



additional information on the corporate officers' compensation

I Calculation methods of their variable part

The variable part of the compensation is based on a weighted average of four indicators that focus on:

- The revenue growth (weight 20%) and the profitability, calculated with the operating cash flow (weight 30%)
- The service quality (weight 20%)
- The CSR performance (weight 30 %)

In 2013:

1- Revenue growth

The 2013 budget was targeting a proforma turnover growth of -3.68%; the result is at -4.54%.

The trigger point of the indicator was at -4.68%. Result that leads, according to the fixed elasticity curve and indicator weighting, to value the result at $0.143 \times 20\% = 0.029$ – which is the result taken into account for the calculation of the variable portion of the compensation of Gervais Pellissier.

Concerning the CEO, the turnover objective was more challenging than the target entered in the budget (the budget is the responsibility of the Deputy CEO, as the Group Chief Financial Officer); the outcome did not allow this indicator to be triggered for Stéphane Richard.

As regards the other indicators, the calculation is identical for both the CEO and the Deputy CEO.

2- Operating cash flow (restated EBITDA – CAPEX)

The cash flow objective was 7,034 m€, for a realized of 7,019 m€; the fixed elasticity curve and indicator weighting value this result to $0.957 * 30\% = 0.287$

3- Service quality

The service quality is calculated with two indicators: for the retail market, the “mass market customer experience” with a weight of 75% and for the enterprises market, the global B2B customer experience” with a weight of 25%.

In 2013, the “mass market customer experience” indicator was targeting a result of 75.5; the outcome was 74.5, in other words a progress compared to 2012.

As regards the “global B2B customer experience” indicator, the realized equals 98.42%, for an objective of 100%.

The fixed elasticity curve and indicator weighting reach a result of $0.734 * 20\% = 0.147$

4- CSR performance

The CSR performance is measured using a composite indicator, which is elaborated with half of 5 HR management indicators, and half of 5 social issues evaluated with biannual surveys distributed to a representative sample of the employees in France.

The aim is to achieve a global progress on 10 of these items between two consecutive semesters – the annual result is an average of the indicators values at the first and the second semester 2013.

The end result is $[0 + (-0.5)]/2 = -0.25$; the fixed elasticity curve and indicator weighting are: $0.950 * 30\% = 0.285$

Overall result

For Stéphane Richard, the overall result is: $0+0.287+0.147+0.285 = 0.719$

For Gervais Pellissier, the overall result is: $0.029+0.287+0.147+0.285 = 0.748$

Calculation of the amount of the variable part

After the application of these results to the objective of a variable compensation of 66.66%, the results are as follows:

- For Stéphane Richard: the variable portion is $900,000€*66.66%*0.719 = 431,357€$. This is the variable portion as calculated.

The variable compensation finally granted amounts to 284,026€, after the Board of Directors took into account the decision of Stéphane Richard to avoid facing Orange with the cost of the 75% tax introduced by the 2014 amended French Finance Act.

- For Gervais Pellissier: the calculated and allocated variable portion is $600,000\text{€} * 66.66\% * 0.748 = 299,170\text{€}$

Results of the 2013 variable portion of Stéphane Richard		realized value	valuation	weighting	weighted valuation
proforma revenues growth rate (excluding regulatory measures)		-2.60%	0.000	20%	0.000
operating cash flow in M€ (Ebitda - Capex)		7,019	0.957	30%	0.287
service quality					
	Mass market CE (weight 75%)	74.5	0.734	20%	0.147
	Global B2B CE (weight 25%)	98.42%			
CSR performance					
	social barometer (weight 50%)	0	0.950	30%	0.285
	HR indicators (weight 50%)	-0.5			
					0.719

Results of the 2013 variable portion of Gervais Pellissier		realized value	valuation	weighting	weighted valuation
proforma revenues growth rate		-4.54%	0.143	20%	0.029
operating cash flow in M€ (Ebitda - Capex)		7,019	0.957	30%	0.287
service quality					
	Mass market CE (weight 75%)	74.5	0.734	20%	0.147
	Global B2B CE (weight 25%)	98.42%			
CSR performance					
	social barometer (weight 50%)	0	0.950	30%	0.285
	HR indicators (weight 50%)	-0.5			
					0.748

II Specific elements to Gervais Pellissier

Gervais Pellissier's situation must be completed with certain additional information because of the suspension of his employment contract when appointed as a corporate officer:

1- Contractual compensation of the employment contract

The contractual severance pay provided for members of the Executive Committee (cf. section 5.3.2 of the registration document) and applicable to Gervais Pellissier was suspended along his contract of employment.

If this contract was to be reactivated, Gervais Pellissier could benefit from a contractual severance pay equal to fifteen month of his gross annual compensation (including the variable portion) provided that Orange terminate his contract before he reaches the legal retirement age. The calculation of this compensation would be based on the last 12 months of his remuneration as an employee. This compensation would include the severance pay due under French labor law.

2- Eligibility to the defined-benefit pension plan

Gervais Pellissier is not eligible to the Senior executives pension plan since he is a corporate officer. In any event, he does not meet all the criteria defined below as his seniority in relation to the pension plan has remained unchanged since his appointment as a corporate officer on November 1st, 2011. Having joined the Group on October 17th, 2005, Gervais Pellissier does not thus satisfy the condition of a minimum 7 years presence within the Group to benefit from the plan.

Should Gervais Pellissier remain in the Group after the end of his term as a corporate officer and until his retirement (condition to benefit from the plan), the period during which he acted as a corporate officer will not be taken into account in the calculation of the pension.

The conditions required to benefit from the defined-benefit pension plan are:

- Having worked for the company, under a private law employment contract, in a position classified as “off the matrix” since the age of 55,
- having ended one’s professional life within Orange in a position classified as “off the matrix”,
- being at least 60 years old,

- justifying a minimum seniority of 7 years in the Group
- Having liquidated all previous basic and complementary pensions.

In addition, the total amount of all pensions due (except additional benefits due to children) cannot exceed 60% of the salary at the end of career. If this limit is reached, the amount of the pension plan is reduced in due proportion.

This pension plan has been closed to new beneficiaries since 2011.