reserved for members of a company or Group savings scheme	May 9th, 2019 (21st)	2 million	26 months (July 2021)	Not used
	April 16th, 2020 (21st)	**2 million**	**26 months (June 2022)**	-
OTHER ISSUES				
Increase of the issuance amounts in the event of excess demand *	**April 16th, 2020 (20th)**	**15% of the initial issuance and within the limit of the caps set forth in the 17th, 18th and 19th resolutions**	**26 months (June 2022)**	-
Capital increase by capitalization of premiums, reserves or profits*	May 9th, 2019 (18th)	142 million	26 months (July 2021)	Not used

* *Suspended during a public offering.*

(1) *This amount represents the overall nominal cap for share capital increases that may be carried out under the 17th, 18th and 19th resolutions of the Shareholders' Meeting to be held on April 16, 2020. Maximum of €900 million for debt instruments (overall and common cap to the 17th, 18th and 19th resolutions).*

(2) *This amount represents the overall nominal sub-cap for share capital increases on which will be deducted any share capital increase carried out under the 19th resolution. It is deductible from the overall cap set by the 17th resolution of the Shareholders' Meeting to be held on April 16, 2020. Maximum of €900 million for debt instruments (overall and common cap to the 17th, 18th and 19th resolutions).*

(3) *This amount is deductible from the caps set by the 18th resolution which is deducted from the overall nominal cap set by the 17th resolution of the Shareholders' Meeting to be held on April 16, 2020. Maximum of €900 million for debt instruments (overall an common cap to the 17th, 18th and 19th resolutions).*

(4) *Limitation of the number of performance shares that may be granted, each year, to executive officers at 0.153% of the share capital within this envelope.*

(5) *See section 7.2.5.3 of the present Universal Registration Document. It is specified that the Board of Directors decided to grant, on June 3rd, 2019, a total of 442,241 performance shares on the basis of said authorization.*

Status of the authorizations granted to the Board by the shareholders' meetings held on May 9th, 2019 and October 1st, 2019 and proposition of authorization submitted to the combined shareholders' meeting to be held on April 16th, 2020 on share repurchases and their cancellation

	Date of shareholders' meeting (resolution No.)	Duration (expiry)	Terms
Share repurchases*	October 1st, 2019 (1st)	18 months (March 2021)	Maximum purchase price per share: €250 Limit: 10% of the total number of shares
	April 16th, 2020 (16th)	**18 months (Oct. 2021)**	**Maximum purchase price per share: €350 Limit: 10% of the total number of shares**
Cancellation of shares	May 9th, 2019 (17th)	26 months (July 2021)	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 its decision to combine the functions of Chairman and Chief Executive Officer, and further to the continued improvement of the governance, 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. It was thus decided to amend its Internal Regulations to define 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. Mr. Patrick Thomas, independent director, was appointed Lead Independent director.

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 2019

At the meeting of the Board of Directors held on February 20th, 2020, Mr. Thomas gave a report on his activity under his mission as Lead Independent director. During the 2019 financial year, he has especially performed and taken part in the following works:

- Meetings of independent directors: in July 2019, the Lead Independent director convened and presided over a meeting of the independent directors. This body, which does not have decision-making or advisory powers, constitutes the executive session recommended by the AFEP-MEDEF Code (§11.3) but its implementation within Teleperformance is stronger for only independent directors are part of it (excluding executive directors and non-independent directors). The main findings or recommendations of this meeting were disclosed to the Board of Directors in its entirety and related to the following items: opportunity of setting up a Board committee overseeing corporate and social responsibility matters, proposition of changing the name of the Audit and Compliance Committee in order for the risk management, which it reviews, be reflected in its name, opportunity to organize specific meetings on particular issues…
- Succession plans: it is reminded that 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. These plans were reviewed, in particular, in concert with the Chairman of the Remuneration and Appointments Committee, in 2020.
- Meetings with shareholders: during 2019, the Lead Independent director met the main group institutional shareholders (representing about 21% of share capital) during meetings or conference calls. These exchanges were in particular the occasion to address and discuss the Group governance, the activity and functioning of the Board and its corporate bodies, its role and its responsibilities and the remuneration policy. He also met proxy advisor agencies followed in majority by those main shareholders.

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 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, assess the effective contribution of each director to the Board's works of the Board and to receive suggestions from directors for a better functioning of the Board and its committees.

In early 2019, an assessment 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 Remuneration and Appointments Committee meeting held on February 27th, 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 and the effective contribution of each director to the Board's works. 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 emphasized 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 welcomed the interest and quality of the annual seminar, which allowed them to meet the main managers and to get a very detailed understanding of the Group's strategy and operations.

Directors welcomed 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 were 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 contributed to the satisfaction of the directors and to the proper functioning of the Board of Directors and its committees.

The Board of Directors at its meeting on December 5th, 2019, discussed on its functioning and confirmed the findings noted at the beginning of the year and discussed the opportunity to implement some of the findings stemming from the meeting of independent directors (see *Report of the Lead Independent director on his activity in 2019* above).

3.1.3.3 Meetings and works of the Board of Directors in 2019

The Board of Directors

The Board of Directors met six times in 2019 including 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 employees and 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 98%. Board meetings lasted, in average, two and a half hours.

The 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.

Individual attendance rate

The following table provides a breakdown of individual members' attendance rate in 2019:

Directors	02/28/2019	04/08/2019	05/09/2019	06/03/2019	07/25/2019	12/05/2019	Total
Daniel Julien	Yes	Yes	Yes	Yes	Yes	Yes	100%
Emily Abrera	Yes	Yes	Yes	Yes	Yes	Yes	100%
Alain Boulet	Yes	Yes	Yes	Yes	Yes	Yes	100%
Bernard Canetti	Yes	Yes	Yes	Yes	Yes	Yes	100%
Philippe Dominati	Yes	Yes	Yes	Yes	Yes	Yes	100%
Pauline Ginestié	Yes	Yes	Yes	Yes	Yes	Yes	100%
Jean Guez	Yes	Yes	Yes	Yes	Yes	Yes	100%
Wai Ping Leung	Yes	Yes	Yes	Yes	Yes	Yes	100%
Robert Paszczak	Yes	Yes	Yes	Yes	Yes	Yes	100%
Leigh Ryan	Yes	Yes	Yes	Yes	Yes	Yes	100%
Christobel Selecky	Yes	No	Yes	Yes	Yes	Yes	83%
Angela Maria Sierra-Moreno	Yes	Yes	Yes	Yes	Yes	Yes	100%
Patrick Thomas	Yes	Yes	Yes	No	Yes	Yes	83%
Stephen Winningham	Yes	Yes	Yes	Yes	Yes	Yes	100%
ATTENDANCE RATE	**100%**	**93%**	**100%**	**93%**	**100%**	**100%**	**98%**

Works of the Board in 2019

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 six meetings:

- examination and approval of the parent company and consolidated financial statements for the year ended December 31st, 2018, of the management report and the examination of management forecast documents;
- setting of the variable remuneration for 2018 for executive officers;
- review of directors' independence criteria and re-examination of the independence of each director;
- assessment of the completion of the conditions of the April and November 2016 performance shares plans;
- conclusions of the Board of Directors' formal assessment;
- proposal to renew directorships;
- activity report of the Lead Independent director for 2019;
- update of the Internal Regulations of the Board of Directors and of the Code of Conduct on securities transactions;
- convening of the shareholders' meeting held on May 9th, 2019, 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 2018 ("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, 2018;
- update on sustainable development and CSR;
- review of regulated and arm's length agreements and commitments in respect of financial year ended December 31st, 2018;
- renewal of the authorization given to the Chairman and Chief Executive Officer in terms of sureties, endorsements and guarantees;
- authorization of the capital increases in Teleperformance Group, Inc. and TPUSA, Inc.;
- non-opposition to the use of the Teleperformance trademark in company names in Indian subsidiaries;
- reports on grants of performance shares and transactions carried out in connection with the share repurchase program;
- repurchase of the minority shareholders in Hong Kong Asia CRM Limited;
- composition of the Committees of the Board;
- determination of the remuneration allocated to directors (formerly known as "directors' fees") for the 2018 financial year;
- implementation of the share repurchase program;
- review of vote results of the shareholders' meeting held on May 9th, 2019;
- grant of performance shares dated June 3rd, 2019 and setting up of the performance criteria;
- authorization for the implementation of a Long-term Incentive Plan by Teleperformance Group, Inc.;
- examination and approval of the consolidated accounts at June 30th, 2019, the half-yearly financial report and management forecast documents;
- convening of the shareholders' meetings held on October 1st, 2019, setting of the agenda for the meeting and approval of the report and resolutions;
- 2019 forecasts and 2020 budget;
- 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 2019 results, particularly with regard to gender balance in the 10% of positions with the highest level of responsibility;
- remuneration policy of executive officers for 2020;
- yearly discussion on the professional and employment equal treatment policy;
- annual discussion on the Board functioning.

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, Risk 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 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, Risk and Compliance Committee may adopt pursuant to applicable legal and regulatory provisions, under the responsibility of the Board.

The Audit, Risk and Compliance Committee

The internal regulations of the Teleperformance SE Audit, Risk 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 20th, 2020.

Composition

The Audit, Risk 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, Risk 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, Risk 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, accounting and statutory auditing skills required to perform their duty of due diligence and to accomplish their duties. The skills are characterized by their professional experience, which they have acquired in senior management positions in companies, banks, or working for an audit firm or in the capacity of chartered accountant or statutory auditor, as described in section 3.1.3.1 above.

Responsibilities

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

Missions

The Audit, Risk 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.

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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, Risk 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, Risk 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, Risk 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 2019

The Audit, Risk and Compliance Committee met five times in 2019.

Meetings of the Audit, Risk and Compliance Committee were held over two days before the meetings of the Board of Directors to review accounts (except on the meeting held on July 24th, 2019), in accordance with the recommendations of the AFEP-MEDEF Code which provides for sufficient time to have available and review the financial statements.

Members	02/26/2019	03/25/2019	05/23/2019	07/24/2019	11/21/2019	Total
Alain Boulet	Yes	Yes	Yes	Yes	Yes	100%
Jean Guez	Yes	Yes	Yes	Yes	Yes	100%
Stephen Winningham	Yes	No	Yes	Yes	Yes	80%
ATTENDANCE RATE	**100%**	**67%**	**100%**	**100%**	**100%**	**93%**

The statutory auditors attended four meetings.

The Audit, Risk and Compliance Committee reviewed the following items in particular in 2019:

- 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, 2018,
  - the half-yearly summary consolidated financial statements as of June 30th, 2019,
  - the statutory auditors certified without qualification the consolidated financial statements as of December 31st, 2018 and identified no misstatements in the summary consolidated financial statements as of June 30th, 2019;
- the effectiveness of the internal control and risk management systems:
  - internal audit plan for the 2019 financial year,
  - overview of the assignments performed by the Internal Audit Department and follow-up,
  - presentation of the 2019 internal control self-assessment questionnaires,
  - results and follow-up of the self-assessment questionnaires completed by the subsidiaries,
  - mapping of risks related to financial information,
  - new European regulation on risk factors,
  - proposed plan for the risk factors section of 2019 group universal registration document,
  - follow-up on implementation of the crisis management plan,
  - organization of compliance department and review of related audit work,
  - review of minority shareholders buyout conditions;
- 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, 2018,
  - review of the amount and breakdown of the statutory auditors' fees,
  - reminder 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 determination of the remuneration policy for directors (formerly known as "directors' fees"), the global amount and the allocation rules of this remuneration;
- 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 2019

The Remuneration and Appointments Committee met four times in 2019, and the attendance rate was 100%.

Members	02/27/2019	05/09/2019	06/03/2019	12/04/2019	Total
Robert Paszczak	Yes	Yes	Yes	Yes	100%
Emily Abrera	Yes	Yes	Yes	Yes	100%
Bernard Canetti	Yes	Yes	Yes	Yes	100%
ATTENDANCE RATE	**100%**	**100%**	**100%**	**100%**	**100%**

In 2019, 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 2019 shareholders' meeting and propositions to the Board on the Committee's composition;
- assessment of the performance conditions of the April 28th and November 2nd, 2016 performance shares plan;
- 2018 variable remuneration, determination of the 2019 and 2020 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;
- grant of performance shares, proposal of beneficiaries and approval of the plan regulations for the performance shares plan of June 3rd, 2019;
- 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 the remuneration granted to directors for financial year 2018;
- taking into account of the votes at the shareholders' meeting held on May 9th, 2019 in terms of remuneration for 2019.
- 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 2019 financial year.

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

In September 2019, the structure of the Group executive management was modified in order to be more agile and adapted to the short-term and long-term objectives and to the strategy of Teleperformance.

It consists since that date in an organization structured around a Chairman and Chief Executive Officer, a Deputy Chief Executive Officer and a Management Committee, composed of the Executive Committee, for which the number of its members was reduced, and thirteen key Group managers in their respective areas of expertise.

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 *Composition of the Board of Directors* 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. He owned 104,500 Teleperformance shares as of December 31st, 2019.

Since September 2019, for the executive management of the Group, the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer are assisted by two committees: the Executive Committee and the Management Committee.

The Management Committee

The Management Committee is composed of 21 members consisting of all the members of the Executive Committee and the main key operational and functional managers of the Group.

The Executive Committee

The Executive Committee is composed of 8 members consisting of:

- the Chairman and Chief Executive Officer; Chairman of the Executive Committee;
- the Deputy Chief Executive Officer;
- the Chief Legal Officer and Chief Compliance Officer;
- President of Global Business Development;
- the Chief Operating Officer of the English World and Asia Pacific region (EWAP);
- the Chief Operating Officer of the Ibero-LATAM and Continental Europe; Middle East and Africa regions (CEMEA);
- President of Specialized Services;
- President of Transformation.

The Executive Committee is responsible for the Group's operational management. It implements the strategic orientations defined by the Board of Directors, 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.

Group key managers

The 13 Group key managers are part, with the Executive Committee, of the Management Committee. They assist the executive management and the Executive Committee in the development and coordination of key strategic projects and initiatives set out by the Executive Committee. They ensure the running of Group activities and the implementation of its main transversal policies with regards to their respective competences and areas of expertise. They also ensure a wide concertation on Group strategy and evolution and contribute to a permanent dialog. They do not have, collectively, a decision-making power.

Missions and powers

The Chairman and Chief Executive Officer has been granted full powers to act in the Company's name in all circumstances and 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 Universal 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 and Group key managers. As of today, eight persons currently sit on this committee, including one woman (*i.e.* a feminization rate of 12.5%). The Management Committee is composed of all the members of the Executive Committee and the main operational and functional managers of the Group. As of today, 21 members are part of it, of which five women (*i.e.* a feminization rate of 23.8%).

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.

Wherever possible, this objective is pursued at all levels of the Group, both regional and local.

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

- the Group gender diversity and inclusion policy was updated in March 2019 and was implemented in all the Group's subsidiaries;
- salary bands, classification, career opportunities and work schedules are not based on gender. Job descriptions are detailed for each position with related salary bands;
- 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;
- in June 2019, Teleperformance launched a Group initiative called "TP Women". The latter aims, in particular, at creating a more gender-diverse workforce within the Group and improving the promotion of female staff in senior positions. It also seeks to develop a network of women and men to bring awareness to those issues and to encourage a gender-sensitive leadership culture.

Teleperformance's goal is to maintain an even overall breakdown between men and women.

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% against 48.07% in 2017.

In addition, the Group identified the 264 employees representing the top 10% of positions in terms of responsibility. Among these 264 employees, 72 are women (*i.e.* 27.3%). At the Company level, the top 10% positions comprises 11 people including six women (*i.e.* 54.5%). 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.

In accordance with the recommendation introduced in January 2020 by the AFEP-MEDEF Code (§7), upon proposition of the executive management, the Board of Directors has set as objective of diversity of the senior management at 33% to be reached in the next five years.

3.2 REMUNERATION OF DIRECTORS AND EXECUTIVE OFFICERS

The "say on pay" mechanism providing for a double vote by the shareholders' meeting on the remuneration granted to directors and executive officers *(mandataires sociaux)* of listed companies was modified by Ordinance No. 2019-1234 of November 27th, 2019 and Decree no. 2019-1235 implementing the French "PACTE" law No. 2019-486 of May 22nd, 2019. This section 3.2 set outs the requirements of this new mechanism.

In accordance with legal and regulatory provisions, in particular Articles L.225-37-2, L.225-37-3 and L.225-100 of the French Commercial Code, the shareholder's meeting to be held on April 16th, 2020 is called to vote on:

- the information referred to in paragraph of I Article L.225-37-3 of the French Commercial Code in relation to each of its directors and executive officers holding office during the financial year ended December 31st, 2019 as well as on the remuneration paid during the 2019 financial year or granted in respect of the 2019 financial year in accordance with the principles and criteria approved by the shareholders' meeting held on May 9th, 2019, to the Chairman and Chief Executive Officer and to the Deputy Chief Executive Officer of Teleperformance SE (see section 3.2.2 below); and
- the remuneration policy for directors and executive officers of Teleperformance SE, within the meaning of Articles L.225-37-2 and R.225-29-1 of the French Commercial Code, in respect of the 2020 financial year (see section 3.2.3 below).

The remuneration elements and the remuneration policy submitted for approval by the shareholders have been determined on the basis of the Group general principles governing the remuneration granted to Group senior executives and Teleperformance SE directors and executive officers, which form part of the remuneration policy for directors and executive officers (see section 3.2.1 below).

3.2.1 Principles and rules for determining the remuneration policy

3.2.1.1 General principles

Process for determining remuneration – Management of conflicts of interest

The remuneration granted to Teleperformance SE directors and executive officers and the remuneration policy are determined by the Board of Directors upon recommendation of the Remuneration and Appointments Committee. This Committee, whose composition, missions and work are described in section 3.1.3.3 of the 2019 Universal Registration Document, is presided and composed in majority of independent directors.

The Board and the Committee are committed to taking into account shareholders expectations as expressed during an ongoing dialog and on the occasion of the votes at shareholders' meeting. They also refer to researches conducted by independent third-party firms specializing in remuneration-related matters.

To avoid conflicts of interest when determining the remuneration granted to executive officers (including the assessment, in due course, of the criteria governing variable or long-term remuneration), the Board discusses and votes without the presence of the executive officers on the decisions that concern them. If they are directors, they do not take part in the deliberations nor in voting on decisions that concern them.

Furthermore, when setting the remuneration elements for executive officers, the Board endeavors to limit the creation of specific conflicts of interest. Conflicts of interest related to remuneration policy are reduced by basing a majority of total remuneration on both individual and Group performance and, more generally, by seeking to align all stakeholder interests (see below).

All conflicts of interest related to the determination, modification or revision of the remuneration policy are, in all cases, processed in accordance with the conflict of interests management procedure in force, as set out in section 3.1.3.2.1 of the present 2019 Universal Registration Document. Furthermore, any conflict of interest identified subsequently is submitted to the Lead Independent director and/or the Remuneration and Appointments Committee.

Objectives of the remuneration policy

The Teleperformance Group directors and executive officers remuneration policy is designed to support its strategy in the long term and serve its corporate interest. It also seeks to align the interests of the employees concerned with those of the shareholders by establishing a link between performance and remuneration, while ensuring a competitive remuneration offer in accordance with the Group's different businesses and services and the different geographic markets in which it operates.

Focus: alignment of interests

In terms of remuneration, the Board of Directors, upon recommendation of its Remuneration and Appointments Committee, has established the principle of aligning the interests of executive officers with those of the shareholders.

This policy is simple and set out in an exhaustive and transparent manner. It provides for annual remuneration comprising a fixed part (for 50% of the total gross amount) and a variable part subject to quantitative and qualitative performance criteria (for 50% of the total gross amount) and a long-term remuneration based on the grant of performance shares also subject to performance criteria assessed over a 3-year period. Benefits in kind, defined and valued, are also granted.

Upon the recommendation of its Committee, the Board of Directors has decided that the Group must be protected by non-compete undertakings in the event of departure (amended and approved by the 2018 shareholders' meeting) as well as by a clawback provision in respect of annual variable remuneration.

No other remuneration is granted: in particular, **there are no supplementary or additional pension schemes** specific for executive officers **nor any termination payments for when they leave the company or cease to perform their duties.**

In the case of both annual and long-term remuneration, the Remuneration and Appointments Committee seeks to ensure that executive officers remuneration is tied to Group results. The short and long-term variable parts are greater than the fixed part. Accordingly, the variable part accounts for 82% of the total remuneration granted to the Chairman and Chief Executive Officer and 86% of that granted to the Deputy Chief Executive Officer.

The remuneration policy, which is designed in a simple and transparent manner, has several main objectives:

- attracting, developing and retaining talented and high-potential employees, as well as recognized skills;
- promoting consistent performance;
- aligning remuneration levels with the performances of the Group and, if applicable, the relevant subsidiaries;
- being consistent in its philosophy, its structure and over the long term;
- foster the achievement of the strategic plan throughout its entire term.

The remuneration policy is thus designed to motivate and retain key talents and teams in order to foster the Group's development in accordance with the objectives and schedule set. It ensures the best possible long-term performance and to promote innovation, which is essential for maintaining a leading position in the customer services sector, breaking into new markets and long-term viability.

Upon recommendation of the Remuneration and Appointments Committee, the Board of Directors has always made sure that the application of these principles allows it to set appropriate executive remuneration that is aligned with the Group's results. For this purpose, the Committee seeks to ensure fair assessment and recognition of this performance.

Focus: assessment and recognition of performance

Performance assessment is the focal point of executive officer remuneration policy. It is based on an objective and exhaustive analysis of the environment in which the Group operates. Every year, when drawing up its recommendations, the Remuneration and Appointments Committee takes into account the political environment, the global market and the exchange rates to which the Group is exposed. The impact of technological breakthroughs, which are occurring at an increasing rate and which profoundly alter the behavior of the Group's main customers and prospects, on the Group's business and profit margins is also assessed and estimated.

The Group's previous track record in terms of organic growth and profit margin is also reviewed, in particular for the purpose of setting targets for the coming year.

The strong steady growth achieved by the Group over the past few years has set the bar high, thereby making it harder to pursue ambitious growth targets significantly outperforming market growth. The same goes for operating profit margins, where the expected leverage provided by growth is often curbed by new requirements and the corresponding costs. These factors result from the Group's expansion and the increased requirements impacting its business and profit margins (cybersecurity, GDPR, global policies, etc.).

The setting up by the Remuneration and Appointments Committee and the Board of Directors for the coming year, of the targets and the variable remuneration grid is decisive. It is based on a balanced assessment of required aims and mitigating factors (impact of technological breakthroughs, global policies, etc.) carried out when the Group budget is drawn up, prior to its approval by the Board of Directors. It allows the Group to set ambitious targets that are commensurate, measurable and achievable. **In view of the foregoing and the series of excellent results posted by the Group over recent years, the Board is convinced of the suitability and the high level of ambition reflected by the targets set.** The consistent achievement of targets over recent years reflects the quality of the strategy and its execution rather than insufficient ambition. This is borne out by changes in the global market and the performance of direct competitors, which is significantly below that of the Group.

Recognition of performance is based on the achievement or non-achievement of targets set at the time the budget is approved and confirmed when the financial statements are approved. Targets are neither revised nor rebalanced during the year in question, irrespective of the occurrence of foreseen or unforeseen events.

The Board of Directors considers that achievement of the targets announced to the market at the beginning of the year is the primary commitment undertaken by executive officers and senior management, who have a duty to deliver the expectations thus formulated.

Payment of the variable part is therefore triggered, subject to shareholder approval, by the achievement of targets. However, if performance exceeds set targets, no additional or exceptional remuneration is owed or granted. The application of this principle over the past few years has been broadly positive for the Group and its stakeholders, in particular the shareholders.

In contrast, lesser remuneration is granted if the Group's performance, while objectively positive, significantly exceeds market trends but fails to reach the initial targets. The approved grid is designed to give executive directors an incentive to achieve the targets announced while penalizing them considerably if they fail, a situation that has not arisen over the past few years.

With regard to the qualitative part, the Remuneration and Appointments Committee and the Board of Directors are committed to defining objectives that match the principal challenges and issues faced by the Group, as determined on the basis of current events or Group corporate and social responsibility (CSR) priorities identified when the CSR materiality table or business model is established or updated.

Furthermore, the Board seeks to promote transparency and dialog with shareholders as well as continuity and sustainability in the implementation of its policy.

Focus: transparency and sustainable implementation

The Board of Directors has established a rule requiring **the utmost transparency** with regard to executive officer remuneration. The fixed components of remuneration are set out in detail every year in accordance with the relevant governance best practices. Institutional shareholders have commended the Group's transparency in this respect on a number of occasions. Furthermore, the levels of achievement of both quantitative and qualitative criteria relating to variable remuneration are reported in precise detail in the Group's public documentation on the year ended. This year, to improve reporting even further, the Group plans to publish a prospective grid in addition to the usual retrospective grid.

The variable remuneration granted to the Deputy Chief Executive Officer in relation to his employment contract is also reported and described in detail since the date of his appointment.

The Board of Directors considers that **continuity and sustainability in implementing this policy are key requirements** with regard to both executives and stakeholders.

Accordingly, the annual fixed and variable remuneration package granted to the Chairman and Chief Executive Officer has not changed since 2013 and the number of performance shares granted to him has not changed since 2016. The Board has taken into account changes in the value of these performance shares and considers that it was justified in making no change to the number of shares granted, in view of the Group's expansion over the past few years, the increased complexity of its business (major acquisitions, multiple new facility start-ups, etc.) and its performance (increased profitability, rising share price, etc.). The policy applied to the individual concerned is therefore consistent and transparent. As a reminder, in 2017 the annual fixed part was reduced and the variable part increased in order to further align this person's interests with those of the shareholders. This policy is designed to eliminate the impact of fluctuations or cyclical factors related solely to the achievement of a single indicator. It is conducive to consistency in the conduct of business and achievement of targets. Such **consistency** helps to stabilize Teleperformance's reputation and share price in the best interests of the Group and its stakeholders.

Reference to the AFEP-MEDEF Corporate Governance Code

The executive officer remuneration policy is drawn up with reference to the AFEP-MEDEF Corporate Governance Code. The remuneration policy for Teleperformance's executive officers is based on the following principles:

- comprehensiveness and transparency: all items of remuneration owed in respect of corporate office are published and described in detail; they are supported by precise and comprehensive information on all elements of remuneration due, where applicable, to an executive officer in respect of a different function (employment contract within the Group, other office at Group level, etc.);
- balance between elements of remuneration: total annual renumeration is divided equally into a fixed part (50%) and a variable part (50%), supplemented by long-term share-based remuneration that compensates Group performance and strengthens the alignment of interests of all stakeholders;
- comparability and consistency: remuneration is set and assessed in accordance with a range of factors: international environment, specific local or geographic considerations, responsibilities, etc. The executive officer remuneration policy is in line with that of other Group executive directors and is consistent over time (no change in structure or amount each year). While the policy is designed to be applied on a long-term basis, it is reviewed annually by the Remuneration and Appointments Committee and Board of Directors in order to maintain consistency and suitability with regard to the corresponding objectives;
- clear rules: the rules used to determine executive officer remuneration are simple, consistent and transparent. The performance criteria applicable to long-term and annual variable remuneration are defined transparently in advance. They are designed to be challenging and sustainable and reflect the Group's key growth drivers in both the short and long terms;
- measurement and comparability: the structure and components of remuneration are determined in such a way as to reflect and reconcile the interests of the Company and Group, market practices, Group performance and executive directors' performance;
- alignment of interests: the rules for determining remuneration take into account the need to attract, retain and motivate top-performing executives as well as the need to align their interests with those of the shareholders, by integrating Group performance and linking it to the Company's share price.

Review

Directors and executive officers remuneration policy, especially the remuneration structure of their office, is reviewed every year by the Board of Directors, based on the works of the Remuneration and Appointments Committee. On that occasion, in the absence of those concerned, the Board discusses whether the remuneration policy needs to be reviewed, in particular the components and/or level of remuneration for the term of office with regard to the general development of the Group and the markets and, if applicable, any specific events (new functions, acquisitions, integrations, new business lines, new countries, etc.) impacting the Company, its Group or its organization thereof. In any event, the Board of Directors ensures (i) for the determination of the remuneration policy, adherence to the principles set out above, pursuant to paragraph 25.1.2 of the AFEP-MEDEF Code and (ii) for the setting of executive officers remuneration, its compliance with the remuneration policy thus established.

Structure

In order to attract, develop and retain talented, high-potential employees including executive officers, remuneration must be competitive and consistent with market practices. Remuneration breaks down as follows:

Annual fixed remuneration

Annual fixed remuneration takes into account the position, level of responsibility, experience, recognized technical skills and leadership of the person concerned.

Annual variable remuneration

Annual variable remuneration is subject to (i) consistent performance criteria, suited to the environment in which the person concerned operates, as well as the Group's short and long-term performance and objectives, and (ii) relevant qualitative criteria with regard to the Group's objectives and priorities identified with reference to the materiality table.

This annual variable remuneration is **expressed as a gross maximum amount** and not as a percentage or amount that may vary due to exceptional circumstances or if objectives are exceeded. As such, if performance exceeds the targets set, executive officers are not granted any additional or exceptional remuneration.

The Group's policy in this regard is guided by the desire to establish a close link between performance and short-term remuneration. The Group has always sought to discourage conduct and situations that could lead to major or even excessive risk-taking in pursuit of short-term gains. As such, the variable part is equal to the fixed part, conditional on the achievement of ambitious objectives linked to Group strategy and capped.

Performance assessment is the focal point of executive officers remuneration policy. It is based on an objective and exhaustive analysis of the environment in which the Group operates (see below *Objectives of the remuneration policy*).

These objectives are set in a precise manner by the Board of Directors, based upon recommendation of the Remuneration and Appointments Committee. The expected levels of achievement are set at the time of the budget exercise and take into account, with regard to quantitative objectives, of (i) the forecast growth in Teleperformance's operating results, (ii) the forecast and expected operational performance of the market and Group competitors, and (iii) the global geopolitical environment. The Board of Directors prepares a grid for each of the quantitative criteria governing the variable annual part using, as a lower range, estimated growth on the global market in which Teleperformance operates and, as a higher range, the guidance published on announcement of prior year results. The items comprising the qualitative part are established based on the current situation or the Group's CSR priorities as identified when the materiality table is drawn up and updated (see section 2.2.1 of the 2019 Universal Registration Document).

In the case of both annual variable and long-term share-based remuneration (described below), the Remuneration and Appointments Committee and the Board of Directors seek to ensure that executive officers remuneration is tied to Group results.

Up to now, the objectives were published retrospectively. In an attempt to continuously improve transparency and the preferences expressed by the shareholders during the ongoing and proactive dialog process, the Board has decided, upon recommendation of its Remuneration and Appointments Committee, to publish this information prospectively from financial year 2020 onwards.

Long-term share-based variable remuneration

The policy stems from the desire to engage Group key managers and senior executives, including executive officers, in the long-term, and align their interests with those of the shareholders by giving them an interest in the value of shares. It involves eligibility for performance share grants or long-term incentive (LTI) plans based on the Teleperformance SE share. Vesting of performance shares or LTI is subject to the fulfillment of performance criteria over a period of at least three years. These criteria are based on key aspects of the Teleperformance strategy and covering quantifiable operational criteria and, in order to increase alignment with the interests of shareholders over the long term, a share performance criterion.

The policy adheres to the following principles:

- the vesting of performance shares is subject to performance and attendance criteria applied in the same way to executive officers and all employee beneficiaries;
- the performance criteria and objectives set out are in line with the long-term Group strategy as defined and publicly disclosed by the Board of Directors;
- performance and attendance criteria are assessed and measured over a three-year period. The performance criteria and expected levels of achievement are decided by the Board of Directors upon the recommendation of the Remuneration and Appointments Committee. The Board sets the thresholds for calculating the performance expected or achieved for determining the number of shares definitely vested;
- with regard to grant frequency, the Group has changed its practice in accordance with the expectations and wishes expressed by the market and by its shareholders. Since 2019, the policy provides for annual grant (rather than every three years as before);
- 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. It is defined as a maximum number of shares, rather than a percentage of remuneration, in order to minimize the potential dilution for shareholders. The Remuneration and Appointments Committee reviews the suitability of this amount on an annual basis in view of the performance recorded, the share price and any changes in the remuneration granted to the beneficiary concerned;
- long-term incentive plans are subject to identical terms and conditions and performance and attendance criteria, where applicable, 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 vested, unless otherwise decided by the Board of Directors ruling in accordance with the recommendations of the AFEP-MEDEF Code in this respect (pro rata, retention of performance criteria and justification of its decision in particular);
- executive officers must retain at least 30% of shares vested, registered in their own name, until the end of their term of office and undertake not to engage in hedging transactions.

Compensation in respect of a non-compete undertaking

Executive officers have entered into non-compete undertakings with the Group. The specific characteristics of these undertakings may vary depending on the responsibilities assumed and applicable local statutory and regulatory restrictions. They seek to protect the legitimate interests of the Group and all its internal and external stakeholders if the executive concerned leaves the Company, in exchange for compensation limited to one or two years, as applicable, particularly in view of the intangible nature of the Group and its expertise.

Benefits in kind

Benefits in kind, which are determined based on local considerations and individual circumstances, primarily include the use of a company car. The benefits in kind paid or granted to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer are described in sections 3.2.2.2 and 3.2.2.3 of the 2019 Universal Registration Document.

Director remuneration (previously "directors' fees")

Teleperformance SE directors receive remuneration up to the total annual amount approved by the shareholders' meeting and distributed among them by the Board of Directors in accordance with the rules it establishes upon the recommendation of the Remuneration and Appointments Committee. These rules and their application in 2019 are described in sections 3.2.1.2 and 3.2.2.1 of the 2019 Universal Registration Document below. The rules for 2020 are described in section 3.2.3.2 below.

The Chairman and Chief Executive Officer and, where applicable, directors holding an employment contract with a consolidated Group entity, do not receive remuneration in respect of their directorship from the Company or from the subsidiary in which said directorship is served. The directors of Teleperformance SE holding office in subsidiaries may receive remuneration from said subsidiaries.

Additional or supplementary pension scheme (so-called "top-up" pension scheme)

There are no additional or supplementary pension schemes for executive officers in respect of their office.

Take-up or termination payments

No payment or remuneration is due or granted to executive officers when they take up or end their role in respect of their office or an employment contract.

Exceptional remuneration

No exceptional remuneration is due or granted to executive officers in respect of their office or an employment contract.

Other remuneration

No other remuneration is due or paid to executive officers.

3.2.1.2 Specific principles of the remuneration policy for directors

Within the limit of a total annual amount approved by the shareholders' meeting (until further decision), the Board of Directors, upon recommendation of the Remuneration and Appointments Committee, decides on the rules for allocating this amount among its members and, as such, sets their remuneration in their capacity as director (previously "directors' fees"). These rules take into account, pursuant to the recommendations of the AFEP-MEDEF Code and the provisions of the Board's internal regulations, (i) the membership of the Board and its Committees, (ii) the effective attendance of directors at meetings and (iii) the directors' place of residence. They therefore provide for a predominant variable part.

However, among directors, the Chairman and Chief Executive Officer and those, if applicable, holding an employment contract with a consolidated Group entity do not receive remuneration in respect of their directorship. Directors of Teleperformance SE who hold office in one or more consolidated Group entities may, however, receive remuneration from said entities.

The Board of Directors may entrust an assignment for which remuneration is granted to a director on an exceptional basis: the remuneration granted for such an assignment will be determined by the Board upon the recommendation of the Remuneration and Appointments Committee, with regard to the importance of the assignment for the Group, its duration, the required involvement of the director, his or her expertise, travel requirements and any other terms governing the performance of said assignment. In all cases, the granting of said assignment on an exceptional basis is subject to the regulated agreement procedure provided for by Article L.225-46 of the French Commercial Code.

The remuneration granted in respect of one year is paid during the following year (in 2019 for the financial year ended December 31st, 2018) following the shareholders' meeting called to approve the financial statements for the financial year ended.

In accordance with the provisions of Article L.225-100 II of the French Commercial Code, this payment is henceforth (and for the first time as from the shareholders' meeting to be held on April 16th, 2020) conditional upon the approval by the shareholders' meeting of the resolution relating to the information referred to in paragraph I of Article L.225-37-3 of the French Commercial Code (corresponding to the remuneration policy effectively applied for each director and executive officer during the financial year ended).

In addition to the foregoing guiding principles applied to the director remuneration policy, the elements of said policy for 2020 are described in sections 3.2.3.1 and 3.2.3.2 of the 2019 Universal Registration Document.

3.2.1.3 Specific principles of the remuneration policy for executive officers

Table 11 of the AMF recommendations – Summary of undertakings taken in favor of executive officers

Executive officer	Employment contract	Supplementary pension scheme	Payments or benefits due or liable to be due upon termination or change of responsibilities	Payments relating to a non-compete agreement
Daniel Julien Chairman and Chief Executive Officer Expiry of term of office as director: GM 2021	No	No	No	Yes
Olivier Rigaudy Deputy Chief Executive Officer	Yes	No	No	Yes

A. Specific items of the remuneration of the Chairman and Chief Executive Officer

The total annual remuneration of the Chairman and Chief Executive Officer has remained unchanged in its amount since 2013. It has always been established in the interest of good governance by the Board of Directors of Teleperformance SE, upon recommendation of the Remuneration and Appointments Committee. It is expressed and paid in US dollars (converted into euros for the purposes of comprehensibility) by Teleperformance Group, Inc. (US subsidiary of Teleperformance SE), with the Group bearing the social security contributions and expenses in this country in accordance with applicable local regulations.

Upon recommendation of its Committee, the Board of Directors has modified the structure of the remuneration of the Chairman and Chief Executive Officer over recent years in order to maintain its consistency and suitability with regard to changes in governance and to reflect the expectations or wishes expressed by certain shareholders. The following structural modifications have been applied to the remuneration of the Chairman and Chief Executive Officer:

- reduction in the amount of non-compete compensation paid to the Chairman and Chief Executive Officer to two years' remuneration (annual fixed and variable parts);
- introduction of a clawback mechanism for the variable annual part;
- reduction of the annual fixed part for a higher annual variable part, the fixed and variable part now representing 50% of total annual remuneration each (compared to a 70/30% split previously);
- introduction of Corporate Social Responsibility (CSR) criteria within the annual variable part;
- frequency of performance shares grants (long-term incentive plans) every year instead of every three years and grant in 2019 of a number of shares lower than the amount approved by the shareholders' meeting held on May 9th, 2019.

These changes were also implemented in a context of growth and excellent Group performance. This performance is proof of the efficiency of the current remuneration policy as a motivational tool and for the alignment of interests. The Board therefore intends to maintain this policy.

The table below shows the changes applied to the structure of the remuneration elements of the Chairman and Chief Executive Officer over the past four years:

Financial year	2016	2017	2018	2019	Comments
Fixed remuneration	US$3,750,000	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 starting from 2018; **AND** introduction, since 2019, of qualitative quantifiable performance criteria in terms of Corporate Social Responsibility (CSR).
Variable remuneration	US$1,500,000 (subject to performance criteria)	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	
Share-based long-term remuneration	Grant of performance shares in 2016 for three years (policy in effect at the time of grant)			Performance share grant every year.	Change to an annual grant of performance shares lower than the amount authorized by the shareholders' meeting (subject to criteria measured over three years) due to practices observed and shareholder 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	Two-year undertaking compensated by 2.5 years' remuneration or three-year undertaking compensated by three years' remuneration, at the Board's discretion.		Two-year undertaking compensated by a maximum two years' remuneration (fixed and variable).		Modification to cap the compensation amount at two years' remuneration, to limit the financial impact for the Group while protecting the interests of all stakeholders.
Pension scheme	None	None	None	None	There is no pension scheme in place for the Chairman and Chief Executive Officer.
Other remuneration items	None	None	None	None	No other item of remuneration is owed, granted or paid to the Chairman and Chief Executive Officer.

In addition to the above guiding principles applied to the remuneration policy for the Chairman and Chief Executive Officer, the elements of said policy for 2020 are described in sections 3.2.3.1 and 3.2.3.3 of the 2019 Universal Registration Document.

B. Specific items of the remuneration of the 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, Group Chief Financial Officer, as Deputy Chief Executive Officer.

This appointment followed the decision to combine the functions of Chairman and Chief Executive Officer taken on the same day. Given the Teleperformance Group's size and the need to streamline the decision-making and representation process at Group level, the Chairman and Chief Executive Officer wished to have the option to delegate general management assignments to a Deputy Chief Executive Officer, 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.

It was essential that Mr. Olivier Rigaudy, who has also served as Chief Financial Officer since 2010, continues to perform these duties in accordance with his employment contract, in complete independence from his duties to assist the Chairman and Chief Executive Officer, which are linked to the role of Deputy Chief Executive Officer. The Board of Directors, upon recommendation of the Remuneration and Appointments Committee, therefore decided to maintain the employment contract binding Mr. Rigaudy to the Company as Group Chief Financial Officer since February 1st, 2010. Indeed, it noted that the duties of Mr. Rigaudy in respect of his office correspond to an assignment to be distinguished from his employee and technical duties. The continuation of Mr. Rigaudy's employment contract is in line with recommendation 22.2 of the AFEP-MEDEF Code (termination of the executive officer's employment contract upon their appointment, as this recommendation does not apply to the Deputy Chief Executive Officer).

The employment contract of Mr. Olivier Rigaudy dated 2010 does not provide for any specific provision relating to the conditions of its termination or any notice period, which are those provided for by law.

In addition to the above guiding principles applied to the remuneration policy of the Deputy Chief Executive Officer, the elements of said policy for 2020 are described in sections 3.2.3.1 and 3.2.3.4 of the 2019 Universal Registration Document.

3.2.2 Remuneration policy for directors and executive officers applied in respect of the 2019 financial year – Remuneration elements and benefits paid during the 2019 financial year or granted in respect of the 2019 financial year (*ex-post* votes)

Ordinance No. 2019-1234 of November 27th, 2019 implementing the French "PACTE" law No. 2019-486 of May 22nd, 2019 extended the so-called *ex-post* vote of the shareholders' meeting, which now comprises:

- a "global" *ex-post* vote relating to the information referred to in I of Article L.225-37-3 of the French Commercial Code, reflecting the implementation of the remuneration policy for each of the corporate officers (directors and executive officers) in respect of the financial year ended;
- an "individual" *ex-post* vote relating to the fixed, variable and exceptional elements comprising the total remuneration and the benefits of all kind of the Chairman and Chief Executive Officer and of the Deputy Chief Executive Officer in respect of their corporate office; in this regard, the approval of the shareholders relates to (i) the elements and benefits paid during or granted in respect of the financial year ended, as before the entry into force of the ordinance and (ii) henceforth also the elements and benefits paid during the financial year ended, irrespective of the year to which they correspond.

In accordance with these provisions, this section reports on the implementation, in 2019, of the remuneration policy applicable to directors and executive officers. The principles and criteria for determining, allocating and granting the fixed, variable and exceptional elements of the total remuneration and benefits of all kind due to executive officers in respect of their term of office in 2019, was subject to a favorable vote of the shareholders' meeting held on May 9th, 2019, under the 7th resolution (remuneration policy applicable to the Chairman and Chief Executive Officer, approved with 57.61% of the vote) and the 8th resolution (remuneration policy applicable to the Deputy Chief Executive Officer, approved with 67.44% of the vote). These results and the expectations expressed particularly with regard to the share-based long-term remuneration granted to the Chairman and Chief Executive Officer, led the Board of Directors to reduce the number of performance shares granted to him in 2019 (see section 3.2.2.2 *Implementation of the remuneration policy of the Chairman and Chief Executive Officer and remuneration paid or granted in respect of the 2019 financial year* below).

In accordance with the provisions of Article L.225-100 II of the French Commercial Code, the information thus presented, for all directors and executive officers, in the context of implementing this policy, as provided for in Article L.225-37-3 of the French Commercial Code, will be subject to the approval of the shareholders at the shareholders' meeting to be held on April 16th, 2020 (5th resolution).

Moreover, in accordance with the provisions of Article L.225-100 III of the French Commercial Code, this meeting will also be called to vote on the elements comprising the total remuneration and benefits of all kind paid during 2019 or granted during 2019 to each executive officer in respect of their office (6th and 7th resolutions).

3.2.2.1 Implementation of the remuneration policy for directors during the 2019 financial year

A. Rules for allocating remuneration (previously "directors' fees")

On the basis of the principles described in section 3.2.1.2, the Board of Directors, upon recommendation of the Remuneration and Appointments Committee, sets the rules for allocating among its members the remuneration amount decided by the shareholders' meeting, within the limit of the corresponding cap.

This total amount was set at a maximum of one million euros per year by the shareholders' meeting of May 9th, 2019 (in respect of the 2018 financial year and in respect of each subsequent financial year until a new decision on its part).

For the 2017 financial year (remuneration paid in June 2018), the following rules, which were decided by the Board at its meeting held on April 20th, 2018, were applied:

- 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 attending a Board or Committee meeting for directors traveling from a country within Europe (excluding France) or of €3,000 for attending a Board or Committee meeting for directors traveling from a country outside Europe.

The gross amount of directors' fees paid in 2018 (in respect of the 2017 financial year) was €699,875.

At its meeting held on May 9th, 2019, the Board set the following rules for the 2018 financial year (remuneration paid in May 2019) and for the 2019 financial year (remuneration to be paid in 2020):

- each director received remuneration comprising an annual fixed fee of €25,000 and a variable amount of €6,000 per meeting subject to attendance;
- the members of the Remuneration and Appointments Committee received an annual fixed fee of €7,500, double for the Committee Chairman, and a variable amount of €3,500 per meeting subject to attendance;
- the members of the Audit and Compliance Committee received an annual fixed fee of €10,000, doubled for the Committee Chairman, and a variable amount of €4,500 per meeting subject to attendance;
- the Lead Independent director received an annual fixed fee of €50,000;
- a fee of €1,500 for attending a Board or Committee meeting for directors traveling from a country within Europe (excluding France) and of €3,500 for attending a Board or Committee meeting for directors traveling from a country outside Europe.

The gross amount of remuneration paid in 2019 (in respect of the 2018 financial year) to directors of the Company in this capacity, amounted to €817,667 and the amount to be paid in 2020 (in respect of the 2019 financial year) amounts to €1 million.

B. Individual breakdown of the remuneration granted or paid to directors – gross amounts (Table 3 of the AMF recommendations)

These amounts were established taking into account the distribution rules including the attendance rates of the directors described, on an individual basis, in section 3.1.3.3 of the 2019 Universal Registration Document.

	2018 financial year		2019 financial year	
	Amounts granted in respect of the financial year	**Amounts paid during the financial year***	**Amounts granted in respect of the financial year**	**Amounts paid during the financial year****
Daniel Julien, *Chairman and Chief Executive Officer*				
• Fixed part	n/a	n/a	n/a	n/a
• Variable part	n/a	n/a	n/a	n/a
• Other remuneration	*see section 3.2.2.2*	*see section 3.2.2.2*	*see section 3.2.2.2*	*see section 3.2.2.2*
Emily Abrera, *Director*				
• Fixed part	€32,500	€22,500	€32,500	€32,500
• Variable part	€45,000-	€49,000	€59,708	€45,000-
• Other remuneration	-	-	-	-
Alain Boulet, *Director*				
• Fixed part	€45,000	€29,041	€45,000	€45,000
• Variable part	€36,000	€39,000	€57,708	€36,000
• Other remuneration	-	-	-	-
Bernard Canetti, *Director*				
• Fixed part	€32,500	€28,459	€32,500	€32,500
• Variable part	€25,000	€41,000	€49,208	€25,000
• Other remuneration	-	-	-	-
Philippe Dominati, *Director*				
• Fixed part	€25,000	€22,500	€25,000	€25,000
• Variable part	€24,000	€25,000	€35,208	€24,000
• Other remuneration(1)	€70,000	€80,000	€70,000	€70,000
Pauline Ginestié, *Director*				
• Fixed part	€25,000	€22,500	€25,000	€25,000
• Variable part	€28,500	€31,000	€39,708	€28,500
• Other remuneration	-	-	-	-
Jean Guez, *Director*				
• Fixed part	€35,000	€22,500	€35,000	€35,000
• Variable part	€31,500	€39,000	€57,708	€31,500
• Other remuneration	-	-	-	-
Wai Ping Leung, *Director*				
• Fixed part	€25,000	€22,500	€25,000	€25,000
• Variable part	€34,500	€37,000	€45,708	€34,500
• Other remuneration	-	-	-	-
Robert Paszczak, *Director*				
• Fixed part	€40,000	€32,500	€40,000	€40,000
• Variable part	€45,000	€49,000	€59,708	€45,000
• Other remuneration	-	-	-	-
Leigh Ryan, *Director*				
• Fixed part	n/a	n/a	n/a	n/a
• Variable part	n/a	n/a	n/a	n/a
• Other remuneration	$1,236,034(2)	$1,236,034(2)	$1,271,210(3)	$1,271,210(3)
Christobel Selecky, *Director*				
• Fixed part	€25,000	€22,500	€25,000	€25,000
• Variable part	€34,500	€37,000	€39,708	€34,500
• Other remuneration	-	-	-	-
Angela Maria Sierra-Moreno, *Director*				
• Fixed part	€25,000	€22,500	€25,000	€25,000
• Variable part	€34,500	€37,000	€45,708	€34,500
• Other remuneration	-	-	-	-

	2018 financial year		2019 financial year	
	Amounts granted in respect of the financial year	**Amounts paid during the financial year***	**Amounts granted in respect of the financial year**	**Amounts paid during the financial year****
Patrick Thomas, ***Director***(4)				
• Fixed part	€66,667(5)	€1,875	€75,000(5)	€66,667(5)
• Variable part	€24,000	0	€29,208	€24,000
• Other remuneration	-	-	-	-
Stephen Winningham, ***Director***				
• Fixed part	€35,000	€22,500	€35,000	€35,000
• Variable part	€43,500	€44,000	€60,708	€43,500
• Other remuneration	-	-	-	-

* *The amounts paid in 2018 correspond to the remuneration due or granted in respect of the 2017 financial year*
** *The amounts paid in 2019 correspond to the remuneration due or granted in respect of the 2018 financial year.*
(1) *Mr. Philippe Dominati receives remuneration as Chairman of the Board of Directors of Teleperformance France SA (wholly owned subsidiary of Teleperformance SE).*
(2) *Ms. Leigh Ryan, director since April 28th, 2016, has held an employment contract with Teleperformance Group Inc., a wholly owned US subsidiary of the Company, as Group Chief Legal Officer and Chief Compliance Officer since February 2016. In this respect, she received a fixed gross remuneration of US$1,173,000 and benefits in kind totaling US$63,034 in 2018. These benefits in kind include 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 3.2.2.2* Benefits in kind *below). She does not receive any directors' fees from the Company or from any subsidiaries in which she holds directorships. No performance shares were granted to her in 2018.*
(3) *For 2019, the remuneration paid to Ms. Leigh Ryan, as Group Chief Legal Officer and Chief Compliance Officer, consisted of a fixed gross remuneration of US$1,206,724 and benefits in kind (the nature of which have not changed) for a total amount of US$64,486. As an employee of Teleperformance Group Inc., she was granted 18,000 performance shares, subject to presence and performance criteria, as part of the June 3rd, 2019 plan implemented by Teleperformance SE.*
(4) *Director since November 30th, 2017 and Lead Independent director since February 28th, 2018.*
(5) *Amount including the fixed remuneration in his quality of Lead Independent director.*

3.2.2.2. Implementation of the remuneration policy of the Chairman and Chief Executive Officer and remuneration paid during or granted in respect of the 2019 financial year

The remuneration elements granted to Mr. Daniel Julien, Chairman and Chief Executive Officer, were established by the Board of Directors, upon recommendation of the Remuneration and Appointments Committee, for the 2018 financial year at its meetings held on November 30th, 2017 and February 28th, 2018 and, for the 2019 financial year, at its meetings held on November 30th, 2018 and February 28th, 2019.

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, the remuneration was 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. The remuneration elements of the Chairman and Chief Executive Officer is expressed and paid in US dollars (converted into euros for the purposes of comprehensibility) by Teleperformance Group, Inc.

It is reminded that the payment of the variable remuneration, in respect of the 2019 financial year, is conditional on the favorable vote of the shareholders' meeting to be held on April 16th, 2020, in accordance with the provisions of Article L.225-100 III of the French Commercial Code.

Fixed, variable and exceptional elements of the total remuneration and benefits in kind paid or granted in respect of the 2019 financial year 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)*

	2019*	**2018***
Remuneration granted in respect of the financial year (detailed in Table 2 below)	4,743,173	4,487,593
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 section 3.2.3.5 b below)	8,483,563	n/a
TOTAL	**13,226,736**	**4,487,593**

* *Remuneration denominated in a foreign currency for a given year is converted into euros at the average exchange rate for the year (for 2019, €1 = US$1.12 and for 2018, €1 = US$1.184).*

Table 2 of the AMF recommendations – Summary remuneration table for Mr. Daniel Julien, Chairman and Chief Executive Officer *(gross amounts – in euros)*

	2019(1)		2018(1)	
	Amounts due	**Amounts paid(2)**	**Amounts due**	**Amounts paid(2)**
Annual fixed remuneration	2,343,750	2,343,750	2,217,061	2,296,242
Annual variable remuneration	2,343,750(3)	2,343,750(4)	2,217,061	1,266,892(5)
Multi-year variable remuneration	n/a	n/a	n/a	n/a
Exceptional remuneration	n/a	n/a	n/a	n/a
Remuneration granted for directorships	n/a	n/a	n/a	n/a
Benefits in kind	55,673	55,673	53,471	53,471
TOTAL	**4,743,173**	**4,743,173**	**4,487,593**	**3,616,605**

(1) Remuneration denominated in a foreign currency for a given year is converted into euros at the average exchange rate for the year (for 2019, €1 = US$1.12 and for 2018, €1 = US$1.184).
(2) The remuneration paid during the financial year in question includes the portion of the remuneration payable in respect of the current financial year and paid during that 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 the 2019 financial year is subject to the approval of the remuneration elements paid or granted for 2019 by the shareholders' meeting to be held on April 16th, 2020, pursuant to the provisions of Article L.225-100 III of the French Commercial Code (in its version pursuant to the ordinance of November 27th, 2019).
(4) The variable remuneration in respect of the 2018 financial year was paid, in accordance with the provisions of Article L.225-100 II of the French Commercial Code (in its version prior to the ordinance of November 27th, 2019), following the vote of the shareholders' meeting of May 9th, 2019 (5th resolution).
(5) The variable remuneration in respect of the 2017 financial year was paid, in accordance with the provisions of Article L.225-100 II of the French Commercial Code (in its version prior to the ordinance of November 27th, 2019), following the vote of the shareholders' meeting of April 20th, 2018 (6th resolution).

BREAKDOWN OF REMUNERATION ELEMENTS OF MR. DANIEL JULIEN FOR THE 2019 FINANCIAL YEAR

For the 2019 financial year, the remuneration elements of Mr. Daniel Julien, Chairman and Chief Executive Officer, reflect the implementation of the remuneration policy duly approved by the shareholders' meeting held on May 9th, 2019 (7th resolution). In line with the expectations expressed by the shareholders, the Board of Directors, upon recommendation of the Remuneration and Appointments Committee, decided to maintain the items approved in 2018 unchanged, with the exception of the grant of performance shares, the number of which was reduced.

Annual fixed remuneration

For 2019, the annual fixed remuneration of Mr. Daniel Julien, Chairman and Chief Executive Officer, was set at the gross amount of US$2,625,000 (*i.e.* €2,343,750), identical to the amount set for 2018.

Annual variable remuneration

Upon recommendation of the Remuneration and Appointments Committee, the Board of Directors set the annual variable remuneration for 2019 at the maximum amount of US$2,625,000, subject to performance criteria. It represents a level equal to the fixed remuneration.

Furthermore, this part of the remuneration of Mr. Daniel Julien for 2018 is subject to a clawback mechanism that is triggered if all or part of this remuneration is received as the result of an act of accounting fraud impacting 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 Deputy 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. This scheme has not yet been implemented.

The Board of Directors set the quantitative and qualitative performance criteria, described below for the 2019 variable remuneration. These criteria were discussed and set during the 2018 year-end budget process, based on the internal and external information available at the time. They were also established taking account of (i) the forecast growth in Teleperformance's operating results, (ii) the forecast and expected operational performance levels of the market and the Group's competitors and (iii) the global geopolitical environment. In accordance with the principles described in section 3.2.1.1 of the 2019 Universal Registration Document, the targets set by the Board of Directors for the 2019 annual variable remuneration are determining factors. They are based on a balanced assessment of required aims and mitigating factors (impact of technological breakthroughs, global policies, etc.) in order to define ambitious targets for the period that are commensurate, measurable and achievable.

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 by the Audit, Risk and Compliance Committee of items under its supervision, the Board of Directors, at its meeting held on February 20th, 2020, set the amount of the variable remuneration for 2019 of Mr. Daniel Julien at a gross amount of US$2,625,000, *i.e.* €2,343,750. Pursuant to the provisions of Article L.225-100 III of the French Commercial Code, the payment of this variable remuneration is conditional to the approval of the items of remuneration paid or granted in respect of financial year 2019 by the shareholders' meeting to be held on April 16th, 2020. A breakdown by criteria is provided retrospectively below.

Quantitative criteria (weighting: 80%)

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

The tables below show the number of points, the targets set by the Board and the level of achievement noted by the Board at its meeting on February 20th, 2020.

Organic revenue growth (excluding currency effects)

Number of points granted	Target
0 point	Less than 5%
10 points	Equal to 5% and less than 6%
20 points	Equal to 6% and less than 6.5%
30 points	Equal to 6.5% and less than 7%
40 points	Equal to 7% and above
TOTAL POINTS DEFINITELY GRANTED	**40 POINTS**

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As to this criterion, upon recommendation of its committees, the Board of Directors noted that organic revenue growth amounted to 10.6% and thus granted 40 points.

EBITA margin (excluding non-recurring items)

Number of points granted	Target
0 point	Less than 13.2%
10 points	Equal to 13.2% and less than 13.4%
20 points	Equal to 13.4% and less than 13.6%
30 points	Equal to 13.6% and less than 13.8%
40 points	Equal to 13.8% and above
TOTAL OF POINTS DEFINITELY GRANTED	**40 POINTS**

As to this criterion, upon the recommendation of its committees, the Board of Directors noted that the EBITA margin amounted to 14.3%(1) and thus granted 40 points.

With regard to the quantitative criteria, the level of achievement was 100% and it was decided that the number of points granted would be of 80 out of the 80 points allocated to these criteria.

In 2019, the Group exceeded the targets set at the time the budget was prepared, namely +7.0% organic growth and a 20 bp EBIT margin improvement (excluding impact of IFRS 16). These targets were already ambitious and meaningful at the time they were set, as in terms of revenue they corresponded to double the expected market growth rate of +4-5%. This figure includes the Group's performance, without which market growth would amount to around +3%. The recommendation of the Remuneration and Appointments Committee was to use a figure of +7% organic growth for Teleperformance in 2019. This level is assessed with regard to the pipeline and the known environment at the end of the previous year.

Qualitative criteria (weighting: 20%)

The qualitative criteria, with a weighting of 20 points, are based on the Group's priorities identified in the area of corporate and environmental responsibility for 2019, namely:

Corporate Social Responsibility (10 points)

Objective: continue to obtain awards related to company employee and staff satisfaction (Best Places 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).	Achievements recorded: the number of awards obtained in relation to employee satisfaction at work for 2019 was 22, which represents an increase from 2018: eleven Great Place to Work awards (in India, Philippines, Mexico, Salvador, Colombia, Costa Rica, Dominican Republic, Portugal, Brazil and Peru), seven Global Best Employers Program awards (for seven subsidiaries located in China, India, Morocco, Tunisia and Algeria) and four Best Places to Work awards (for four subsidiaries located in Albania, Morocco, Tunisia and Portugal). As to this criterion, upon recommendation of the Remuneration and Appointments Committee, the Board of Directors thus granted 10 points.

Data security (for 5 points)

Objective: integrate the entities and teams from the Intelenet acquisition into the Group's General Data Protection Regulation (GDPR) program; **Assessment elements:** • implementation of GDPR; • audits, verification of compliance with GDPR; • reports to the Audit, Risk and Compliance Committee.	Achievements recorded: the integration was completed under optimum conditions, the audits and reports submitted to the Audit, Risk and Compliance Committee were successfully completed. As to this criterion, upon recommendation of the Audit, Risk and Compliance Committee and of the Remuneration and Appointments Committee, the Board of Directors granted 5 points.

(1) 13.85% excluding the impact of IFRS 16.

Group's capacity to respond to crisis situations (5 points)

At the end of 2018, the Group implemented a crisis management procedure comprising a structure, means, processes and tools designed to anticipate and manage the occurrence of major, unforeseen and sudden events (such as physical, economic or natural disasters, or data-related crises) that may have a negative impact on the Group's people, reputation, results and/or continuity of business.

The Board of Directors wished to consider in its qualitative objectives the importance of such a process enabling the Group to integrate all stakeholders, assess the different scenarios with a high degree of objectivity and take quick decisions. The fulfillment of that objective was 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 Group-wide (permanent members, alternate members, replacements, etc.).	Achievements recorded: in 2019, the Group continued to roll-out its plan through an extension of the training program to cover a larger number of employees and through three crisis simulation exercises. These simulation exercises were based on two key scenarios: a fire at a center and cyber attacks. These crisis simulations, between 3.5 and 6 hours in duration, were organized on the basis of a cross-functional approach involving 15 to 30 representatives of the Executive Committee, local and regional management and support services for each exercise, spread across multiple countries. Each exercise was observed and assessed by an external service provider responsible for submitting conclusions and recommendations to the Remuneration and Appointments Committee and to the Audit, Risk and Compliance Committee. These exercises are an essential element of the plan and test the Group's ability to manage a crisis by processing data flows, identifying the crisis stakeholders, anticipating adverse scenarios and developing a suitable communication strategy. The assessor's findings include the positive aspects, particularly with regard to the responsiveness of the teams and improvements in tools and procedures, as well as the need for continuous training in this area. In addition to these three exercises, the Group continued to implement this plan by developing Group-wide employee training. Over 60 people working in the Human Resources and Health and Safety departments received training. As to this criterion, the Board of Directors, based upon recommendations made by its two committees, recorded that the expectations and conclusions on which this criterion was based were achieved in full and granted 5 points.

With regard to the qualitative criteria, the achievement level is of 100% and it was decided that 20 out of the 20 points allocated to these criteria would be granted.

In accordance with the policy applied within the Group for a number of years (see section 3.2.1.1 of the 2019 Universal Registration Document) and the remuneration policy approved by the shareholders, no additional remuneration will be proposed, granted or paid to the Chairman and Chief Executive Officer, despite the excellent performance and improved results posted for the 8th year in a row. The application of this principle over the past few years has been broadly positive for the Group and its stakeholders, in particular the shareholders.

It is reminded that the payment of the variable remuneration, in respect of 2019, is conditional on the favorable vote of the shareholders' meeting to be held on April 16th, 2020 (6th resolution).

Long-term share-based remuneration

The Board of Directors, at its meeting of June 3rd, 2019, pursuant to the authorization of the performance share grant approved by the shareholders' meeting of May 9th, 2019 (22nd resolution) and the 2019 remuneration policy for the Chairman and Chief Executive Officer approved by the same meeting (7th resolution) decided to grant performance shares, under the long-term incentive plan implemented by Teleperformance Group, Inc. to Mr. Daniel Julien.

The policy approved by the shareholders' meeting provided for the allocation of a maximum of 66,667 shares to the Chairman and Chief Executive Officer in 2019. Following the vote of the shareholders' meeting and the expectations expressed by certain shareholders at the time of the approval of the 2019 remuneration policy for the Chairman and Chief Executive Officer, the Remuneration and Appointments Committee debated the grant of shares to the Chairman and Chief Executive Officer. Upon the Committee's recommendation, the Board reduced the maximum number of performance shares to be granted to the Chairman and Chief Executive Officer, making said grant identical, on an annual basis, to the allocation of April 2016, *i.e.* 58,333 performance shares, representing a 12% reduction from the 66,667 performance shares approved by the shareholders' meeting of May 9th, 2019.

The Board has taken into account changes in the value of the performance shares and considered that it was justified in maintaining the number of shares granted at the same level as in 2016, in view of the Group's expansion over the past few years, the increased complexity of its business (major acquisitions, multiple new facility start-ups, etc.) and its performance (increased Group profitability, rising share price, etc.).

The performance criteria, rules and levels of achievement are described in section 7.2.5.3 of the 2019 Universal Registration Document. The variable part (annual and long-term), taking this grant into account and valuing the performance shares under the accounting method, represents 82% of the total remuneration of the Chairman and Chief Executive Officer.

It is hereby reminded that the number of shares granted under the long-term incentive plan is taken into account in the total amount authorized by the shareholders' meeting. The number of shares granted to the Chairman and Chief Executive Officer thus represents 0.099% of the share capital (as of the grant date).

Finally, it is also reminded that the Chairman and Chief Executive Officer is required to retain at least 30% of shares vested, registered in his own name, until the end of his term of office.

Benefits in kind

The benefits in kind granted to Mr. Julien, valued at US$62,354, *i.e.* €55,673, consist of the use of a company car, a healthcare insurance plan and the matching contribution for 2019 paid under the non-qualified deferred compensation plan.

This non-qualified deferred compensation plan, similar to a deferred savings scheme, set up by the US subsidiary, Teleperformance Group, Inc (TGI), enables the beneficiaries to defer, at their own initiative, a part of their remuneration within the limit of US$200,000 per year. Once deferred, TGI 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, 2019, Mr. Julien deferred the payment of US$200,000 matched by TGI at the amount of US$50,000, *i.e.* €44,643.

Employment contract

The Chairman and Chief Executive Officer is not bound to the Company or any of its subsidiaries by an employment contract.

Supplementary or additional pension scheme

There is no supplementary or additional pension scheme in favor of the Chairman and Chief Executive Officer.

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

Executive officers are not entitled to any payments or benefits due or liable to be due as a result of termination of their appointment or a change in their duties.

Payments relating to a non-compete agreement

With a view to protecting the Group's interests, the Board of Directors authorized, beginning in 2006, the implementation of a non-compete undertaking between Mr. Daniel Julien, Teleperformance SE and Teleperformance Group, Inc.

This undertaking was entered into on May 18th, 2006 and approved by the shareholders' meeting of June 1st, 2006. It was subsequently amended by decisions of the Board of Directors on May 31st, 2011 and November 30th, 2011, as approved by the ordinary shareholders' meeting of May 29th, 2012.

At its meeting on November 30th, 2017, the Board of Directors decided to limit the amount and duration of the non-competition and non-poaching obligations to two years. Compensation for this undertaking will be limited to two years' gross remuneration (fixed and variable) paid in respect of the calendar year prior to the year of departure, compared to previous potential compensation of three years. The amended undertaking is a continuation of the policy on this matter and reflects the Board's desire to protect the interests of the Group and all internal and external stakeholders (clients, employees, shareholders) in case of Mr. Daniel Julien's departure, regardless of the cause. It will also limit the financial impact on the Group, due to the reduction in the amount of remuneration provided for the obligations incumbent on Mr. Daniel Julien. The amendment to the non-compete undertaking was entered into on December 1st, 2017 and approved by the shareholders' meeting of April 20th, 2018.

It is hereby reminded that under the terms of this undertaking Mr. Julien is bound by non-compete and non-poaching obligations. As such, Mr. Julien is prohibited, for a period of two years, in all countries in which the Group operates at the time of the effective date of departure, directly or indirectly, from working with or participating, in any way whatsoever (in particular, as an employee, executive or non-executive officer, director, external consultant, etc.), in a business activity and/or a company that competes with the Group. In addition, for the same period, he must refrain from soliciting, directly or indirectly, the senior managers of the Group. The non-compete undertaking provides for a nine-month mutual notice period in the event of termination of employment within the Group.

Other remuneration elements

The Chairman and Chief Executive Officer does not receive any other remuneration or exceptional remuneration in respect of his office from the Company or from other consolidated Group entities.

EX-POST SHAREHOLDERS' VOTE ON REMUNERATION ELEMENTS PAID DURING THE 2019 FINANCIAL YEAR OR GRANTED IN RESPECT OF THE 2019 FINANCIAL YEAR TO MR. DANIEL JULIEN, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

In accordance with the provisions of Article L.225-100 III of the French Commercial Code (in its version pursuant to the ordinance of November 27th, 2019), the fixed, variable and exceptional elements of the total remuneration and benefits of all kind paid during the financial year ended or granted in respect of the financial year ended are submitted to a shareholder vote.

The shareholders' meeting to be held on April 16th, 2020 is therefore asked to issue a favorable vote on the fixed, variable and exceptional elements of the total remuneration and benefits of all kind paid during or granted in respect of the year ended December 31st, 2019 to Mr. Julien, Chairman and Chief Executive Officer, as summarized in the table hereafter. In this regard, it is reminded that the shareholders' meeting of May 9th, 2019:

- voted in favor of the remuneration policy for Mr. Julien, pursuant to which the remuneration for the 2019 financial year was determined and approved. As a reminder, these elements and the structure of his remuneration were changed at the initiative of the Board of Directors in order take account of the expectations previously expressed by the shareholders;
- approved the total remuneration and benefits of all kind granted to Mr. Daniel Julien in respect of the 2018 financial year, including the variable remuneration owed and paid in April 2019 following the shareholders' meeting held on May 9th, 2019.

Remuneration paid during the 2019 financial year or granted in respect of the 2019 financial year to Mr. Daniel Julien in respect of his office as Chairman and Chief Executive Officer

Remuneration elements	Amounts paid during the financial year ended*	Amounts granted in respect of the financial year ended or accounting valuation*	Comments
2019 fixed remuneration	US$2,625,000, *i.e.* €2,343,750	US$2,625,000, *i.e.* €2,343,750	The gross fixed annual remuneration granted to Mr. Julien was approved by the Board of Directors at US$2,625,000. This amount was reduced following the changes to the remuneration structure from January 1st, 2018 (modifying the breakdown between the fixed and variable parts of remuneration from 70/30% to 50/50%).
Annual variable remuneration Y-1 (2019) and Y-2 (2018)	US$2,625,000, *i.e.* €2,343,750 (amount granted in respect of the 2018 financial year and paid in May 2019 (5th resolution – shareholders' meeting of May 9th, 2019)	US$2,625,000, *i.e.* €2,343,750 (amount granted in respect of financial year 2019 and to be paid in 2020 subject to and following approval by the shareholders' meeting of April 16th, 2020 – 6th resolution)	At its meeting on February 20th, 2020, the Board of Directors, upon recommendation of the Remuneration and Appointments Committee, and after approval by the Audit, Risk and Compliance Committee of items under its supervision, set the amount of variable remuneration granted to Mr. Julien for the 2019 financial year as follows: ● with regard to the quantitative criteria (revenue growth excluding currency effects and increase in EBITA margin before non-recurring items), all 80 points assigned to these criteria were granted; ● with regard to the qualitative criteria, all 20 points assigned to these criteria were granted. The amount of the 2019 variable remuneration has, accordingly, been set at US$2,625,000 *i.e.*, €2,343,750. The performance criteria and the expected and recorded achievement levels are described in section 3.2.2.2 paragraph *Annual variable remuneration* of the 2019 Universal Registration Document. This annual variable remuneration is coupled with a clawback mechanism.
Multi-year variable remuneration in cash	n/a	n/a	The Chairman and Chief Executive Officer does not receive any multi-year variable remuneration.
Exceptional remuneration	n/a	n/a	The Chairman and Chief Executive Officer does not receive any exceptional remuneration.
Stock options, performance shares and other long-term benefits	n/a	SO= no stock options Performance shares= 58,333 shares (Accounting valuation: €8,483,563)	The Chairman and Chief Executive Officer does not receive any stock options. 58,333 performance shares in the form of *a* long-term incentive plan were allocated to the Chairman and Chief Executive Officer by the company Teleperformance Group Inc. ("TGI") in June 2019, subject to performance and presence criteria measured over three years. The performance criteria include two "internal" criteria (Group organic revenue growth and EBITA) and one "external" criterion (stock performance compared to the SBF 120 index over each year of the period). They are measured over three years. The grant of 58,333 performance shares, **lower** than the amount approved by the shareholder's meeting of May 9th, 2019 (7th resolution) represents 0.099% of the share capital (as of the grant date). This grant was decided by the Teleperformance SE and TGI boards of directors at their meetings held on June 3rd, 2019, in accordance with the authorization approved by the shareholders' meeting of May 9th, 2019 (22nd resolution). This grant was decided in accordance with the remuneration policy set out in paragraphs 3.2.1 and 3.2.2.2 of the 2019 report on corporate governance (included in the 2019 Universal Registration Document).
Remuneration granted for directorships	€0	€0	No remuneration is paid to the Chairman and Chief Executive Officer in respect of his directorship within Teleperformance SE or one of its subsidiaries, in accordance with the remuneration policy and principles set out in paragraphs 3.2.1.1 and 3.2.1.2 of the 2019 report on corporate governance (included in the 2019 Universal Registration Document).
Benefits in kind	n/a	US$62,354, *i.e.* €55,673	The benefits in kind granted to Mr. Julien comprise a company car, healthcare insurance plan and the matching contribution for 2019 paid under the non-qualified deferred compensation plan described in section 3.2.2.2 paragraph *Benefits in kind* of the 2019 Universal Registration Document.
Take-up or termination payments	n/a	n/a	The Chairman and Chief Executive Officer is not granted any payment upon the taking up or cessation of his duties.
Additional pension	n/a	n/a	The Chairman and Chief Executive Officer does not benefit from any supplementary or additional pension scheme.
Non-compete compensation	€0	€0	As founder of the Group, Mr. Julien is entitled to receive compensation under a non-compete agreement. This non-compete agreement, entered into 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 to two years and, as such, cap compensation to two years' remuneration (fixed and variable). Amendment no. 3 entered into on December 1st, 2017 was approved by the ordinary shareholders' meeting held on April 20th, 2018 (4th resolution) and is described in section 3.2.2.2, paragraph P*ayments relating to a non-compete agreement* of the 2019 Universal Registration Document.

* *Remuneration denominated in a foreign currency is converted into euros at the average exchange rate for the year (for 2019: €1 = US$1.12). It is paid or granted by Teleperformance Group, Inc., a wholly owned US subsidiary of Teleperformance SE, with the Group bearing the social security contributions and expenses in this country in accordance with applicable local regulations.*

3.2.2.3. Implementation of the remuneration policy for the Deputy Chief Executive Officer and remuneration paid during or granted in respect of the 2019 financial year

The remuneration elements of Mr. Olivier Rigaudy, Deputy Chief Executive Officer, were established by the Board of Directors, upon recommendation of the Remuneration and Appointments Committee, for the 2018 financial year at its meetings held on November 30th, 2017 and February 28th, 2018 and for the 2019 financial year at its meetings on November 30th, 2018 and February 28th, 2019.

Based on the principles and criteria for determining, allocating and granting elements of the total remuneration and benefits in kind due to executive officers, as approved by the shareholders' meeting held on May 9th, 2019, the remuneration is paid to Mr. Rigaudy, Deputy Chief Executive Officer, by Teleperformance SE.

It is reminded that the payment of the variable remuneration in respect of the 2019 financial year is conditional on a favorable vote by the shareholders' meeting to be held on April 16th, 2020, in accordance with the provisions of Article L.225-100 III of the French Commercial Code.

Fixed, variable and exceptional elements of the total remuneration and benefits in kind paid or granted in respect of the 2019 financial year to Mr. Olivier Rigaudy, Deputy Chief Executive Officer

As set out above (see section 3.1.1 of the 2019 Universal Registration Document), 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 and decided to maintain the employment contract binding Mr. Rigaudy to the Company as Group Chief Executive Officer since February 1st, 2010, in the context of salaried and technical duties different to the new duties attached to his office as Deputy Chief Executive Officer.

The continuation of Mr. Rigaudy's employment contract is consistent with recommendation 22.2 of the AFEP-MEDEF Code, which provides that the employment contract must be terminated upon appointment as an executive Officer, as this recommendation does not apply to the Deputy Chief Executive Officer.

For the sake of transparency, all the elements of the total remuneration granted to Mr. Rigaudy, in respect of both his office as Deputy Chief Executive Officer and his employment contract as Group Chief Financial Officer are summarized in the table below.

	Remuneration and benefits related to the office of Deputy Chief Executive Officer (only remuneration subject to the individual *ex-post* vote provided for by Article L.225-100 III of the French Commercial Code)	**Remuneration and benefits related to the employment contract as Group CFO**	**Total remuneration and benefits**
Fixed remuneration (gross annual amounts)	€80,000	€520,000	€600,000 (50%)
Variable remuneration (gross annual maximum amounts) subject to distinct performance criteria	€380,000 (with clawback mechanism) – **Payment conditional on a favorable vote by the shareholders' meeting**	€220,000	€600,000 (50%)
Benefits in kind	n/a	Use of a company car	
Non-compete undertaking	One-year undertaking compensated by one year's remuneration (fixed and variable) paid in respect of his executive functions as an employee and/or executive officer within the Group.		No implementation in 2019.
Other remuneration	**No additional supplementary in case of departure is provided under his employment contract** other than the compensation set out pursuant to legal provisions in case of dismissal, it being specified that the **amount** of this compensation, combined with the non-compete compensation, should **not exceed an amount equivalent to two years' total remuneration (fixed and variable) related to his corporate office and employment contract.**		
Pension	No additional or supplementary pension scheme ("top-up" pension scheme)	Statutory pension scheme	
Long-term remuneration (performance shares)	22,000 performance shares granted, subject to performance and presence criteria, in June 2019 pursuant to the vote of the shareholders' meeting of May 9th, 2019 (8th and 22nd resolutions).		

The decision to maintain these terms was addressed with numerous shareholders in the context of regular discussions and continuous dialog, in particular regarding aspects of governance, and it was clear to the Board of Directors that this remuneration structure was acceptable, appropriate and well-founded particularly with regard to the level of transparency.

- **Table 1 of the AMF recommendations – Summary table on remuneration, stock options and shares granted to Mr. Olivier Rigaudy, Deputy Chief Executive Officer** *(gross amounts – in euros)*

For the sake of transparency and comprehensibility of all remuneration-related information, this table includes the remuneration due to Mr. Olivier Rigaudy under his employment contract as Group Chief Financial Officer.

	2019	**2018**
Remuneration granted in respect of the financial year (detailed in Table 2 below)	1,208,779(1)	1,208,779(1)
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 section 3.2.3.5 b)	3,199,533	n/a
TOTAL	**4,408,312**	**1,208,779**

(1) Including €748,779 in respect of his salaried functions as Group CFO, in accordance with the provisions of his employment contract.

Table 2 of the AMF recommendations – Summary remuneration table for Mr. Olivier Rigaudy, Deputy Chief Executive Officer
(gross amounts – in euros)

For the sake of transparency, this table includes the remuneration due to Mr. Olivier Rigaudy under his employment contract as Group Chief Financial Officer, it being reminded that the individual *ex-post* vote provided for in Article L.225-100 III of the French Commercial Code is limited to the remuneration related to corporate office.

	2019		2018	
	Amounts due	**Amounts paid(1)**	**Amounts due**	**Amounts paid(1)**
Annual fixed remuneration				
• in respect of corporate office	80,000	80,000	80,000	80,000
• under the employment contract	520,000	520,000	520,000	520,000
Annual variable remuneration				
• in respect of corporate office	380,000(2)	380,000(3)	380,000	0
• under the employment contract	220,000(4)	220,000(5)	220,000	220,000
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
Remuneration granted for directorships	n/a	n/a	n/a	n/a
Benefits in kind				
• in respect of corporate 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**	**1,208,779**	**1,208,779**	**828,779**

(1) The remuneration paid during the financial year in question 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 in respect of the 2019 financial year is subject to the approval of the remuneration paid or granted for 2019 by the shareholders' meeting to be held on April 16th, 2020, pursuant to the provisions of Article L.225-100 III of the French Commercial Code (in its version pursuant to the Ordinance of November 27th, 2019) (7th resolution).
(3) The variable remuneration in respect of the 2018 financial year was paid, in accordance with the provisions of Article L.225-100 II of the French Commercial Code (in its wording prior to the Ordinance dated November 27th, 2019), following the vote of the shareholders' meeting of May 9th, 2019 (6th resolution).
(4) The amount corresponds to the variable remuneration, subject to the achievement of objectives, as set out in his employment contract in respect of the 2019 financial year to be paid in 2020.
(5) The amount corresponds to the variable remuneration, subject to the achievement of objectives, as set out in his employment contract in respect of the 2018 financial year paid in 2019.

BREAKDOWN OF REMUNERATION ELEMENTS OF MR. OLIVIER RIGAUDY FOR THE 2019 FINANCIAL YEAR

For the 2019 financial year, the remuneration elements of Mr. Olivier Rigaudy, Deputy Chief Executive Officer, reflects the application of the remuneration policy in respect of his corporate office, duly approved by the shareholders' meeting held on May 9th, 2019 in its 8th resolution.

Annual fixed remuneration

For 2019, the amount of fixed annual remuneration granted to Mr. Olivier Rigaudy as Deputy Chief Executive Officer was set at €80,000.

Furthermore, for reference, in 2019 in respect of his salaried functions as Group Chief Financial Officer Mr. Rigaudy received fixed annual (gross) remuneration of €520,000, in accordance with the provisions of his employment contract.

Annual variable remuneration

Taking into account the results and performance achieved and the recommendations of the Remuneration and Appointments Committee, and after approval by the Audit, Risk and Compliance Committee of items under its supervision, at its meeting held on February 20th, 2020 the Board of Directors set the amount of variable remuneration in respect of 2019 granted to Mr. Olivier Rigaudy in his capacity as Deputy Chief Executive Officer at a gross amount of €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 involvement is taken into account when determining the fulfillment of qualitative criteria (see section 3.2.2.2 paragraph *Annual variable remuneration* above).

A breakdown of the criteria for this variable remuneration, identical to that applicable to the annual variable remuneration granted to the Chairman and Chief Executive Officer, is set out in section 3.2.2.2 paragraph *Annual variable remuneration* above.

Pursuant to the provisions of Article L.225-100 III of the French Commercial Code, the payment of this variable remuneration is conditional on approval of the remuneration paid or granted in respect of the 2019 financial year by the shareholders' meeting to be held on April 16th, 2020 (7th resolution).

It is reminded that, as from 2018, the annual variable remuneration granted to the Deputy Chief Executive Officer, as for the Chairman and Chief Executive Officer, is subject to a clawback scheme. The clawback is triggered if all or part of this remuneration is received as the result of an act of accounting fraud impacting the consolidated financial statements for which the Deputy Chief Executive Officer was responsible or acted as an accomplice. This scheme will be implemented if the Board of Directors identifies such fraud during either of the two years following the year in which the Deputy Chief Executive Officer received said remuneration. 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. As of today, this scheme has not yet been implemented.

In addition, Mr. Olivier Rigaudy's employment contract as Group Chief Financing Officer provides for maximum (gross) variable remuneration of €220,000 in respect of the 2019 financial year, as determined in relation to performance criteria specific to the technical and salaried functions set out in the paragraph *Employment contract* below.

For the sake of transparency and for reference, these performance criteria and their level of achievement in 2019 are set out in the table below. They have been reviewed by the Remuneration and Appointments Committee.

Performance criteria (employment contract)	Ratio	Comments	Levels of achievement
Management of performance, financial profitability, return and cash	50%	Achievement of expected growth levels, operating margin and foreign exchange gain. Significant increase in net income. Optimization of Group financial expenses and reduction of tax rate.	100%
Finalization of the deployment of the ERP system in Europe and analysis before implementation in India	15%	Deployment of the ERP system in 15 CEMEA countries, the UK, India and within TLS.	100%
Increase in the Group's financial analyst coverage	15%	Coverage provided by 18 financial analysts at the end of 2019, including two new major financial analysts (JP Morgan and Deutsche Bank).	100%
Repurchase of minority interests in the Group	10%	Continuation of the plan to buy up minority interests in the Group (in particular the purchase of all minority interests in Hong Kong CRM Asia Ltd in April 2019).	100%
Creation of an appropriate CSR organization	10%	Creation of the Group CSR Department, attendance of meetings with shareholders meetings in 2019 and early 2020, publication of first integrated report scheduled for Q1 2020.	100%

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Long-term share-based remuneration

At its meeting held on June 3rd, 2019, and pursuant to the authorization of the performance share grant approved by the shareholders' meeting of May 9th, 2019 (22nd resolution) and the 2019 remuneration policy for the Deputy Chief Executive Officer duly approved by the same meeting (8th resolution), the Board of Directors decided to grant performance shares to the Deputy Chief Executive Officer.

The Board took into account the evolution in the value of the performance shares in its grant decision. It considered the amount to be appropriate in view of the increased complexity of Mr. Olivier Rigaudy's duties following the Group's expansion over recent years and the increased complexity of its business (major acquisitions, multiple new facility start-ups, etc.) and its performance (increased profitability, rising share price, etc.).

A total of 22,000 performance were thus allocated in accordance with the policy approved by the shareholders' meeting.

The performance criteria, rules and levels of achievement are described in section 7.2.5.3 of the 2019 Universal Registration Document.

The variable part (annual and long-term), taking this grant into account and valuing the performance shares under the accounting method, represents 86% of the total remuneration granted to the Deputy Chief Executive Officer.

It is hereby reminded that the Deputy Chief Executive Officer is required to retain at least 30% of shares vested, registered in his own name, until the end of his term of office.

The number of shares allocated to the Deputy Chief Executive Officer thus represents 0.037% of the share capital (as of the grant date).

Benefits in kind

Mr. Rigaudy receives no benefits in kind in respect of his office. It is reminded that, under his employment contract, he has the use of a company car.

Employment contract

As stated above, the Board of Directors, upon recommendation of the Remuneration and Appointments Committee, has decided to maintain Mr. Olivier Rigaudy's employment contract as Group Chief Financial Officer.

This employment contract, entered into on February 1st, 2010 and therefore prior to his appointment, corresponds to the performance of technical functions distinct from those related to his appointment as Deputy Chief Executive Officer entrusted to Mr. Olivier Rigaudy on October 13th, 2017. In this regard, he is responsible for the facilitation and supervision of the accounting, financial and legal departments, relations with banking institutions as part of the Group's financing operations and monitoring the Group's financial reporting.

As part of his office, he is required to take on additional tasks and duties of a different nature and in a more political nature. He assists the Chairman and Chief Executive Officer in implementing the Group's overall strategy in accordance with the guidelines set by the Board of Directors, and in preparing 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, thereby streamlining the decision-making process.

His salaried functions and term of office are therefore added together, without being combined. Without ambiguity, each action undertaken by Mr. Olivier Rigaudy falls under either his salaried position or his office as Deputy Chief Executive Officer.

The continuation of the employment contract takes into account the Group's economic and operational context and Mr. Rigaudy's seniority within the Group, whilst encouraging the promotion of employees to senior executive positions. Finally, it complies with statutory provisions and the recommendations of the AFEP-MEDEF Code in this regard.

As a result, Mr. Olivier Rigaudy receives distinct remuneration for his employee duties and for his office as Deputy Chief Executive Officer, the breakdown of which reflects the respective importance of the two functions.

Mr. Olivier Rigaudy therefore continues to receive, in consideration of his duties as Group Chief Financial Officer, the remuneration provided for under his employment contract (fixed (gross) annual remuneration of €520,000 and maximum variable (gross) annual remuneration of €220,000). This remuneration is taken into account in the drafting of the remuneration policy, in particular with regard to determining total remuneration and the weighting of fixed and variable parts.

Supplementary or additional pension scheme

No additional or complementary pension scheme is granted to the Deputy Chief Executive Officer who, in his capacity as an employee, only benefits from the statutory pension scheme.

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

Executive officers are not entitled to any payments or benefits due or liable to be due as a result of termination of their appointment or a change in their duties. Under his employment contract as Group Chief Financial Officer, Mr. Rigaudy does not benefit from any specific payment or benefit due or liable to be due as a result of the termination of his appointment or a change in his duties. This contract continues to be governed by statutory provisions relating to the termination of employment contracts (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 is subject to the regulated agreement procedure (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 accordance with the Group's policy on the departure of key managers, authorized, at its meeting held on November 30th, 2017, the conclusion of a non-compete undertaking between the Company and Mr. Olivier Rigaudy, Deputy Chief Executive Officer, signed 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, and (iv) poaching its employees or officers, in any way whatsoever. In the event of departure for any reason except death, Mr. Rigaudy shall receive compensation capped at one year's (fixed and variable) gross remuneration as consideration for the performance of his executive duties, as a Group employee and/or corporate officer. In accordance with the provisions of Articles L.225-38 *et seq.* of the French Commercial Code, this non-compete undertaking was approved by the shareholders' meeting held on April 20th, 2018.

EX-POST SHAREHOLDERS' VOTE ON REMUNERATION PAID DURING OR GRANTED IN RESPECT OF THE 2019 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 III of the French Commercial Code (in its version pursuant to the Ordinance of November 27th, 2019), the fixed, variable and exceptional elements of the total remuneration and benefits of all kind paid during the financial year ended and granted in respect of the financial year ended are submitted to the shareholders' vote.

The shareholders' meeting to be held on April 16th, 2020 is therefore asked to issue a favorable vote on the fixed, variable and exceptional elements of the total remuneration and benefits of all kind paid during the year ended December 31st, 2019 or granted in respect of the year ended December 31st, 2019 to Mr. Olivier Rigaudy, in respect of his office as Deputy Chief Executive Officer, as summarized in the table hereafter. In this regard, it is reminded that the shareholders' meeting held on May 9th, 2019:

- voted in favor of the remuneration policy for Mr. Rigaudy pursuant to which the remuneration related to his office as Deputy Chief Executive Officer for the 2019 financial year was established;
- approved the total remuneration and benefits of all kind granted to Mr. Rigaudy in respect of the 2018 financial year under his office as Deputy Chief Executive Officer, including the variable remuneration due to Mr. Rigaudy, which was paid to him in April 2019 following the aforementioned shareholders' meeting.

Remuneration paid during the 2019 financial year or granted in respect of the 2019 financial year to Mr. Olivier Rigaudy in respect of his office as Deputy Chief Executive Officer

Remuneration elements	Amounts paid during the financial year ended	Amounts granted in respect of the financial year ended or accounting valuation	Comments
2019 fixed remuneration	€80,000	€80,000	Mr. Olivier Rigaudy's gross fixed annual remuneration was set by the Board of Directors at €80,000 for 2019. For reference, under his employment contract as Group Chief Financial Officer, Mr. Olivier Rigaudy receives gross fixed annual remuneration of €520,000 (unchanged since 2017).
Annual variable remuneration Y-1 (2019) and Y-2 (2018)	€380,000 (amount allocated in respect of the 2018 financial year and paid in May 2019 (6th resolution – shareholders' meeting of May 9th, 2019)	€380,000 (amount allocated in respect of the 2019 financial year and to be paid in 2020 subject to and following approval by the shareholders' meeting of April 16th, 2020 – 7th resolution)	At its meeting held on February 20th, 2020, the Board of Directors, on the recommendation of the Remuneration and Appointments Committee, and after approval by the Audit, Risk and Compliance Committee of the items under its supervision, set the amount of annual variable remuneration granted to Mr. Olivier Rigaudy, in his capacity as Deputy Chief Executive Officer, for the 2019 financial year as follows: • with regard to the quantitative criteria (revenue growth excluding currency effects and increase in EBITA margin before non-recurring items), all 80 points assigned to these criteria were granted; • with regard to the qualitative criteria, all 20 points assigned to these criteria were granted. The amount of the 2019 variable remuneration has, accordingly, been set at €380,000. The performance criteria and the expected and recorded achievement levels are described in section 3.2.2.3 paragraph *Annual variable remuneration* of the 2019 Universal Registration Document. This annual variable remuneration is coupled with a clawback mechanism. Moreover, it is stated that, under his employment contract as Group Chief Financial Officer, Mr. Olivier Rigaudy receives maximum gross annual variable remuneration of €220,000, subject to the performance criteria set out in section 3.2.2.3 paragraph *Annual variable remuneration* of the 2019 Universal Registration Document. This amount was paid to him in 2019 in respect of the performance of his salaried duties in 2018. This same amount was paid to him in February 2020 in respect of the performance of his salaried duties in 2019.
Multi-year variable remuneration in cash	n/a	n/a	The Deputy Chief Executive Officer receives no multi-year variable remuneration.
Exceptional remuneration	n/a	n/a	The Deputy Chief Executive Officer receives no exceptional remuneration.
Stock options, performance shares and other long-term benefits	n/a	SO= no stock options Performance shares= 22,000 shares (Accounting valuation: €3,199,533)	The Deputy Chief Executive Officer receives no stock options. 22,000 performance shares were allocated, subject to performance and presence criteria measured over three years, to the Deputy Chief Executive Officer in June 2019. The performance criteria include two "internal" criteria (Group organic revenue growth and EBITA) and one "external" criterion (stock performance compared to the SBF 120 index over each year of the period). They are measured over three years. The grant of 22,000 performance shares corresponds to the amount approved by the shareholder's meeting of May 9th, 2019 (8th resolution) and represents 0.037% of the share capital (as of the grant date). This grant was decided by the Teleperformance SE Board of Directors at its meeting held on June 3rd, 2019, at which the Deputy Chief Executive Officer was not present, in accordance with the authorization approved by the shareholders' meeting of May 9th, 2019 (22nd resolution). This grant was decided in accordance with the remuneration policy set out in paragraphs 3.2.1 and 3.2.2.3 of the 2019 report on corporate governance (included in the 2019 Universal Registration Document).
Remuneration granted for directorships	€0	€0	No remuneration is paid to the Deputy Chief Executive Officer as consideration for his directorship in the Teleperformance Group subsidiaries (in accordance with the remuneration policy and principles set out in paragraphs 3.2.1.1 and 3.2.1.2 of the 2019 report on corporate governance (included in the 2019 Universal Registration Document).
Benefits in kind	€0	€0	Mr. Rigaudy receives no benefits in kind in respect of his office. He is entitled to a company car under his employment contract. This benefit has a book value of €8,779.
Take-up or termination payments	n/a	n/a	The Deputy Chief Executive Officer is not granted any payment upon the taking up or cessation of his duties in respect of his corporate office. Under his employment contract as Group Chief Financial Officer, the Deputy Chief Executive Officer does not benefit from any specific payment or benefit due or to be paid as a result of the termination or modification of his salaried duties. This contract continues to be governed by statutory provisions relating to the termination of employment contracts (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).

Remuneration elements	Amounts paid during the financial year ended	Amounts granted in respect of the financial year ended or accounting valuation	Comments
Additional pension scheme	n/a	n/a	The Deputy Chief Executive Officer does not benefit from any additional or complementary pension scheme. Under his employment contract as Group Chief Financial Officer, he is eligible for the statutory pension scheme applicable to employees in France.
Non-compete compensation	€0	€0	Mr. Rigaudy, Deputy Chief Executive Officer, is bound by a non-compete undertaking 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 3.2.2.3 paragraph *Payments relating to a non-compete agreement* of the 2019 Universal Registration Document.

3.2.2.4 Comparison of the level of the executive officer remuneration to employees remuneration

In accordance with the provisions of Article L.225-37-3 I 6° and 7° of the French Commercial Code, and this paragraph sets out (i) the ratios between (a) the remuneration levels of the Chairman and Chief Executive Officer, the Chief Executive Officer (until 2017) and of the Deputy Chief Executive Officer (since 2017) and (b) the average remuneration and (c) the full-time equivalent median remuneration of the employees of the company (Teleperformance SE) other than the directors and executive officers, as well as (ii) the evolution in these ratios over the five most recent financial years.

For the purposes of the comprehensibility of those ratios, the following elements of remuneration are included when establishing them, both for each executive officer and for the employees forming part of the sample used:

- the fixed part owed in respect of the current financial year;
- the annual variable part owed in respect of the current financial year and paid in the next financial year;
- the performance shares granted in respect of the current financial year (valued at the time of allocation in accordance with the method used in the preparation of the consolidated financial statements);
- valuation of benefits in kind corresponding to the current financial year;
- where applicable, any exceptional remuneration owed in respect of the current financial year (it being reminded that corporate officers do not receive any exceptional remuneration in respect of their corporate office).

TELEPERFORMANCE SE

	Chairman and Chief Executive Officer(1)	Chief Executive Officer(2)	Deputy Chief Executive Officer(3)
2019*			
Headcount included**: 41			
Ratio with average remuneration	88.12	n/a	29.37
Ratio with median remuneration	143.15	n/a	47.71
2018			
Headcount included**: 47			
Ratio with average remuneration	54.98	n/a	14.81
Ratio with median remuneration	75.17	n/a	20.25
2017			
Headcount included**: 54			
Ratio with average remuneration	50.40	37.12	n/a
Ratio with median remuneration	74.54	54.91	n/a
2016*			
Headcount included**: 53			
Ratio with average remuneration	78.05	74.32	n/a
Ratio with median remuneration	229.40	218.44	n/a
2015			
Headcount included**: 46			
Ratio with average remuneration	53.63	40.51	n/a
Ratio with median remuneration	79.93	60.37	n/a

(1) Executive Chairman until October 13th, 2017 then Chairman and Chief Executive Officer since that date.
(2) Chief Executive Officer until October 12th, 2017 inclusive.
(3) Deputy Chief Executive Officer since October 13th, 2017, remunerated in this capacity since January 1st, 2018.
** Granted performance shares during the financial year.*
*** On a company employee full-time equivalent basis.*

Breakdown of ratios relating to the remuneration of the Chairman and Chief Executive Officer

- Until October 13th, 2017, the Group's governance was structured around the founding Chairman and a Chief Executive Officer. Up until this date, Mr. Daniel Julien held the position of Executive Chairman (*i.e.* during 2015 and 2016 financial years and until October 12th, 2017). The Chairman and Chief Executive Officer's term of office has covered the period from October 13th to December 31st, 2017 and financial years 2018 and 2019.
- It is reminded that the remuneration structure of the Chairman and Chief Executive Officer has not changed since 2013 (see section 3.2.1.3 of the 2019 Universal Registration Document) and that the appointment of Mr. Daniel Julien as Chairman and Chief Executive Officer did not give rise to an increase of his remuneration. The ratio relating to the Chairman's remuneration and the ratio relating to that of the Chairman and Chief Executive Officer over the last five-year period have been presented together. The variations reflect changes in headcount over the period and the impact of performance share grants (in 2016 and 2019).

Breakdown of ratios relating to the remuneration of the Chief Executive Officer

- Mr. Paulo César Salles Vasques held the position of Chief Executive Officer during 2015 and 2016, and until October 12th, 2017 inclusive.
- In order to maintain the relevance of the ratio relating to the Chief Executive Officer's remuneration in respect of the 2017 financial year, the remuneration paid (determined in accordance with the items set out above) in respect of his term of office as Chief Executive Officer in 2017 (over the period set out above) was annualized for the purposes of calculating this ratio.
- Given that the functions of Chairman of the Board of Directors and Chief Executive Officer were combined on October 13th, 2017, there is no need to establish a ratio relating to the remuneration paid to the Chief Executive Officer in respect of 2018 and 2019.

Breakdown of ratios relating to the remuneration of the Deputy Chief Executive Officer

- The combining of the positions of Chairman and Chief Executive Officer gave rise to the appointment of a Chairman and Chief Executive Officer on October 13th, 2017, namely Mr. Olivier Rigaudy, who held this position from October 13th to December 31st, 2017 and throughout 2018 and 2019. He was only remunerated in this capacity as from January 1st, 2018.
- The ratio relating to the remuneration of the Deputy Chief Executive Officer was therefore only established over the period set out above.
- Furthermore, it is reminded that Mr. Rigaudy also holds an employment contract with Teleperformance SE as Group Chief Financial Officer, which was maintained upon his appointment. In an effort to maintain consistency of ratios, the remuneration relating to the Deputy Chief Executive Officer comprises the remuneration owed and paid in respect of his term of office and in respect of his employment contract with Teleperformance SE. The latter is not included within the calculation for the average and median remuneration of Teleperformance SE employees.

Taking into account the global dimension of the Group, the Board questioned the opportunity, other than the publication of the ratios as provided for by law (*i.e.* compared to Teleperformance SE employees), to present equivalent ratios based on a more relevant sample group and adapted to the Group, for instance, to the global scale of the Group or to the only French headcount. However, the Board ruled out those hypotheses which do not ensure a relevant comparison, particularly due to the differing remuneration standards between countries and to the low proportion of French employees within the Group.

Through the establishment and analysis of these remuneration ratios, and based on the change in the Group's performance over the period, the Board and Committee made the following conclusions:

- the trend of these ratios is stable overall, with the exception of years during which performance shares were granted (in 2016, under the previous policy, and in 2019);
- the new governance structure rolled out in 2017 (combining of the functions of Chairman and Chief Executive Officer and the appointment of a Deputy Chief Executive Officer) had a positive financial impact for the Group (particularly in terms of costs and charges);
- over the period, the remuneration structure of the Chairman and Chief Executive Officer evolved (the annual global amount remaining unchanged since 2013) (see section 3.2.1.3 A of the 2019 Universal Registration Document) and that of the Deputy Chief Executive Officer remained unchanged, amid major developments and significant growth within the Group;
- between 2015 and 2019, the Group's performance was stepped up significantly:
  - headcount increased by 141,000, reaching 331,000 by 2019 year-end,
  - Group investment increased to €252 million by 2019 year-end (up from €172 million at 2015 year-end),
  - Group revenues reached €5,355 million at 2019 year-end (up from €3,398 million at 2015 year-end),
  - earnings per share reached €6.81 at December 31st, 2019 (up from €3.45 at December 31st, 2015),
  - the share price was €217.4 at December 31st, 2019 (up from €75.5 at December 31st, 2015).

3.2.3 2020 remuneration policy for directors and executive officers (*ex-ante* votes)

In accordance with the provisions of Article L.225-37-2 II of the French Commercial Code (in its version pursuant to the Ordinance of November 27th, 2019), the ordinary shareholders' meeting will vote on the directors and executive officers remuneration policy each year and in the event of any material amendment to said policy.

The ordinary shareholders' meeting of April 16th, 2020 is accordingly asked to approve:

- the principles and elements comprising the remuneration policy applicable to Company directors within the meaning of Article R.225-29-1 of the French Commercial Code in respect of the financial year ending December 31st, 2020, as set out in sections 3.2.1.1, 3.2.1.2, 3.2.3.1 and 3.2.3.2 of the report on corporate governance referred to in Article L.225-37 of the French Commercial Code included in chapter 3 of this 2019 Universal Registration Document (8th resolution);
- the principles and elements comprising the remuneration policy applicable to the Company's Chairman and Chief Executive Officer within the meaning of Article R.225-29-1 of the French Commercial Code in respect of the financial year ending December 31st, 2020, as set out in sections 3.2.1.1, 3.2.1.3 A, 3.2.3.1 and 3.2.3.3 of the report on corporate governance referred to in Article L.225-37 of the French Commercial Code included in chapter 3 of this 2019 Universal Registration Document (9th resolution);
- the principles and elements comprising the remuneration policy applicable to the Company's Deputy Chief Executive Officer within the meaning of Article R.225-29-1 of the French Commercial Code in respect of the financial year ending December 31st, 2020, as set out in sections 3.2.1.1, 3.2.1.3 B, 3.2.3.1 and 3.2.3.4 of the report on corporate governance referred to in Article L.225-37 of the French Commercial Code included in chapter 3 of this 2019 Universal Registration Document (10th resolution).

3.2.3.1 Common principles of the 2020 remuneration policy for directors and executive officers

Guiding principles

The guiding principles governing the determination and revision of the remuneration granted to directors and executive officers, as described in section 3.2.1 of the 2019 Universal Registration Document, form part of the remuneration policy applicable to said officers, which is established and supplemented, for 2020, by the items described in this section 3.2.3. The directors and executive officers remuneration policy, within the meaning of Articles L.225-37-3 and R.225-29-1 of the French Commercial Code, thus results from these two sections.

Methodology

In setting up its recommendations on 2020 remuneration for directors and 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 April 20th, 2018 and May 9th, 2019 and the Group's development, environment and business operations. It also took into account a survey on remuneration of Group executive officers conducted at the end of 2018, at its request, by an external independent firm specializing in remuneration-related matters, the findings and conclusions of which remain relevant. The findings of the survey are presented in the 2018 Registration Document filed with the French Financial Markets Authority (AMF) on March 4th, 2019 under the number D.19-0093 and set out in this section.

The appointed firm identified a sample of comparable situations to those of the Teleperformance Group in order to conduct relevant and suitable comparisons. The 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. Those companies were retained due to their market capitalization, their size assessed in terms of revenue, their major footprint in the United States, the number of employees (over 5,000 in France, over 10,000 in the USA), the nature of their business (corporate services, IT services, consulting, research, data processing, etc.), the weighting of their business outside France (<50% minimum) and the Total Shareholder Return (at least greater than zero for three consecutive years). Based on this sample, the firm compared the policies and practices on remuneration of executive officers with regard to three criteria (TSR, revenue growth and EBITDA growth) assessed over one and three years compared to the French and US peer group.

The firm's findings were as follows:

- Teleperformance ranks as one of the highest performing companies of the peer group with regard to the criteria referred to above, irrespective of the time period and criteria concerned;
- the fixed portion of executive remuneration is one of the largest among the peer group. This is due to the absence of an annual grant of performance shares under the long-term policy applicable at the time (one grant every three years), but revised in 2019 (one grant every year);
- the quality and regularity of the Group's results leads to the continued achievement of stringent quantitative and qualitative performance criteria attached to the variable remuneration portion;
- overall, the remuneration policy applied at the Group ranks at the high end of the French peer group, but is below median level in the US peer group.

The survey confirmed the appropriateness of the structures and individual amounts of remuneration paid to executive officers in view of the Group's size, level of performance and the location of the parties concerned with regard to a representative peer group.

On the basis of this analysis and the Group's development in 2019, on the proposal of the Remuneration and Appointments Committee, the Board, at its meetings of December 5th, 2019 and February 20th, 2020, at which the Chairman and Chief Executive Officer was not present (and did not take part in the vote), reviewed and established the corporate officer remuneration policy for the 2020 financial year. This policy incorporates common principles applied to all executive officers, as well as specific provisions for directors (section 3.2.3.2. below), the Chairman and Chief Executive Officer (section 3.2.3.3 below) and the Deputy Chief Executive Officer (section 3.2.3.4 below).

Decisions of the Board of Directors for 2020

In drawing up its recommendations for 2020, the Remuneration and Appointments Committee also considered (i) the approval expressed by the shareholders' meeting in prior years and (ii) the expectations expressed by the shareholders on the remuneration policy applicable to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer for 2019.

For 2020, the Board of Directors therefore decided, upon recommendation of the Remuneration and Appointments Committee, to:

- maintain unchanged the principles for establishing and distributing the remuneration due or granted to directors (previously "directors' fees");

(1) The companies in the French peer group are: AccorHotels, Alstom, Alten, Altran Technologies, Aperam, Arkema, Atos, Biomerieux, Bureau Veritas, Capgemini, Dassault Aviation, Dassault Systèmes, 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 in 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.

- retain the global maximum amount of fixed and variable remuneration granted to (i) the Chairman and Chief Executive Officer, for the sixth consecutive year (unchanged since 2013) and (ii) the Deputy Chief Executive Officer;
- maintain the grant principles decided in 2019 for long-term share-based remuneration and described in section 3.2.1.1 of the 2019 Universal Registration Document;
- maintain the breakdown between the fixed and variable parts approved in 2018 for the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer (both parts representing 50% of total remuneration) and to maintain qualitative criteria related to corporate, social and environmental responsibility aspects in the variable annual remuneration;
- maintain, without suspending, the employment contract of Mr. Rigaudy in his quality of Group Chief Financial Officer.

In accordance with good governance principles, to which it adheres, the Board has, indeed, reviewed the question of whether to continue or suspend Mr. Rigaudy's employment contract. On this occasion, it reviewed:

- the Group's operational status: the duties of Group Chief Financial Officer remain distinct from those of Deputy Chief Executive Officer and correspond to different responsibilities; Mr. Olivier Rigaudy continues to fulfill his technical duties as Group CFO in exactly the same manner as before and, since October 2017, has also assumed the role of Deputy Chief Executive Officer alongside the Chairman and Chief Executive Officer and with the corresponding responsibilities. Consequently, the total remuneration received by Mr. Olivier Rigaudy includes the remuneration provided for in his employment contract in return for his salaried duties as Group CFO, supplemented by the remuneration related to the duties of his corporate office;
- the inappropriateness of suspension in terms of its impact: the suspension or termination of the employment contract would require the Company to compensate the loss of healthcare coverage and pension rights, resulting in unnecessary additional expenses for the Company;
- the level of transparency of the Group with regard to the remuneration of its executives: the existence of an employment contract constitutes an integral component of corporate officer remuneration, as provided for in Article L.225-137-2 of the French Commercial Code (in its version pursuant to the Ordinance of November 27th, 2019). Furthermore, in accordance with the provisions of Article L.225-37-3 of the French Commercial Code, the Group clearly defines all elements of remuneration received by its executives whether in exchange for the performance of corporate office or an employment contract. The remuneration related to the employment contract is taken into account when establishing remuneration for corporate office as well as total remuneration.

The Board deemed the analysis conducted at the time of appointment appropriate (on this analysis see paragraph *Employment contract* above, in section 3.2.2.3 of the 2019 Universal Registration Document) and, as a result, decided to maintain, without suspending, Mr. Rigaudy's employment contract while reaffirming the need for transparency and comprehensiveness regarding all items of remuneration of any kind.

Furthermore, certain shareholders wished to express their opinions at shareholders' meetings in the context of the *ex-post* vote on the remuneration granted and received under the employment contract and not only that granted or received in respect of corporate office. The Remuneration and Appointments Committee and the Board reviewed this request with regard to applicable statutory provisions on shareholder voting on remuneration policy ("say on pay"), as modified by the Ordinance of November 27th, 2019.

The new provisions of Articles L.225-37-3 I and L.225-100 II of the French Commercial Code, among the information reflecting the implementation of the directors and executive officers remuneration policy and to which the new "global" *ex-post* vote relates, provide for information on the remuneration paid or granted to the director or executive officer concerned by an entity falling within the scope of consolidation, which includes the remuneration related to the employment contract of the said director or executive officer. The shareholders are therefore required to consider, among the elements on which their assessment of the implementation of the directors and executive officers remuneration policy is based, the level of remuneration related to an employment contract. However, the provisions of Article L.225-100 III of the French Commercial Code governing the "individual" *ex-post* vote regarding each executive officer, as before the entry into force of the Ordinance of November 27th, 2019, limit it to the remuneration and benefits in kind related to the corporate office of the executive officer concerned, without extending the scope to include, where applicable, the amounts paid by a consolidated Group entity in respect of a different function. The French Financial Markets Authority (*Autorité des marches financiers*) in its 2018 report on corporate governance (page 75) and remuneration of executive officers in listed companies, confirmed this interpretation, which remains applicable, and stated that the amounts not due in respect of corporate office are excluded from the vote.

Regarding the *ex-ante* vote on the remuneration policy for the current financial year, Articles L.225-37-2 and R.225-29-1 of the French Commercial Code limit the information, related to the employment contract, contained in the remuneration policy which is subject to voting to the contract's term, any notice period and conditions for termination. Therefore, only the remuneration corresponding to corporate office is reflected in the directors and executive officers remuneration policy subject to shareholders' vote.

While the new provisions are designed to ensure that shareholders are fully informed, no changes have been made to mandatory employment law provisions whereby remuneration cannot be subject to discretion.

As such:

- the Board confirmed its compliance with the law by (i) incorporating it in the information subject to the "global" *ex-post* vote provided for by Article L.225-100-II of the French Commercial Code, (ii) limiting the "individual" *ex-post* vote provided for by the new Article L.225-100-III of the French Commercial Code to the remuneration elements and benefits related to a term of office and (iii) limiting the *ex-ante* vote to the statutory information, *i.e.* remuneration elements and benefits relating to a term of office, on the understanding that the shareholders may express their opinion at shareholders' meetings on any amendment that may be applied to the employment contract (including remuneration) under the procedure for regulated agreements and commitments;
- the Board also reaffirmed its commitment to continue to ensure the transparency and comprehensiveness of the information provided to shareholders on the total remuneration due or paid to corporate officers by the Company or by a consolidated Group company, irrespective of whether such remuneration is granted for corporate office, under an employment contract and/or in respect of a different function.

The Board also considered the practical implementation of the remuneration policy in the event, during the year, of a change in governance structure or appointment of a new executive officer, either to replace a corporate officer (executive or director) whose functions had ceased, or to strengthen senior management or the Board of Directors. In such an eventuality:

- if it is a director, his or her remuneration will be determined in accordance with the director remuneration policy; with regard to the distribution of the annual global amount, the Board of Directors will also take account the date of entry into function;
- if it is an executive officer, the Remuneration and Appointments Committee and the Board will conduct an overall analysis of this person's specific situation (skills, experience, duties, membership or otherwise of the Group, etc.) and of the Group (context of the appointment, change in governance, performance, etc.), in order to establish whether their overall remuneration should be aligned, in structure or amount, where applicable, with that of the Chairman and Chief Executive Officer or the Deputy Chief Executive Officer (see sections 3.2.3.3 and 3.2.3.4 below) or adjusted.

In all cases, this remuneration will be established in accordance with the corporate officer remuneration policy. Moreover, the Board has already established that such a situation may lead it to apply the exception provided for by Article L.225-37-2 III of the French Commercial Code where it is required to replace the Chairman and Chief Executive Officer in a sudden and unforeseen manner, so as to retain the necessary freedom when selecting a replacement in order to ensure the Company's short or medium-term viability. If applicable, any adjustments to the remuneration policy in force will be limited to the following elements: amounts and proportion of fixed remuneration and variable remuneration, eligibility for performance shares, benefits in kind, non-compete undertaking.

In accordance with the provisions of Article L.225-100 II of the French Commercial Code, this policy will be put to a shareholder vote at the shareholders' meeting to be held on April 16th, 2020 (8th to 10th resolutions).

3.2.3.2 2020 remuneration policy for directors

For 2020, the Board of Directors, upon recommendation of the Remuneration and Appointments Committee, decided not to change the principles for determining the remuneration granted to directors (previously referred to as "directors' fees"). These principles (described in sections 3.2.1.1 and 3.2.1.2 of the 2019 Universal Registration Document) are as follows:

- fixed remuneration and variable remuneration paid subject to presence criteria;
- a higher variable part;
- specific additional remuneration for membership of a Committee;
- specific supplementary remuneration for the Lead Independent director;
- specific additional remuneration to make allowance for directors based in remote countries;
- no remuneration in respect of directorships if remuneration is paid under an employment contract or executive office at a subsidiary;
- the option of remuneration under a non-executive office as Chairman of the Board at a subsidiary, subject to review on a case-by-case basis by the Remuneration and Appointments Committee.

In accordance with these principles, the Board of Directors, upon recommendation of the Remuneration and Appointments Committee, established the rules for the 2020 financial year. In the case of creation of a new Board Committee, the Board could decide to grant a remuneration to these committee members, pursuant to the principles set out above and the limit of the annual amount allocated by the shareholders' meeting. In any case, the remuneration thus granted will not exceed the amount of remuneration, fixed and variable, granted to the members of the Remuneration and Appointments Committee. These rules are the following:

- Directors' remuneration: an annual fixed fee of €25,000 and a variable amount of €6,000 per meeting subject to attendance;
- Remuneration and Appointments Committee members' remuneration: an annual fixed fee of €7,500, doubled for the Committee Chairman, and a variable amount of €3,500 per meeting subject to attendance;
- Audit, Risk and Compliance Committee members' remuneration: an annual fixed fee of €10,000, doubled for the Committee Chairman, and a variable amount of €4,500 per meeting subject to attendance;
- Specific remuneration granted to the Lead Independent director: fixed annual remuneration of €50,000;
- Specific remuneration due to distant residence: a fee of €1,500 for attending a Board or Committee meeting for directors traveling from a country in Europe (excluding France) and of €3,500 for directors traveling from a country outside Europe.

Finally, it is reminded that in accordance with the provisions of Article L.225-100 II of the French Commercial Code, payment of the remuneration payable to directors in 2021 in respect of the performance of their office during the 2020 financial year is subject to a favorable vote by the shareholders' meeting called to approve the financial statements for the financial year ending December 31st, 2020 under the global *ex-post* vote (approval of the remuneration policy implemented in 2020).

3.2.3.3 Remuneration policy for the Chairman and Chief Executive Officer for 2020

The remuneration granted to the Chairman and Chief Executive Officer for 2020 was set by decision of the Board of Directors at its meetings held on December 5th, 2019 and February 20th, 2020 on the recommendation of the Remuneration and Appointments Committee. The Board decided to maintain the remuneration as established pursuant to the shareholders' meeting of May 9th, 2019, retaining the principles set out in section 3.2.1.1 of the 2019 Universal Registration Document.

For reference purposes, the remuneration paid to the Chairman and Chief Executive Officer since 2016 is presented in section 3.2.1.3 A of the 2019 Universal Registration Document.

Annual fixed remuneration

For 2020, the annual fixed part of the remuneration granted to the Chairman and Chief Executive Officer, Mr. Daniel Julien, was set at the gross amount of US$2,625,000 (identical to the amount set in 2018). It is reminded that the fixed part of Mr. Julien's remuneration 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 variable remuneration to be paid to the Chairman and Chief Executive Officer for 2020 was set at a gross amount of US$2,625,000, an amount equivalent to his annual fixed remuneration (unchanged since 2018). In line with past practice, this remuneration is expressed as a maximum amount. If performance exceeds one or more of the targets set, no additional remuneration will be granted or paid.

The performance criteria applicable to said variable remuneration were defined by the Board of Directors upon recommendation of the Remuneration and Appointments Committee, at its meetings held on December 5th, 2019 and February 20th, 2020. These criteria consist of (i) quantitative performance criteria representing 80% of the maximum amount (achievement of levels of revenues for 40% and EBITA for 40%) and (ii) qualitative criteria corresponding to identified priorities in terms of CSR for 2020 representing 20% of the maximum amount. In the ongoing interest of transparency with regard to remuneration, the Group now prospectively makes public the levels of achievement achieved.

In order to determine the total or partial achievement of objectives, the Board continues to use the points calculation system that has been applied for a number of years (see section 3.2.1.3 A of the 2019 Universal Registration Document). The maximum number of points that may be granted for the various quantitative and qualitative criteria is 100 points, including a maximum of 80 points for quantitative criteria and a maximum of 20 points for qualitative criteria.

Quantitative criteria (weighting: 80%)

The following criteria and levels have been established in respect of the quantitative criteria, taking into account, at the time of the budget process, (i) the forecast growth in Teleperformance's operating results, (ii) the forecast and expected operational performance of the market and Group competitors and (iii) the global geopolitical environment. They are based on significant and demanding hypothesis.

Organic revenue growth (excluding currency effects)

Number of points granted	Target
0 point	Less than 5%
10 points	Equal to 5% and less than 6%
20 points	Equal to 6% and less than 6.5%
30 points	Equal to 6.5% and less than 7%
40 points	Equal to 7% and above
TOTAL	**40 POINTS**

EBITA margin (excluding non-recurring items)

Number of points granted	Target
0 point	Less than 14.1%
10 points	Equal to 14.1% and less than 14.2%
20 points	Equal to 14.2% and less than 14.3%
30 points	Equal to 14.3% and less than 14.4%
40 points	Equal to 14.4% and above
TOTAL	**40 POINTS**

Qualitative criteria (weighting: 20%)

The following criteria and levels have been established in respect of qualitative criteria, based on the Group priorities identified for 2020, taken from the CSR materiality analysis completed at the end of 2019 (see section 2.2.1 of the 2019 Universal Registration Document).

Employee engagement (10%)

- Objective: continue to obtain awards related to company employee satisfaction (such as *Best Places to Work*, *Great Place to Work*, *Global Best Employers Program* or equivalent) issued by renowned independent bodies.
- Assessment elements: maintaining, at least, the number of awards obtained during the 2019 financial year.

Data security (10%)

- Objective: Group-level roll-out of a comprehensive data security plan.
- Assessment elements:
  - implementation of appropriate governance for this objective;
  - implementation of tools and processes for identifying, assessing an managing the cyber risk;
  - improvement of the detection and sensitivity through global training programs (implementation, number of persons trained…);
  - approval and appropriation of the NIST Cybersecurity Framework principles;
  - improvements of the detection processes by implementing relevant tools throughout the Group;
  - implementation of a specific operational section in terms of crisis management on the matter;
  - reports to the Audit, Risk and Compliance Committee.

Furthermore, the variable remuneration of the Chairman and Chief Executive Officer for 2020 remains subject to a clawback scheme set up in 2018 and described in section 3.2.2.2 paragraph *Annual variable remuneration*.

It is reminded that, in accordance with the provisions of L.225-100 III paragraph 2 of the French Commercial Code, payment of the variable remuneration granted in respect of the 2020 financial year to Mr. Daniel Julien for his office as Chairman and Chief Executive Officer, is subject to approval, by the ordinary shareholders' meeting to be held in 2021, of the remuneration paid during the 2020 financial year or granted in respect of the 2020 financial year for his office as Chairman and Chief Executive Officer.

Long-term share-based remuneration (performance share grants or similar schemes)

In accordance with the new grant policy implemented in 2019 and retained in 2020, described above, as authorized by the shareholders' meeting of May 9th, 2019 (7th and 22nd resolutions), the Board, upon recommendation of the Remuneration and Appointments Committee, decided to maintain in 2020 the maximum number of performance shares that may be granted per year to the Chairman and Chief Executive Officer at 58,333 shares. This annual limit is identical to the grant decided upon in June 2019.

This cap, communicated in advance, is intended to limit the potential dilution resulting from the grant and is consistent with the long-standing status of the founder and Chairman and Chief Executive Officer as a shareholder of the Company, given that he has not sold any shares during the last seven years. The Board also took the following items into account when establishing the grant cap for 2020:

- the amount of overall remuneration received by Mr. Julien, Group founder, is unchanged since 2013;
- the structure and achievement criteria for his remuneration, in particular the variable part, were however made more stringent (reduction of the fixed part, introduction of a clawback mechanism) even though results and performance have been steadily increasing over an extended period of time;
- the vesting of the total number of shares granted subject to demanding performance criteria in line with the Group's financial communication and strategy is set over a longer period of time than before (five years compared to three years previously);
- the Group's size has more than doubled;
- the complexity of the Group's environment due in particular to recent acquisitions, their integration, and the international development of its operations, has increased while the total overall remuneration granted to executive officers has decreased over the period.

Based on these factual elements, maintaining the number of shares granted in June 2019 as a grant cap despite the subsequent increase in the share price is justified and contributes to the alignment of the long-term interests of the Chairman and Chief Executive Officer with those of the shareholders.

With regard to the grant performance criteria due to be established in 2020, these will be based, as for the 2019 grant, on criteria corresponding to the long-term strategy defined by the Board of Directors, applicable for the grants pursuant to the authorization given by the shareholders' meeting of May 9th, 2019 (22nd resolution). These criteria will be assessed over the period from January 1st, 2020 to December 31st, 2022 and comprise two "internal" criteria (Group organic revenue growth and EBITA margin) and one "external" criterion (stock performance compared to the SBF 120 index over each year of the period):

- the first performance criterion is based on organic growth in Group consolidated revenues (at constant exchange rates and consolidation scope) between the financial year ended December 31st, 2019 and the financial year ending December 31st, 2022 ("organic revenue growth"); and

- the second performance criterion is based on the EBITA margin(1) for the financial year ending December 31st, 2022 (excluding non-recurring items(2)) ("EBITA margin"); and
- the third performance criteria is based on the degree to which the Teleperformance SE share price outperforms the SBF 120 index for each of the three years of the plan. It will be calculated by comparing the average performance of the average annual prices for the financial years ending December 31st, 2020, 2021 and 2022 (i) of the Teleperformance SE share and (ii) of the SBF 120 ("stock price evolution").

Each criterion gives right to one third of the shares. A percentage of share credit is granted depending on the level of achievement. The final share credit percentage will be equal to the sum of share credit percentages assigned to each performance criterion as described above. The final number of shares definitively allotted to each beneficiary, where applicable rounded up to the nearest whole number, will be calculated by multiplying the number of shares initially allotted to each one by the aforementioned percentage. No performance shares will be vested by the beneficiaries if organic revenue growth is less than 15% or if the EBITA margin is less than 14.4%.

For the 2020 grant, the definitive vesting of performance shares for all plan beneficiaries (including the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer) is to be subject to the following levels of achievement:

1) Group organic revenue (at constant exchange rates and consolidation scope)

Share credit percentage	0%	50%	75%	100%
Organic Revenue Growth ("ORG")	< 15%	15% ≤ ORG < 17.5%	17.5% ≤ ORG < 20.0%	≥20%

2) EBITA margin (excluding non-recurring elements)

Share credit percentage	0%	50%	75%	100%
EBITA margin ("EBITA")	< 14.4%	14.4% ≤ EBITA < 14.5%	14.5% ≤ EBITA < 14.6%	≥ 14.6%

3) Stock price evolution

Share credit percentage	0%	50%	75%	100%
Stock price evolution ("Share")	< 100 basis points (bp)	100 bp ≤ Share < 200 bp	200 bp ≤ Share < 300 bp	≥300 bp

The determination of whether or not a performance criterion has been achieved, as well as the assessments and calculations required for said determination, will be carried out by the Board of Directors upon the recommendation of the Remuneration and Appointments Committee.

As mentioned (see section 3.2.1.1 above), in the event of the executive officer's departure before the end of the period envisaged for the assessment of the performance criteria for the long-term, continued entitlement to all or part of the performance shares or equivalent mechanisms would be assessed by the Board, which would justify its decision in accordance with the recommendations of the AFEP-MEDEF Code (pro rata, maintenance of performance criteria and justification of its decision).

Benefits in kind

The benefits in kind granted to the Chairman and Chief Executive Officer, as in 2019, include the use of a company car, healthcare insurance plan and the matching contribution paid, in the case of deferred remuneration payment, under the non-qualified deferred compensation plan, which is similar to a deferred savings plan, as described in section 3.2.2.2 paragraph *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 undertaking, the terms of which, set out in section 3.2.2.2 paragraph *Compensation under a non-compete undertaking* above, were amended by the Board of Directors on November 30th, 2017. The non-compete and non-poaching undertakings are now capped at two years and the corresponding indemnity is capped at two years' remuneration (fixed and variable), as approved by the shareholders' meeting held on April 20th, 2018. The entering into and subsequent amendment of this non-compete undertaking were subject to the regulated agreement procedure in accordance with Article L.225-42-1 of the French Commercial Code (repealed by the Ordinance of November 27th, 2019), in effect and applicable at that time.

Other remuneration elements

The remuneration structure for the Chairman and Chief Executive Officer does not provide for compensation or remuneration upon the assumption or termination of duties, exceptional remuneration, multi-year variable remuneration, additional or supplementary pension scheme or stock option grants.

Summary of the commitments and benefits granted to the Chairman and Chief Executive Officer

	Voluntary departure/ Dismissal for gross or wrongful misconduct	Forced departure	Retirement
Severance payment	-	-	-
Non-compete compensation	Two years' gross remuneration (fixed and variable) paid in respect of the calendar year prior to the year of departure.		
Additional pension scheme	-	-	-
Impact on performance shares not vested	Forfeiture (unless decided otherwise by the Board of Directors, which would decide in accordance with the recommendations of the AFEP-MEDEF Code on the matter).		No accelerated vesting, *pro* rata principle applied and performance criteria remain applicable.

(1) EBITA (Earnings Before Interest, Taxes and Amortization): EBIT before amortization of intangible assets on acquisitions, goodwill impairment and non-recurring items.
(2) Non-recurring items mainly comprise restructuring costs, incentive share grant plan expense, subsidiary closure costs, transaction costs of acquisitions and all other expenses that are unusual by reason of their nature or amount.

3.2.3.4 Remuneration policy for the Deputy Chief Executive Officer for 2020

The remuneration granted to the Deputy Chief Executive Officer for 2020 was set by decision of the Board of Directors at its meetings of December 5th, 2019 and February 20th, 2020 upon recommendation of the Remuneration and Appointments Committee. The Board decided to maintain the remuneration as approved by the shareholders' meeting held on May 9th, 2019, extending the principles set out in section 3.2.1.3 B of this 2019 Universal Registration Document. The survey carried out in 2018 by a specialist firm (see section 3.2.3.1 above) confirmed the suitability of the structure and amounts of the total remuneration received by Mr. Olivier Rigaudy in view in particular of the structure and locations of the Group's activity.

A description of the remuneration granted to Mr. Olivier Rigaudy as Deputy Chief Executive Officer in respect of the 2020 financial year is presented below. For the sake of transparency and to enable shareholders to conduct a relevant assessment of these items, this section also includes, for reference, the remuneration granted to Mr. Olivier Rigaudy corresponding to his status as a Company employee.

Annual fixed remuneration

For 2020, the annual fixed portion of Mr. Olivier Rigaudy's remuneration as Deputy Chief Executive Officer was maintained at the gross amount of €80,000 (unchanged since 2018).

For reference, it is reminded that in 2020 Mr. Rigaudy, Deputy Chief Executive Officer, will also receive the remuneration provided for in his employment contract in respect of his salaried functions, *i.e.* fixed annual (gross) remuneration of €520,000 (unchanged since 2018).

Annual variable remuneration

For 2020, the maximum amount of variable remuneration granted to the Deputy Chief Executive Officer in respect of his office was maintained at a gross amount of €380,000 (unchanged since 2018). As in previous years, this remuneration is expressed as a maximum amount. If performance exceeds one or more of the targets set, no additional remuneration will be granted or paid.

The performance criteria governing the variable remuneration relating to the functions of Deputy Chief Executive Officer were defined by the Board of Directors upon recommendation of the Remuneration and Appointments Committee, at its meetings held on December 5th, 2019 and February 20th, 2020. They are identical to those set for the annual variable remuneration granted to the Chairman and Chief Executive Officer, it being specified that the personal contribution is taken into account for the qualitative part. They are described in section 3.2.3.3 above.

Furthermore, as in the case of the Chairman and Chief Executive Officer, the variable remuneration granted to the Deputy Chief Executive Officer for 2020 remains subject to a clawback scheme described in section 3.2.2.2 above.

It is reminded that, in accordance with the provisions of Article L.225-100 III section 2 of the French Commercial Code, payment of the variable remuneration that will be granted to the Deputy Chief Executive Officer in respect of his office for the financial year 2020 is subject to approval, by the ordinary shareholders' meeting to be held in 2021, of the remuneration paid during the 2020 financial year or granted during the 2020 financial year in respect of his office.

It is also reminded that, in respect of his salaried duties as Group Chief Financial Officer, Mr. Olivier Rigaudy is also entitled to receive the variable remuneration set out in his employment contract, *i.e.* maximum (gross) variable remuneration of €220,000 for the 2020 financial year (unchanged since 2018), determined on the basis of performance criteria specific to his technical and salaried duties. This remuneration (to be paid in 2021) may not be supplemented by exceptional bonuses.

For the sake of transparency and for reference, the Company publicly discloses the objectives of Mr. Rigaudy's variable remuneration under his employment contract. They were set in a precise manner and disclosed to the Remuneration and Appointments Committee. For the 2020 financial year, these objectives are:

- managing Group performance so as to guarantee achievement of annual targets (financial profitability, margin and liquidity) (40%);
- reviewing of Group financing and diversification of financing vehicles (30%);
- improving the efficiency of investment and procurement processes (10%);
- improving analyst coverage (CSR and financial analysts) and developing CSR certification (10%);
- continuing the Group-wide deployment of the ERP system (10%).

3

Long-term share-based remuneration (performance share grants or similar schemes)

In accordance with the new grant policy introduced in 2019 and maintained in 2020, as described above, the Board, upon the recommendation of the Remuneration and Appointments Committee, decided that the maximum number of performance shares that may be granted to the Deputy Chief Executive Officer in 2020 may not exceed 22,000 shares. This cap, which is identical to the 2019 amount, provides for maximum (in the event that 100% of the objectives are achieved) total (short-term and long-term) variable remuneration representing more than 80% of the total remuneration granted to Mr. Rigaudy, as part of the effort to align the interests of executives with those of the shareholders.

With regard to the grant performance criteria decided in 2020, these will be based, as for the 2019 grant, on criteria corresponding to the long-term strategy as defined by the Board of Directors, applicable for the grants pursuant to the authorization given by the shareholders' meeting of May 9th, 2019 (22nd resolution). These criteria will be assessed over the period from January 1st, 2020 to December 31st, 2022 and comprise two "internal" criteria (Group organic revenue growth and EBITA margin) and one "external" criterion (stock performance compared to a representative index over each achievement period). The levels of achievement are identical to those set for the Chairman and Chief Executive Officer (see section 3.2.3.3 paragraph *Long-term share-based remuneration*).

In accordance with the recommendations of the AFEP-MEDEF Code, in the event of the executive officer's departure before the end of the period envisaged for the assessment of the performance criteria for the long-term, continued entitlement to all or part of the performance shares or equivalent mechanisms would be evaluated and justified by the Board (pro rata, maintenance of performance criteria and justification of its decision).

Benefits in kind

The Deputy Chief Executive Officer receives no benefits in kind in respect of his office. It is remidned that, under his employment contract, he has 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 undertaking, the terms of which are set out in section 3.2.2.3 paragraph *Compensation under a non-compete agreement* above and which was authorized by the Board of Directors meeting held on November 30th, 2017 and approved by the shareholders' meeting held on April 20th, 2018. This one-year non-compete undertaking is compensated by one year's remuneration (fixed and variable) paid in respect of executive functions as an employee and/or corporate officer withing the group.

Other remuneration elements

The remuneration structure for the Deputy Chief Executive Officer does not provide for compensation or remuneration granted upon the assumption or termination of duties, exceptional remuneration, multi-year variable remuneration, additional or supplementary pension scheme or stock option grants.

Furthermore, his employment contract does not provide for compensation or remuneration granted upon the assumption or termination of his duties, exceptional remuneration, multi-year variable remuneration, additional or supplementary pension scheme, stock option or performance shares grants or retention.

Summary of the commitments and 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	One year's remuneration (fixed and variable) paid in respect of executive functions as a Group employee and/or corporate officer.		
Additional pension scheme	-	-	-
Impact on performance shares not vested	Forfeiture (unless decided otherwise by the Board of Directors, which would decide in accordance with the recommendations of the AFEP-MEDEF Code on the matter).		No accelerated vesting, *pro rata* principle applied and performance criteria remain applicable.

* *Under his employment contract, Mr. Rigaudy may benefit from (i) compensation, particularly severance pay, pursuant to French laws on the termination of employment contracts at the Company's initiative and (ii) retirement payments owed pursuant to French laws.*

3.2.3.5 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

Information required under table 6 and table 10 of the AMF recommendations – Overview of performance share plans granted by Teleperformance SE

The characteristics of the performance shares plans are described in section 7.2.5.3 of present Universal Registration Document.

Plan Number	160428TP	161102TP	170623TP	180102TP	180228TP	190603TP
Date of shareholders' meeting	04/28/2016	04/28/2016	04/28/2016	04/28/2016	04/28/2016	05/09/2019
Date of Board of Directors meeting	04/28/2016	11/02/2016	06/23/2017	11/30/2017	02/28/2018	06/03/2019
Grant date	04/28/2016	11/02/2016	06/23/2017	01/02/2018	02/28/2018	06/03/2019
Total number of share rights granted	914,300	151,508	11,600	6,000	1,000	442,241
Total number of beneficiaries	239	29	1	1	1	1
of which total number granted to executive officers:						
• Daniel Julien(1)	-	-	-	-	-	-
• Olivier Rigaudy(2)	-	-	-	-	-	22,000
Valuation of the shares, at the grant date, according to the method used for consolidated accounts						€3,199,533(3)
Definitive vesting date	04/28/2019	11/02/2019	06/23/2020	01/02/2021	02/28/2021	06/03/2022
End of lock-in period	n/a	n/a	n/a	n/a	n/a	n/a
Performance criteria(4)	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	113,700	11,632	0	0	0	15,349
Number of shares definitively vested	800,600	139,876	-	-	-	-
Number of rights outstanding	-	-	11,600	6,000	1,000	426,892

(1) Since 2013, the grants in favor of executive officers have been made under the plans called long-term incentive described hereafter.
(2) Deputy Chief Executive Officer since October 13th, 2017.
(3) Valuation according to the method retained for the consolidated financial statements for the year ended December 31st, 2019: see note 3.5 Share-based payments of the consolidated financial statements for the year ended December 31st, 2019 (chapter 5 of the 2019 Universal Registration Document): one third of the shares valued at €108.50 and two thirds at €163.90.
(4) The performance criteria are described in section 7.2.5.3 of the Universal Registration Document for 2019.

Information required under table 6 of the AMF recommendations – Overview of long-term incentive plans implemented by Teleperformance Group, Inc.

	TGI plan 2016	TGI plan 2019
Grant date	04/28/2016	04/28/2016
Total number of share rights granted	350,000	58,333
Total number of beneficiaries	2	1
• Daniel Julien	175,000	58,333
• Paulo César Salles Vasques(1)	175,000	n/a
Definitive vesting date	04/28/2019	06/03/2022
End of lock-in period	n/a	n/a
Performance criteria(2)	Yes	Yes
Valuation of the shares, at the grant date, for each beneficiary, according to the method used for consolidation accounts	€13,160,000(3)	€8,483,563(4)
Total number of share rights cancelled or lapsed	70,959	0
Number of shares definitively vested	279,041	0
Number of rights outstanding	0	58,333

(1) Chief Executive Officer until October 13th, 2017.
(2) The performance criteria are described in section 7.2.5.3 of the 2019 Universal Registration Document.
(3) It is reminded that no grant was carried out in 2017 and 2018, the Group's policy in terms of performance shares grants (or equivalent mechanisms) provided 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 (fair value retained of €75.20) and is described in the Registration Document for 2018 (filed under number D.19-0093 with the Autorité des marchés financiers *on March 4th, 2019).*
(4) Valuation according to the method retained for the consolidated financial statements for the year ended December 31st, 2019: see note 3.5 Share-based payments of the consolidated financial statements for the year ended December 31st, 2019 (chapter 5 of the 2019 Universal Registration Document): one third of the shares valued at €108.50 and two thirds at €163.90.

The company Teleperformance Group, Inc., 100% US subsidiary of Teleperformance SE, implemented two long-term incentive plans settled in Teleperformance SE shares:

- 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 was subject to presence and performance conditions that were identical to those approved by the Board of Directors at its meeting held on April 28th, 2016 (Plan 160428TP). A total number of 279,041 shares were definitively acquired by the beneficiaries on April 29th, 2019;
- in June 2019, involving a total amount of 58,333 shares granted to one beneficiary, Mr. Julien, Chairman and 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 June 3rd, 2019 (Plan 190603TP) (see section 7.2.5.3 of the 2019 Universal Registration Document).

Performance shares that became available during financial year 2019 (information required under table 7 of the AMF recommendations)

Executive officer	Plan No and date	Number of shares which became available during the financial year	Vesting conditions
Daniel Julien	TGI plan 2013 dated July 30th, 2013	175,000	Yes (conditions of performance(1) and of presence)
Olivier Rigaudy(2)	Plan 160428TP dated April 28th, 2016	48,000	Yes (conditions of performance(1) and of presence)

(1) The performance conditions are described in section 7.2.5.3 of the present Universal Registration Document.
(2) Deputy Chief Executive Officer since October 13th ,2017.

3.3 ADDITIONAL 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 present Universal 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 3.1.3 *The Board of Directors* and 7.1.2.5 *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 20th, 2020.

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 of the (parent company and consolidated) annual and half-yearly consolidated financial statements and expiring on the day of said publication (at midnight – Paris time); and
- 15 calendar days prior to the publication date of the quarterly reporting and expiring on the day of said publication (at midnight – Paris time).

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 to transfer their shares during the blackout periods defined by law.

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.

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.

(1) Executive officers and equivalent persons, as well as any person who has access to insider information on a regular basis or occasional basis.

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 2019, as reported to the Company and to the AMF, are summarized below:

	Nature	Date	Number of shares	Average unit price
Jeffrey Balagna Member of the Executive Committee	Acquisition of performance shares	11/04/2019	35,000	-
	Sale	11/13/2019	7,400	€211.9949
	Sale	11/14/2019	4,400	€211.4318
	Sale	11/15/2019	7,450	€211.4527
	Sale	11/22/2019	5,128	€214.0962
	Sale	11/25/2019	7,350	€214.1823
	Sale	11/26/2019	3,272	€215.0156
Joao Cardoso Member of the Executive Committee(1)	Acquisition of performance shares	04/29/2019	12,000	-
	Sale	09/02/2019	1,044	€197.9801
	Sale	09/04/2019	956	€199.8000
	Sale	09/05/2019	2,719	€200.8183
	Sale	09/09/2019	1,000	€199.4000
Fabricio Coutinho de Oliveira Member of the Executive Committee(1)	Acquisition of performance shares	04/29/2019	16,000	-
	Sale	08/30/2019	11,100	€198.00
Agustin Grisanti Member of the Executive Committee	Acquisition of performance shares	04/29/2019	12,000	-
	Sale	04/29/2019	3,500	€171.0378
Lyle Hardy Member of the Executive Committee(2)	Acquisition of performance shares	04/29/2019	15,000	-
	Sale	04/29/2019	5,000	€170.8744
	Sale	06/18/2019	500	€179.2204
	Sale	08/22/2019	2,000	€194.7777
	Sale	08/29/2019	1,000	€198.0000
Brian Johnson Member of the Executive Committee(1)	Acquisition of performance shares	04/29/2018	16,000	-
	Sale	05/22/2019	5,000	€173.4656
	Sale	05/28/2019	3,000	€176.0000
	Sale	06/05/2019	2,000	€174.5000
	Sale	06/07/2019	1,000	€176.0000
	Sale	11/26/2019	5,000	€215.1200
Daniel Julien Chairman and Chief Executive Officer	Acquisition of performance shares	04/29/2019	175,000	-
	Term of a share loan (Lender)	05/21/2019	1,000	-
Scott Klein Member of the Executive Committee	Acquisition of performance shares	11/04/2019	35,000	-
	Sale	11/27/2019	32	$239.6650
	Sale	11/29/2019	562	$240.4899
	Sale	12/16/2019	8,150	€215.5092
	Sale	12/17/2019	3,704	€218.0440
	Sale	12/18/2019	4,500	€218.6041
	Sale	12/23/2019	835	€217.4145
Olivier Rigaudy Deputy Chief Executive Officer	Acquisition of performance shares	04/29/2019	48,000	-
	Sale	08/20/2019	500	€194.00
David Rizzo Member of the Executive Committee(1)	Acquisition of performance shares	04/29/2019	12,000	-
	Sale	04/30/2019	6,000	€170.00
	Sale	05/28/2019	6,000	€175.00
Leigh Ryan Director and member of the Executive Committee	Acquisition of performance shares	04/29/2019	48,000	-
	Term of a share loan (beneficiary)	05/21/2019	1,000	-
	Sale	05/22/2019	20,000	€172.2500
	Sale	05/28/2019	6,400	€175.3750
	Sale	06/18/2019	1,600	€177.00
Ioannis Tourkomanis Member of the Executive Committee(1)	Acquisition of performance shares	04/29/2019	35,000	-
	Sale	06/18/2019	20,000	€175.50
	Sale	09/04/2019	10,000	€200.00
	Sale	11/08/2019	5,000	€210.00
	Sale	11/12/2019	4,799	€212.00
	Sale	11/13/2019	201	€212.00
	Sale	11/22/2019	5,000	€215.00
Alan Winters Member of the Executive Committee(1)	Acquisition of performance shares	04/29/2019	5,500	-
	Sale	05/20/2019	3,250	€166.8462
	Sale	05/28/2019	2,250	€174.2666

(1) Member of the Executive Committee until September 16th, 2019.
(2) Member of the Executive Committee until September 6th, 2019.

3.3.4 Regulated agreements and commitments

No new regulated agreements or commitments were authorized by the Board of Directors during the 2019 financial year.

Pursuant to legal and regulatory provisions, the Board of Directors, at its meeting held on February 20th, 2020, carried out the annual review of the regulated agreements and commitments entered into before 2019 and the performance of which is continued during the financial year 2019. 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

This is a free translation into English of the statutory auditors' special report on regulated agreements that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

For the year ended December 31st, 2019

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.

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 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 are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements, 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 for the purpose of approving them.

Our role is also to provide you with the information stipulated in article R. 225-31 of the French Commercial Code relating to the implementation during the past year of agreements 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 SUBMITTED FOR THE APPROVAL OF THE ANNUAL GENERAL MEETING

Regulated agreements authorized during the year

We hereby inform you that we have not been advised of any agreement authorized during the year to be submitted to the approval of the Annual General Meeting pursuant to Article L. 225-38 of the French Commercial Code.

AGREEMENTS ALREADY APPROVED BY THE ANNUAL GENERAL MEETING

We hereby inform you that we have not been advised of any agreement previously approved by the Annual General Meeting which remained in force during the year.

Paris La Défense, February 28th, 2020

The Statutory Auditors

KPMG Audit IS

Jacques Pierre
Partner

Deloitte & Associés

Ariane Bucaille
Partner

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Financial review

4.1 REVIEW OF THE GROUP'S FINANCIAL POSITION AND RESULTS

The accounting policies applied by the Group in the preparation of its consolidated financial statements are disclosed in note 1 of 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 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;
- the measurement of deferred taxation and uncertainty over income tax treatments.

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.

4.1.1 Change in accounting policies

The consolidated financial statements for the year ended December 31st, 2019 have been prepared under the same accounting policies as those applied by the Group in its consolidated financial statements as at and for the year ended December 31st, 2018, with the exception of IFRS 16 "*Leases*" which was adopted with effect as of January 1st, 2019.

As the Group has elected to apply IFRS 16 using the modified retrospective approach, the 2018 comparative amounts have not been restated.

Under IFRS 16, all lease contracts are now recognized on the statement of financial position, measured by discounting the future contractual lease payments to present value. This results in the recognition of a new specific non-current asset and a related financial liability.

The right-of-use asset is depreciated on a straight-line basis over the expected lease term while the lease liability is increased by the interest expense of the period and reduced by the amount of lease payments.

4.1.2 Alternative performance measures (APMs)

EBITDA before non recurring items (Earnings Before Interest, Taxes, Depreciation and Amortization, and Non-recurring Income and Expenses)

(in millions of euros)	2019	2018
Operating profit	**621**	**485**
Depreciation and amortization	188	159
Amortization of intangible assets acquired as part of a business combination	109	88
Depreciation of right-of-use of leased assets – personnel-related	11	
Depreciation of right-of-use of leased assets	175	
Impairment loss on goodwill	2	0
Share-based payments	25	23
Other operating income and expenses	7	7
EBITDA	**1,138**	**762**

EBITA before non recurring items (Earnings Before Interest, Taxes, Amortization, and Non-recurring Income and Expenses)

Year ended December 31st *(in millions of euros)*	2019	2018
Operating profit	**621**	**485**
Amortization of intangible assets acquired as part of a business combination	109	88
Impairment loss on goodwill	2	
Share-based payments	25	23
Other operating income and expenses	7	7
EBITA	**764**	**603**

Free cash flow

Year ended December 31st *(in millions of euros)*	2019	2018
Net cash flows from operating activities	**821**	**523**
Acquisition of intangible assets and property, plant and equipment	-252	-197
Proceeds from disposals of intangible assets and property, plant and equipment		1
Loans repaid	1	
Financial interest paid/received	-41	-45
Lease payments	-208	
FREE CASH FLOW	**321**	**282**

Net debt

At December 31st *(in millions of euros)*	2019	2018
Non-current liabilities		
Lease liabilities	564	
Other financial liabilities	2,083	2,224
Current liabilities		
Lease liabilities	168	
Other financial liabilities	268	213
Cash and cash equivalents	**-418**	**-336**
NET DEBT	**2,665**	**2,101**

Change in like-for-like revenues

This term is determined using the following calculation: the amount of current year revenues, excluding any that arose from acquisitions in the year, less prior year revenues (translated at current year average exchange rates); divided by the amount of prior year revenues (translated at current year average exchange rates).

4.1.3 2019 Group's results

4.1.3.1 Business

Revenue amounted to €5,355 million in the year ended December 31st, 2019, representing a year-on-year increase of +10.6% at constant exchange rates and scope of consolidation (like-for-like) and of +20.6% as reported. The difference in the growth rates reflects a favorable currency effect of +€96 million, due mainly to the US dollar's rise against the euro, and the +€338 million positive scope effect from the consolidation of ex-Intelenet operations in the Group's financial statements since October 1st, 2018.

Like-for-like growth continued to be supported by strong gains in the Core Services & D.I.B.S. business in every operating region, especially Ibero-LATAM. Specialized Services confirmed their return to robust growth in the second half.

Revenue by activity(1)

(in millions of euros)	2019	2018	% change Like-for-like	% change Reported
CORE SERVICES & D.I.B.S.	**4,650**	**3,815**	**+11.1%**	**+21.9%**
English World & Asia-Pacific (EWAP)	1,715	1,498	+6.0%	+14.5%
Ibero-LATAM	1,360	1,157	+18.5%	+17.6%
Continental Europe & MEA (CEMEA)	1,067	963	+10.2%	+10.8%
India & Middle East*	508	197	+13.0%	n/m
SPECIALIZED SERVICES	**705**	**626**	**+7.6%**	**+12.6%**
TOTAL	**5,355**	**4,441**	**+10.6%**	**+20.6%**

* *Ex-Intelenet activities in the Middle East.*
(1) *According to the new business segment reporting presentation adopted on January 1st, 2019.*

Core Services & Digital Integrated Business Services (D.I.B.S.)

Core Services & D.I.B.S. revenue amounted to €4,650 million in 2019, a year-on-year increase of +11.1% like-for-like. On a reported basis, revenue ended the year up +21.9%, led by the consolidation of ex-Intelenet operations since October 1st, 2018 and the favorable currency effect stemming from the US dollar's rise against the euro.

The strong like-for-like gain was supported in particular by the fast, steady growth in business throughout the year in the Ibero-LATAM region. The other regions – English World & Asia-Pacific (EWAP), Continental Europe & MEA (CEMEA) and India & Middle East – contributed to this good performance to a lesser extent.

English World & Asia-Pacific (EWAP)

Regional revenue come to €1,715 million in 2019, up +6.0% like-for-like and +14.5% as reported, *i.e.*, including the favorable currency effect stemming from the US dollar's rise against the euro and the positive impact of the consolidation of ex-Intelenet operations.

Over the year, the North American operations capitalized on fast growth in demand from the healthcare segment, thanks to the deployment of digital transformation solutions for leading health insurance providers, particularly in the area of back-office processes. The fastest growing client segments and leading contributors to the business stream were e-tailing, transportation services and logistics, while the insurance, entertainment and automotive industries continued to ramp up rapidly. The contribution from the consumer electronics industry was down compared to the other client segments. The offshore operations in the Philippines, which primarily serve the North American market, trended upwards over the year.

In Asia, the sustained growth in Malaysia reflected the success of the high tech, high touch approach embedded in the content moderation solutions deployed for leading social media companies. In the second half, revenue was also lifted by the start-up of new contracts for multilingual solutions in the consumer goods, insurance and transportation & logistics services industries.

Revenue from operations in the United Kingdom declined over the year in a persistently uncertain economic environment. The new organization set up during the year is aimed at restoring the growth dynamic in 2020.

Ibero-LATAM

In 2019, revenue for the Ibero-LATAM region amounted to €1,360 million, a year-on-year increase of +18.5% like-for-like and of +17.6% as reported, mainly due to the decline in the Argentine peso, Colombian peso and Brazilian real against the euro.

Nearshore solutions represented a major regional growth driver, for example in Colombia, to serve leading digital economy clients in the transportation and other sectors, and in Mexico, notably in financial services and logistics.

At the same time, domestic markets were dynamic, particularly in Colombia and Argentina, with the quick ramp-up in the consumer goods and automotive markets.

In Portugal, the Group's business is still being supported by the rapid expansion of multilingual hubs serving multinational clients in the Internet and online entertainment segments. The transportation and logistics markets are expanding very quickly too.

Lastly, the Group continued to deliver solid performances in Brazil, particularly in the financial services and transportation segments.

Continental Europe & MEA (CEMEA)

In the CEMEA region, revenue rose by +10.2% like-for-like to €1,067 million in 2019, or by +10.8% as reported.

Over the full year, growth was led by very strong contract wins from multinational clients and fast-growing local market leaders in a wide range of industries.

The primary regional growth drivers were the online entertainment, e-tailing and financial services segments. Business continued to ramp up quickly in the automotive, transportation and logistics markets, but stalled in consumer electronics.

By country, business was mainly driven by sustained growth in revenue in Greece (multilingual hubs), in Eastern Europe (Russia and Poland), where Teleperformance significantly increased its capacity in 2018, and in Turkey.

India & Middle East

Operations in the India & Middle East region generated €508 million in revenue in 2019, up +13.0% like-for-like from the prior year.

The satisfactory full-year like-for-like growth was attributable to the sustained, fast-paced expansion of TP India, particularly in the transportation and travel services segment. Because the ex-Intelenet operations were first consolidated in the fourth quarter of 2018, the region's 2019 like-for-like growth only includes their fourth-quarter contribution.

Specialized Services

In 2019, revenue from Specialized Services rose year-on-year by +7.6% like-for-like and by +12.6% as reported.

After returning to more normative levels in the first half, growth in LanguageLine Solutions revenue gradually accelerated over the rest of the year.

TLScontact's visa application management services delivered solid growth, led by the satisfactory improvement in sales of value-added services to applicants seeking UK visas.

4.1.3.2 Earnings by activity

- EBITDA before non-recurring items is higher than €1 billion for the first time at €1,138 million for the year, up +49.2% compared with 2018. Of the total, €208 million stemmed from the favorable impact of applying IFRS 16.
- EBITA before non-recurring items rose by +26.7% to €764 million from €603 million the year before. EBITA margin before non-recurring items widened by 70 basis points to 14.3%, from 13.6% in 2018. Excluding the impact of applying IFRS 16 from January 1st, 2019, the margin improved by 27 basis points.

EBITA before non-recurring items by activity

(in millions of euros)	2019	2018
CORE SERVICES & D.I.B.S.	**539**	**409**
% OF REVENUE	**11.6%**	**10.7%**
English World & Asia-Pacific (EWAP)	154	131
% of revenue	9.0%	8.7%
Ibero-LATAM	156	137
% of revenue	11.4%	11.8%
Continental Europe & MEA (CEMEA)	89	68
% of revenue	8.3%	7.1%
India & Middle East	81	26
% of revenue	16.0%	13.2%
Holding companies	59	47
SPECIALIZED SERVICES	**225**	**194**
% OF REVENUE	**31.8%**	**30.9%**
TOTAL	**764**	**603**
% OF REVENUE	**14.3%**	**13.6%**

Core Services & D.I.B.S.

Core Services & D.I.B.S reported EBITA before non-recurring items of €539 million in 2019, up from €409 million in 2018. The margin rose by +90 basis points to 11.6%, from 10.7% in the prior-year period. Excluding the positive impact of applying IFRS 16 from January 1st, 2019, the margin was still significantly higher than a year earlier.

The improvement was primarily due to the continued recovery in margins in the EWAP, CEMEA and India & Middle East regions. Margins in the Ibero-LATAM region remained high, despite a slight contraction due to the cost of starting up numerous new facilities.

English World & Asia-Pacific (EWAP)

EBITA before non-recurring items in the EWAP region rose to €154 million from €131 million in 2018, while the margin widened to 9.0% from 8.7% the year before. Excluding the positive impact of applying IFRS 16 from January 1st, 2019, the margin was relatively stable year-on-year.

During the year, margin growth was supported by the ramp-up of recently signed contracts, relating in particular to domestic business in North America and multilingual solutions in Malaysia. However, this same growth was dampened, particularly in the second half, by weaker business in the United Kingdom and China, the gradual phase-out of operations in Australia and the investments committed by the Group to open up new markets, such as Japan.

Ibero-LATAM

EBITA before non-recurring items in the Ibero-LATAM region rose to €156 million in 2019 from €137 million the year before.

Margin remained high, at 11.4%, though lower than in 2018. The contraction was due to the cost of ramping up major new sites, such as the new capacity brought on stream in Portugal and Colombia, and the expansion of existing facilities in Brazil.

Continental Europe & MEA (CEMEA)

In 2019, Teleperformance continued to improve the profitability of its operations in the CEMEA region, where EBITA before non-recurring items rose to €89 million from €68 million in 2018. Margin stood at 8.3% and, excluding the positive impact of applying IFRS 16 from January 1st, 2019, it still showed a sharp improvement on the prior year, lifted by:

- sustained strong, profitable growth in business with global and premium clients in a certain number of countries in Southern and Eastern Europe, such as Greece with its highly efficient multilingual solutions, Russia and Turkey;
- ongoing margin recovery in French-speaking operations, led by robust growth in nearshore business.

India & Middle East

EBITA before non-recurring items in the India & Middle East region amounted to €81 million in 2019, *versus* €26 million the year before. The corresponding margin stood at 16.0% and, excluding the positive impact of applying IFRS 16 from January 1st, 2019, it still showed a strong improvement on the prior year.

The margin was lifted throughout the year by profitable growth in business at TP India. It also benefited from the positive impact of the first-time consolidation of the ex-Intelenet operations and the termination of low-margin domestic contracts at the end of the year.

Specialized Services

Specialized Services reported EBITA before non-recurring items of €225 million in 2019, *versus* €194 million the previous year. Margin widened to 31.8% from 30.9% in 2018 as reported and was up sharply for the year excluding the positive impact of applying IFRS 16 from January 1st, 2019.

The margin of Specialized Services benefited in full from the development of value-added services of TLScontact on behalf of the UK government and from highly profitable growth at LanguageLine Solutions.

4.1.3.3 Current year Group results

Operating profit amounted to €621 million, compared with €485 million in 2018, and is arrived at after deducting:

- amortization of intangible assets, amounting to €109 million;
- share-based payment expense relating to incentive plans, of €25 million; and
- other non-recurring expenses of €7 million, principally for costs incurred in connection with the change to the Group visual identity, commenced in the final quarter of 2018.

The financial result is a net expense of €90 million, compared with one of €50 million in 2018. The increase is principally due to the adoption of IFRS 16 which resulted in the recognition of interest expense on lease liabilities of €46 million.

Income tax expense amounts to €131 million, compared with €122 million in 2018, and is net of income of €11 million arising principally from the remeasurement of the deferred tax in Indian subsidiaries, following a change in tax rates voted in 2019. The Group's effective tax rate this year is 24.7%.

Net profit – Group share amounts to €400 million, an increase of 28.3% over last year. Diluted earnings per share is €6.81, up 28.7% over the amount of €5.29 in 2018.

The board of directors will propose a resolution to the AGM to be held on April, 16th, 2020, under which the 2020 dividend payment in respect of the 2019 financial year would amount to €2.40 per share, compared with €1.90 in the previous year. This represents a proposed dividend payout ratio of 35%.

4.1.4 Cash flow and capital structure

Group financial structure

Long-term capital

At December 31st *(in millions of euros)*	**2019**	**2018**	**2017**
Total equity	2,569	2,225	1,922
Non-current financial liabilities	2,647	2,224	1,387
Total long-term capital	5,216	4,449	3,309

Short-term capital

At December 31st *(in millions of euros)*	**2019**	**2018**	**2017**
Current financial liabilities	436	213	224
Cash and cash equivalents	418	336	285
Cash surplus (deficit), net of current financial liabilities	-18	123	61

The Group's principal financial liabilities are subject to financial covenants, all of which were complied with as of December 31st, 2019:

Source of cash flows

Year ended December 31st *(in millions of euros)*	**2019**	**2018**	**2017**
Internally generated funds from operations	969	572	574
Change in working capital requirements	-148	-49	-58
Net cash flow from operating activities	**821**	**523**	**516**
Acquisitions	-252	-960	-152
Proceeds from disposals	1	11	1
Net cash flow from investing activities	**-251**	**-949**	**-151**
Change in ownership interests in controlled entities	-24	-14	-39
Dividends paid/movement in treasury shares	-121	-143	-76
Financial interest	-41	-45	-45
Lease payments	-208		
Net change in other financial liabilities	-86	765	-293
Net cash flow from financial activities	**-480**	**563**	**-453**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**90**	**137**	**-88**

Internally generated funds from operations amounted to €969 million. After deducting lease payments, these amounted to €761 million, an increase of €189 million compared with €572 million last year.

Revenues showed strong growth in the last two months of 2019, leading to an increase in working capital of €148 million, compared with an increase of €49 million in 2018.

Acquisitions of operating assets amounted to €252 million, representing 4.7% of revenues (4.4% in 2018), and shows the Group's firm intention to grow in its key markets.

Free cash flow was €321 million, compared with €282 million last year.

Interest payments were €41 million in 2019 (€45 million in 2018).

Following the adoption of IFRS 16 in 2019, lease payments are now classified as cash flows from financing activities in the statement of cash flows (in cash flows from operating activities until 2018). Lease payments amounted to €208 million in 2019.

Lease liabilities are presented as current or non-current financial liabilities, in the amounts of €168 million and €564 million, respectively, a total of €732 million which has impacted the amount of the Group's net debt.

After taking account of dividend payments of €111 million, net debt amounts to €2,665 million at December 31st, 2019, compared with €2,101 million at the end of 2018.

4.1.5 Key figures of principal subsidiaries

The key financial figures, extracted from the 2019 local financial statements, of subsidiaries with revenues exceeding 10% of Group revenue are as follows:

Selected financial data	Teleperformance USA *(in thousands of US dollars)*
Non-current assets	929,356
Current assets	531,759
Total assets	**1,461,115**
Total equity	1,080,057
Non-current liabilities	246,940
Current liabilities	134,118
Total equity and liabilities	**1,461,115**
Revenues	1,037,103
NET PROFIT	**64,343**

4.2 REVIEW OF THE COMPANY'S FINANCIAL POSITION AND RESULTS

4.2.1 Balance sheet

4.2.1.1 Investments

Teleperformance SE has subscribed to a capital increase of US$583 million in its US subsidiary Teleperformance Group Inc. which then subscribed to a capital increase of the same amount in its subsidiary, Teleperformance USA, permitting this latter company to make early repayment of a number of its loans received from Teleperformance SE in the total amount of US$583 million.

Teleperformance has made a number of loans to its subsidiaries during 2019 in relation to their cash management, in a total amount of €56 million, principally to:

- Teleperformance France, of €10 million;
- Luxembourg Contact Centers, of €8.4 million;
- Dutch Contact Centers (The Netherlands), of €8 million;
- Teleperformance Canada, of CAD19.7 million (€13.7 million).

4.2.1.2 Shareholders' equity

The share capital at December 31st, 2019 amounted to €146,797,500, comprising 58,719,000 shares, each of a €2.50 nominal value.

4.2.1.3 Financing arrangements

As of December 31st, 2019, the Company has various financing arrangements in place to meet its commitments, as set as follows:

- US private placements totaling **US$575 million,** redeemable as follows:
  - US$160 million, redeemable in December 2021;
  - US$165 million, redeemable in December 2024;
  - US$75 million, redeemable in December 2023;
  - US$175 million, redeemable in December 2026.
- Two outstanding bond issues totaling **€1,350 million,** redeemable as follows:
  - €600 million, redeemable in April 2024;
  - €750 million, redeemable in July 2025.
- A bank loan of **US$120 million** repayable on August 19th, 2021. At December 31st, 2018, the outstanding balance amounted to US$325 million; four repayments totaling US$205 million were made during 2019.
- A bank loan.of **€150 million,** repayable in four equal installments in June 2020, 2021, 2022 and 2023. At December 31st, 2018, the outstanding balance amounted to €164 million; an early repayment of €14 million was made during 2019.
- Commercial paper, in a total outstanding amount of **€228 million** at December 31st, 2019.
- A syndicated credit facility of €300 million which expires in February 2023. No amounts were drawn down under the facility during 2018 or 2019.
- Four bilateral credit lines, expiring in April, June or July 2020. No amounts were drawn down under the facility during 2019.

At December 31st, 2019, the Company was in compliance with all of its financial covenants.

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 over-due	**1-30 days**	**31-60 days**	**61-90 days**	**Over 90 days**	**Total over-due**	**Not over-due**	**1-30 days**	**31-60 days**	**61-90 days**	**Over 90 days**	**Total over-due**
(A) Overdue payments by tranche												
No. invoices	68					**64**	5					**248**
Total amount of invoices overdue, excluding VAT	6,597	1,983	2,071		2	**4,056**	1,264	23,019	651		6,025	**29,695**
Overdue invoices as a % of year's purchases, excluding VAT	8.09%	2.42%	2.53%			**4.95%**						
Overdue invoices as a % of year's revenues, excluding VAT							0.98%	17.83%	0.50%		4.67%	**23%**
(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 activity of Teleperformance SE is that of a holding company and it provides certain services invoiced to its subsidiaries, from which it also receives intellectual property royalties.

The increase in royalty income is principally due to the inclusion of Intelenet for a full year, compared to only one quarter in 2018.

Revenues amounted to €129.1 million, a significant increase over those of 2018 (€108.1 million).

Net income from operations was €33.8 million in 2019, compared with €20.1 million in 2018.

4.2.2.2 Net financial income

2019 net financial income amounting to €73.9 million, compared with that of 2018 (€180.4 million), is analyzed as follows:

Year ended December 31st *(in millions of euros)*	**2019**	**2018**
Dividends	104.7	116.4
Financial interest (net)	-9.3	17.0
Financial debt waiver (net)	0	-3.0
Foreign exchange gains and losses	9.2	0.8
Provisions on shareholdings in subsidiaries	-30.7	49.2
TOTAL	**73.9**	**180.4**

Following a review of the recoverable amounts of its shareholdings as of December 31st, 2019, the Company made a provision of €13.0 million in respect of its Italian subsidiary, In & Out S.p.A.

4.2.2.3 Net income

Profit on ordinary activities before income taxes in 2019 amounted to €107.7 million, compared with €200.6 million in 2018.

After 2019 income taxes of €10.7 million (2018: €7.8 million), 2019 net income amounted to €95.2 million, compared with €190.3 million in 2018.

4.2.2.4 Taxation

The French tax group showed a taxable profit of €23 million in 2019.

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 €13,923 for the financial year ended December 31st, 2019. The non-deductibility of these costs and expenses represents an income tax amount of €4,793.

4.3 TRENDS AND OUTLOOK

4.3.1 Outlook

4.3.1.1 2020 financial objectives

Based on its robust results and business performance to date, as well as the investments committed and initiatives undertaken to successfully execute its strategy of broadening its services portfolio and moving it up the value chain, Teleperformance is looking forward to 2020 with confidence and targets:

- like-for-like revenue growth of at least +7.0%;
- an increase in EBITA margin before non-recurring items of at least +10 basis points.

The ramp-up pace of recently signed contracts, particularly in the CEMEA and EWAP regions, is expected to have a positive impact on revenue growth mainly starting in the second quarter of the year.

The Group is also confident in 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.

4.3.1.2 2022 financial objectives

Teleperformance has confirmed its medium-term financial objectives:

- revenue of around €7 billion in 2022, including targeted acquisitions in high-value services;
- average like-for-like growth of at least +7% per year over the 2020-2022 period;
- an average annual increase in EBITA margin of at least +10 basis points over the period.

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 political and geopolitical uncertainties inherent in its business of a global nature. Further information on these risks is disclosed in section 1.2.1 Risk factors of this Universal Registration Document.

5

Consolidated financial statements

5.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of euros)	Notes	12/31/2019	12/31/2018
ASSETS			
Non-current assets			
Goodwill	4	2,340	2,304
Other intangible assets	3.3	1,142	1,231
Right-of-use assets	3.1	689	
Property, plant and equipment	3.2	578	497
Financial assets	7.2	57	59
Deferred tax assets	5.2	35	35
Total non-current assets		**4,841**	**4,126**
Current assets			
Current income tax receivable		178	175
Accounts receivable – Trade	3.4	1,223	1,048
Other current assets	3.4	167	147
Other financial assets	7.2	63	56
Cash and cash equivalents		418	336
Total current assets		**2,049**	**1,762**
TOTAL ASSETS		**6,890**	**5,888**

(in millions of euros)	Notes	12/31/2019	12/31/2018
EQUITY AND LIABILITIES			
Equity			
Share capital	6.1	147	144
Share premium		575	575
Translation reserve		10	-58
Other reserves		1,836	1,556
Equity attributable to owners of the Company		**2,568**	**2,217**
Non-controlling interests		1	8
Total equity		**2,569**	**2,225**
Non-current liabilities			
Provisions	9.2	27	22
Lease liabilities	3.1	564	
Other financial liabilities	7.4	2,083	2,224
Deferred tax liabilities	5.2	278	306
Total non-current liabilities		**2,952**	**2,552**
Current liabilities			
Provisions	9.2	32	90
Current income tax	5.3	192	130
Accounts payable – Trade	3.10	173	147
Other current liabilities	3.10	536	531
Lease liabilities	3.1	168	
Other financial liabilities	7.4	268	213
Total current liabilities		**1,369**	**1,111**
TOTAL EQUITY AND LIABILITIES		**6,890**	**5,888**

5.2 CONSOLIDATED STATEMENT OF INCOME

(in millions of euros)	Notes	2019	2018
REVENUES	**3.11**	**5,355**	**4,441**
Other revenues	3.11	2	5
Personnel		-3,489	-2,923
External expenses	3.12	-708	-738
Taxes other than income taxes		-22	-22
Depreciation and amortization		-188	-159
Amortization of intangible assets acquired as part of a business combination		-109	-88
Depreciation of right-of-use assets – personnel-related		-11	
Depreciation of right-of-use assets		-175	
Impairment loss on goodwill		-2	
Share-based payments	3.5	-25	-23
Other operating income and expenses	3.13	-7	-8
Operating profit		**621**	**485**
Income from cash and cash equivalents		6	4
Interest on financial liabilities		-58	-60
Interest on lease liabilities		-46	
Net financing costs	7.3	**-98**	**-56**
Other financial income and expenses	7.3	8	6
Financial result		**-90**	**-50**
Profit before taxes		**531**	**435**
Income tax	5.1	-131	-122
Net profit		**400**	**313**
Net profit – Group share		**400**	**312**
Net profit attributable to non-controlling interests			1
Earnings per share *(in euros)*	6.3	**6.86**	**5.40**
Diluted earnings per share *(in euros)*	**6.3**	**6.81**	**5.29**

5.3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of euros)	2019	2018
NET PROFIT	**400**	**313**
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)	6	18
Income tax on gains (losses) on foreign exchange hedges	-2	-6
Actuarial gains (losses) on post-employment benefits (before tax)	-6	
Income tax on actuarial gains (losses) on post-employment benefits	1	
Translation differences	68	107
Other recognized income and expenses	**67**	**119**
TOTAL COMPREHENSIVE INCOME	**467**	**432**
Group share	467	431
Attributable to non-controlling interests	0	1

5.4 CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	Notes	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit – Group share		400	312
Net profit attributable to non-controlling interests			1
Income tax expense (credit)		131	122
Net financial interest expense		46	44
Interest expense on lease liabilities		46	
Non-cash items of income and expense	8.1	501	263
Income tax paid		-155	-170
Internally generated funds from operations		***969***	***572***
Change in working capital requirements	***8.2***	***-148***	***-49***
Net cash flow from operating activities		**821**	**523**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of intangible assets and property, plant and equipment		-252	-197
Loans made			-1
Proceeds from disposals of intangible assets and property, plant and equipment			1
Loans repaid		1	10
Acquisition of subsidiaries, net of cash acquired	8.3		-762
Net cash flow from investing activities		**-251**	**-949**
CASH FLOWS FROM FINANCING ACTIVITIES			
Acquisition net of disposal of treasury shares		-10	-31
Change in ownership interest in controlled entities		-24	-14
Dividends paid to parent company shareholders		-111	-107
Dividends paid to minority shareholders			-5
Financial interest paid		-41	-45
Lease payments	8.4	-208	
Increase in financial liabilities		1,489	2,569
Repayment of financial liabilities		-1,575	-1,804
Net cash flow from financing activities		**-480**	**563**
Change in cash and cash equivalents		**90**	**137**
Effect of exchange rates on cash held		**-14**	**-87**
NET CASH AT JANUARY 1ST	**8.6**	**333**	**283**
NET CASH AT DECEMBER 31ST	**8.6**	**409**	**333**

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	Impact of actuarial gains and losses	Equity attributable to owners of the Company	Non-controlling interests	Total
AT DECEMBER 31ST, 2017, AS PUBLISHED	**144**	**575**	**-165**	**1,356**	**0**	**0**	**1,910**	**12**	**1,922**
AT DECEMBER 31ST, 2017, AS RESTATED*	**144**	**575**	**-165**	**1,359**	**-3**	**0**	**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**	**0**	**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
Other				2			2		2
AT DECEMBER 31ST, 2018, AS PUBLISHED	**144**	**575**	**-58**	**1,547**	**9**	**0**	**2,217**	**8**	**2,225**
AT DECEMBER 31ST, 2018, AS RESTATED**	**144**	**575**	**-58**	**1,543**	**9**	**0**	**2,213**	**8**	**2,221**
Translation differences from foreign operations			68				68		68
Net profit				400			400		400
Net gains on foreign exchange hedges (after tax)					4		4		4
Net actuarial losses on post-employment benefits						-5	-5		-5
Total recognized income and expenses	**0**	**0**	**68**	**400**	**4**	**-5**	**467**	**0**	**467**
Operations on non-controlling interests				-17			-17	-7	-24
Fair value of incentive plan share awards	3			25			28		28
Treasury shares				-10			-10		-10
Dividends (€1.90 per share)				-111			-111		-111
Other				-2			-2		-2
AT DECEMBER 31ST, 2019	**147**	**575**	**10**	**1,828**	**13**	**-5**	**2,568**	**1**	**2,569**

* *Restated following the adoption of IFRS 9.*
** *Restated following the adoption of IFRIC 23.*

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5.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS OF THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Highlights of 2019

There were no significant events in the year.

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, 2019 include the Company and its subsidiaries, together referred to as "the Group".

The financial statements were approved by the Board of Directors on February 20th, 2020 and will be submitted to the shareholders' meeting to be held on April 16th, 2020.

All financial information presented in euro has been rounded to the nearest million.

Note 1.2 Basis of preparation

The consolidated financial statements for the year ended December 31st, 2019 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, 2018, 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.

1.2.1 Change in accounting policies

New standards and interpretations applicable from January 1st, 2019

The Group has adopted IFRS 16 Leases with effect as of January 1st, 2019 (the date of "transition to IFRS 16"). The issues posed by the standard and details of the transition to IFRS 16 are disclosed in note 1.2.2 *IFRS 16 Leases*.

The mandatory application of IFRIC 23, which clarifies the requirements of IAS 12 in respect of the measurement and recognition of uncertainty in accounting for income taxes, did not have a significant impact on the Group's consolidated financial statements. On its adoption, equity as of December 31st, 2018 was retrospectively restated in an amount of €4.0 million.

The following amendments:

- annual improvements to IFRS, 2015-2017 cycle, which modify IFRS 3, IFRS 11, IAS 12 and IAS 23;
- amendments to IFRS 9 concerning prepayment features with negative compensation;
- amendments to IAS 19 concerning a plan amendment, curtailment or settlement;

came into force with effect from January 1st, 2019 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, 2019

The Group has elected not to early apply the following new standards:

- amendments to references to the conceptual framework in IFRS standards;
- amendments to IAS 1 and IAS 8 on the definition of material;
- amendments to IFRS 9, IAS 39, IFRS 7 in connection with the reform of interest rate benchmarks.

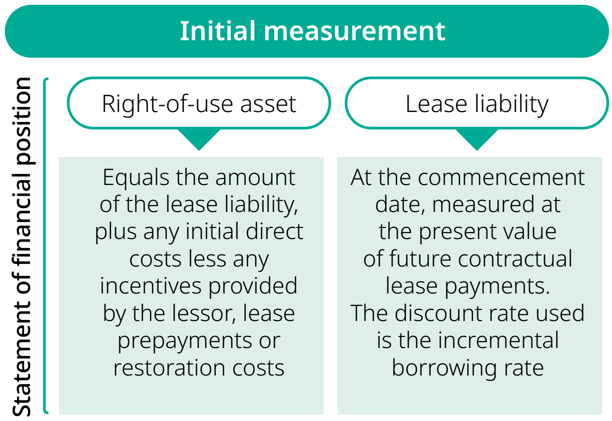
These standards and interpretations are required to be applied from January 1st, 2020.

1.2.2 IFRS 16 *Leases*

Accounting policies

Initial measurement

Under IFRS 16, all lease contracts are now recognized on the statement of financial position, measured by discounting the future contractual lease payments to present value. This results in the recognition of a new specific non-current asset and financial liability. At the commencement date, the asset and the liability are of the same amount, except in certain specific cases, such as lease prepayments, restoration costs, *etc.*



Over the lease term

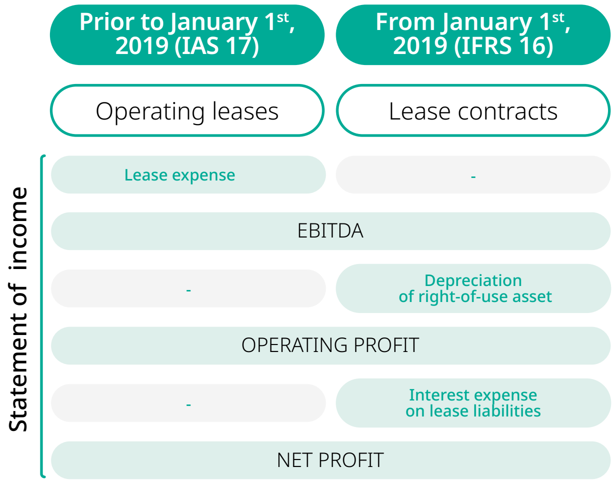
The right-of-use asset is depreciated on a straight-line basis over the expected lease term.

The lease liability is increased by the interest expense of the period and reduced by the amount of lease payments.

The Group has elected to recognize deferred tax on the temporary difference arising from the above-mentioned treatment.

At the end of the lease term, the asset will be fully depreciated and the lease liability paid off, with no outstanding deferred tax balance.

In consequence, the presentation of lease expense in the statement of income is significantly modified, as follows:



Lease payments are now classified as cash flows from financing activities in the statement of cash flows (in cash flows from operating activities until 2018).

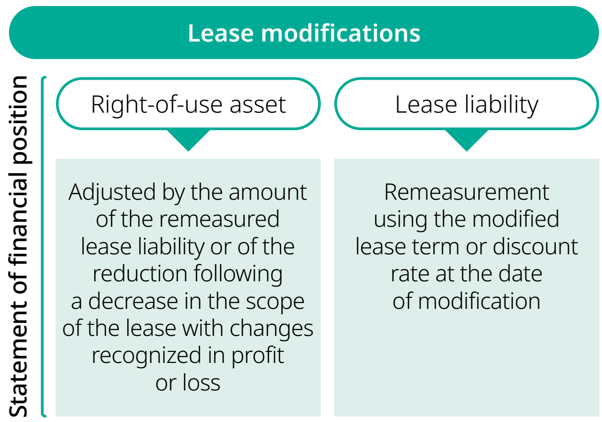
During the lease term, it may become necessary to adjust the carrying amount of the right-of-use asset or the amount of the lease liability, principally in the following cases:

- change in the assumptions relating to the lease term; or
- change in the amount of future lease payments linked to an index or rate.

Lease modifications

When a lease contract is modified for an increase in its scope at a stand-alone price for the increase, the modification is accounted for as a separate lease.

In all other contract modifications, the lease liability is remeasured and the right-of-use asset is adjusted as shown in the following table:



Specific application features within the Group

As lessee, the Group is party to lease contracts in respect of a large number of assets, almost exclusively of real estate. The Group leases most of the premises in which its contact centers are installed. Generally, these leases take the form of a commercial lease, some of whose terms may be a function of the relevant laws applying in each of the countries in which it operates, particularly in respect of lease terms. Certain leases may include a renewal option and/or additional lease payments based on changes in local price indices.

As the Group has elected to apply IFRS 16 using the modified retrospective approach, the 2018 comparative amounts have not been restated and continue to be presented in accordance with IAS 17 and its related interpretations as disclosed in note 3.1 *Leases*.

The Group has elected not to apply the lease accounting model (*i.e.* recognition of right-of-use assets and lease liabilities) for low-value assets (less than €5,000) or short-term leases (less than 12 months). The related lease payments are expensed on a straight-line basis over the lease term.

From the date of transition to IFRS 16, right-of-use assets are presented under the heading "Right-of-use assets". Lease liabilities are presented under the heading "Lease liabilities".

The impact of the application of the standard on the principal sub-totals in the statement of financial position and the statement of income are set out in note 3.12 *External expenses*.

Transition disclosures

On transition to IFRS 16, all current leases previously accounted for as operating leases under IAS 17*, including those with a residual term of under 12 months, were subject to measurement prior to their recognition under IFRS 16.

Liabilities were measured at the present value of future lease payments, discounted using the incremental borrowing rate. This rate is specific to each contract and was determined as of January 1st, 2019 for each country over the residual lease term of all current leases. The discount rate takes account of the following factors:

- the lease term;
- the risk-free rate of the country in which the asset is situated;
- the Group's euro-denominated credit spread;
- the rate of a swap from the lease currency to euros;
- a weighting to cover the higher risk attached to a subsidiary entity and to the immovable nature of the leased assets.

The resulting weighted incremental average rate was 6.9%. This rate reflects the world-wide presence of the Group, particularly in the USA, India and the Philippines.

The right-of-use assets were measured at the same amount as the related lease liabilities, adjusted for any lease prepayments or liabilities previously resulting from the recognition of operating lease expense on the straight-line basis.

In most cases, the lease term is represented by the length of time between the date of initial application and the end of the lease term. Where a renewal option exists, the Group has used reasonable judgement in determining the lease term. This can impact the amounts of the lease liabilities and of the right-of-use assets recognized in the statement of financial position. Where lease contracts are subject to tacit renewal, without a termination payment in favor of either party, the Group has used its best judgement in determining the applicable lease term, while ensuring that the decision is consistent with the useful lives of any related lease improvements. The Group has therefore identified no significant impact arising from the implementation of the IFRIC agenda decision of November 26th, 2019.

* *Excluding low-value and short-term leases.*

The reconciliation between the amount of lease liabilities recognized on transition to IFRS 16 and the amount of operating lease commitments disclosed in the notes to the consolidated financial statements for the year ended December 31st, 2018 is as follows:

(in millions of euros)	
Operating lease commitments at December 31st, 2018	**847**
Effect of timing differences between inception and commencement	-37
Renewal options not included in commitments	58
Other	-1
Lease liabilities before discounting	**867**
Discounting to present value	-160
Lease liabilities at January 1st, 2019 after initial application	**707**

1.2.3 Estimates and judgements

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 (note 4);
- the measurement of share-based payments expense (note 3.5);
- the measurement of derivative financial instruments (note 7.5);
- provisions for risks and expenses (note 9);
- the measurement of intangible assets acquired as part of a business combination (note 3.3);
- the measurement of deferred taxation and uncertainty over income tax treatments (note 5).

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-current assets (other than financial assets)

Goodwill and other intangible assets with indefinite useful lives are tested each year for impairment as disclosed in note 4.1 *Goodwill, accounting policies and methods*.

Other non-current assets are tested for impairment when there is objective evidence of a loss of value. Testing is performed at the level of the CGU to which these assets with a finite useful life are allocated.

Financial assets

The Group reviews the risks of full or partial non-recovery of the carrying amount of financial assets based on expected credit losses on a regular basis and recognizes any impairment losses required 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.

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 EBITA before non-recurring items: (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 (see the definition given below).

EBITA margin: EBITA/revenues.

EBITDA or EBITDA before non-recurring items: (Earnings Before Interest, Taxes, Depreciation and Amortization): EBITA before non-recurring items without depreciation and amortization, depreciation of right-of-use assets and depreciation of right-of-use assets - personnel-related.

NOPAT: operating profit excluding non-recurring items times the effective rate of taxation.

Organic growth: increase in revenues excluding changes in consolidation scope and exchange movements.

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 debt: the total of current and non-current financial liabilities, plus lease liabilities, less cash and cash equivalents.

Note 2 Scope of consolidation

Note 2.1 Accounting policies and methods

2.1.1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when it is exposed, or has the rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over it.

In assessing control, potential voting rights that presently are exercisable or convertible are taken into account.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Associates

The Company holds no entity in which the Group has significant influence, but not control, over the financial and operating policies.

Transactions eliminated in the consolidated financial statements

Balances, any unrealized gains and losses, and income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

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 country concerned, 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

The Group applies the acquisition method in accounting for business combinations. At the date of acquisition, goodwill represents the difference between the sum of the fair value of the consideration transferred (the acquisition price) and the non-controlling interests, and the net amounts of the identifiable assets acquired and liabilities assumed (generally at fair value).

When the Group does not acquire all shares in an entity, it may elect to measure non-controlling interests using either of the following two options:

- measurement of non-controlling interests as the proportionate interest in identifiable assets and liabilities (the partial goodwill method);
- measurement of non-controlling interests at fair value (the full goodwill method).

The Group has elected to apply the partial goodwill method for its acquisitions made since 2010.

The initial measurement of the consideration transferred and the fair values of identifiable assets acquired and liabilities assumed are finalized within 12 months of the date of acquisition and any adjustment is accounted for as a retrospective correction of goodwill. Any subsequent adjustment is recognized in profit or loss.

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

The Group made no acquisition or disposal during 2019.

On October 4th, 2018, the Group acquired Intelenet, a major provider of high added-value services and digital transformation solutions. Intelenet has been fully consolidated since October 1st, 2018.

The Group did not identify any significant adjustments during 2019 relating to the measurement of the assets and liabilities acquired, or to the related amount of goodwill, as disclosed in the consolidated financial statements as of December 31st, 2018.

Note 3 Operational activity

Note 3.1 Leases

The accounting policies and methods applied with effect from January 1st, 2019 in respect of lease contracts are disclosed in note 1.2.2 *IFRS 16 Leases*.

The carrying amount of right-of-use assets at the reporting date was €688.6 million, and may be analyzed as follows:

Cost *(in millions of euros)*	**Right-of-use of assets**
At December 31st, 2018	**0**
Adoption of IFRS 16	687
Increase	185
Decrease	-7
Translation differences	3
AT DECEMBER 31ST, 2019	**868**

Accumulated depreciation and impairment losses *(in millions of euros)*	**Right-of-use of assets**
At December 31st, 2018	**0**
Expense	-186
Decrease	7
Translation differences	
AT DECEMBER 31ST, 2019	**-179**

Carrying amount *(in millions of euros)*	**Right-of-use of assets**
At December 31st, 2018	**0**
AT DECEMBER 31ST, 2019	**689**

Lease liabilities amounted to €732.0 million at the reporting date, with the following maturities:

	Total 12/31/2019	**Under 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**Over 5 years**
Lease liabilities	732	169	145	110	89	68	151

Interest expense on the lease liabilities during 2019 amounted to €45.7 million.

Lease expense in respect of lease contracts not included in the determination of the lease liability amounted to €19.2 million. The related lease commitments not recognized in the statement of financial position amounted to €16.1 million at the reporting date.

Variable lease payments not included in the determination of the lease liability are not significant.

There are 10 lease contracts which have been entered into but where the underlying assets have not yet been made available for use by the lessee, amounting to €11.1 million at the reporting date.

Note 3.2 Property, plant and equipment

Initial measurement

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.

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 – 25 years
Office and IT equipment:	3 – 5 years
Other:	3 – 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period.

Land is not depreciated.

Property, plant and equipment is analyzed as follows:

Cost *(in millions of euros)*	**Land & buildings**	**Telephone and IT equipment**	**Other**	**In progress**	**Total**
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**
Transfer	23	9	3	-31	4
Increase	64	92	50	36	242
Decrease	-6	-29	-9		-44
Translation differences	9	12	3		24
Hyperinflation adjustment	3	1		1	5
AT DECEMBER 31ST, 2019	**632**	**667**	**309**	**37**	**1,645**

Accumulated depreciation and impairment losses *(in millions of euros)*	**Land & buildings**	**Telephone and IT equipment**	**Other**	**In progress**	**Total**
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**		**-917**
Transfer	-2	-2	-5		-9
Expense	-62	-69	-34		-165
Decrease	6	28	9		43
Translation differences	-6	-9	-2		-17
Hyperinflation adjustment	-1	-1			-2
AT DECEMBER 31ST, 2019	**-375**	**-502**	**-190**		**-1,067**

Carrying amount *(in millions of euros)*	**Land & buildings**	**Telephone and IT equipment**	**Other**	**In progress**	**Total**
At December 31st, 2017	**212**	**112**	**78**	**21**	**423**
At December 31st, 2018	**229**	**133**	**104**	**31**	**497**
AT DECEMBER 31ST, 2019	**257**	**165**	**119**	**37**	**578**

* *The line item "Change in consolidation scope" relates to the acquisition of Intelenet in October 2018.*

"Other" comprises principally office equipment and furniture. No impairment loss has been recorded on these assets.

Note 3.3 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 – 6 years
Brand names:	3 – 10 years
Customer relationships:	9 – 15 years

Other intangible assets are analyzed as follows:

Gross *(in millions of euros)*	Assets recognized as part of a business combination: Software	Assets recognized as part of a business combination: Brand names and customer relationships*	Other: Software	Other: Other	Total
At December 31st, 2017	**54**	**1,053**	**175**	**3**	**1,285**
Change in consolidation scope		311	7		318
Transfer			6	-1	5
Increase			16		16
Decrease			-6		-6
Translation differences	3	64	1		68
At December 31st, 2018	**57**	**1,428**	**199**	**2**	**1,686**
Change in consolidation scope					0
Transfer			7		7
Increase			21		21
Decrease			-8		-8
Translation differences	1	22	2		25
AT DECEMBER 31ST, 2019	**58**	**1,450**	**221**	**2**	**1,731**

Accumulated amortization and impairment losses *(in millions of euros)*	Assets recognized as part of a business combination: Software	Assets recognized as part of a business combination: Brand names and customer relationships*	Other: Software	Other: Other	Total
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		-12
At December 31st, 2018	-22	-276	-155	-2	**-455**
Transfer			-3		-3
Expense	-10	-99	-23		-132
Decrease			8		8
Translation differences		-5	-2		-7
AT DECEMBER 31ST, 2019	**-32**	**-380**	**-175**	**-2**	**-589**

Carrying amount *(in millions of euros)*	Assets recognized as part of a business combination: Software	Assets recognized as part of a business combination: Brand names and customer relationships*	Other: Software	Other: Other	Total
At December 31st, 2017	**42**	**866**	**38**	**0**	**946**
At December 31st, 2018	**35**	**1,152**	**44**	**0**	**1,231**
AT DECEMBER 31ST, 2019	**26**	**1,070**	**46**	**0**	**1,142**

* *Including the LLS brand name in an amount of €93.5 million at December 31st, 2019. As it has an indefinite useful life, it is not amortized.*

Note 3.4 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.

	12/31/2019			12/31/2018
(in millions of euros)	**Gross**	**Write-downs**	**Net**	**Net**
Accounts receivable – Trade	1,238	-15	1,223	1,048
Other receivables	17	-5	12	12
Taxation recoverable	85		85	63
Advances and receivables on non-current assets	7		7	10
Prepaid expenses	63		63	62
TOTAL	**1,410**	**-20**	**1,390**	**1,195**

Accounts receivable – Trade by geographical region

(in millions of euros)	12/31/2019	12/31/2018*
English-speaking & APAC	423	390
Ibero-LATAM	359	271
Continental Europe & MEA	241	214
India & Middle East	97	86
Specialized Services	103	87
TOTAL	**1,223**	**1,048**

* *Restated in accordance with the new organization*

Payment schedule of accounts receivable – Trade

(in millions of euros)	12/31/2019	12/31/2018
Not yet due	1,014	833
Overdue < 30 days	129	148
Overdue < 60 days	36	36
Overdue < 90 days	11	14
Overdue < 120 days	17	12
Overdue > 120 days	16	5
TOTAL	**1,223**	**1,048**

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 has entered into factoring agreements (representing the transfer of customer account balances without recourse, with assignment of the benefit under credit insurance policies) in order to diversify its sources of finance through the sale of customer receivables of certain of its European subsidiaries.

After reviewing the agreements, group management considers that the contractual rights to receive the related cash flows have been transferred to the factor. The outstanding receivables concerned totaled €53.9 million and €58.3 million at December 31st, 2019 and 2018, respectively, and have been derecognized. No profit or loss effect results from these transactions, and the maximum risk incurred in the event of non-compliance with the above-mentioned conditions is represented by the total amount of the receivables concerned *i.e.* €53.9 million at December 31st, 2019.

Under the agreements, the Group retains the credit control and receipt functions in respect of the sold receivables on behalf of the factor.

Certain other subsidiaries are party to reverse factoring arrangements, covering a total of €33.1 million at December 31st, 2019 (€19.4 million at December 31st, 2018).

Note 3.5 Share-based payments

A number of plans were in effect during 2019 under which the Group allocates incentive shares 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 AGM held on May 9th, 2019

Under the authorization given at the Shareholders' General Meeting of May 9th, 2019, and subject to a ceiling of 3% of the share capital of the Company at the grant date, the Board of Directors' meeting of June 3rd, 2019 approved:

- free awards in a total amount of 442,241 incentive plan shares to group personnel, including company officers; and
- the setting-up of a long-term incentive plan for senior group managers, with the free award of 58,333 performance shares, with the same features as the above-mentioned plan.

Effective transfer of the free shares is conditional on beneficiaries' performance and continued presence.

The Board of Directors has defined three performance criteria; each criterion relates to the potential vesting of up to one-third of the individual award.

The first performance criterion concerns organic revenue growth (*i.e.* at constant consolidation scope and exchange rates) between the year ended December 31st, 2018 and the year ending December 31st, 2021:

Effective award %	0%	50%	75%	100%
Organic revenue growth	Less than 15.0%	Higher than or equal to 15.0%	Higher than or equal to 17.5%	Higher than or equal to 20.0%

The second performance criterion is based on the operating EBITA margin in the year ending December 31st, 2021:

Effective award %	0%	50%	75%	100%
EBITA margin	Less than 13.8%	Higher than or equal to 13.8%	Higher than or equal to 13.9%	Higher than or equal to 14.0%

The third performance criterion is based on the performance of the Teleperformance SE share price compared with that of the SBF 120 index over each of the three years of the plan:

Effective award %	0%	50%	75%	100%
Change in the share price	Less than 100 basis points	Higher than or equal to 100 basis points	Higher than or equal to 200 basis points	Higher than or equal to 300 basis points

Two additional overriding conditions are that organic revenue growth is at least 15% and that the EBITA margin is not less than 13.8%.

Other significant features of this plan are as follows:

	06/03/2019 plan
Date of Board meeting allocating the awards	06/03/2019
Vesting period	06/03/2019 to 06/03/2022
Grant date	06/03/2019
Number of share awards*	500,574
Number of canceled awards	15,349
Number of outstanding share awards at December 31st, 2019	485,225
Fair value of each share award at the grant date (taking into account the market condition)	€108.50
Fair value of each share award at the grant date (without taking into account the market condition)	€163.90
* *Including for company officers.*	*80,333*

Incentive share award plans – Authorization given at the AGM held on April 28th, 2016

Award on April 28th, 2016

Under the authorization given at the Shareholders' General Meeting of April 28th, 2016, and subject to a ceiling of 2.5% of the share capital of the Company at the grant date, the Board of Directors' meeting of April 28th, 2016 approved:

- free awards in a total amount of 914,300 incentive plan shares to group personnel, including company officers; and
- the setting-up of a long-term incentive plan for senior group managers, with the free award of 350,000 performance shares, with the same features as the above-mentioned plan.

Effective transfer of the free shares was conditional on beneficiaries' performance relating to the financial years between 2016 and 2018, with full realization of the objectives giving right to the transfer of 100% of the shares awarded, and on the beneficiaries remaining with the Group until April 28th, 2019.

This award has arrived at its term, and the following shares were transferred to beneficiaries:

- 800,600 new shares; and
- 279,041 shares obtained through purchase on the stock exchange.

Award on November 2nd, 2016

Under the authorization given at the same shareholders' general meeting of April 28th, 2016, the Board of Directors' meeting of November 2nd, 2016 approved free awards in a total amount of 151,508 incentive plan shares to group personnel, including company officers. Effective transfer of the free shares was conditional on beneficiaries' performance relating to the financial years between 2016 and 2018, with full realization of the objectives giving right to transfer of 100% of the shares awarded, and on the beneficiaries remaining with the Group until November 2nd, 2019.

This award has arrived at its term, and the following shares were transferred to beneficiaries:

- 138,400 new shares; and
- 1,476 shares obtained through purchase on the stock exchange.

Other awards

The Board of Directors' meetings on June 23rd and November 30th, 2017 and February 28th, 2018 approved free awards totaling 18,600 incentive plan shares to group personnel, including company officers of group companies, under the authorization given at the same Shareholders' General Meeting of April 28th, 2016. Vesting of these free share awards is also conditional on the beneficiaries remaining with the Group until at least the end of the vesting period and on meeting certain performance conditions.

The expense in respect of the above-mentioned award plans amounted to €24.6 million in 2019.

Note 3.6 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 3.7 Employee termination payments

Termination payments are recognized as expenses when the Group is committed, with no realistic possibility of withdrawal, either to a formal detailed plan to lay off employees before their normal retirement date, or to payments made in connection with non-compete terms.

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 3.8 Employee benefits – Defined contribution plans

Obligations for contributions to defined contribution plans are recognized as an expense as incurred.

Such expenses totaled €18.4 million in 2019 compared with an amount of €14.2 million in 2018.

Note 3.9 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 3.10 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)	**12/31/2019**	**12/31/2018**
Accounts payable – Trade	173	147
Other payables	217	193
Taxes payable	71	73
Accrued expenses	199	218
Other operating liabilities	49	47
TOTAL	**709**	**678**

Other operating liabilities at December 31st, 2019 include the negative fair values of derivative financial instruments entered into for the purpose of hedging foreign currency exposures, for €5.2 million, compared with €9.1 million at the end of 2018.

Note 3.11 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 & D.I.B.S. (Digital Integrated Business Services), which principally include:
  - customer relationship operations, technical assistance and customer acquisition,
  - management of business processes, back office and digital platform services;
- Specialized Services with a high added-value content, which principally include:
  - on-line interpretation services,
  - visa application management.

The revenues related to these various services, which represent single contractual arrangements, are recognized as the services are rendered. Most group contracts have billing arrangements that are directly based on performance as of the invoice date. Revenue therefore corresponds to contractual billing rights.

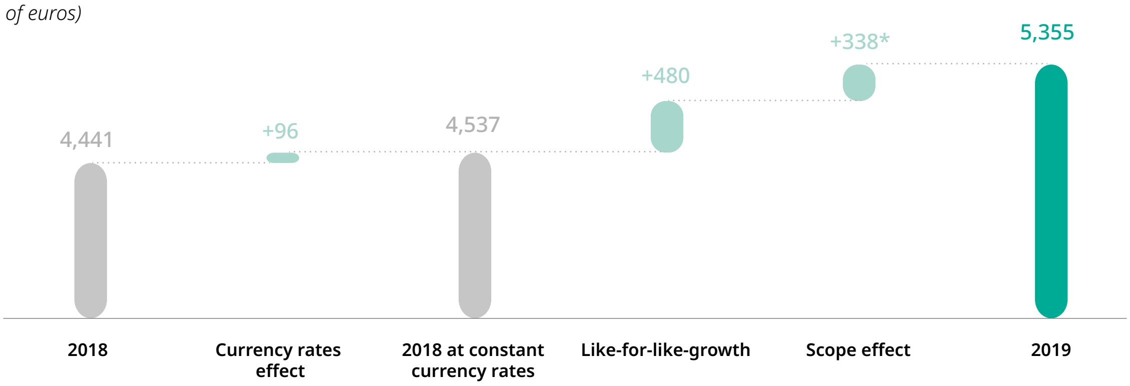
In Core Services & D.I.B.S., the services are recognized principally as a function of time spent by personnel (*e.g.* through telephone, chat or e-mail), or of volumes processed (*e.g.* the number of calls or sales made), or of the number of personnel allocated to the engagement. The services rendered 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 translators or 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.

(in millions of euros)



**Relates principally to Intelenet, acquired in the second half of 2018.*

Group revenues amounted to €5,355.0 million in 2019, representing an increase (on the basis of published figures) of 20.6% compared to 2018.

At constant scope and exchange rates, the increase was 10.6%.

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 2019, grants amounted to €2.4 million compared with €5.7 million in 2018. The decrease is principally due to the ending of the French CICE subsidy which has been replaced by a reduction in social charges.

Note 3.12 External expenses

These consist mainly of telecommunications and travel and entertainment expenses, and all costs related to group premises other than those lease expenses covered by IFRS 16 (see note 3.1 *Leases*).

In 2018, this heading consisted mainly of property lease expense, and operating lease payments were recognized in profit or loss on a straight-line basis over the lease term. Commitments under operating leases were disclosed but not recognized in the statement of financial position. In 2019, only rental expense on low-value assets or on short-term leases remains classified as external expenses.

(in millions of euros)	2019	2018
Property rents and charges	-86	-228
Telecommunication	-108	-96
Maintenance of equipment	-114	-82
Travel and entertainment	-86	-63
Office cleaning and security	-60	-49
Operating expenses	-76	-55
Staff recruitment	-56	-36
Fees	-45	-33
Consumable supplies	-20	-17
Other	-57	-79
TOTAL	**-708**	**-738**

The decrease in property rents and charges is principally due to the implementation of IFRS 16 (see note 3.1 *Leases*).

Note 3.13 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)	2019	2018
Other operating income		
Other operating expenses	-7	-8
TOTAL	**-7**	**-8**

Other operating expenses in 2018 comprise principally the costs incurred in connection with the change to Teleperformance's visual identity commenced last year and completed in 2019.

Note 3.14 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.

At the beginning of 2019, following the acquisition of Intelenet in October 2018, the Group has restructured its organization.

This has resulted in a change to its segment reporting in order to reflect group activity as followed by the chief executive officer, and is split into the following two segments:

- the Core Services & D.I.B.S. (Digital Integrated Business Services) segment which includes customer care, technical support and new customer acquisitions, in addition to the management of business processes, digital platform services and the high added-value consulting and data analysis offered by Praxidia. It is divided into four principal management regions:
  - English-speaking & APAC, which covers the activities in the following countries: Canada, USA, United Kingdom, South Africa, China, Indonesia, the Philippines, Singapore, Malaysia and Japan,
  - Ibero-LATAM, which covers the activities in the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Guyana, Guatemala, El Salvador, Peru, Mexico, Spain and Portugal,
  - Continental Europe & MEA, which covers the activities in the countries in Europe with the exception of the United Kingdom, Spain and Portugal, as well as the Group's historic activities in the Middle East and Africa,
  - India & Middle East, which covers the activities in India, the Intelenet businesses in the Middle East, and the analytics solutions activity developed by Group's subsidiary Praxidia;
- the Specialized Services segment which includes the interpreting services of LanguageLine Solutions, the visa application management services for government departments offered by TLScontact and the accounts receivable credit management services of AllianceOne Receivables Management in North America.

Segment information is set out below:

2019 *(in millions of euros)*	Core Services & D.I.B.S. English-speaking & APAC	Ibero-LATAM	Continental Europe & MEA	India & Middle East	Holding companies	Specialized Services	Total
Revenues	**1,715**	**1,360**	**1,067**	**508**		**705**	**5,355**
Operating profit	**131**	**152**	**86**	**60**	**33**	**159**	**621**
Impairment loss on goodwill			-2				-2
Capital expenditure	60	84	53	27		28	252
Intangible assets, right-of-use assets and property, plant and equipment (carrying amounts)	1,144	570	427	1,027	6	1,575	4,749
Depreciation and amortization of non-current assets	-128	-115	-77	-59	-2	-102	-483

2018* *(in millions of euros)*	Core Services & D.I.B.S. English-Speaking & APAC	Ibero-LATAM	Continental Europe & MEA	India & Middle East	Holding Companies	Specialized Services	Total
Revenues	**1,498**	1,157	**963**	**197**		**626**	**4,441**
Operating profit	**114**	132	**67**	**20**	**20**	**132**	**485**
Capital expenditure	38	60	58	17		24	197
Intangible assets and property, plant and equipment (carrying amounts)	993	299	229	954	2	1,555	4,032
Depreciation and amortization of non-current assets	-73	-48	-29	-17	-1	-79	-247

* *Restated in accordance with the new organization.*

Inter-segment operations are not significant and are not identified separately.

Note 4 Goodwill

Note 4.1 Accounting policies and methods

Initial measurement

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, property, plant and equipment and right-of-use assets, 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.

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.

Following the acquisition of Intelenet in October 2018 and its integration into the Core Services & D.I.B.S. segment from the beginning of 2019, the Group has modified certain of its CGUs and CGU groups.

This has resulted in the following principal changes:

- the India and Middle East CGU group was created to group together the Intelenet businesses in India and the Middle East as well as the activities of the Group's historic subsidiary in India, which was previously included in the North America & FHCS CGU;
- the Guatemalan subsidiary of Intelenet has gone into the Nearshore CGU;
- the American and Philippine subsidiaries of Intelenet are now included in the North America & FHCS CGU.

The following schedule sets out the reallocation of fair values of goodwill to the various CGUs affected by the new organization:

CGUs – Net amounts *(in millions of euros)*	**12/31/2018**	**Reallocation**	**Translation differences**	**12/31/2019**
North America (US Market)	596	-65	14	545
Intelenet	566	-566	0	0
India & Middle East		626	-5	621
Nearshore	111	5	5	121
TOTAL	**1,273**	**0**	**14**	**1,287**

At December 31st, 2019, the principal CGUs were determined to be as follows:

North America (US Market) CGU

This CGU is formed by the Core Services & D.I.B.S. subsidiaries located in the USA, Canada, and the Philippines. The recoverable amount represented by this CGU is €2,447 million.

Nearshore CGU

This CGU is formed by the Core Services & D.I.B.S. businesses of subsidiaries located in Mexico, Costa Rica, Guatemala, El Salvador, Honduras, and the Dominican Republic. The recoverable amount represented by this CGU is €998 million.

Central Europe CGU

This CGU is formed by the Core Services & D.I.B.S. businesses of subsidiaries located in Germany, Switzerland and the Netherlands, as well as the production subsidiaries in Kosovo and Bosnia. The recoverable amount represented by this CGU is €248 million.

United Kingdom CGU

This CGU is formed by the Core Services & D.I.B.S. businesses of subsidiaries located in the United Kingdom and the offshore subsidiary in South Africa. The recoverable amount represented by this CGU is €188 million.

French Speaking Market (FSM) CGU

This CGU is formed by the Core Services & D.I.B.S. 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 €227 million.

LanguageLine Solutions CGU

This CGU, which forms part of the Specialized Services segment, was created in 2016 following the acquisition of LanguageLine Solutions LLC. The recoverable amount represented by this CGU is €2,356 million.

India & Middle East CGU

This CGU was created following the acquisition of Intelenet in October 2016 and covers the Intelenet businesses in India and the Middle East, as well as the activities of the Group's historic subsidiary in India. The recoverable amount represented by this CGU is €1,162 million.

As disclosed in note 2.2 *Change in consolidation scope*, the Group has finalized the measurement of the assets and liabilities acquired, resulting in goodwill of €624.0 million at December 31st, 2019.

Other CGU

There are 14 other CGUs, including the Spanish market, Southern Europe, Eastern Europe, TLScontact and ARM, 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.

WACCs are 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 two years (given the absence of comparable enterprises). The risk-free rate and the risk premium are specific to each geographical area with similar characteristics.

In connection with the adoption of IFRS 16 and the consequent difficulty in forming judgements, particularly on the market information required to determine the WACCs in a post-IFRS 16 context, the Group has applied the following steps in its impairment testing as of December 31st, 2019:

- the right-of-use asset is included, and the lease liability deducted, in the carrying amount of CGU assets tested;
- lease payments are taken into account in full the cash flows (*i.e.* the pre-IFRS 16 position); and
- the discount rate used is the pre-IFRS 16 WACC.

Reasonableness checks are made to ensure that each WACC is consistent with the relevant 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 2019, 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.

This review resulted in the recognition of an impairment loss of €2.4 million, representing the carrying amount of the TP Italy Group CGU goodwill.

Note 4.4 Change in goodwill and allocation of goodwill by CGU

Changes in goodwill in 2018 and 2019 are set out below:

Goodwill *(in millions of euros)*	**Gross**	**Accumulated impairment losses**	**Carrying amount**
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**
Change in consolidation scope	3		3
Translation differences	35		35
Impairment losses		-2	-2
AT DECEMBER 31ST, 2019	**2,431**	**-91**	**2,340**

* *The line items "Change in consolidation scope" relate to the acquisition of the Intelenet group in October 2018.*

The following schedule sets out the allocation of goodwill and the discount rate for the principal CGUs:

	Goodwill				**Discount rate**	
	12/31/2019		**12/31/2018**		**2019**	**2018**
(in millions of euros)	**Gross**	**Carrying amount**	**Gross**	**Carrying amount**		
LanguageLine Solutions	762	762	746	746	6.5%	6.5%
North America (US Market)	561	545	611	596	6.5%	6.5%
India & Middle East	624	624	566	566	11.0%	
Nearshore	121	121	111	111	8.5%	8.9%
Central Europe	94	50	94	50	4.8%	5.4%
United Kingdom	71	71	67	67	6.0%	5.5%
FSM	53	30	53	30	5.5%	5.9%
Other	145	137	145	138		
TOTAL	**2,431**	**2,340**	**2,393**	**2,304**		

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 basis points in the EBITDA rates used in the calculation of the terminal values.

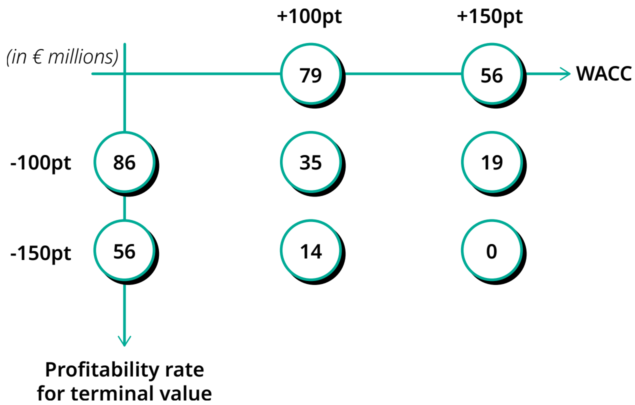
In the event that a CGU is identified under this test, additional sensitivity analyses are performed using further changes in operational assumptions *e.g.* revenue growth.

As of December 31st, 2019, no CGU has been identified as at risk of impairment loss. However, the Central Europe CGU is subject to specific analysis due to its history. At that date, the carrying amount of its goodwill was €49.9 million.

The following chart shows the impact of increases of 100 and 150 basis points in the discount rate combined with reductions of 100 and 150 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 Central 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 2019, the Group recognized income tax expense of €131.1 million compared with expense of €121.7 million in 2018. Expense in 2019 included income of €11.4 million resulting from the effect of the change in tax rates in India and Greece on the measurement of deferred tax liabilities, which explains the reduction in the effective tax rate from 28% in 2018 to 24.7% in 2019.

The tax proof is set out below, using the standard rate in France as its basis:

(in millions of euros)	2019	2018
Consolidated net profit	**400**	**313**
Current tax expense	159	140
Deferred tax expense (credit)	-28	-18
Profit before tax	**531**	**435**
Standard rate of tax in France	33.33%	33.33%
Expected tax expense	**-177**	**-145**
CVAE	-2	-1
IRES/IRAP		-1
Tax on dividends		1
Effect of foreign jurisdictions' tax rates	38	38
Effect of changes in tax rates in India and Greece	11	
Other permanent differences, other items	9	-10
Change in unrecognized deferred tax assets	-10	-4
TOTAL	**-131**	**-122**

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, 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**
Recognized in profit or loss	-12	-40	28	
Recognized in equity	7	-2	9	
Translation differences	-1	7	-8	
Offset of assets and liabilities	6	6	0	
AT DECEMBER 31ST, 2019	**35**	**277**	**-242**	**4**

Deferred tax liabilities related to intangible assets recognized as part of a business combination amounted to €261.7 million at December 31st, 2019 (€301.9 million at December 31st, 2018).

Deferred tax assets amounted to €34.8 million at December 31st, 2019 (€34.6 million at December 31st, 2018) including amounts relating to tax losses carried forward of €4.1 million.

The Group has tax losses of approximately €178 million, of which €163 million have no expiry date.

Deferred tax assets of €41.5 million at December 31st, 2019 (€34.5 million at December 31st, 2018) relating to tax losses carried forward were not recognized as their recovery was not considered probable.

The Indian tax reform voted in September 2019 gave companies the option of a tax rate of 22% rather than the existing rate of 30%, conditional on accepting a limitation on the use of tax credits. The principal effect on the 2019 financial statements was a remeasurement of deferred tax in the Indian subsidiaries resulting in income of €12.1 million.

Note 5.3 Income tax liabilities

Following the application of IFRIC 23, which clarifies the requirements of IAS 12 in respect of the measurement and recognition of uncertainty in accounting for income taxes:

- such items have been reclassified as income tax liabilities whereas they were shown as provisions until December 31st, 2018, in an amount of €48.4 million at that date;
- an additional income tax liability of €4.0 million was recognized at December 31st, 2019, through opening equity.

The amount recognized in respect of uncertainty in accounting for income taxes at December 31st, 2019 was €52.4 million.

Note 6 Equity and Earnings per share

Note 6.1 Share capital

Share capital at December 31st, 2019 amounted to €146,797,500 consisting of 58,719,000 shares, with a nominal value of €2.50 each, fully paid-up.

	12/31/2019		12/31/2018
Number of shares issued and fully paid up	58,719,000		57,780,000
including treasury shares of	9,987		220,526
Dividend distributions in respect of the financial year (in million of euros)*	140.9	**	109.8
Dividend per share *(in euros)*	2.4	**	1.9

* *Based on the number of shares in issue at December 31st.*
** *As proposed to the shareholders' meeting on April 16th, 2020.*

Teleperformance SE has made three successive share capital increases in connection with the effective transfer of performance shares:

- an issue of 35,000 shares (€87,500) in March 2019;
- an issue of 765,600 shares (€1,914,000) in April 2019;
- an issue of 138,400 shares (€346,000) in November 2019.

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, 2019, the Group held 9,987 treasury shares acquired under the liquidity contract for a total of €2.1 million.

In order to meet the requirements of a long-term incentive plan maturing on April 28th, 2019 (see note 3.5 *Share-based payments*), the Group also acquired 98,542 own shares during the first half of 2019, for a total amount of €14.7 million. These shares are in addition to the 180,499 treasury shares already acquired in 2018 for an amount of €30.2 million; all shares were transferred to the plan beneficiaries at the end of April 2019.

These amounts have been deducted 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.

	2019	2018
Net profit – Group share	**400**	**312**
Weighted average number of shares used to calculate basic earnings per share	58,252,492	57,706,532
Dilutive effect of share awards	475,873	1,180,409
Weighted average number of shares used to calculate diluted earnings per share	58,728,365	58,886,941
Basic earnings per share *(in euros)*	**6.86**	**5.40**
Diluted earnings per share *(in euros)*	**6.81**	**5.29**

Diluted earnings per share does not take account of shares which could be issued under the incentive share award plan of June 3rd, 2019 described in note 3.5 *Share-based payments*, as the performance conditions were not met as of December 31st, 2019.

Weighted average number of shares used to calculate basic and diluted earnings per share

	2019	2018
Ordinary shares in issue at January 1st	57,780,000	57,780,000
Less: treasury shares held	-93,210	-73,468
Shares issued in year	565,702	0
TOTAL	**58,252,492**	**57,706,532**

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, liabilities to certain minority interests and lease liabilities.

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.

Lease liabilities are measured initially as the present value of the future lease payments at the commencement date. The discount rate used is the incremental borrowing rate. Subsequently, the liabilities are increased by the interest expense and reduced by the lease payments.

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.

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Note 7.2 Financial assets

(in millions of euros)	Current	Non-current	12/31/2019	12/31/2018
Loans	2		2	2
Derivative financial instruments	39		39	32
Guarantee deposits	17	57	74	71
Net asset warranty	5		5	10
Gross financial assets	**63**	**57**	**120**	**115**
Write-downs			0	0
CARRYING AMOUNT	**63**	**57**	**120**	**115**

Note 7.3 Financial result

(in millions of euros)	2019	2018
Income from cash and cash equivalents	**6**	**4**
Interest expense	-52	-52
Bank commissions	-6	-8
Financing costs	**-58**	**-60**
Interest on lease liabilities*	-46	
Net financing costs	**-98**	**-56**
Foreign exchange gains	49	26
Foreign exchange losses	-43	-23
Other financial income	2	3
Other financial income (expenses)	**8**	**6**
FINANCIAL RESULT	**-90**	**-50**

* *See note 3.1 Leases.*

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, 2019, the Group had the following financing arrangements:

Category of loan *(in millions of euros/currencies)*	**Amount in currency at 12/31/2019**	**Currency**	**Amount in € at 12/31/2019**	**Interest type**	**Rate**	**Maturity**	**Financial covenant**
2016 bank loan	120	USD	107	Floating	Libor $ + 0.85%	08.2021	yes
2018 bank loan	150	EUR	150	Floating	Euribor + 1.00%	06.2023	yes
Commercial paper	228	EUR	228	Fixed	-0.15% to -0.20%	01.2020	no
US private placement (2014) Tranche A	160	USD	144	Fixed(1)	+3.64%	12.2021	yes
US private placement (2014) Tranche B	165	USD	147	Fixed	+3.98%	12.2024	yes
US private placement (2016) Tranche C	75	USD	67	Fixed	+3.92%	12.2023	yes
US private placement (2016) Tranche D	175	USD	156	Fixed	+4.22%	12.2026	yes
2016 bond issues	605	EUR	605	Fixed(2)	Coupon: +1.50%	04.2024	no
2018 bond issues	757	EUR	757	Fixed(3)	Coupon: +1.875%	07.2025	no
Syndicated multicurrency facility(4)		EUR	0	Floating	Euribor + 0.40%	02.2023	yes
		USD	0	Floating	Libor $ + 0.40%	02.2023	yes
Bank facilities(4)		EUR	0	Floating	Euribor +0.50%	04.2020	no
		EUR	0	Floating	Euribor +0.50%	06.2020	yes
		EUR	0	Floating	Euribor +0.40%	07.2020	yes
		EUR	0	Floating	Euribor +0.40%	07.2020	no
		USD	0	Floating	Libor $ +0.40%	07.2020	no
TOTAL LOANS			**2,361**				
Issuance expenses of bonds or loans			-13				
Loan hedging instruments			-22				
Bank overdrafts and advances			9				
Other financial liabilities			16				
TOTAL FINANCIAL LIABILITIES (EXCLUDING LEASE LIABILITIES)			**2,351**				
Lease liabilities(5)			732				
TOTAL FINANCIAL LIABILITIES			**3,083**				

(1) A swap of fixed to floating interest rates has been contracted over US$160 million.
(2) A swap of fixed to floating interest rates has been contracted over €200 million as well as interest rate caps over €80 million.
(3) A swap of fixed to floating interest rates has been contracted over €200 million as well as interest rate caps over €100 million.
(4) A syndicated multicurrency facility of €300 million and bank facilities of €200 million.
(5) See note 3.1 Leases.

Schedule of loans by principal currency and type of interest rate

Type of interest rate *(in millions of euros)*	**Total**	**EUR**	**USD**
• fixed	2,104*	1,590	514
• floating	257	150	107
AT DECEMBER 31ST, 2019	**2,361**	**1,740**	**621**

* *Including €400 million and US$160 million covered by fixed to floating swaps.*

Type of interest rate *(in millions of euros)*	**Total**	**EUR**	**USD**
• fixed	1,986*	1,484	502
• floating	448	164	284
AT DECEMBER 31ST, 2018	**2,434**	**1,648**	**786**

* *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, 2019:

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US private placements of US$250 million and US$325 million:

At December 31st, 2019, the relevant ratios were as follows:

	Contractual	**Actual**
Consolidated equity (in millions of euros)*	> 1,728	2,569
Consolidated net debt*/consolidated EBITDA*	≤ 2.75x	2.06x

* *As defined in the agreements.*

Syndicated multicurrency facility of €300 million, 2016 bank loan of US$120 million, CMCCIC bank facility of €50 million, Banco Santander bank facility of €50 million and the 2018 bank loan of €150 million:

At December 31st, 2019, the relevant ratio was as follows:

	Contractual	**Actual**
Consolidated net debt*/consolidated EBITDA*	≤ 2.75x	2.06x

* *As defined in the agreements.*

7.4.2 Net debt: Schedule of maturities

(in millions of euros)	**12/31/2019**	**Current**	**Non-current***	**12/31/2018**	**Current**	**Non-current**
Bank loans	257	38	219	448	66	382
Commercial paper	228	228		134	134	
USPP 2014	291		291	284		284
USPP 2016	223		223	218		218
Bonds	1,362		1,362	1,350		1,350
Total bonds and loans	**2,361**	**266**	**2,095**	**2,434**	**200**	**2,234**
Loan issuance expense/premiums	-13	-1	-12	-13	-2	-11
Loan hedging instruments	-22	-22		-5	-5	
Bank overdrafts and advances	9	9		3	3	
Other financial liabilities	16	16		18	17	1
Total financial liabilities excluding lease liabilities	**2,351**	**268**	**2,083**	**2,437**	**213**	**2,224**
Lease liabilities**	732	168	564	0		
Total financial liabilities	**3,083**	**436**	**2,647**	**2,437**	**213**	**2,224**
Marketable securities	25	25		36	36	
Cash and bank	393	393		300	300	
Total cash and cash equivalents	**418**	**418**		**336**	**336**	
NET DEBT	**2,665**	**18**	**2,647**	**2,101**	**-123**	**2,224**

* *Over five years: €904 million.*
** *See note 3.1 Leases.*

In September 2016, the Group obtained a bank loan of US$500 million repayable in four equal installments on August 19th, 2018, 2019, 2020 and 2021. Subsequently, the Group has:

- in 2018, repaid the first instalment as well as an early partial repayment of the second instalment in the amount of US$50 million;
- in 2019, repaid the balance of the second instalment in the amount of US$75 million, as well as an early repayment of the third instalment in the amount of US$125 million and an early partial repayment of the fourth instalment in the amount of US$5 million.

In June 2018, the Group obtained a bank loan in an amount of €164 million, repayable in four equal installments on June 15th, 2020, 2021, 2022 and 2023. The Group has made an early partial repayment of the first instalment in the amount of €14 million during 2019.

During the first half of 2019, the Group put in place cross currency swaps to effectively convert the fixed rate USPP 2014 loans totaling US$325 million into two euro-denominated liabilities:

- at floating rate, for US$160 million;
- at fixed rate, for US$165 million.

The Group has the following unutilized facilities as of December 31st, 2019:

- a syndicated multicurrency (€ and US$) of €300 million expiring in February 2023;
- four bilateral credit lines negotiated during 2019, each of €50 million, expiring in April, June and July 2020.

Maturity schedule of loans

(in millions of euros)	Total 12/31/2019	Under 6 months	6-12 months	Total 2020	2021-2024	After 2024
Bank loans	257	38		38	219	
Commercial paper	228	228		228		
USPP loans	514			0	358	156
Bonds	1,362			0	605	757
TOTAL LOANS	**2,361**	**266**	**0**	**266**	**1,182**	**913**

(in millions of euros)	Total 12/31/2018	Under 6 months	6-12 months	Total 2019	2020-2023	After 2023
Bank loans	448		66	66	382	
Commercial paper	134	134		134		
USPP loans	502			0	205	297
Bonds	1,350			0		1,350
TOTAL LOANS	**2,434**	**134**	**66**	**200**	**587**	**1,647**

7.4.3 Interest rate risk

Risk factors

The Group has an exposure to interest rate risks on its financial liabilities and its short-term liquid investments. The following schedule identifies the amounts subject to interest rate risk:

Net debt *(in millions of euros)*	12/31/2019	Not subject to interest rate risk	Subject to interest rate risk	12/31/2018	Not subject to interest rate risk	Subject to interest rate risk
Total financial liabilities	3,083	2,270	813*	2,437	1,986	451
Cash and cash equivalents	-418		-418	-336		-336
NET DEBT	**2,665**	**2,270**	**395**	**2,101**	**1,986**	**115**

* *Taking account of the caps entered into to reduce the risk in respect of certain loans, an increase of 100 basis points in the interest rate would lead to an increase in financial expense of €6.7 million, whereas a reduction of the same scale would result in a reduction of €6.8 million in financial expense.*

Like all other groups subject to rating by a credit bureau, Teleperformance could see a decline in its capacity to finance its current activities or to refinance its debt should Standard & Poor's decide to reduce the credit rating it currently gives to the Group's long term debt (due to a higher than expected level of debt or to other reasons affecting its credit standing). Any deterioration in the credit rating could also lead to higher rates of interest for future Group borrowings.

Risk management

The Group currently has the best credit rating within the customer experience industry sector. The rating of its long-term debt is BBB- *i.e.* investment grade, with a stable outlook. This rating was confirmed to the Group in May 2019 by Standard & Poor's, which considers that this reflects in particular Teleperformance's position as market leader, the diversification of its customer portfolio and its world-wide cover, as well as its development into the high added-value digital solutions business.

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 December 31st, 2019 and 2018 are set out in the two following schedules:

Derivative financial instruments at December 31st, 2019 *(in thousands of euros)*	**Notional amount in currency**	**Notional amount in € at 12/31/2019**	**Fair value in € at 12/31/2019**	**In equity**	**In 2019 profit or loss**
Hedge of forecast transactions					
USD/MXN	53	47	2	1	1
USD/MXN*	10	9	0		
MXN/USD	464	22	1		1
MXN/USD*	93	4	0		
USD/PHP	10,200	179	4	3	2
USD/PHP*	2,550	45	0		
COP/EUR	19	19	1	1	
COP/EUR*	4	4	0		
COP/USD	143	127	6	5	1
COP/USD*	24	21	0		
USD/INR	165	147	3	2	
USD/INR*	13	11	0		
GBP/INR	88	98	6	6	
EUR interest rate hedges	**1,165**	**1,165**	**22**	**2**	**20**
USD interest rate hedges	**200**	**178**	**0**		
Hedge of intra-group loans					
• in USD	28	25	0		
• in PHP	8,269	145	5	1	4
• in MYR	58	13	0		
Cash pool hedges					
• in GBP	19	22	0		
• in USD	34	30	0		

* *Not eligible for hedge accounting.*

Derivative financial instruments at December 31st, 2018 *(in millions of euros)*	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	0		
MXN/USD	546	24	1	1	
MXN/USD*	88	4	0		
USD/PHP	9,054	151	2	2	
USD/PHP*	1,850	31	0		
COP/EUR	24	24	-1		-1
COP/EUR*	4	4	0		
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	0		
USD/CAD	12	10	0		
USD/CAD*	2	2	0		
AUD/INR	10	6	0		
GBP/INR	144	161	11	11	
USD interest rate hedges	**500**	**437**	**2**	**2**	
EUR interest rate hedges	**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	0		
Couverture cash pooling					
• in GBP	20	22	0		
• in USD	107	93	0		

* *Not eligible for hedge accounting.*

At December 31st, 2019, the fair value of derivative financial instruments amounted to €55.5 million (December 31st, 2018: €28.7 million) of which €38.8 million is presented in Other financial assets, €5.2 million in Other current liabilities and €21.9 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, 2019:

	Accounting category					Fair value			
12/31/2019 *(in millions of euros)*	**Financial assets and liabilities at fair value through profit or loss**	**Financial assets and liabilities at fair value in equity (may be reclassified to profit or loss)**	**Financial assets and liabilities at fair value in equity (may not be reclassified to profit or loss)**	**Financial assets and liabilities at amortized cost**	**Total carrying amount**	**Lev 1**	**Lev 2**	**Lev 3**	**Total fair value**
FINANCIAL ASSETS									
I – Non-current financial assets	**0**	**0**	**0**	**57**	**57**	**0**	**57**	**0**	**57**
Guarantee deposits				57	**57**		57		**57**
II – Derivative instruments – assets	**0**	**39**	**0**	**0**	**39**	**0**	**39**	**0**	**39**
Hedging instruments		39			**39**		39		**39**
III – Current financial assets	**25**	**0**	**0**	**1,807**	**1,832**	**418**	**1,414**	**0**	**1,832**
Loans				2	**2**		2		**2**
Guarantee deposits				17	**17**		17		**17**
Asset recognized on net asset warranty				5	**5**		5		**5**
Accounts receivable – Trade				1,223	**1,223**		1,223		**1,223**
Other current assets				167	**167**		167		**167**
Marketable securities	25				**25**	25			**25**
Cash and bank				393	**393**	393			**393**
TOTAL FINANCIAL ASSETS	**25**	**39**	**0**	**1,864**	**1,928**	**418**	**1,510**	**0**	**1,928**
FINANCIAL LIABILITIES									
I – Long-term financial liabilities	**556**	**0**	**0**	**2,091**	**2,647**	**0**	**2,647**	**0**	**2,647**
Bank loans				219	**219**		219		**219**
USPP loans	144			370	**514**		514		**514**
Bonds	412			950	**1,362**		1,362		**1,362**
Bond or loan issuance expense/premiums				-12	**-12**		-12		**-12**
Lease obligations				564	**564**		564		**564**
II – Derivative instruments – liabilities	**0**	**-17**	**0**	**0**	**-17**	**0**	**-17**	**0**	**-17**
Loan hedging instruments		-22			**-22**		-22		**-22**
Exchange rate hedging instruments		5			**5**		5		**5**
III – Current financial liabilities	**0**	**0**	**0**	**1,162**	**1,162**	**9**	**1,153**	**0**	**1,162**
Current portion of bank loans				38	**38**		38		**38**
Current lease liabilities				168	**168**		168		**168**
Commercial paper				228	**228**		228		**228**
Bond or loan issuance expense/premiums				-1	**-1**		-1		**-1**
Accounts payable – Trade				173	**173**		173		**173**
Bank overdrafts and advances				9	**9**	9			**9**
Other financial liabilities				16	**16**		16		**16**
Other current liabilities				531	**531**		531		**531**
TOTAL FINANCIAL LIABILITIES	**556**	**-17**	**0**	**3,253**	**3,792**	**9**	**3,783**	**0**	**3,792**

The following schedule shows the carrying amounts, as published, of financial assets and financial liabilities and their fair values, by accounting category as defined under IFRS 9, at December 31st, 2018:

	Accounting category					Fair value			
12/31/2018 *(in millions of euros)*	**Financial assets and liabilities at fair value through profit or loss**	**Financial assets and liabilities at fair value in equity (may be reclassified to profit or loss)**	**Financial assets and liabilities at fair value in equity (may not be reclassified to profit or loss)**	**Financial assets and liabilities at amortized cost**	**Total carrying amount**	**Lev 1**	**Lev 2**	**Lev 3**	**Total fair value**
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**
Asset recognized on net asset warranty				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**
Current portion of bank loans				66	**66**		66		**66**
Commercial paper				134	**134**		134		**134**
Bond or 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**

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.

Management considers that the departure of the United Kingdom from the European Union ("Brexit"), effective from February 1st, 2020, should not have any significant impact on the financial statements, in view of the Group's business in that country.

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 5.1% of group revenues. In addition, sales to telecommunications sector customers and internet access providers represent a total of 13.2% of the revenues of Core Services & D.I.B.S. business; the Group's dependence on this sector is steadily declining. No country accounts for over 10% of customer receivables with the exception of the United States which represented approximately 33% of total customer receivables as of December 31st, 2019.

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 59% 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 2020 through 2026 as disclosed in note 7.4 *Financial liabilities.*

As of December 31st, 2019, 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, 2019 was €2,665.5 million, of which €732.0 were lease liabilities, compared with €2,100.7 million at the end of 2018.

Given the maturities of its 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.

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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 foreign subsidiaries' financial statements on consolidation* which shows the breakdown of revenues by currency over the last two years.

The impact of changing foreign exchange rates on the Group's revenues, profit before tax and net profit – Group share is disclosed in note 7.8 *Exposure to exchange risk from translation of foreign subsidiaries' financial statements 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, 2019 amounted to €25.1 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)	12/31/2019	12/31/2018
Net debt*	2,665	2,101
Equity	2,569	2,225
GEARING RATIO	**1.04**	**0.94**

* *Including €732 million of lease liabilities at December 31st, 2019.*

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. The amount of funds committed to this arrangement is €2.1 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 foreign subsidiaries' financial statements 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 2019 and 2018 is set out in the following schedule:

	2019		2018	
Revenues *(in millions of euros)*	**Amount**	**%**	**Amount**	**%**
Euro	1,192	22.3%	1,071	24.1%
US dollar	2,095	39.1%	1,843	41.5%
Indian rupee	438	8.2%	134	3.0%
Brazilian real	227	4.2%	210	4.7%
Mexican peso	120	2.2%	101	2.3%
Pound sterling	278	5.2%	288	6.5%
Colombian peso	238	4.4%	165	3.7%
Yuan	97	1.8%	117	2.6%
Other	670	12.5%	512	11.5%
TOTAL	**5,355**	**100%**	**4,441**	**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 2019 profit before tax, and equity, by approximately €4.2 million and €15.2 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)	2019	2018 at 2019 rates	2018
Revenues	5,355	4,537	4,441
Operating profit	621	499	485
Financial result	-90	-47	-50
NET PROFIT	**400**	**328**	**313**
Net profit – Group share	400	327	312

At December 31st, 2019, the Group's exposure to exchange risk may be summarized as follows:

	31/12/2019				12/31/2018			
(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	977	2,824	-1,847	-1,846	730	2,734	-2,004	-2,003
US dollar	2,944	509	2,435	2,446	2,929	410	2,519	2,527
Indian rupee	1,328	300	1,028	1,028	1,190	222	968	968
Brazilian real	149	80	69	69	101	35	66	66
Mexican peso	187	56	131	132	143	28	115	116
Pound sterling	205	67	138	145	159	36	123	134
Colombian peso	189	85	104	104	108	25	83	80
Philippine peso	277	126	151	160	90	41	49	55
Other	602	271	331	331	405	123	282	282
TOTAL	**6,858**	**4,318**	**2,540**	**2,569**	**5,855**	**3,654**	**2,201**	**2,225**

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Note 7.9 Foreign currency exchange rates

Principal currencies	Country	Average 2019 rate	Closing rate at 12/31/2019	Average 2018 rate	Closing rate at 12/31/2018
EUROPE					
Pound sterling	United Kingdom	0.88	0.85	0.88	0.90
AMERICAS AND ASIA					
Brazilian real	Brazil	4.41	4.52	4.31	4.44
Colombian peso	Colombia	3,671.00	3,683.00	3,488.00	3,722.00
US dollar	United States	1.12	1.12	1.18	1.15
Indian rupee	India	78.84	80.19	80.85	79.73
Mexican peso	Mexico	21.56	21.22	22.73	22.49
Philippine peso	Philippines	57.99	56.90	62.41	60.11

In 2018, 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)	2019	2018
Depreciation and amortization	297	247
Impairment loss on goodwill	2	
Amortization of right-of-use assets	186	
Increase in provisions, net of releases	-12	-1
Unrealized gains and losses on financial instruments	6	-4
Share-based payments	22	21
TOTAL	**501**	**263**

Note 8.2 Change in working capital requirements

(in millions of euros)	2019	2018
Accounts receivable – Trade	-164	-70
Accounts payable – Trade	46	40
Other	-30	-19
TOTAL	**-148**	**-49**

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

The Group made no acquisition or disposal during 2019.

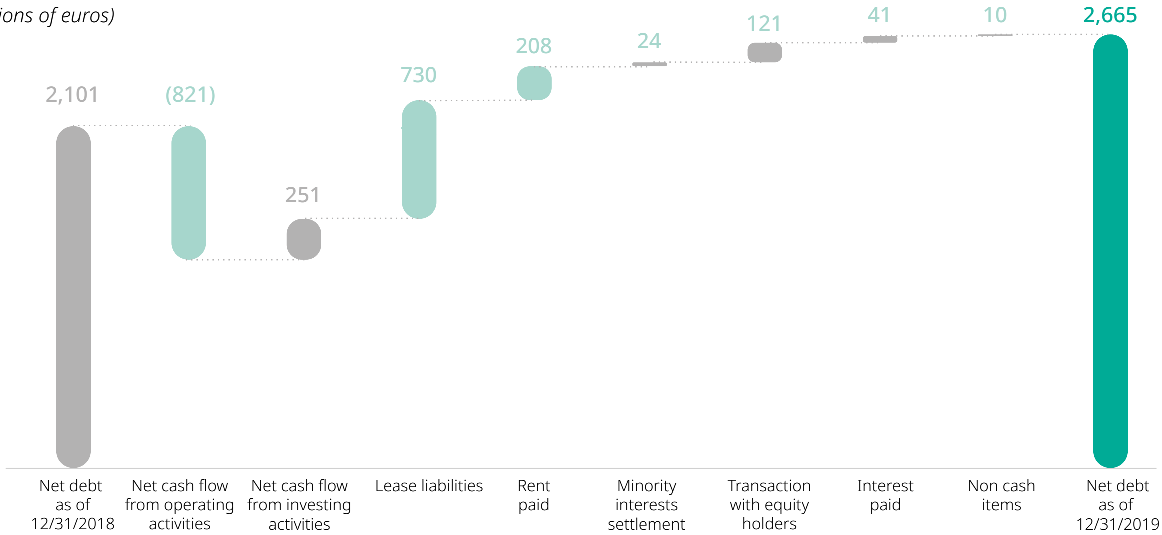
In 2018, the Group carried out the acquisition of Intelenet for an amount of €793.6 million. Intelenet had cash resources of €35.3 million, resulting in a net cash outflow of €758.3 million.

Note 8.4 Lease payments

Following the adoption of IFRS 16 relating to leases, lease payments are now classified as cash flows from financing activities (in cash flows from operating activities until 2018).

Note 8.5 Explanation of the change in net debt in 2019

(in millions of euros)



Transactions with equity holders represent dividend payments of €111 million and net purchases of treasury shares, for €10 million.

Note 8.6 Explanation of the change in financial liabilities during 2019

			Non-cash items			
(in millions of euros)	12/31/2018	Cash flows	Lease liabilities*	Fair value of financial instruments	Translation differences	12/31/2019
TOTAL FINANCIAL LIABILITIES	**2,437**	**-80**	**730**	**-16**	**13**	**3,084**

* *Following the adoption of IFRS 16.*

Note 8.7 Analysis of net cash presented in the condensed consolidated statement of cash flows

(in millions of euros)	12/31/2019	12/31/2018
Bank overdrafts and advances	-9	-3
Marketable securities	25	36
Cash and bank	393	300
CASH AND CASH EQUIVALENTS/NET CASH	**409**	**333**

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

(in millions of euros)	12/31/2018	Increases	Releases utilized	Releases unutilized	Translation differences	Other	12/31/2019
NON-CURRENT							
Retirement benefits	21	3	-2	-1		5	26
Other expenses	1						1
Total	**22**	**3**	**-2**	**-1**	**0**	**5**	**27**
CURRENT							
Risks	80	6	-5	-9		-50	22
Other expenses	10	1	-5			**4**	10
Total	**90**	**7**	**-10**	**-9**	**0**	**-46**	**32**
TOTAL	**112**	**10**	**-12**	**-10**	**0**	**-41**	**59**

(in millions of euros)	12/31/2017	Increases	Releases utilized	Releases 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**

Provisions for risks at December 31st, 2019 include personnel-related risks in an amount of €9.1 million, principally concerning lawsuits with former employees, particularly in Argentina, Brazil and France.

As legal proceedings are ongoing for most of these disputes, their settlement date is uncertain.

Following the implementation of IFRIC 23 relating to uncertainty in accounting for income taxes, the contingent liability of €50.4 million in respect of fiscal risks identified during past acquisitions was reclassified as a current income tax liability.

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, Saudi Arabia, the Philippines, El Salvador and certain Mexican entities.

Commitments related to the lump-sum benefits in France are measured with the following actuarial assumptions:

	2019	2018
Discount rate	0.77%	1.57%
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 millions of euros)	France	Other countries	Total
At December 31st, 2017	**7**	**7**	**14**
In 2018 profit or loss		3	3
In other comprehensive income	-1		-1
Translation differences			0
Consolidation scope*		5	5
At December 31st, 2018	**6**	**15**	**21**
In 2019 profit or loss			0
In other comprehensive income	2	3	5
Translation differences			0
At December 31st, 2019	**8**	**18**	**26**

* *Related to the acquisition of Intelenet in October 2018.*

The liability at December 31st, 2019 presented as Other countries principally concerns subsidiaries in India, Greece, the Philippines, Saudi Arabia and El Salvador, for amounts of €5.7 million, €2.1 million, €4.1 million, €2.1 million and €2.0 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 millions of euros at December 31st, 2015;
- €12.1 millions of euros at December 31st, 2016;
- €14.4 millions of euros at December 31st, 2017;
- €20.9 millions of euros at December 31st, 2018;
- €26.4 millions of euros at December 31st, 2019.

Analysis of plan assets

	2019	2018
Actuarial liability	**29**	**24**
Equities	12.7%	12.1%
Bonds	13.5%	12.5%
Money market	17.0%	11.0%
Held to maturity bonds	31.4%	29.4%
Loans & Receivables	14.1%	25.2%
Real estate	11.1%	9.1%
Other	0.2%	0.7%
Plan assets	**3**	**3**
Provision in the statement of financial position	**26**	**21**

Senior group managers represent an amount of €0.4 million in the provision for retirement benefits at December 31st, 2019.

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 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 paid by Apple Inc. 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 issued a performance guarantee to Barclays Bank PLC with respect to the obligations of its subsidiary Teleperformance Portugal SA 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 were issued, for a total amount limited to €42 million and for the duration stated in the agreement, including a joint and several guarantee by Teleperformance SE and its subsidiary.

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., LanguageLine Holding LLC and Wibilong SAS contain net asset warranties intended to indemnify the acquirer against certain prior existing liabilities that were not disclosed at the time of the acquisitions.

Certain of these commitments are guaranteed by either:

- certain amounts held by a bank in escrow, to be released in full after the expiry of the duration agreed, in the absence of any request for indemnification; or
- a first demand guarantee issued by a high-grade bank, expiring after the duration agreed, as applicable, in the absence of any request for indemnification; or
- representations and warranty insurance covering certain of the warranties for the duration agreed in the agreements.

The duration of each commitment is generally between 12 months and 3 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.

Assets secured against financial liabilities

There were no group assets pledged as collateral for borrowings at the end of 2019.

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, 2019 total €20.3 million.

Note 10 Related party disclosures

Note 10.1 Principal related party transactions

The Group acquired the minority interests in a group company during the first half of 2019, for a total consideration of US$26.1 million, including an amount of US$12.2 million paid to an individual who is a senior group manager and company officer of the Group. The acquisition price was determined on the basis of a valuation performed by an independent appraiser.

The Group has no knowledge of any other significant transactions with related parties during the first half of 2019.

Note 10.2 Remuneration of senior group management (Executive committee – Comex)

Remuneration of senior group management in respect of the 2019 and 2018 financial years is summarized as follows:

Remuneration in respect of financial years *(in millions of euros)*	**2019**	**2018**
Short-term benefits	16	14
Contract termination payments*	73	
TOTAL	**89**	**14**

** The indicated amount corresponds to the performance shares fair value exercised by the executive committee members at the vesting date.*

The Group has obtained non-compete agreements from certain senior group managers. In respect of the two principal company officers concerned, the length of the commitments is 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 two years, for which he would be entitled to receive an amount representing two years' 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 2019 financial year are analyzed as follows:

	KPMG Audit IS		**Deloitte & Associés**	
(in thousands of euros)	**Audit**	**Other**	**Audit**	**Other** (1)
Issuer	479	15	342	
Fully consolidated subsidiaries			153	
TOTAL	**479**	**15**	**495**	**0**

(1) Nature of the non-audit services rendered by KPMG Audit IS to the parent Company (Teleperformance SE): agreed upon procedures on the CSR materiality assessment.

Note 12 Events after the reporting date

None.

Note 13 Scope of consolidation

		% interest	% control
Parent company	**Teleperformance SE**	100	100
Core Services & D.I.B.S.			
Continental Europe & MEA			
Albania	Albania Marketing Service 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	Teleperformance 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	100	100
Morocco	Société Anonyme Marocaine d'Assistance Client S.A	100	100
Netherlands	PerfectCall BV	100	100
	PerfectCall Financial Services BV	100	100
North Macedonia	Teleperformance DOOEL Skopje	100	100
Norway	Teleperformance Norge AS	100	100
Poland	Teleperformance Business Services Krakow Sp.Zo.o.	100	100
	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
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	LLC "KCU"	100	100
English-speaking & APAC			
Australia	Teleperformance Australia Pty Ltd	100	100
Canada	MMCC Solutions Canada company	100	100
China	Beijing Interactive CRM Technology Service Ltd	100	100
	Guangdong North Asia United CRM Technologies Ltd	100	100
	Nanning North Asia United CRM Technologies Co., Ltd	100	100
	North Asia United CRM Technologies (Beijing), Ltd	100	100

		% interest	% control
China	North Asia United CRM Technologies (Xian), Ltd	100	100
	Teleperformance Information Technologies (Kunming) Co., Ltd	100	100
Hong Kong	Hong Kong Asia CRM Ltd	100	100
Indonesia	P.T. Telemarketing Indonesia	100	100
Japan	Teleperformance Japan Co., Ltd	100	100
Malaysia	Teleperformance Malaysia SDN.BHD	100	100
Mauritius	Snow Holding Company Ltd	100	100
	Teleperformance Global Investment Ltd	100	100
Philippines	E-Konflux Solutions Inc.	100	100
	Teleperformance Global Services Philippines 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 Ltd	100	100
	Teleperformance Global BPO UK Ltd	100	100
	Teleperformance Global Services UK Ltd	100	100
	Teleperformance Holdings Ltd	100	100
	Teleperformance Ltd	100	100
USA	Teleperformance Business Services US, LLC	100	100
	Teleperformance Delaware, Inc.	100	100
	Teleperformance Global Services US, Inc.	100	100
	Teleperformance Investment Company, Inc.	100	100
	Teleperformance Outsourcing Services US, Inc.	100	100
	TPUSA – FHCS, Inc.	100	100
	TPUSA, Inc.	100	100
Ibero-LATAM			
Argentina	Citytech S.A.	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, S.A. DE C.V.	100	100
Guatemala	Intelenet Lat Am Services SA	100	100
Guyana	Teleperformance Guyana Inc.	100	100
Mexico	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
	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
USA	Hispanic Teleservices Corporation ("HTC")	100	100
	Merkafon International, Ltd	100	100
	Merkafon Management Corporation	100	100
India & Middle East			
Egypt	Teleperformance Business Services EG, LLC	100	100
France	Praxidia	100	100

		% interest	% control
India	CRM Services India Private Ltd	100	100
	Teleperformance BPO Holdings Private Ltd	100	100
	Teleperformance Business Services India Ltd	100	100
	Teleperformance Global Services Private Ltd	100	100
	Teleperformance Tourism Services (India) Private Ltd	100	100
Italy	Praxidia S.p.A	98	98
Jordan	Teleperformance Global Services (Jordan) LLC	100	100
Luxembourg	Praxidia SA	100	100
Mauritius	Eagle BPO Mauritius	100	100
Netherlands	Praxidia BV	100	100
Saudi Arabia	Intelenet Saudi Company	100	100
United Arab Emirates	Intelenet Global Business Services LLC	100	100
	Teleperformance Global Services FZ-LLC	100	100
United Kingdom	Praxidia Services Ltd	100	100
	Teleperformance BPO UK Ltd	100	100
USA	Praxidia US Inc.	100	100

SPECIALIZED SERVICES

TLScontact			
Albania	TLScontact Albania Sp.h.k	100	100
Algeria	SARL TLS Contact	100	100
Armenia	TLScontact AM LLC	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 Ltd	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 LLP	100	100
Kenya	TLSContact Kenya Ltd	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 Ltd	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

		% interest	% control
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 Ltd	100	100
Ukraine	TLScontact Ukraine LLC	100	100
United Kingdom	Application Facilitation Services Ltd	100	100
	Teleperformance Contact Ltd	100	100
	TLScontact (UK) Ltd	100	100
Uzbekistan	TLS Contact LLC	100	100
Vietnam	TLSContact Vietnam Company Ltd	100	100
AllianceOne Receivables Management			
Canada	Alliance One Ltd	100	100
Jamaica	Outsourcing Management International Inc, Ltd	100	100
USA	AllianceOne Inc.	100	100
	AllianceOne Receivables Management, Inc.	100	100
LanguageLine Solutions			
United Kingdom	Language Line Services UK Ltd	100	100
USA	Language Line holdings II, Inc.	100	100
Wibilong			
France	Wibilong SAS	84	84
OTHER			
France	Teleperformance Management Services	100	100
Luxembourg	Luxembourg Contact Center SARL	100	100
Netherlands	Dutch Contact Centers (DCC) B.V.	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, 2019

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, 2019.

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, 2019 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, Risk 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, 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics *(Code de déontologie)* for statutory auditors.

Emphasis of Matter

Without qualifying the above opinion, we draw your attention to Note 1.2.1 *Changes in accounting policies* to the consolidated financial statements which describes the changes in accounting methods arising from the first-time adoption of IFRS 16 and IFRIC 23 relating to leases and the uncertainty over tax treatments, 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 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, 2019, goodwill is recorded in the consolidated statement of financial position for a net carrying amount of €2,337 million, *i.e.* 34% 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 consolidated statement of income whenever the carrying amount of a CGU or group of CGUs to which goodwill is allocated exceeds its recoverable amount.

This resulted in the recognition of a €2 million impairment loss for 2019.

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 5-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 EBITDA 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 net 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; and,
  - 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 perpetual 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 EBITDA rates used in the calculation of terminal values and on discount rates.

First-time adoption of IFRS 16 on leases

(Notes 1.2.2 and 3.1 to the consolidated financial statements)

Risk identified

Teleperformance adopted IFRS 16 "Leases" as of January 1st, 2019,, using the simplified retrospective approach. Under this new standard, all leases are subject to a single recognition model for lessees, with recognition of a "right-of-use" asset and a lease liability. The information on the standard's first-time adoption is shown in Note 1.2.2 to the consolidated financial statements.

As at January 1st, 2019, the Group recognized a right-of-use for leased assets of €687 million and a liability relating to the lease obligations after a discounting impact of €707 million. These leases mainly involve the property leases of the site where the Group has set up its contact centers.

Due to the high volume of leases signed in numerous geographical areas with different terms and the materiality in the Group's consolidated financial statements, we considered the first-time adoption of IFRS 16 "Leases" to be a key audit matter, particularly regarding the determination of lease terms and discount rates used.

Our audit approach

Our audit approach consisted in assessing compliance with the applicable accounting principles of the transition procedure adopted by the Group and the methodology rolled out.

Our work mainly consisted in :

- obtaining an understanding of the IFRS 16 adoption process and the recognition of leases;
- obtaining an understanding of the IT tool set up by the Group to both collect and recognize leases;
- testing with the assistance of our IT specialists the design, implementation and operating effectiveness of the application controls that we considered to be relevant to correctly calculate the lease liability and the right-of-use for the leased assets on the transition date;
- carrying out substantive tests based on a selection of leases to corroborate the accuracy of the relevant information required to determine the assets and liabilities relating to the leases with the underlying contractual documents and IFRS 16;
- assessing the completeness of the leases taken into account by reconciling the off-balance sheet operating lease commitments identified under the former standard as at December 31st, 2018 with the lease liabilities recognized under IFRS 16 as at January 1st, 2019,, and then analyzing residual lease payments;
- assessing with the help of our valuation specialists the relevance of the methodology adopted by the Group to determine the discount rates used in the lease liability's initial valuation and comparing these with our own estimates prepared using available market data.

We also assessed the appropriateness of the information disclosed in Notes 1.2.2 and 3.1 to the consolidated financial statements.

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 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, 2019, Deloitte & Associés and KPMG Audit IS were in the twenty-first year and thirty-third year of total uninterrupted engagement respectively, which is the thirteenth 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, Risk 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, 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, Risk and Compliance Committee

We submit a report to the Audit, Risk 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, Risk 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, Risk 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 and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the Audit, Risk and Compliance Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris la Défense, February 28th, 2020
The statutory auditors

French original signed by

KPMG AUDIT IS	Deloitte & Associés
Jacques Pierre	Ariane Bucaille
Partner	*Partner*

Parent company financial statements

6.1 BALANCE SHEET – ASSETS

(in thousands of euros)	Notes	2019 Cost	2019 Acc. depn., amort. and provisions	2019 Net	2018 Net
Intangible fixed assets	2	4,000	3,982	18	125
Tangible fixed assets	2	5,405	3,781	1,624	1,864
Financial fixed assets					
Investments in subsidiaries and affiliates	3.1	3,446,750	246,140	3,200,610	2,691,420
Receivables from subsidiaries and affiliates	3.2	436,195	10,500	425,695	1,099,208
Other		350		350	381
Total financial fixed assets		3,883,295	256,640	3,626,655	3,791,009
Total fixed assets		**3,892,700**	**264,403**	**3,628,297**	**3,792,998**
Advances paid		28		28	29
Accounts receivable – Trade	6	29,608		29,608	20,050
Other receivables	6 and 7	81,638	942	80,696	87,811
Marketable securities	4	9,409		9,409	9,930
Derivative financial instruments – positive fair values	5	30,561		30,561	22,623
Cash and bank		127,010		127,010	114,961
Prepaid expenses	6	17,646		17,646	34,124
Total current assets		**295,900**	**942**	**294,958**	**289,528**
Bond redemption premiums		7,454		7,454	8,925
Unrealized exchange losses	12	43,711		43,711	48,857
TOTAL ASSETS		**4,239,765**	**265,345**	**3,974,420**	**4,140,308**

6.2 BALANCE SHEET – SHAREHOLDERS' EQUITY AND LIABILITIES

(in thousands of euros)	Notes	2019	2018
Share capital	8	146,798	144,450
Issue merger and contribution premiums		575,727	575,727
Legal, reserve		14,445	14,445
Other reserves		66,985	69,333
Retained earnings		79,108	41
Net income for the period		95,173	190,345
Regulated provisions		80	43
Total shareholders' equity	**8**	**978,316**	**994,384**
Provisions for contingencies and expenses	**9**	**6,805**	**10,168**
Bond issues	10.1	1,363,701	1,363,884
Loans from financial institutions	10.1	772,690	953,404
Other loans and financial liabilities	10.2	656,522	571,271
Total financial liabilities		**2,792,913**	**2,888,559**
Advances received		226	11
Accounts payable – Trade	11	27,192	49,972
Tax, personnel and social security liabilities	11	8,391	12,952
Other liabilities	11	102,892	98,224
Derivative financial instruments – negative fair values	11	6,973	7,933
Deferred income	11	27,140	16,918
Total liabilities*		**2,965,727**	**3,074,569**
Unrealized exchange gains	12	23,572	61,187
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,974,420**	**4,140,308**
* *Amount due in more than one year.*		*2,254,979*	*2,397,945*

6.3 INCOME STATEMENT

(in thousands of euros)	Notes	2019	2018
Revenues	15	129,127	108,050
Release of depreciation, amortization and provisions			
Other income		1,307	2,268
Total operating income		**130,434**	**110,318**
Purchases and external expenses		81,995	76,292
Taxes other than income taxes		1,787	1,184
Wages and social charges		9,438	10,260
Depreciation, amortization and increase in provisions		899	564
Other expenses		2,534	1,889
Total operating expenses		**96,653**	**90,189**
Net income from operations	**15**	**33,781**	**20,129**
Net income from investments in subsidiaries and affiliates		104,708	116,395
Interest income from loans		34,889	70,425
Other interest and related income		25,185	14,250
Foreign exchange gains		80,917	92,647
Release of provisions and transferred expenses		7,178	52,762
Total financial income*		**252,877**	**346,479**
Amortization and increase in provisions		37,868	8,167
Interest and related expenses		69,440	70,057
Foreign exchange losses		71,685	87,784
Total financial expenses**		**178,993**	**166,008**
Net financial income	**16**	**73,884**	**180,471**
Profit on ordinary activities before income taxes		**107,665**	**200,600**
Net amount of:			
• capital gains/(losses) on disposal of fixed assets		0	1
• other non-operating income and expenses		-1,806	-2,491
Exceptional result	**17**	**-1,806**	**-2,490**
Income taxes	18.2	10,686	7,765
NET INCOME		**95,173**	**190,345**
* *Including income from group companies.*		*146,297*	*238,524*
** *Including expenses from group companies.*		*45,958*	*14,356*

6.4 NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

CONTENTS

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° 2018-01, 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 SE has subscribed to a capital increase of US$583 million in its US subsidiary Teleperformance Group Inc. which then subscribed to a capital increase of the same amount in its subsidiary, Teleperformance USA, permitting this latter company to make early repayment of a number of its loans received from Teleperformance SE in the total amount of US$583 million.

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 2019 impairment testing resulted in the following changes to the amount of accumulated impairment losses:

(in thousands of euros)	Increase	Decrease
Teleperformance Czechia	1,284	
Teleperformance EMEA	600	
In & Out S.p.A (Italy)	13,000	
Teleperformance Madagascar	6,940	
TOTAL	**21,824**	**0**

The principal discount rates applied, specific to each geographical zone, are as follows:

• United Kingdom	6.0%
• Central Europe	4.8%
• France	5.5%
• North America	6.5%
• Southern Europe	
◦ Italy	7.8%
◦ Spain	7.0%

Increases and decreases in provisions for impairment losses of investments in subsidiaries and affiliates are included in the financial result, except for any reversals on 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.

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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

Awards made on April 28th, 2016

Under the authorization given at the shareholders' general meeting of April 28th, 2016, and subject to a ceiling of 2.5% of the share capital of the Company at the grant date, the Board of Directors' meeting of April 28th, 2016 approved free awards in a total amount of 914,300 incentive plan shares in favor of group personnel, including company officers.

Effective transfer of the free shares was conditional on beneficiaries' performance relating to the financial years between 2016 and 2018, with full realization of the objectives giving right to the transfer of 100% of the shares awarded, and on the beneficiaries remaining with the Group until April 28th, 2019.

A total of 800,600 new shares have now been transferred to plan beneficiaries.

Awards made on November 2nd, 2016

Under the authorization given at the same shareholders' general meeting of April 28th, 2016, the Board of Directors' meeting of November 2nd, 2016 approved free awards in a total amount of 151,508 incentive plan shares to group personnel, including company officers. Effective transfer of the free shares was conditional on beneficiaries' performance relating to the financial years between 2016 and 2018, with full realization of the objectives giving right to transfer of 100% of the shares awarded, and on the beneficiaries remaining with the Group until November 2nd, 2019.

A total of 138,400 new shares and 1,476 treasury shares have now been transferred to plan beneficiaries.

Under the authorization given at the same shareholders' general meeting of April 28, 2016, the Board of Directors also made the following awards:

- at its meeting on June 23rd, 2017, 11,600 incentive plan shares to a company officer of a group subsidiary;
- at its meeting on November 30th, 2017, 6,000 incentive plan shares to an employee of a group subsidiary;
- at its meeting on February 28th, 2018, 1,000 incentive plan shares to an employee of a group subsidiary.

Authorization given at the AGM held on May 9th, 2019

Under the authorization given at the shareholders' general meeting of May 9th, 2019, and subject to a ceiling of 3% of the share capital of the Company at the grant date, the Board of Directors' meeting of June 3rd, 2019 approved:

- free awards in a total amount of 442,241 incentive plan shares to group personnel, including company officers; and
- the setting-up of a long-term incentive plan for company officers, with the free award of 58,333 performance shares, with the same features as the above-mentioned plan.

Effective transfer of the free shares is conditional on beneficiaries' performance and continued presence.

The Board of Directors has defined three performance criteria; each criterion relates to the potential vesting of up to one-third of the individual award.

Two additional overriding conditions are that organic revenue growth is at least 15% and that the EBITA margin is not less than 13.8%.

The first performance criterion concerns organic revenue growth (*i.e.* at constant consolidation scope and exchange rates) between the year ended December 31st, 2018 and the year ending December 31st, 2021;

The second performance criterion is based on the operating EBITA margin in the year ending December 31st, 2021;

The third performance criterion is based on the performance of the Teleperformance SE share price compared with that of the SBF 120 index over each of the three years of the plan.

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 acts as the income tax collector in respect of its French employees, and has made the related payroll deductions.

Note 2 Tangible and intangible fixed assets

	12/31/2019			12/31/2018		
(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	3,982	18	4,000	3,875	125
Tangible fixed assets	5,405	3,781	1,624	5,371	3,507	1,864
• Land	305		305	305		305
• Buildings	3,709	2,778	931	3,707	2,629	1,078
• Other	1,391	1,003	388	1,359	878	481
TOTAL	**9,405**	**7,763**	**1,642**	**9,371**	**7,382**	**1,989**

Note 2.1 Cost

(in thousands of euros)	At 01/01/2019	Increases	Decreases	At 12/31/2019
Intangible fixed assets	4,000		0	4,000
Tangible fixed assets	5,371	34	0	5,405
• Land	305			305
• Buildings	3,707	2		3,709
• Other	1,359	32		1,391
TOTAL	**9,371**	**34**	**0**	**9,405**

Note 2.2 Accumulated depreciation, amortization and impairment losses

(in thousands of euros)	At 01/01/2019	Increases	Decreases	At 12/31/2019
Intangible fixed assets	3,875	107	0	3,982
Tangible fixed assets	3,507	274	0	3,781
• Land				0
• Buildings	2,629	149		2,778
• Other	878	125		1,003
TOTAL	**7,382**	**381**	**0**	**7,763**

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.*

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Note 3 Financial fixed assets

Cost

(in thousands of euros)	At 01/01/2019	Increases	Decreases	At 12/31/2019
Investments in subsidiaries and affiliates	2,915,736	532,053	1,039	3,446,750
Receivables from subsidiaries and affiliates	1,099,588	125,658	789,051	436,195
Other	381		31	350
TOTAL	**4,015,705**	**657,711**	**790,121**	**3,883,295**

Accumulated impairment losses

(in thousands of euros)	At 01/01/2019	Increases	Decreases	At 12/31/2019
Investments in subsidiaries and affiliates	224,316	21,824		246,140
Receivables from subsidiaries and affiliates	380	10,500	380	10,500
Other				0
TOTAL	**224,696**	**32,324**	**380**	**256,640**

Note 3.1 Investments in subsidiaries and affiliates – change in gross amount

Gross amount at January 1st, 2019 *(in thousands of euros)*	**2,915,736**
Subscriptions to share capital increases	**532,053**
• Teleperformance Madagascar	6,936
• In & Out S.p.A (Italy)	9,665
• Lion Teleservices Slovakia	1,039
• Teleperformance Group Inc	514,413
Disposal of shares/Liquidations	**1,039**
• Lion Teleservices Slovakia	1,039
GROSS AMOUNT AT DECEMBER 31ST, 2019	**3,446,750**

Note 3.2 Receivables from subsidiaries and affiliates

Teleperformance has made a number of loans to its subsidiaries during 2019 in relation to their cash management, in a total amount of €56 million, principally to:

- Teleperformance Canada, of CAD19.7 million (€13.7 million);
- Teleperformance France, of €10 million;
- Luxembourg Contact Centers, of €8.4 million;
- Dutch Contact Centers (The Netherlands), of €8 million.

(in thousands of euros)	At 01/01/2019	Increases	Decreases	At 12/31/2019	Amount due after one year
Luxembourg Contact Centers	42,969	8,893	6,386	45,476	0
Dutch Contact Centers	174	10,229	5,096	5,307	0
Praxidia France	2,006	6	6	2,006	0
Praxidia Ltd	1,831	2,340	1,408	2,763	0
LLS UK	6,057	297	1,396	4,958	0
Teleperformance Lebanon	3,269	1,490	577	4,182	0
Service 800 Rumania	4,849	1,905	1,099	5,655	0
Lion Teleservices CZ	600	3,644	600	3,644	0
Lion Teleservices SK	380		380	0	0
Teleperformance France	0	10,061		10,061	0
SCMG (Switzerland)	1,489	42	1,531	0	0
Teleperformance Japan	0	3,635	925	2,710	0
Teleperformance USA	512,340	30,484	542,823	0	0
Teleperformance Group Inc (USA)	504,984	25,079	199,489	330,574	329,357
Teleperformance Canada	4,503	13,998	12,314	6,187	0
In & Out S.p.A (Italy)	2,007	7	2,007	7	0
TPG Katowice (Poland)	1,710	5	1,715	0	0
Teleperformance Madagascar	5,963	2,775	7,563	1,175	0
Wibilong	1,639	3,750	1,439	3,950	0
Metis	2,820	7,019	2,298	7,541	0
TOTAL	**1,099,588**	**125,658**	**789,051**	**436,195**	**329,357**
Analysis of changes:					
Share capital increases			2,370		
Interest		2,794	6,847		
Foreign exchange differences		60,095	51,827		
New loans		55,840			
Repayments			721,078		
Mergers		6,929	6,929		

Note 4 Marketable securities

Marketable securities amounted to €9.4 million.

These include an amount of €7.3 million invested in money market and mutual funds with a market value of the same amount as of December 31st, 2019.

At December 31st, 2019, the Company also held 9,987 own shares under a liquidity agreement with a carrying value of €2.1 million. Related purchases and sales in 2019 are set out in the following schedule:

Number of treasury shares held at January 1st, 2019	40,027
Number of shares bought in 2019 under the buy-back program commencing April 20th, 2018	125,161
Number of shares sold in 2019 under the buy-back program commencing April 20th, 2018	156,128
Number of shares bought in 2019 under the buy-back program commencing May 9th, 2019	134,540
Number of shares sold in 2019 under the buy-back program commencing May 9th, 2019	133,613
Number of treasury shares held at December 31st, 2019	9,987
Carrying value of treasury shares held at December 31st, 2019	2,140,706.29

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 12/31/2019**	**Fair value in euros at 12/31/2019**	**Positive fair values**	**Negative fair values**
WITHOUT HEDGE ACCOUNTING					
Currency hedges of subsidiaries' forecast transactions					
USD/PHP 2019	2,677,739	47,060	363	1,333	-970
COP/USD 2019	20,850	18,560	497	682	-185
COP/EUR 2019	4,970	4,970	164	164	
USD/MXN 2019	218,376	10,291	173	526	-353
MXN/USD 2019	32,906	29,291	276	1,267	-991
USD/INR 2019	10,700	9,525	383	385	-2
USD/CAD 2019	6,000	5,341	105	105	
EUR/TRY 2019	600	600	156	156	
COP/USD 2020	146,000	129,963	5,139	5,925	-786
COP/EUR 2020	22,900	22,900	763	924	-162
USD/PHP 2020	27,963,250	491,446	4,424	5,048	-624
USD/MXN 2020	1,319,550	62,184	666	897	-231
MXN/USD 2020	150,700	134,146	1,457	1,969	-513
USD/INR 2020	64,000	56,970	706	919	-213
USD/MYR 2020	17,500	15,578	212	234	-23
USD/CAD 2020	58,000	51,629	320	394	-74
EUR/TND 2020	62,000	19,832	240	240	
EUR/TRY 2020	13,000	13,000	28	288	-260
PLN/EUR 2020	25,300	25,300	290	299	-9
EUR/MAD 2020	6,300	6,300	-22		-22
EUR/USD 2020	28,300	25,191	333	353	-20
EUR caps	480,000	480,000	-973		-973
USD caps	100,000	89,015	-287		-287
Sub-Total			**15,412**	**22,107**	**-6,696**
WITH HEDGE ACCOUNTING					
Interest rate swap, fixed to floating	**400,000**	**400,000**	**13,301**	**13,301**	
Cross Currency Swaps	325,000	289,300	3,983	3,983	
Hedges of intra-group loans granted					
• in USD	383,507	341,381	222	222	
• in AUD	3,000	1,876	-19		-19
• in TRY	45,000	6,732	110	160	-50
• in PLN	15,000	3,524	-39		-39
• in CZK	89,666	3,529	-19		-19
• in JPY	329,150	2,699	40	40	
• in CHF	400	369	-4		-4
• in CAD	9,000	6,165	-18		-18
• in GBP	6,450	7,581	-103		-103
Hedges of intra-group loans received					
• in USD	700,000	623,108	-58		-58
• in PHP	7,630,288	134,100	1,600	2,135	-535
• in GBP	15,000	17,630	433	464	-31
Cash pool account hedges					
• in USD	33,615	29,923	-240		-240
• in SEK	110,000	10,530	-250		-250
• in NOK	30,000	3,041	-85		-85
• in GBP	19,000	22,332	142	142	
• in PLN	30,000	7,048	-81		-81
• in CZK	20,000	787	-4		-4
Sub-Total				**20,447**	**-1,536**
TOTAL				**42,554**	**-8,232**

Note 6 Maturity of receivables

(in thousands of euros)	Gross amount at 12/31//2019	Due under 1 year	Due between 1 and 5 years	Due after 5 years
FIXED ASSETS				
• Receivables from subsidiaries and affiliates	436,195	106,838	173,580	155,777
• Other financial assets	350		350	
CURRENT ASSETS				
• Advances paid	28	28		
• Accounts receivable –Trade	29,608	29,608		
• Current accounts: cash pooling	64,225	64,225		
• Adjustment account for financial instrument fair values	6,313	6,313		
• Other operating receivables	10,158	10,158		
including accrued income of €4,556 thousand related to hedge accounting and taxes				
• Miscellaneous receivables	942		942	
• Prepaid expenses*	17,646	17,646		
TOTAL	**565,465**	**234,816**	**174,872**	**155,777**

* *Including €17,011 related to hedge accounting (see note 1.4 Interest and exchange risk management of this section).*

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Note 7 Impairment losses on assets (excluding financial fixed assets)

(in thousands of euros)	At 01/01/2019	Increases	Decreases	At 12/31/2019
Accounts receivable – Trade				0
Subsidiaries' current accounts	696		696	0
Miscellaneous receivables	942			942
TOTAL	**1,638**	**0**	**696**	**942**

Note 8 Change in shareholders' equity

(in thousands of euros)	At 01/01/2019	Appropriation of 2018 net income	Dividend distribution	2019 net income	Other changes	At 12/31/2019
• Share capital	144,450				2,348	146,798
• Issue, merger and contribution premiums	575,727					575,727
• Legal reserve	14,445					14,445
• Other reserves – not distributable	25					25
• Other reserves	69,308				-2,348	66,960
• Retained earnings	41	190,345	-111,278			79,108
• Net income for the period	190,345	-190,345		95,173		95,173
• Regulated provisions	43				37	80
TOTAL SHAREHOLDERS' EQUITY	**994,384**	**0**	**-111,278**	**95,173**	**37**	**978,316**

The share capital at December 31st, 2019 amounted to €146,797,500, comprising 58,719,000 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 01/01/2019	Increases	Decreases A*	Decreases B*	At 12/31/2019
Unrealized foreign exchange losses	2,532	4,051	2,532		4,051
Unrealized losses on hedging instruments	3,570	22	3,570		22
Employee retirement benefits	1,821	518			2,339
Employer social charges on free share awards	2,245	393	2,245		393
TOTAL	**10,168**	**4,984**	**8,347**	**0**	**6,805**

* *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	0.77%*
Annual rate of increase in salaries	2.5%
Rate of social charges	45%

* *iBoxx € Corporates AA 10+ rate at December 31st, 2019 (source: Markit.com).*

Actuarial differences are recognized immediately in the income statement.

Change in the provision for retirement benefits
(in thousands of euros)

AT THE BEGINNING OF THE YEAR	**1,821**
+ service cost	159
+ interest	22
+ actuarial gains and losses	337
including changes in assumptions	*413*
including new participants	*0*
incuding withdrawals in the year	*-76*
AT THE END OF THE YEAR*	**2,339**

* *Including €379 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 note 7.4.1 of the section 5.6 *Notes to the consolidated company financial statements*.

At December 31st, 2019, 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, 2018 or 2019.

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 initially repayable in four equal installments on August 20th, 2018 and August 19th, 2019, 2020 and 2021. Following the repayments made in 2018, the outstanding balance of the loan on January 1st, 2019 amounted to US$325 million.

During 2019, the following repayments were made:

- US$35 million on January 17th, 2019 ;
- US$40 million on February 20th, 2019;
- US$30 million on April 23rd, 2019;
- US$100 million on November 26th, 2019.

The outstanding balance of the loan on December 31st, 2019 amounted to US$120 million, repayable on August 19th, 2021.

In December 2019, Teleperformance issued commercial paper, in a total outstanding amount of €228 million at December 31st, 2019.

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.

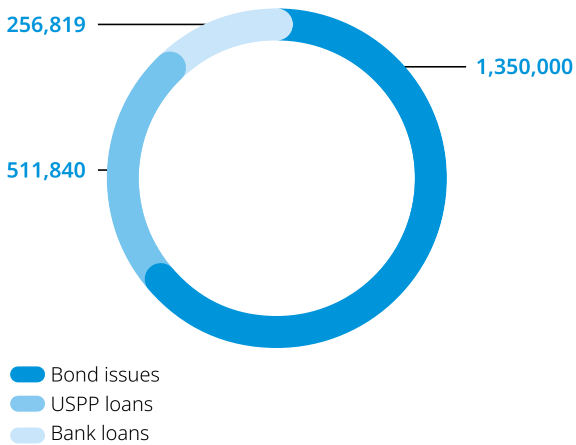
The issue expenses relating to these two bonds have been fully expensed. The premiums due on redemption of the bonds are presented as assets in a total amount of €7.5 million as at December 31st, 2019 and will be amortized over the period to redemption.

Finally, Teleperformance obtained a loan from Natixis in June 2018 in an amount of €164 million, repayable in four equal installments on June 8th, 2020, 2021, 2022 and 2023. An early repayment of €14 million made during 2019 has reduced the outstanding balance to €150 million.

Note 10.1 Bond issues and loans from financial institutions

(in thousands of euros)	At 12/31/2019	At 12/31/2018
BOND ISSUES		
• Principal	1,350,000	1,350,000
• Accrued interest	13,701	13,884
Sub-total	**1,363,701**	**1,363,884**
LOANS FROM FINANCIAL INSTITUTIONS		
• 7-year US private placement of US$160 million	142,425	139,738
• 10-year US private placement of US$165 million	146,876	144,105
• 7-year US private placement of US$75 million	66,762	65,502
• 10-year US private placement of US$175 million	155,777	152,838
• 7-year bank loan of US$120 million	106,819	283,843
• 5-year bank loan of €150 million	150,000	164,133
• Accrued interest	1,881	2,623
• Bank overdrafts and advances	2,151	622
Sub-total	**772,690**	**953,404**
TOTAL	**2,136,391**	**2,317,288**

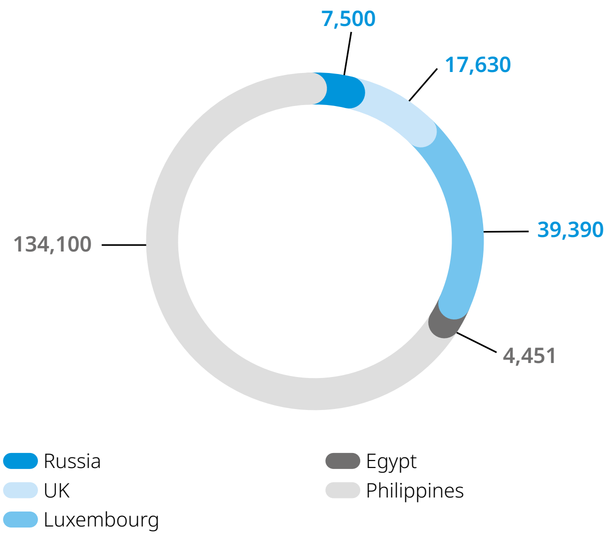
Representation of bond issues and loans from financial institutions as at December 31st, 2019
(in thousands of euros)



Note 10.2 Other loans and financial liabilities

(in thousands of euros)	At 12/31/2019	At 12/31/2018
OTHER LOANS AND FINANCIAL LIABILITIES		
• Current accounts: cash pooling	221,072	241,984
• Commercial paper	228,000	134,000
• Loans from subsidiaries (by country)		
◦ Loans from The Philippines	134,100	127,818
◦ Loans from Hong Kong		4,367
◦ Loans from Russia	7,500	5,000
◦ Loans from Luxembourg	39,390	40,359
◦ Loans from Singapore		2,087
◦ Loans from Indonesia		1,921
◦ Loans from Egypt	4,451	
◦ Loans from United Kingdom	17,630	11,179
◦ Loans from The Netherlands	668	
• Accrued loan interest	3,604	2,449
• Other	107	107
TOTAL	**656,522**	**571,271**

Representation of loans from subsidiaries as at December 31st, 2019
(in thousands of euros)



Note 11 Maturity of liabilities

(in thousands of euros)	At 12/31/2019	Due under 1 year	Due between 1 and 5 years	Due after 5 years
FINANCIAL LIABILITIES				
Bond issues and Loans from financial institutions	2,136,391	55,233	1,175,380	905,778
Other loans and financial liabilities	656,522	547,263	109,152	107
Sub-total, financial liabilities	**2,792,913**	**602,496**	**1,284,532**	**905,885**
Advances received	226	226		
Accounts payable – Trade (1)	27,192	27,192		
Tax, personnel and social security	8,391	8,391		
Other liabilities (2) (3) (4)	102,892	38,329	64,563	
Derivative financial instruments – negative fair values	6,973	6,973		
Deferred income (5)	27,140	27,140		
TOTAL	**2,965,727**	**710,747**	**1,349,095**	**905,885**
(1) Including accrued invoices.	*16,500*			
(2) Including accrued expenses relating to hedge accounting, lease term adjustments and directors' fees.	*2,977*			
(3) Including income taxes saved on subsidiaries' tax losses utilized.	*70,699*			
(4) Including adjustment accounts for financial fair values.	*29,111*			

(5) In respect of hedge accounting (see note 1.4 Interest and exchange risk management of this section).

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	14,627	419		
Loans from subsidiaries	2,493	10,641		
Loans from financial institutions	22,540	12,412		
Sub-total	**39,660**	**23,472**	**16,188**	
OTHER RECEIVABLES AND LIABILITIES				
Loans to subsidiaries				
Loans from subsidiaries				
Loans from financial institutions	4,007			4,007
Accounts receivable – Trade	44	51		44
Accounts payable – Trade		49		
Sub-total	**4,051**	**100**	**3,951**	
TOTAL	**43,711**	**23,572**	**20,139**	**4,051**

Note 13 Exposure of the Company to interest rate risks

The Company's exposure to interest rate risks at December 31st, 2019 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	436,195	106,838	173,580	155,777
• Current accounts: cash pooling	64,225	64,225		
Total financial assets, including:	**500,420**	**171,063**	**173,580**	**155,777**
• accrued interest and other receivables	2,794	2,794		
• at a fixed rate				
• at a floating rate (2)	497,626	168,269	173,580	155,777
FINANCIAL LIABILITIES				
• Bond issues and Loans from financial institutions	2,136,391	55,233	1,175,380	905,778
• Other loans and financial liabilities	656,522	547,263	109,152	107
Total financial liabilities, including:	**2,792,913**	**602,496**	**1,284,532**	**905,885**
• accrued interest and other liabilities	19,292	19,185		107
• at a fixed rate (1)	2,336,801	474,961	956,062	905,778
• at a floating rate (2)	436,820	108,350	328,470	

(1) In respect of the two bond issues for which each has a related fixed to floating interest rate swap of €200 million.
(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, 2019 is summarized as follows:

(in thousands)	Currency amounts at 12/31/2019	Less: hedged loans	Exchange risk exposure
GROUP LOANS AND ADVANCES			
US dollars	383,507	383,507	
Australian dollars	3,000	3,000	
Canadian dollars	9,000	9,000	
Turkish pounds	45,000	45,000	
Polish zlotys	15,000	15,000	
Czech crowns	89,666	89,666	
Japanese yen	329,150	329,150	
Swiss francs	400	400	
£ sterling	6,450	6,450	

(in thousands)	Currency amounts at 12/31/2019	Less: hedged loans	Exchange risk exposure
LOANS FROM FINANCIAL INSTITUTIONS			
US dollars	695,000	695,000	
LOANS FROM SUBSIDIARIES			
Philippine pesos	7,630,288	7,630,288	
US dollars	5,000	5,000	
£ sterling	15,000	15,000	

Note 15 Revenues

	2019		2018	
(in thousands of euros)	**France**	**Rest of the world**	**France**	**Rest of the world**
• Royalties and management fees	2,627	124,833	2,493	104,563
• Rents and rental charges	548		544	
• Other	249	870	173	277
TOTAL	**3,424**	**125,703**	**3,210**	**104,840**

The activity of Teleperformance SE is that of a holding company and it provides certain services invoiced to its subsidiaries, from which it also receives intellectual property royalties.

The increase in royalty income is principally due to the inclusion of Intelenet for a full year, compared to only one quarter in 2018.

Note 16 Financial result

	2019			2018
(in thousands of euros)	**Income**	**Expense**	**Net**	**Net**
Dividends	104,708		104,708	116,395
Provisions on shareholdings		21,824	-21,824	50,348
Other impairment provisions	1,076	10,500	-9,424	-1,076
Amortization of bond redemption premiums		1,471	-1,471	-989
Financial debt waiver			0	-2,963
Provisions for unrealized exchange losses	2,532	4,051	-1,519	-1,452
Provisions for unrealized losses on financial instruments	3,570	22	3,547	-2,236
Foreign exchange gains and losses	80,917	71,685	9,232	4,492
Interest on short-term investments	60,074	69,415	-9,341	17,963
Disposal of marketable securities		25	-25	-11
TOTAL	**252,877**	**178,993**	**73,884**	**180,471**

Note 17 Exceptional result

	2019			2018
(in thousands of euros)	**Income**	**Expense**	**Net**	**Net**
Capital operations			0	0
• Tangible and intangible fixed assets			0	0
• Financial fixed assets	72	1,039	-967	1
• Other	1,392	2,195	-802	-2,757
Revenue operations	0	0	0	303
Depreciation, amortization and increase in provisions, net of releases	0	37	-37	-37
TOTAL	**1,465**	**3,271**	**-1,806**	**-2,490**

Note 18 Income taxes

Note 18.1 French tax group

The companies in the 2019 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.

Note 18.2 Analysis of income tax expense

		Income taxes					
			Restatements				
(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	**107,665**	**44,541**	**-32,998**	**-314**	**77**	**11,306**	**96,359**
• Standard rate (33.33%)	129,489	44,541	-32,998	-314	77	11,306	118,183
• Long-term rate (0%)	-21,824						-21,824
Exceptional result	-1,806	-619	0	0	0	-619	-1,187
• Standard rate (33.33%)	-1,806	-619				-619	-1,187
• Long-term rate (0%)						0	0
TOTAL	**105,859**	**43,921**	**-32,998**	**-314**	**77**	**10,686**	**95,173**

The French Group tax result showed a profit of €23 million in 2019.

The 2019 income tax expense was €10.7 million, compared with €7.8 million in 2018.

Note 18.3 Unrecognized deferred tax assets and liabilities

Change in unrecognized deferred tax assets and liabilities

(in thousands of euros)	At beginning of year		Change		At end of year	
Type	**Asset**	**Liability**	**Asset**	**Liability**	**Asset**	**Liability**
CERTAIN OR POTENTIAL TIMING DIFFERENCES						
1. Items not currently deductible						
1.1. Deductible in the following year						
• Unrealized exchange gains	1,028		7,307	1,028	7,307	
• Gains to 12/31/2019 on settled financial instruments	4,531		8,414	4,531	8,414	
• Unrealized gains at 12/31/2019 on financial instruments			2,171		2,171	
• Other	791		1,262	791	1,262	
1.2. Deductible in subsequent years						
• Retirement benefits	622		783	622	783	
2. Income not currently taxed						
• Unrealized exchange losses		785	785	13,550		13,550
• Losses to 12/31/2019 on settled financial instruments		8,056	8,056	5,273		5,273
• Unrealized losses at 12/31/2019 on financial instruments				272		272
TOTAL	**6,972**	**8,841**	**28,779**	**26,067**	**19,937**	**19,096**
NET CHANGE IN UNRECOGNIZED DEFERRED TAX ASSETS, NET OF LIABILITIES				**2,711**		

(1) See foot-note (3) to note 11 of this section: amount of income taxes saved on subsidiaries' tax losses utilized.

Note 19 Commitments

Note 19.1 Guarantees

In favor of private or public organizations

In respect of commitments of French subsidiaries *(in thousands of euros)*	**Total**	**Expiry date**
UBS real estate KMBH (Teleperformance France)	398	03/07/2020
Teleperformance SE Commerz Real Investment Gesellschaft	586	08/31/2023
Cuvier Montreuil (GN Research France)	181	03/31/2025
TOTAL	**1,165**	

In favor of financial institutions

In respect of commitments of foreign subsidiaries *(in thousands of euros)*	**Beneficiary banks**	**Total**	**Expiry date**
Service 800 Egypt	CA Egypt	445	03/21/2020
Service 800 Egypt	CA Egypt	3,122	06/01/2020
Citytech Argentina	HSBC Bank Argentina SA	1,617	06/30/2020
Citytech Argentina	BankBoston	2,670	
Teleperformance Chile	HSBC Chile	2,403	07/21/2020
Teleperformance Global SVCS FZ-LLC Dubai	HSBC Dubai	6,060	11/18/2020
Intelenet Global Business Services Dubai	HSBC Dubai	8,484	11/18/2020
Intelenet Global Philippines Inc	HSBC Philippines	2,670	11/18/2020
Teleperformance Malaysia	HSBC Malaysia	178	11/18/2020
Metis Bilgisayar Sistemleri	HSBC Turkey	2,047	11/01/2021
Société Méditerranéenne de Télémarketing	Citi	1,473	10/31/2028
Société Méditerranéenne de Télémarketing	Citi	1,821	10/31/2028
Luxembourg Contact Centers	SG Bank&Trust	1,000	
Mexican subsidiaries	Iberdrola	1,620	08/31/2022
TOTAL		**35,610**	

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 Teleperformance 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 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 Australia, Brazil, Egypt, Germany, Greece, Italy, Luxembourg, Peru, the czech Republic, Spain, Tunisia, Colombia and Morocco in a total amount of €53.9 million.

Note 19.3 Net asset warranties

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 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 2019, 30 training hours were utilized.

The outstanding commitment in respect of the CPF amounted to 2,194 hours at the end of 2019.

Note 20 Work-force

At December 31st, 2019, the Company's work-force consisted of 40 persons, representing 33 managers and supervisors and seven other employees. The change during the year was as follows:

Employment categories	At December 31st, 2018	Change	At December 31st, 2019
Other	5	2	7
Managers	36	-3	33
TOTAL	**41**	**-1**	**40**

Note 21 Remuneration of directors and company officers

Gross remuneration (former directors' fees) paid in 2019 to directors in respect of the financial year 2018 amounted to 818 thousands of euros and those paid in 2018 (in respect of the financial year 2017) 2,308 thousands of euros.

The total amount of all types of remuneration paid in 2019 to company officers, as corporate appointment, amounted to 1,839 thousands of euros compared with 2,308 thousands of euros in 2018.

Note 22 Statutory auditors' fees

The audit fees of the statutory auditors of Teleperformance SE in respect of the 2019 financial year are analyzed as follows:

	KPMG AUDIT IS		DELOITTE & ASSOCIÉS	
(in thousands of euros)	Audit	Other(1)	Audit	Other
TOTAL	**479**	**19**	**317**	**25**

(1) Nature of the non-audit services rendered by KPMG Audit IS to the parent Company (Teleperformance SE): agreed upon procedures on the CRS materiality assessment.

Note 23 Balances and transactions with group companies

Balance sheet *(in thousands of euros)*	Net amount at 12/31/2019
ASSETS	
• Investments in subsidiaries and affiliates	3,200,610
• Receivables from subsidiaries and affiliates	425,695
• Accounts receivable – Trade	29,383
• Other receivables	63,498
LIABILITIES	
• Financial liabilities	424,918
• Accounts payable – Trade	10,095
• Other liabilities	70,925

Income statement *(in thousands of euros)*	At 12/31/2019
INCOME	
• Net income from investments in subsidiaries and affiliates	104,708
• Other financial income	39,194
• Release of provisions	1,076
EXPENSES	
• Financial expenses	13,634
• Increase in provisions	32,324

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

(in thousands of euros)	Gross amount of share-holding	Carrying value of share-holding	Dividends received	Loans and advances (gross)	Commitments given	% Holding
I. DETAILED INFORMATION						
Subsidiaries with the gross amount of its shareholding exceeding 1% of the parent company's share capital						
A. Subsidiaries (more than 50% owned by the Company)						
Teleperformance Intermédiation 21-25 rue Balzac – 75008 Paris	6,647	4,847				100
Teleperformance Europe, Middle East and Africa 21-25 rue Balzac – 75008 Paris	9,609	4,493	2,343			100
Teleperformance France 12-14, rue Sarah Bernhardt – 92600 Asnières-sur-Seine	374,276	156,276				100
Compania Salvadoreña de Teleservices S.A. de C.V Edificio Plaza Olímpica Avenida Olímpica y Pasaje 3 Segundo Nivel San Salvador – El Salvador	6,000	6,000	10,153			100
Luxembourg Contact Centers 153-155 C rue du Kiem L-8030 Strassen – Luxembourg	980,009	980,009	46,700	45,322		100
Teleperformance Holdings Limited Spectrum House, Bond Street BS1 3LG Bristol – United Kingdom	108,525	108,525	3,201			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	4,333			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	18,000			100
Teleperformance Portugal SA Parque das Naçoes, Lais dos argonautas Lote 2.34.01, 1990 – 011 Lisbon – Portugal	7,754	7,754	17,992			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	71,070	58,070				100
Albania Marketing Services Bruga Iliria km 12.6 Ndertesa NR, 32 Tirana – Albania	44,500	44,500	1,425			100
Teleperformance Peru Av La Floresta N°497, Piso 5°, San Borja Lima – Peru	5,054	5 054	238			100
Wibilong 10, rue de Castiglione 75001 PARIS	4,818	4,818		3,844		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 Madagascar Ankorondrano Analamanga, 101, Antananarivo Renivohitra, Madagascar	6,940	0		1,175		100
Teleperformance Group Inc. 1601 Washington Av. Suite 400 – Miami Beach FL 33139 – USA	1,632,473	1,632,473		329,357		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)	**50**	**50**				
b) Foreign subsidiaries (in total)	**1,925**	**641**	**323**	**3,529**		
B. Shareholdings not set out in section I: none						

(in thousands of local currency)	Local currency	2019 share capital	Total 2019 equity excluding share capital	2019 statutory net income	2019 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	-529	-31	51
Teleperformance Europe, Middle-East and Africa 21-25 rue Balzac – 75008 Paris	EUR	2,500	2,189	2,128	107,638
Teleperformance France 12-14, rue Sarah Bernhardt – 92600 Asnières-sur-Seine	EUR	59,000	-39,406	-8,714	182,543
Compania Salvadoreña de Teleservices S.A. de C.V Edificio Plaza Olímpica Avenida Olímpica y Pasaje 3 Segundo Nivel San Salvador – El Salvador	US$	12	59,802	22,314	118,013
Luxembourg Contact Centers 153-155 C rue du Kiem L-8030 Strasen – Luxembourg	EUR	978,232	204,029	41,661	
Teleperformance Holdings Limited Spectrum House, Bond Street BS1 3LG Bristol – United Kingdom	GBP	62,704	8,010	2,953	
SPCC – Sao Paulo Contact Center Ltda Prédio 25, Espaço 01, Mezanino, Sala A Lapa, CEP 05069 – 010 Sao Paulo – Brazil	BRL	156,500	110,389	35,405	
Teleperformance Spain S.A.U. Avenida de Burgos 8A – 28036 Madrid – Spain	EUR	8,751	1,173	1,608	100,840
YPIRESIA 800 Teleperformance Thisseos 330 – 17675 Kallithea – Greece	EUR	2,100	81,282	35,310	264,700
Teleperformance Portugal SA Parque das Naçoes, Lais dos argonautas Lote 2.34.01, 1990 – 011 Lisbon – Portugal	EUR	885	54,188	25,338	286,413
Teleperformance Nordic AB St Eriksgatan 115 – 11385 Stockholm – Sweden	SEK	277	189,788	-14,425	739,517
Telemarketing Asia (Singapore) Pte Ltd 29 Tai Seng Avenue, 534119 Singapore	SGD	4,000	5,239	-60	9,425
In & Out S.p.A Via Di Priscilla 101 – 00199 Rome – Italy	EUR	2,828	1,904	-8,038	76,454
Albania Marketing Services Bruga Iliria km 12.6 Ndertesa NR, 32 Tirana – Albania	EUR	90	12,498	6,991	36,231
Teleperformance Peru Av La Floresta N°497, Piso 5°, San Borja Lima – Peru	PEN	19,308	3,250	2,152	43,796
Wibilong 10, rue de Castiglione 75001 Paris	EUR	277	-4,350	-2,300	1,159
Teleperformance Colombia S.A.S. Calle 70 A 4 41 – Bogota DC – Colombia	COP	134,265	332,564	72,851	912,895
Citytech S.A 1 Bouchard 680, piso 10 – Buenos Aires – Argentina	ARS	67,323	562,942	147,218	3,374,752
Teleperformance Madagascar Ankorondrano Analamanga, 101, Antananarivo Renivohitra, Madagascar	MGA	2,646	-1,248	-1,405	3,515
Teleperformance Group Inc. 1601 Washington Av. Suite 400 – Miami Beach FL 33139 – USA	US$	518	2,191,560	73,991	
B. Shareholdings (10 – 50% of the share capital held by the Company): none					
II. CUMULATIVE INFORMATION					
A. Subsidiaries not set out in section I: none					
a) French subsidiaries (in total)					
b) Foreign subsidiaries (in total)					
B. Shareholdings not set out in section I: none					

2019 Exchange rates	Closing	Average
ARS	67.1031	53.8222
BRL	4.5157	4.4134
MCOP	3.683	3.671
GBP	0.8508	0.8778
PEN	3.7255	3.7364
SEK	10.4468	10.5891
SGD	1.5111	1.5273
US$	1.1234	1.1195
MGA	4,071	4,042.4471

6.6 STATUTORY AUDITORS' REPORT ON THE 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 31 December 2019

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 31, 2019.

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 31, 2019 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, Risks 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 1, 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (Code de déontologie) for statutory auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring your attention to the key audit matter relating to risk of material misstatement that, in our professional judgment, was of most significance in our audit of the 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 financial statements)

Identified risk

As of December 31, 2019, investments in subsidiaries were recorded in the balance sheet for a net carrying amount of €3,201 million, i.e. 81% 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.

This resulted in the recognition of a €22 million impairment loss for 2019.

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 flow forecasts, as well as 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 statements 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 flow 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 previous forecasts;
  - Reconciling the forecasts used with the three-year plan approved by group management;
  - Assessing the appropriateness of the perpetual growth and discount rates used with the assistance of our valuation experts;
  - Reconciling the net indebtedness used for impairment testing purposes with the subsidiary financial statements.

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.

We attest that the consolidated declaration of extra-financial performance, required under Article L. 225-102-1 of the French Commercial Code, 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 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.

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code relating to remunerations and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements and, where applicable, with the information obtained by your Company from companies controlled by it that are within the scope of consolidation. Based on this work, we attest the accuracy and fairness 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, 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 31, 2011.

As at December 31, 2019, Deloitte & Associés and KPMG Audit IS were in the twenty-first year and thirty-third year of total uninterrupted engagement respectively, which is the thirteenth 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 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, Risks and Compliance Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The 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, 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, Risks and Compliance Committee

We submit a report to the Audit, Risks 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, Risks 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, Risks 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 and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the Audit, Risk and Compliance Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris la Défense, le xx février 2020
Les commissaires aux comptes

KPMG AUDIT IS	Deloitte & Associés
Jacques Pierre Associé	Ariane Bucaille Associées

6.7 FIVE-YEAR FINANCIAL INFORMATION SCHEDULE

(in euros)	2015	2016	2017	2018	2019
I. SHARE CAPITAL AT THE END OF THE YEAR					
Share capital	143,004,225	144,450,000	144,450,000	144,450,000	146,797,500
Number of shares issued	57,201,690	57,780,000	57,780,000	57,780,000	58,719,000
Maximum number of potential shares:					
• by exercise of subscription rights					
• by award of incentives plan shares		1,034,208	990,476	969,076	445,492
II. TRANSACTION INFORMATION					
Revenues, excluding VAT	67,520,049	70,670,559	106,964,855	108,049,908	129,127,334
Net income (loss) excluding income taxes, depreciation and amortization, and provisions	149,573,842	73,962,829	119,422,233	154,115,898	137,485,236
Income taxes	22,083,024	19,276,634	24,418,956	7,765,016	10,685,871
Net income (loss) after income taxes, depreciation and amortization, and provisions	120,002,281	41,705,613	71,341,012	190,344,786	95,173,063
Dividends distributed	68,642,028	75,114,000	106,893,000	109,782,000	140,925,600
III. TRANSACTION INFORMATION PER SHARE					
Net income (loss), after income taxes, but excluding depreciation and amortization, and provisions	2.23	0.95	1.64	2.53	2.16
Net income (loss) after income taxes, depreciation and amortization, and provisions	2.10	0.72	1.23	3.29	1.62
Dividends distributed	1.20	1.30	1.85	1.90	2.40*
IV. STAFF					
Number of salaried staff	46	47	44	41	40
Total remuneration	4,291,841	5,200,098	4,955,371	6,311,387	6,029,840
Amount of employee fringe benefits (social security, staff benefits)	1,902,873	2,189,472	3,244,785	3,948,665	3,408,179

* *To be proposed to the AGM to be held on April 16th, 2020.*

7

Information on the Company

7.1 INFORMATION ABOUT THE COMPANY

7.1.1 General information about the Company

Corporate name and commercial 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 (0)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, those of the European Council Directive No. 2001/86/CE of October 8th, 2001, those 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 – website

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".

The information available on the website indicated in present universal registration document, with the exception of those incorporated by reference (page 1), is not part of the present universal registration document. To that effect, those pieces of information were not reviewed nor approved by the AMF (*Autorité des marchés financiers* or French Markets Authority).

During the validity of the present universal registration document, the following documents can also be consulted, if necessary, on the website of the Company: www.teleperformance.com, section "Investor Relations":

- the last updated version of the articles of association of the Company;
- all reports, mails and other documents, assessments and statements established by an expert upon request of the Company, a part of which is included or referenced to in the universal registration documents.

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

The rules applicable to the appointment and the replacement of the members of the Board of Directors are described in the report on corporate governance (see chapter 3 of the present Universal 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.

Before any shareholders' meeting is held, 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 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.

7.1.2.6 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, 2019 and as of January 31st, 2020, the Company's share capital amounted to €146,797,500 divided into 58,719,000 fully paid-up shares of the same class, each with a par value of €2.50.

As of December 31st, 2019, these 58,719,000 shares represented 59,746,934 theoretical (or gross) voting rights and 59,736,947 actual (or net) voting rights. As of January 31st, 2020, they represent 59,744,474 theoretical (or gross) voting rights and 59,736,861 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.

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' meeting held on May 9th, 2019 and the propositions of delegations and authorizations to be submitted to the shareholders' meeting to be held on April 16th, 2020 are described in the report on corporate governance (see section 3.1.3.2.2 of this Universal 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 May 9th, 2019 and October 1st, 2019 and proposition of authorization submitted to the combined shareholders' meeting to be held on April 16th, 2020:

	Date of shareholders' meeting (resolution No.)	Duration (expiry)	Terms
Share repurchases*	**April 16th, 2020 (16th)**	**18 months (Oct. 2021)**	**Maximum purchase price per share: €350 Limit: 10% of the total number of shares**
	Oct. 1st, 2019 (1st)	18 months (March 2021)	Maximum purchase price per share: €250 Limit: 10% of the total number of shares
Cancellation of shares	May 9th, 2019 (17th)	26 months (July 2021)	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, 2019, the Company owned 9,987 treasury shares all held in connection with the liquidity contract.

As of January 31st, 2020, the Company held 7,613 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

As of February 28th, 2019, Teleperformance Group, Inc. (TGI), a 100% US subsidiary of the Company 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. 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 3.2.3.5 *Stock subscription or purchase options and performance shares grants to executive officers*).

On April 29th, 2019, all of those shares were definitively acquired by the beneficiaries of the long-term incentive plan implemented by TGI and transferred to their benefit.

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 October 1st, 2019 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 May 9th, 2019.

Pursuant to said authorization, the Board of Directors at its meeting held on July 25th, 2019 resolved, and that subject to the approval of the 1st resolution by the Shareholders' meeting held on October 1st, 2019, to set up a new share buy-back program limited to 10% of the share capital with a maximum purchase price per share of €250.

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 practices permitted by the regulations, it being specified that, in this context, the number of shares taken into account for the calculation of the limit of 10%, 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 May 9th, 2019 in its 17th extraordinary resolution;
- carry out, in general, any transaction permitted under current regulations.

Liquidity contract

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 amendment 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, 2019, assets held in the liquidity account were as follows: 9,987 shares and €7,056,821.31.

Share repurchases or reallocations in connection with other objectives

During the year 2019, Teleperformance SE acquired 1,476 treasury shares, *i.e.* 0.0025% of the share capital, purchased at a gross weighted average price of €200.2942 and for a total amount of €295,634.24 pursuant to the share repurchase program authorized by the ordinary shareholders' meeting held on October 1st, 2019 (1st resolution). These shares were all allocated to cover the performance share plans and used in connection with the definitive acquisition of performance shares under the performance share plan dated November 2nd, 2016.

Summary of the purchase and sale transactions on Company's own shares during 2019 (1)

Number of shares purchased	259,701
Average purchase price	€173.86
Number of shares sold	289,741
Average sale price	€172.11
Trading costs	€60,000.00 (excl. taxes)
Number of treasury shares held as of December 31st, 2019	9,987
Percentage of share capital held by the Company as of December 31st, 2019	0.017%
Book value of treasury shares held as of December 31st, 2019*	€2,140,706.29
Market value of treasury shares held as of December 31st, 2019**	€2,171,173.80
Total nominal value of treasury shares*** as of December 31st, 2019	€24,967.50
Number of shares canceled over the last 24 months****	0

(1) *Transactions carried out under the liquidity contract and on the basis of the authorizations granted by the shareholders' meetings of April 28th, 2018, May 9th, 2019 and October 1st, 2019.*
* *Book value before impairment.*
** *Based on the average purchase price, i.e. € 217.40 per share.*
*** *All treasury shares held as of December 31st, 2019 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 2019.*

New share buy-back program

It will be proposed to the shareholders' meeting to be held on April 16th, 2020 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 practices permitted by the regulations, it being specified that, in this context, the number of shares taken into account for the calculation of the limit of 10%, 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 April 16th, 2020 is set at 10% of the total number of shares comprising the share capital (or 5,871,900 shares as of the date of the present Universal 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 7,613 (*i.e.*, 0.13% of the share capital), the maximum number of shares that can be purchased stands at 5,864,287 representing 9.87% of the share capital unless existing treasury shares are transferred or canceled.

The maximum purchase price proposed to the shareholders' meeting to be held on April 16th, 2020 is set at €350 per share. Therefore, the maximum transaction amount is set at €2,052,500,450 based on a number of shares of 58,719,000.

Term of the program

In accordance with the resolution which will be submitted for approval to the shareholders' meeting to be held on April 16th, 2020, the share buy-back program will be implemented over a period of 18 months following the date of said meeting expiring on October 15th, 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 April 28th, 2016 (16th resolution) and May 9, 2019 (22nd 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.

Synthesis of the outstanding performance share plans granted by the Company

Plan ref.	130730TP	160428TP	161102TP	170623TP	180102TP	190603TP
Date of shareholders' meeting	04/28/2016	04/28/2016	04/28/2016	04/28/2016	04/28/2016	05/09/2019
Date of Board meeting	04/28/2016	11/02/2016	06/23/2017	11/30/2017	02/28/2018	06/03/2019
Grant date	04/28/2016	11/02/2016	06/23/2017	01/02/2018	02/28/2018	06/03/2019
Total number of share rights granted	914,300	151,508	11,600	6,000	1,000	442,241
Total number of beneficiaries	239	29	1	1	1	411
of which total number granted to executive officers:						
• Daniel Julien*	-	-	-	-	-	-
• Olivier Rigaudy**	-	-	-	-	-	22,000
Vesting date	04/28/2019	11/02/2019	06/23/2020	01/02/2021	02/28/2021	06/03/2022
End of lock-in period	-	-	-	-	-	-
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	113,700	11,632	0	0	0	15,349
Number of shares definitively vested	800,600***	139,876	-	-	-	-
Number of outstanding rights	0	0	11,600	6,000	1,000	426,892

* *See below section Performance shares granted by companies controlled by the Company.*
** *Deputy Chief Executive Officer since October 13th, 2017.*
*** *Of which 35,000 shares on March 13th, 2019 following the death of a beneficiary.*

As of February, 20th, 2020, on all plans, there were 445,492 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 170623TP, 180102TP, 180228TP and 190603TP, 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 €1,113,730 and a maximum potential dilution of 0.7%.

Grants under the authorization given by the combined shareholders' meeting held on April 28th, 2016 (16th resolution)

Plan dated April 28th, 2016 (Plan 160428TP)

The Board of Directors, at its meeting held on February 28th, 2019, has, upon recommendation of the Remuneration and Appointments Committee, and after review of financial items by the Audit Committee, decided to retain the three criteria presenting the best level of performance and formally noted that the performance conditions were met. It determined, on that basis, that the share credit percentage was of 100% (see section 7.2.5.3 of the 2018 Registration Document[1]). Consequently, a total of 765,600 new shares were issued and transferred on April 29th, 2019 (1st business day following the date of definitive acquisition) to the beneficiaries that met the attendance requirement as of April 28th, 2019. It is specified that following the death of a beneficiary, 35,000 new shares were issued on March 13th, 2019. The beneficiaries, who will still meet the presence requirement as of April 28th, 2019. Furthermore, as the modalities of the long-term incentive plan (see section 3.2.2.3 *Grant of stock options and performance shares to executive directors of the 2018 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.

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):** grant of a total of 151,508 performance shares in favor of 29 beneficiaries, including some senior executives (non-corporate officers) of Teleperformance and of Language Line. The performance criteria were identical to those defined in the April 28th, 2016 plan (Plan 160428TP) in order to create and maintain cohesion and team spirit.

  The vesting period was of three years, *i.e.* from November 2nd, 2016 to November 2nd, 2019 inclusive. This grant was not subject to any lock-in period and the performance shares could be disposed of at the end of the vesting period.

  The level of achievement of those performance criteria was noted at the meeting of the Board of Directors held on February 28th, 2019 as described above (see above Plan dated April 28th, 2016 (Plan 160428TP)). Therefore, all the performance shares granted were definitely acquired by the beneficiaries on November 2nd, 2019. To that effect, 1,476 existing shares were transferred, and 138,400 new shares were issued and transferred on November 4th, 2019 (1st business day following the date of definitive acquisition) to the beneficiary.

- **Plan dated June 23rd, 2017 (Plan 170623TP):** grant of 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):** grant of 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):** grant of 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.

Grant under the authorization given by the combined shareholders' meeting held on May 9th, 2019 (22nd resolution)

Plan dated June 3rd, 2019 (Plan 190603TP)

At its meeting held on June 3rd, 2019, upon recommendation of the Remuneration and Appointments Committee, the Board of Directors decided to grant a total of 442,241 performance shares of the Company in favor of 411 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 June 3rd, 2019 to June 3rd, 2022 inclusive. This grant is not subject to any lock-in period, which will thus be freely transferrable immediately upon vesting as from June 3rd, 2022 if all the conditions are met.

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.* June 3rd, 2022 (inclusive).

The Board of Directors decided to make the definitive vesting of the performance shares conditional upon the achievement of the following performance criteria: achievement of three Group performance criteria measured over a three-year period between January 1st, 2019 through December 31st, 2021 as described below:

- the 1st performance criterion is based on like-for-like (constant exchange rates and consolidation) Group consolidated revenue growth between the year ended December 31st, 2018 and the year ended December 31st, 2021; and

(1) *Filed with the* Autorité des marchés financiers *(French Markets authority) on March 4th, 2019 under number D.19-0093.*

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- the 2nd performance criterion is based on the EBITA[1] margin for the financial year ended December 31st, 2021 (excluding non-recurring items[2]); and
- the 3rd performance criterion is based on the Teleperformance SE share price outperforming the SBF 120 index in each of the three years of the plan. It will be calculated by comparing the average performance of the annual average price of (i) the Teleperformance SE share and (ii) the SBF 120 for the financial years ending December 31st, 2019, 2020 and 2021.

The shares credit percentage will be determined depending on the levels of achievement of each of the performance criteria and shall be applied to the number of performance shares originally granted to each beneficiary in order to calculate the final number of shares to be vested for each beneficiary. The final number of shares acquired by each beneficiary shall be rounded up to the nearest whole number.

No performance shares shall be vested in favour of the beneficiaries if the organic revenue growth is less than 15.0% or if the EBITA margin rate is less than 13.8%.

Criterion of organic revenue growth* (at constant exchange rate and scope of consolidation):

Percentage of shares credit	0%	50%	75%	100%
Organic revenue growth	Less than 15.0%	Higher than or equal to 15.0%	Higher than or equal to 17.5%	Higher than or equal to 20.0%

* *Organic growth over the three years measured from the 2018 pro forma revenues (including Intelenet revenues on 12 months' basis).*

Criterion of the EBITA margin rate (excluding non-recurring items):

Percentage of shares credit	0%	50%	75%	100%
EBITA margin rate	Less than 13.8%	Higher than or equal to 13.8%	Higher than or equal to 13.9%	Higher than or equal to 14.0%

Criterion of the Stock Price Evolution:

Percentage of shares credit	0%	50%	75%	100%
Stock Price Evolution	Less than 100 basis points	Higher than or equal to 100 basis points	Higher than or equal to 200 basis points	Higher than or equal to 300 basis points

Performance shares granted to the top ten non-executive employees

During the year 2019, the first ten non-director employees of the Group who were granted the most performance shares received a total of 105,667 shares under the performance share plans of June, 3rd 2019 (Plan 190603TP).

Performance shares granted by companies controlled by the Company

It is reminded that, Teleperformance Group, Inc. (TGI), wholly owned subsidiary of Teleperformance SE, implemented, in April 2016, a long-term incentive plan based on Teleperformance SE shares, involving a total of 350,000 shares to the benefit of two beneficiaries, including Mr. Julien. The definitive vesting of shares was 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). Those shares were definitively vested on April 29th, 2019.

In 2019, TGI implemented a new long-term incentive plan based on Teleperformance SE shares to the benefit of one beneficiary and involving a total of 58,333 shares. The definitive vesting of shares is subject to conditions of attendance and performance criteria identical to those adopted by the Company's Board of Directors for the June 3rd, 2019 performance share plan (Plan 190603TP).

The terms of this long-term incentive plan are also described in section 3.2.3.5 *Stock subscription or purchase options and performance shares grants to executive officers* of the present Universal Registration Document.

As of February 20th, 2020, under this plan, there were 58,333 outstanding rights to performance shares that may be acquired.

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 12/31/2016	12/31/2016	2.50	n/a	n/a	57,780,000	144,450,000.00
Performance share plan (April 28th, 2016 plan)*	03/13/2019	2.50	n/a	35,000	57,815,000	144,537,500.00
Performance share plan (April 28th, 2016 plan)	04/29/2019	2.50	n/a	765,600	58,580,600	146,451,500.00
Performance share plan (November 2nd, 2016 plan)	11/04/2019	2.50	n/a	138,400	58,719,000	146,797,500.00
Share capital at 12/31/2019	12/31/2019	2.50	n/a	n/a	58,719,000	146,797,500.00

* *Following the death of a beneficiary.*

(1) *EBITA (Earnings Before Interest, Taxes and Amortization): EBIT before amortization of intangible assets on acquisitions, goodwill impairment and non-recurring items.*
(2) *Non-recurring items: these mainly include restructuring costs, bonus share plan costs, costs relating to the closure of subsidiaries, company acquisition fees and any other extraordinary costs in terms of nature or amount.*

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, 2019 and the filing date of the present Universal 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, 2019

	Share capital		Theoretical voting rights		Actual voting rights	
At December 31st, 2019	**Number**	**%**	**Number**	**%**	**Number**	**%**
BlackRock Fund Advisors, LLC	4 049 100	6.9%	4 049 100	6.8%	4 049 100	6.8%
Fidelity Management & Research Company	3 814 400	6.5%	3 814 400	6.4%	3 814 400	6.4%
The Vanguard Group, Inc.	1 786 000	3.0%	1 786 000	3.0%	1 786 000	3.0%
NN Group N.V.	1 709 600	2.9%	1 709 600	2.9%	1 709 600	2.9%
Ostrum Asset Management S.A.	1 529 700	2.6%	1 529 700	2.6%	1 529 700	2.6%
Daniel Julien	1 150 314	2.0%	1 974 628	3.3%	1 974 628	3.3%
Main identified shareholders	**14 039 114**	**23.9%**	**14 863 428**	**24.9%**	**14 863 428**	**24.9%**
Other shareholders (public)	44 669 899	76.1%	44 873 519	75.1%	44 873 519	75.1%
Treasury shares	9 987	0.0%	9 987	0.0%	0	0.0%
TOTAL	**58 719 000**	**100%**	**59 746 934**	**100%**	**59 736 947**	**100%**

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

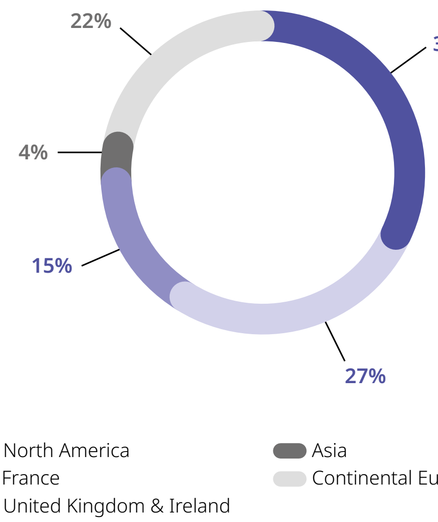
	2019			2018			2017		
At December 31st	**Number of shares**	**% shares**	**% actual voting rights**	**Number of shares**	**% shares**	**% actual voting rights**	**Number of shares**	**% shares**	**% actual voting rights**
BlackRock Fund Advisors, LLC	4 049 100	6.9%	6.8%	2 772 300	4.8%	4.7%	2 709 100	4.7%	4.6%
Fidelity Management & Research Company	3 814 400	6.5%	6.4%	2 051 600	3.6%	3.5%	1 321 500	2.3%	2.2%
The Vanguard Group, Inc.	1 786 000	3.0%	3.0%	1 634 800	2.8%	2.8%	1 430 400	2.5%	2.4%
NN Group N.V.	1 709 600	2.9%	2.9%	2 253 500	3.9%	3.8%	2 970 000	5.1%	5.0%
Ostrum Asset Management S.A	1 529 700	2.6%	2.6%	1 268 400	2.2%	2.2%	421 000*	0.7%	0.7%
Daniel Julien	1 150 314	2.0%	3.3%	974 314	1.7%	3.1%	974 314	1.7%	3.1%
Main identified shareholders	**14 039 114**	**23.9%**	**24.9%**	**10 954 914**	**19.0%**	**20.1%**	**9 826 314**	**17.0%**	**18.1%**
Other shareholders (public)	44 669 899	76.1%	75.1%	46 597 496	80.6%	79.9%	47 928 286	82.9%	81.9%
Treasury shares	9 987	0.0%	0.0%	227 590	0.4%	0.0%	25 400	0.0%	0.0%
TOTAL	**58 719 000**	**100%**	**100%**	**57 780 000**	**100%**	**100%**	**57 780 000**	**100%**	**100%**

* *Based on a Teleperformance SE shareholder identity study as of September 30th, 2017/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, 2019 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 15th, 2019*



** Based on a Teleperformance SE shareholder identity study as of September 15th, 2019, which identified 435 institutional investors.*

This geographical breakdown is based on the nationality of the shareholder companies.

As of September 15th, 2019, institutional investors held 84% of the Company's share capital, compared to 86% 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, 2019, the employees of the Company and related companies within the meaning of Article L.225-180 of the French Commercial Code owned 0.53% of the share capital 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

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
01/31/2020	220C0433	01/27/2020	FMR Company LLC	5% of share capital	upwards	2,937,565	5.003%	4.92%

In 2019

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
02/27/2019	219C0358	02/26/2019	BlackRock Inc.	5% of share capital	upwards	2,904,481	5.03%	4.93%
02/28/2019	219C0370	02/27/2019	BlackRock Inc.	5% of share capital	downward	2,847,012	4.93%	4.84%
03/28/2019	219C0550	03/27/2019	FMR LLC	5% of share capital	upwards	2,904,769	5.03%	4.93%
04/12/2019	219C0639	04/11/2019	FMR LLC	5% of voting rights	upwards	2,975,073	5.15%	5.05%
08/29/2019	219C1498	08/28/2019	BlackRock Inc.	5% of share capital	upwards	2,980,703	5.09%	4.99%
08/30/2019	219C1513	08/29/2019	BlackRock Inc.	5% of voting rights	upwards	3,047,555	5.20%	5.11%

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.

7.3.2 Shareholders' agreements

To the Company's knowledge, as of the date of this Universal 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, as of the date of this Universal Registration Document, 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, Reuters: TEPRF.PA, Bloomberg: TEP FP) 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. They were confirmed in the Ethibel Sustainability Europe index in March 2019.

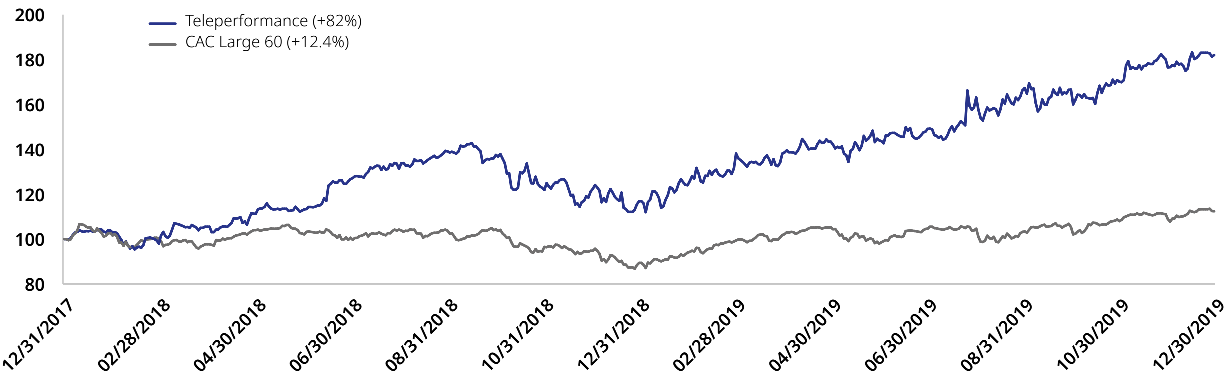
7.4.2 Information on traded volumes and share price movements

7.4.2.1 Monthly evolution of the readjusted share prices over the last 18 months

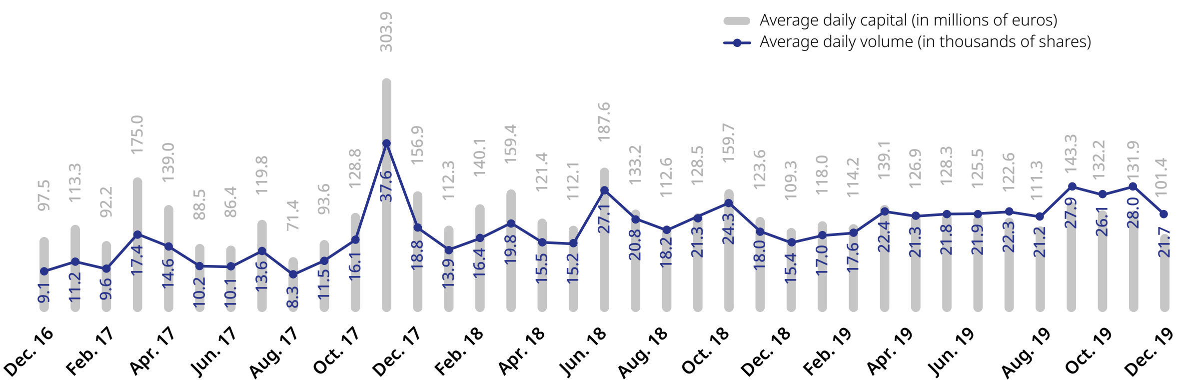
	High *(in euros)*	**Low** *(in euros)*	**Closing price** *(in euros)*	**Number of shares traded**	**Value traded** *(in million euros)*	**Number of trading sessions**
2018						
August	167.10	155.70	165.50	2,590,491	418.8	23
September	171.70	159.40	162.50	2,569,321	426.1	20
October	165.50	141.10	145.60	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	374.9	22
February	158.10	149.30	157.00	2,284,403	352.0	20
March	167.00	156.20	160.20	2,921,416	470.2	21
April	174.10	161.10	171.30	2,537,875	426.9	20
May	177.10	159.80	172.00	2,822,952	480.2	22
June	180.90	167.10	176.20	2,510,428	438.4	20
July	198.60	171.40	189.60	2,820,530	513.2	23
August	198.80	181.90	198.60	2,449,340	466.6	22
September	203.60	184.30	198.90	3,009,693	586.5	21
October	205.80	189.50	203.20	3,039,636	600.4	23
November	220.00	202.80	215.00	2,769,796	587.0	21
December	219.80	208.40	217.40	2,027,898	433.2	20
2020						
January	234.20	214.60	226.80	2,861,446	645.7	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 29th, 2017)*



7.4.2.3 Adjusted monthly average volumes traded per day



7.5 DIVIDENDS

7.5.1 Dividend pay-out policy

The dividend pay-out policy, defined by the Board of Directors, is based on an analysis taking into account in particular the history of dividends, the financial position and the results of the Company. It consists of distributing a stable or progressive dividend so as to fairly compensate the shareholder while retaining within the Group the resources necessary for its development.

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***
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%
2018	€1.90	€109,782,000.00	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 April 16th, 2020 to fix the gross amount of dividend for 2019 at €2.40 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 and financial communication 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 more all the stakeholders of its policy in terms of social and environmental responsibility, has published for the first year an integrated report and has dedicated a whole section of this universal registration document to these topics (see section 2 – *Declaration of non-financial performance*).

A key feature of 2019 was the Group's continued efforts to improve the quality of its communication to the financial community. The group notably organized in October 2019 a Digital Day dedicated to investors, in Santa Clara, California, to present the acceleration of its digital transformation strategy.

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 universal 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 and Financial Communication 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 and financial communication 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 2019 with the addition of a number of London-based analysts specialized in business services.

In 2019, Teleperformance held more than 300 meetings and conference calls with investors, a strong increase compared with the year 2018. The Group has notably:

- maintained the number of meetings with Anglo-Saxon investors at a high level;
- organized a roadshow in Asia for the second year in a row and intends to continue to meet investors in this region in 2020 in order to continue the geographical diversification of its shareholding.
- initiated a proactive approach to regularly meet with investors specializing in socially responsible investment (SRI). Teleperformance wishes to increase its efforts in this area in 2020.

Finally, the group organized a Digital Day dedicated to investors, in Santa Clara, California. Nearly 50 analysts and investors attended the event, during which members of the management committee and experts presented the acceleration of the group's transformation with the global deployment of its digital solutions. A visit to the Teleperformance Innovation Excellence Center (T.I.E.C.), the new showcase for Teleperformance's global expertise and digital solutions, was also organized on this occasion.

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 2019 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 and financial communication 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
Corporate Trust Operations
9, rue du Débarcadère
93 761 Pantin Cedex
France
Telephone: +33 1 57 43 02 30
https://planetshares.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

Annual shareholders' meeting	April 16th, 2020
Ex-dividend date	April 20th, 2020
Dividend payment	April 22th, 2020
Q1 2020 revenue	April 28th, 2020
H1 2020 results	July 29th, 2020
Q3 2020 revenue	November 3rd, 2020

7.6.8 Contact

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

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

8

Additional information

8.1 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Statement by the person responsible for the universal registration document

"I hereby certify, after having taken all reasonable measures to this effect, that the information contained in this universal 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, financial position and profit or loss of the Company and all the undertakings included in the consolidation, and that the management report the contents of which are listed in the cross-reference table in section 8.5 of this universal 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."

March 2nd, 2020

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 Cedex – 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 TO THE UNIVERSAL REGISTRATION DOCUMENT

Pursuant to the provisions of Annexes 1 and 2 of Commission Delegated Regulation (EU) 2019/980 of March 14th, 2019.

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French Commercial Code	L.233-6	Significant new shareholdings acquired during the year in companies with registered offices located in France	n/a
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French Commercial Code	L.233-6	Operations of the Company and its subsidiaries and shareholdings by business sector	13
French General Tax Code	243 *bis*	Dividends distributed in respect of the last three financial years and amounts of distributed income eligible and ineligible for the 40% tax rebate in respect of said periods	254
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French Monetary and Financial Code	L.511-6, R. 511-2-1-3	Amount of intercompany loans (and auditors' certification)	n/a
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French Commercial Code	L.225-100-1	Company exposure to price, credit, liquidity and cash flow risks	47
French Commercial Code	L.225-102-1, L.225-102-2, R.225-105, R.225-105-1	Declaration of non-financial performance: Social and environmental consequences and impact of the Company's operations (including "Seveso" sites) (i) with regard to the respect of human rights and prevention of corruption and tax evasion and (ii) including the consequences of the Company's operations and the use of goods and services produced and provided by the Company on climate change; social commitments promoting sustainable development, the circular economy, the prevention of food waste and food insecurity, respect for animal welfare and responsible, equitable and sustainable eating, collective agreements in force at the Company and their impact on the Company's economic performance and employee working conditions, initiatives to prevent discrimination and promote diversity, and measures taken in favor of disabled persons	59
French Commercial Code	L.225-102-4, L.225-102-5	Plan concerning reasonable diligence measures designed to identify risks and prevent serious violations of human rights and fundamental freedoms, of health and safety of persons, as well as to 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, as well as from the operations of subcontractors or suppliers with which an established business relationship exists, where such operations form part of this relationship	55
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French Commercial Code	L.232-1, L.233-26	Research and development activities	26 ; 37
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French Commercial Code	L.233-29, L.233-30, R.233-19	Notice of holding over 10% of the share capital in another joint stock company. Elimination of cross shareholdings	n/a
French Commercial Code	L.225-211	Breakdown of treasury share sales and purchases during the year	245
French Commercial Code	R.228-90, R.225-138, R.228-91	Adjustments, if any, for securities giving access to the capital and stock options in the event of share repurchases above quoted market price or financial transactions	n/a
French Commercial Code	L.225-102	Statement of employee participation in the share capital as of the balance sheet date and proportion of share capital represented by shares held by employees under the Company savings scheme and by current and former employees within company mutual funds and registered shares held directly by employees pursuant to Article L.225-197-1 of the French Commercial Code	250
French Commercial Code	L.464-2	Injunctions or financial penalties for anti-trust practices	n/a
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French Commercial Code	L.233-6	Subsidiaries earnings	235
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French Monetary and Financial Code AMF General Regulation	L.621-18-2 223-26	Summary statement of securities transactions by persons exercising managerial responsibilities and closely related persons	156
French Commercial Code	L.233-13	Controlled companies and portion of the Company's share capital they hold	244
French Commercial Code	L.232-1	List of existing branches	n/a
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French Commercial Code	L.225-37-2 to L.225-37-5	Corporate governance report	93

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French Commercial Code	L.225-184	Options granted, subscribed to or purchased during the year by corporate officers and by the first ten non-corporate director employees of the Company, and options granted to all employee beneficiaries by category	n/a
French Commercial Code	L.225-185	Terms and conditions pertaining to the exercise and lock-in of options by executive directors	n/a
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French Commercial Code	L.225-37-4	Description of the diversity policy applied to members of the Board of Directors with regard to criteria such as age, gender or professional qualifications and experience, description of the objectives of such policy, its means of implementation and the results obtained during the past financial year, information on how the Company seeks to achieve balanced representation of women and men on any committees set up, if applicable, by executive management 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	99 ; 124
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8.8 GENERAL OBSERVATIONS

In this universal registration document, unless otherwise stated, the term "Company" refers to the company Teleperformance SE and the terms "Group" and "Teleperformance" refer to the Company together with its subsidiaries and shareholdings.

This universal registration document contains information on the Group's objectives and forecasts, in particular in section 4.3 *Trends and outlook*.

This information is occasionally referred to using the future or conditional form and prospective terms such as "think", "aim", "expect", "intend, "should", "strive", "estimate", "believe", "wish", "may/might", etc. Such information is based on data, hypotheses and estimates which the Company believes to be reasonable. It is subject to be changed or amended due to uncertainties relating in particular to the risks inherent in any business, as well as the political, economic, financial, regulatory and competitive environment. Moreover, the materialization of some of the risks described in section 1.2.1 *Risk factors* could affect the Group's business and ability to achieve its objectives and forecasts.

The prospective statements, objectives and forecasts contained in this universal 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* of this universal registration document.

The Company makes no commitment and gives no warranty as to the realization of the objectives and forecasts set out in this universal registration document.

Investors are advised to pay close attention to each of the risk factors described in section 1.2.1 *Risk factors* of this universal registration document prior to making any investment decisions. The materialization of some or all of these risks could have an adverse impact on the Group's business, situation, financial results or objectives and forecasts. Furthermore, other risks that have not yet been identified or which the Group considers to be non-material may also have an adverse impact and investors could lose some or all of their investment.

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