
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2022

OR

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number 001-11919

TTEC Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

84-1291044
(I.R.S. Employer
Identification No.)

9197 South Peoria Street
Englewood, Colorado 80112
(Address of principal executive offices)

Registrant's telephone number, including area code: (303) 397-8100

Securities registered pursuant to Section 12(b) of the Act:

Title of each Class	Trading Symbol	Name of each exchange on which registered
Common stock of TTEC Holdings, Inc., \$0.01 par value per share	TTEC	NASDAQ

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer Non-accelerated Filer Smaller Reporting Company
Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of April 28, 2022, there were 47,035,634 shares of the registrant's common stock outstanding.

TTEC HOLDINGS, INC. AND SUBSIDIARIES
MARCH 31, 2022 FORM 10-Q
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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
TTEC HOLDINGS, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
(Amounts in thousands, except share amounts)
(Unaudited)

	March 31, 2022	December 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 156,828	\$ 158,205
Accounts receivable, net of allowance of \$5,032 and \$5,409, respectively	399,160	357,310
Prepays and other current assets	153,457	134,333
Income and other tax receivables	43,248	48,139
Total current assets	<u>752,693</u>	<u>697,987</u>
Long-term assets		
Property, plant and equipment, net	168,717	168,404
Operating lease assets	96,995	90,180
Goodwill	739,531	739,481
Deferred tax assets, net	15,163	11,130
Other intangible assets, net	202,609	212,349
Other long-term assets	75,977	77,273
Total long-term assets	<u>1,298,992</u>	<u>1,298,817</u>
Total assets	<u>\$ 2,051,685</u>	<u>\$ 1,996,804</u>
LIABILITIES AND STOCKHOLDERS' EQUITY AND MEZZANINE EQUITY		
Current liabilities		
Accounts payable	\$ 78,001	\$ 70,415
Accrued employee compensation and benefits	166,095	156,324
Other accrued expenses	74,786	63,369
Income tax payable	12,207	9,471
Deferred revenue	92,852	95,608
Current operating lease liabilities	43,344	44,460
Other current liabilities	4,599	4,749
Total current liabilities	<u>471,884</u>	<u>444,396</u>
Long-term liabilities		
Line of credit	803,000	791,000
Deferred tax liabilities, net	4,996	5,335
Non-current income tax payable	17,486	17,486
Non-current operating lease liabilities	70,140	64,419
Other long-term liabilities	75,687	79,827
Total long-term liabilities	<u>971,309</u>	<u>958,067</u>
Total liabilities	<u>1,443,193</u>	<u>1,402,463</u>
Commitments and contingencies (Note 9)		
Redeemable noncontrolling interest	56,666	56,316
Stockholders' equity		
Preferred stock; \$0.01 par value; 10,000,000 shares authorized; zero shares outstanding as of March 31, 2022 and December 31, 2021	—	—
Common stock; \$0.01 par value; 150,000,000 shares authorized; 47,035,634 and 46,990,031 shares outstanding as of March 31, 2022 and December 31, 2021, respectively	470	470
Additional paid-in capital	362,601	361,135
Treasury stock at cost: 35,016,619 and 35,062,222 shares as of March 31, 2022 and December 31, 2021, respectively	(596,279)	(597,031)
Accumulated other comprehensive income (loss)	(97,464)	(98,426)
Retained earnings	865,951	856,065
Noncontrolling interest	16,547	15,812
Total stockholders' equity	<u>551,826</u>	<u>538,025</u>
Total liabilities and stockholders' equity and mezzanine equity	<u>\$ 2,051,685</u>	<u>\$ 1,996,804</u>

The accompanying notes are an integral part of these consolidated financial statements.

TTEC HOLDINGS, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income (Loss)
(Amounts in thousands, except per share amounts)
(Unaudited)

	Three months ended March 31,	
	2022	2021
Revenue	\$ 588,726	\$ 539,219
Operating expenses		
Cost of services (exclusive of depreciation and amortization presented separately below)	447,215	388,660
Selling, general and administrative	64,839	52,757
Depreciation and amortization	26,630	20,459
Restructuring charges, net	620	402
Impairment losses	1,112	3,517
Total operating expenses	<u>540,416</u>	<u>465,795</u>
Income from operations	48,310	73,424
Other income (expense)		
Interest income	200	179
Interest expense	(3,766)	(1,802)
Other income (expense), net	1,260	(798)
Total other income (expense)	<u>(2,306)</u>	<u>(2,421)</u>
Income before income taxes	46,004	71,003
Provision for income taxes	<u>(8,034)</u>	<u>(15,979)</u>
Net income	37,970	55,024
Net income attributable to noncontrolling interest	(4,566)	(4,606)
Net income attributable to TTEC stockholders	<u>\$ 33,404</u>	<u>\$ 50,418</u>
Other comprehensive income (loss)		
Net income	\$ 37,970	\$ 55,024
Foreign currency translation adjustments	296	(5,753)
Derivative valuation, gross	849	(3,665)
Derivative valuation, tax effect	(220)	951
Other, net of tax	41	36
Total other comprehensive income (loss)	<u>966</u>	<u>(8,431)</u>
Total comprehensive income (loss)	<u>38,936</u>	<u>46,593</u>
Less: Comprehensive income attributable to noncontrolling interest	<u>(3,615)</u>	<u>(3,034)</u>
Comprehensive income (loss) attributable to TTEC stockholders	<u>\$ 35,321</u>	<u>\$ 43,559</u>
Weighted average shares outstanding		
Basic	47,005	46,743
Diluted	47,381	47,355
Net income per share attributable to TTEC stockholders		
Basic	\$ 0.71	\$ 1.08
Diluted	\$ 0.71	\$ 1.06
Dividends declared and not paid per share outstanding	\$ 0.50	\$ 0.43

The accompanying notes are an integral part of these consolidated financial statements.

TTEC HOLDINGS, INC. AND SUBSIDIARIES
Consolidated Statement of Stockholders' Equity and Mezzanine Equity
(Amounts in thousands)
(Unaudited)

Three months ended March 31, 2021 and 2022

	Stockholders' Equity of the Company								Mezzanine Equity
	Common Stock		Treasury Stock	Additional Paid-in Capital	Accumulated Other		Noncontrolling interest	Total Equity	
	Shares	Amount			Income (Loss)	Retained Earnings			
Balance as of December 31, 2020	46,737	\$ 467	\$ (601,214)	\$ 360,293	\$ (72,156)	\$ 757,312	\$ 13,060	\$ 457,762	\$ 52,976
Net income	—	—	—	—	—	50,418	2,908	53,326	1,698
Dividends to shareholders (\$0.43 per common share)	—	—	—	—	—	(20,132)	—	(20,132)	—
Dividends distributed to noncontrolling interest	—	—	—	—	—	—	(2,385)	(2,385)	—
Foreign currency translation adjustments	—	—	—	—	(5,879)	—	126	(5,753)	—
Derivatives valuation, net of tax	—	—	—	—	(2,714)	—	—	(2,714)	—
Vesting of restricted stock units	82	1	1,363	(5,291)	—	—	—	(3,927)	—
Equity-based compensation expense	—	—	—	4,028	—	—	—	4,028	—
Other, net of tax	—	—	—	—	36	—	—	36	—
Balance as of March 31, 2021	<u>46,819</u>	<u>\$ 468</u>	<u>\$ (599,851)</u>	<u>\$ 359,030</u>	<u>\$ (80,713)</u>	<u>\$ 787,598</u>	<u>\$ 13,709</u>	<u>\$ 480,241</u>	<u>\$ 54,674</u>

	Stockholders' Equity of the Company								Mezzanine Equity
	Common Stock		Treasury Stock	Additional Paid-in Capital	Accumulated Other		Noncontrolling interest	Total Equity	
	Shares	Amount			Income (Loss)	Retained Earnings			
Balance as of December 31, 2021	46,990	\$ 470	\$ (597,031)	\$ 361,135	\$ (98,426)	\$ 856,065	\$ 15,812	\$ 538,025	\$ 56,316
Net income	—	—	—	—	—	33,404	3,611	37,015	955
Dividends to shareholders (\$0.50 per common share)	—	—	—	—	—	(23,518)	—	(23,518)	—
Dividends distributed to noncontrolling interest	—	—	—	—	—	—	(2,880)	(2,880)	(605)
Foreign currency translation adjustments	—	—	—	—	292	—	4	296	—
Derivatives valuation, net of tax	—	—	—	—	629	—	—	629	—
Vesting of restricted stock units	46	—	752	(2,273)	—	—	—	(1,521)	—
Equity-based compensation expense	—	—	—	3,739	—	—	—	3,739	—
Other, net of tax	—	—	—	—	41	—	—	41	—
Balance as of March 31, 2022	<u>47,036</u>	<u>\$ 470</u>	<u>\$ (596,279)</u>	<u>\$ 362,601</u>	<u>\$ (97,464)</u>	<u>\$ 865,951</u>	<u>\$ 16,547</u>	<u>\$ 551,826</u>	<u>\$ 56,666</u>

The accompanying notes are an integral part of these consolidated financial statements.

TTEC HOLDINGS, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(Amounts in thousands)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
Cash flows from operating activities		
Net income	\$ 37,970	\$ 55,024
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	26,630	20,459
Amortization of contract acquisition costs	350	176
Amortization of debt issuance costs	265	175
Imputed interest expense and fair value adjustments to contingent consideration	—	877
Provision for credit losses	(185)	21
(Gain) loss on disposal of assets	360	46
Impairment losses	1,112	3,517
Deferred income taxes	(4,679)	(1,090)
Excess tax benefit from equity-based awards	(507)	(1,775)
Equity-based compensation expense	3,739	4,028
(Gain) loss on foreign currency derivatives	50	61
Changes in assets and liabilities, net of acquisitions:		
Accounts receivable	(41,128)	27,053
Prepays and other assets	(8,321)	(22,669)
Accounts payable and accrued expenses	17,518	15,972
Deferred revenue and other liabilities	(19,488)	(32,088)
Net cash provided by operating activities	13,686	69,787
Cash flows from investing activities		
Proceeds from sale of long-lived assets	7	25
Purchases of property, plant and equipment, net of acquisitions	(16,691)	(11,565)
Acquisitions, net of cash acquired of zero and zero, respectively	—	(267)
Net cash used in investing activities	(16,684)	(11,807)
Cash flows from financing activities		
Net proceeds (borrowings) from line of credit	12,000	(46,000)
Payments on other debt	(1,242)	(1,871)
Payments of contingent consideration and hold-back payments to acquisitions	(9,600)	—
Dividends paid to shareholders	—	—
Payments to noncontrolling interest	(3,485)	(2,385)
Tax payments related to issuance of restricted stock units	(1,521)	(3,927)
Payments of debt issuance costs	—	—
Net cash used in financing activities	(3,848)	(54,183)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1,629)	(2,576)
(Decrease) increase in cash, cash equivalents and restricted cash	(8,475)	1,221
Cash, cash equivalents and restricted cash, beginning of period	180,682	159,015
Cash, cash equivalents and restricted cash, end of period	\$ 172,207	\$ 160,236
Supplemental disclosures		
Cash paid for interest	\$ 3,468	\$ 1,576
Cash paid for income taxes	\$ 3,305	\$ 4,275
Non-cash investing and financing activities		
Acquisition of long-lived assets through finance leases	\$ 202	\$ 137
Acquisition of equipment through increase in accounts payable, net	\$ 691	\$ (3,431)
Dividend declared but not paid	\$ 23,518	\$ 20,132

The accompanying notes are an integral part of these consolidated financial statements.

TTEC HOLDINGS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
(Unaudited)

(1) OVERVIEW AND BASIS OF PRESENTATION

Summary of Business

TTEC Holdings, Inc. (“TTEC”, “the Company”; pronounced “T-TEC”) is a leading global customer experience as a service (“CXaaS”) partner for many of the world’s most iconic and disruptive brands. TTEC designs, builds, orchestrates, and delivers seamless digitally enabled customer experiences that are designed to increase brand value, customer loyalty, revenue and profitability through personalized, outcome-based interactions. The Company helps clients improve their customer satisfaction while lowering their total cost to serve by combining innovative digital solutions with service capabilities that deliver a frictionless customer experience (“CX”) across different channels and phases of the customer lifecycle. TTEC’s 62,000 employees serve clients in the automotive, communication, financial services, national/federal and state and local governments, healthcare, logistics, media and entertainment, e-tail/retail, technology, travel and transportation industries via operations in the United States, Australia, Belgium, Brazil, Bulgaria, Canada, Costa Rica, Germany, Greece, India, Ireland, Mexico, the Netherlands, New Zealand, the Philippines, Poland, Singapore, South Africa, Thailand, and the United Kingdom.

The Company operates and reports its financial results of operation through two business segments: TTEC Digital and TTEC Engage.

- **TTEC Digital** is one of the largest pure-play CX technology service providers with expertise in CX strategy, digital consulting, and transformation enabled by proprietary CX applications and technology partnerships. TTEC Digital designs, builds, and operates robust digital experiences for clients and their customers through the contextual integration and orchestration of customer relationship management (“CRM”), data, analytics, CXaaS technology, and intelligent automation to ensure high-quality, scalable CX outcomes.
- **TTEC Engage** provides the digitally enabled CX managed services to support our clients’ end-to-end customer interaction delivery at scale. The segment delivers omnichannel customer care, tech support, order fulfillment, customer acquisition, growth, and retention services with industry specialization and distinctive CX capabilities for hypergrowth brands. TTEC Engage also delivers digitally enabled back office and industry specific specialty services including artificial intelligence (“AI”) operations, content moderation, and fraud management services.

TTEC Digital and TTEC Engage strategically come together under our unified offering, Humanify® CXaaS, which drives measurable customer results for clients through the delivery of personalized, omnichannel experiences. Our Humanify® cloud platform provides a fully integrated ecosystem of CX offerings, including messaging, AI, machine learning, robotic process automation, analytics, cybersecurity, CRM, knowledge management, journey orchestration, and traditional voice solutions. Our end-to-end CXaaS platform differentiates us from competitors by combining design, strategic consulting, technology, data analytics, process optimization, system integration, and operational excellence along with our decades of industry know-how. This unified offering is value-oriented, outcome-based and delivered to large enterprises, governments, and hypergrowth companies on a global scale.

Basis of Presentation

The Consolidated Financial Statements are comprised of the accounts of TTEC, its wholly owned subsidiaries, its 55% equity owned subsidiary Percepta, LLC, its 70% equity owned subsidiary First Call Resolution, LLC and its 70% equity owned subsidiary Serendebite, Inc. (see Note 2). All intercompany balances and transactions have been eliminated in consolidation.

TTEC HOLDINGS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
(Unaudited)

The unaudited Consolidated Financial Statements do not include all of the disclosures required by accounting principles generally accepted in the U.S. ("GAAP"), pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). The unaudited Consolidated Financial Statements reflect all adjustments which, in the opinion of management, are necessary to state fairly the consolidated financial position of the Company and the consolidated results of operations and comprehensive income (loss) and the consolidated cash flows of the Company. All such adjustments are of a normal, recurring nature. Operating results for the periods presented are not necessarily indicative of the results that may be expected for the year ending December 31, 2022.

These unaudited Consolidated Financial Statements should be read in conjunction with the Company's audited Consolidated Financial Statements and footnotes thereto included in the Company's Annual Report on [Form 10-K](#) for the year ended December 31, 2021.

Use of Estimates

The preparation of the Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions in determining the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenue and expenses during the reporting period. On an ongoing basis, the Company evaluates its estimates including those related to derivatives and hedging activities, income taxes including the valuation allowance for deferred tax assets, litigation reserves, restructuring reserves, allowance for credit losses, contingent consideration, redeemable noncontrolling interest, and valuation of goodwill, long-lived and intangible assets. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ materially from these estimates under different assumptions or conditions.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents consist of cash, primarily held in interest-bearing investments, and liquid short-term investments, which have original maturities of less than 90 days. Restricted cash includes cash whereby the Company's ability to use the funds at any time is contractually limited or is generally designated for specific purposes arising out of certain contractual or other obligations.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported in the Condensed Consolidated Balance Sheets that sum to the amounts reported in the Condensed Consolidated Statement of Cash Flows (in thousands):

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Cash and cash equivalents	\$ 156,828	\$ 158,205
Restricted cash included in "Prepaid and other current assets"	15,379	22,477
Total	<u>\$ 172,207</u>	<u>\$ 180,682</u>

Concentration of Credit Risk

The Company is exposed to credit risk in the normal course of business, primarily related to accounts receivable and derivative instruments. Historically, the losses related to credit risk have been immaterial. The Company regularly monitors its credit risk to mitigate the possibility of current and future exposures resulting in a loss. The Company evaluates the creditworthiness of its clients prior to entering into an agreement to provide services and as necessary through the life of the client relationship. The Company does not believe it is exposed to more than a nominal amount of credit risk in its derivative hedging activities, as the Company diversifies its activities across eight investment-grade financial institutions.

TTEC HOLDINGS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
(Unaudited)

Recently Adopted Accounting Pronouncements

In October 2021, the FASB issued ASU 2021-08, Business Combinations (Topic 805), "Accounting for Contract Assets and Contract Liabilities from Contracts with Customers", which now requires the acquirer to account for revenue contracts in accordance with Topic 606 as if it had acquired the contract, versus recording these assets and liabilities at fair value on acquisition date. The ASU is effective for interim and annual periods beginning on or after December 15, 2022, with early adoption permitted. The Company adopted the new guidance during the fourth quarter of 2021 which required application to all acquisitions completed during the adoption year. See further discussion in Note 2.

Other Accounting Pronouncements

In March 2020, the FASB issued ASU 2020-04, "Reference Rate Reform" (Topic 848), which provides optional expedients and exceptions for contracts, hedging relationships, and other transactions affected by reference rate reform due to the anticipated cessation of the London Interbank Offered Rate ("LIBOR"). The ASU is effective from March 12, 2020, may be applied prospectively and could impact the accounting for LIBOR provisions in the Company's credit facility agreement. In addition, in January 2021, the FASB issued ASU 2021-01, "Reference Rate Reform – Scope," which clarified the scope of ASC 848 relating to contract modifications. The Company has not yet adopted the standard but does not expect that the adoption of this guidance will have a material impact on the Company's financial position, results of operations or cash flows.

(2) ACQUISITIONS AND DIVESTITURES

Avtex

On April 8, 2021, the Company acquired, through its subsidiary TTEC Digital, LLC, 100% of the outstanding stock of Avtex Solutions Holdings, LLC ("Avtex"). Avtex is an end-to-end customer experience and CXaaS solutions provider with offerings in Genesys and Microsoft cloud solutions. The business is operated as part of the TTEC Digital segment and is being fully consolidated into the financial statements of TTEC.

Total cash paid at acquisition was \$499.946 million (\$490.0 million base purchase price plus cash, less debt and working capital estimate). The Avtex transaction is subject to customary representations and warranties, holdbacks, and a net working capital adjustment. The Company used cash from operations and drew down on its Credit Facility to fund the acquisition. The Company finalized the net working capital adjustment for \$0.1 million during the third quarter of 2021 which was paid by Avtex to the Company in the third quarter of 2021.

During the fourth quarter of 2021, TTEC implemented ASU 2021-08 which required an accounting modification to the deferred revenue balance as of the acquisition date (see discussion above in Note 1). The deferred revenue balance was evaluated as if TTEC had been the company securing the initial contract and accounted for these contracts in accordance with ASC 606. Based on this re-assessment, the \$4.9 million reduction initially recorded to deferred revenue in connection with the purchase price accounting was eliminated and an offsetting increase to Goodwill was recorded as of the acquisition date. In connection with this modification, revenue of \$3.4 million was recorded in the fourth quarter of 2021 related to deferred revenue from the second and third quarters of 2021.

A multi-period excess earnings method under the income approach was used to estimate the fair value of the customer relationships intangible asset. The significant assumptions utilized in calculating the fair value of the customer relationships intangible asset were the customer attrition rate, revenue growth rates, forecasted EBITDA, contributory asset charge, and the discount rate.

TTEC HOLDINGS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
(Unaudited)

The following summarizes the fair values of the identifiable assets acquired and liabilities assumed as of the acquisition date (in thousands):

	Acquisition Date Fair Value
Cash	\$ 18,638
Accounts receivable, net	22,214
Prepaid expenses	26,389
Current income tax receivables	93
Net fixed assets	3,162
Right of use assets	3,614
Other Assets	480
Tradename	5,300
Intellectual property intangible	770
Customer relationships	128,200
Goodwill	378,882
	<u>\$ 587,742</u>
Accounts payable	\$ 20,580
Accrued employee compensation	4,325
Accrued expenses	250
Right of use liability - current	678
Deferred revenue	56,765
Accrued income taxes	332
Deferred tax liability	1,930
Right of use liability - noncurrent	2,936
	<u>\$ 87,796</u>
Total purchase price	<u>\$ 499,946</u>

In the first quarter of 2022, the Company finalized the valuation of Avtex for the acquisition date assets acquired and liabilities assumed and determined that no material adjustments to any of the balances were required.

The Avtex customer relationships, intellectual property intangible, and tradename are being amortized over useful lives of 9, 3, and 1 years, respectively. The goodwill recognized from the Avtex acquisition is attributable, but not limited to, the acquired workforce and expected synergies with the TTEC Digital segment. The tax basis of the acquired intangibles and goodwill will be materially deductible for income tax purposes. The acquired goodwill and intangibles and operating results of Avtex are reported within the TTEC Digital segment from the date of acquisition.

Financial Impact of Acquired Businesses

The acquired business purchased in 2021 noted above contributed revenues of \$53.4 million and net income \$2.8 million, to the Company for the quarter ended March 31, 2022.

The unaudited proforma financial results for the three months ended March 31, 2021, combines the consolidated results of the Company and Avtex assuming the acquisition had been completed on January 1, 2020. The reported revenue and net income of \$539.2 million and \$50.4 million would have been \$586.2 million and \$53.6 million for the three months ended March 31, 2021, respectively, on an unaudited proforma basis.

TTEC HOLDINGS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
(Unaudited)

The Company did not have any material, nonrecurring proforma adjustments directly attributable to the business combination included in the reported proforma revenue earnings. These proforma amounts have been calculated after applying the Company's accounting policies and adjusting the respective acquired businesses' results to reflect the additional depreciation and amortization that would have been charged assuming the fair value adjustments to property, plant and equipment, and intangible assets had been applied from the date indicated, with the consequential tax effects.

The unaudited proforma consolidated results are not to be considered indicative of the results if this acquisition occurred in the periods mentioned above, or indicative of future operations or results. Additionally, the proforma consolidated results do not reflect any anticipated synergies expected as a result of the acquisition.

Subsequent Event

Certain Assets of Faneuil

On April 1, 2022, the Company completed an asset acquisition through its subsidiary TTEC Government Solutions LLC, of certain public sector citizen experience contracts in the transportation infrastructure and healthcare exchange industries from Faneuil, Inc., a subsidiary of ALJ Regional Holdings, Inc. The business will operate as part of the TTEC Engage segment and will be fully consolidated into the financial statements of TTEC. The Faneuil acquisition will be recorded as a business combination under ASC 805, Business Combinations, with identifiable assets acquired and liabilities assumed recorded at their estimated fair values as of the acquisition date.

Total cash paid at acquisition was \$142.3 million less customary hold-backs related to representations and warranties, plus certain future contingent payments and customary adjustments. In addition, Faneuil agreed to grant to TTEC Government Solutions LLC a three-year call right and right of first offer to purchase certain other assets of Faneuil in its utilities and commercial healthcare verticals, and certain proprietary technology. The initial accounting for the business combination is incomplete at the time of this filing due to the limited amount of time since the acquisition date and the ongoing status of the valuation. Therefore, it is impracticable for the Company to provide the major classes of assets acquired and liabilities assumed or proforma revenue and earnings.

(3) SEGMENT INFORMATION

The Company reports the following two segments:

TTEC Digital is one of the largest pure-play CX technology service providers with expertise in CX strategy, digital consulting and transformation enabled by proprietary CX applications and technology partnerships. TTEC Digital designs, builds, and operates robust digital experiences for clients and their customers through the contextual integration and orchestration of CRM, data, analytics, CXaaS technology, and intelligent automation to ensure high-quality, scalable CX outcomes.

- **Technology Services:** Our technology services design, integrate, and operate highly scalable, digital omnichannel technology solutions in the cloud, on premise, or hybrid environment, including journey orchestration, automation and AI, knowledge management, and workforce productivity.
- **Professional Services:** Our management consulting practices deliver customer experience strategy, analytics, process optimization, and learning and performance services.

TTEC Engage provides the digitally enabled CX managed services to support our clients' end-to-end customer interaction delivery at scale. The segment delivers omnichannel customer care, tech support, order fulfillment, customer acquisition, growth, and retention services with industry specialization and distinctive CX capabilities for hypergrowth brands. TTEC Engage also delivers digitally enabled back office and industry specific specialty services including AI operations, content moderation, and fraud management services.

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- Customer Acquisition, Growth, and Retention Services: Our customer growth and acquisition services optimize the buying journeys for acquiring new customers by leveraging technology and analytics to deliver personal experiences that we believe increase the quantity and quality of leads and customers.
- Customer Care, Tech Support, and Order Fulfillment Services: Our customer care, technical support, and order fulfillment services provide turnkey contact center solutions, including digital omnichannel technologies, associate recruiting and training, facilities, and operational expertise to create exceptional customer experiences across all touchpoints.
- Digitally Enabled Back Office and Specialty Services: Our digital AI operations, content moderation, and fraud detection and prevention services provide clients with data tagging and annotation capabilities to train and enable AI platforms, community content moderation, and compliance to meet client content standards, and proactive fraud solutions to assist our clients in the detection and prevention of fraud.

The Company allocates to each segment its portion of corporate operating expenses. All intercompany transactions between the reported segments for the periods presented have been eliminated.

The following tables present certain financial data by segment (in thousands):

Three Months Ended March 31, 2022

	Gross Revenue	Intersegment Sales	Net Revenue	Depreciation & Amortization	Income from Operations
TTEC Digital	\$ 113,583	\$ —	\$ 113,583	\$ 9,412	\$ 6,347
TTEC Engage	475,143	—	475,143	17,218	41,963
Total	<u>\$ 588,726</u>	<u>\$ —</u>	<u>\$ 588,726</u>	<u>\$ 26,630</u>	<u>\$ 48,310</u>

Three Months Ended March 31, 2021

	Gross Revenue	Intersegment Sales	Net Revenue	Depreciation & Amortization	Income from Operations
TTEC Digital	\$ 63,609	\$ (22)	\$ 63,587	\$ 3,887	\$ 4,202
TTEC Engage	475,632	—	475,632	16,572	69,222
Total	<u>\$ 539,241</u>	<u>\$ (22)</u>	<u>\$ 539,219</u>	<u>\$ 20,459</u>	<u>\$ 73,424</u>

	Three Months Ended March 31,	
	2022	2021
Capital Expenditures		
TTEC Digital	\$ 1,591	\$ 1,532
TTEC Engage	15,100	10,033
Total	<u>\$ 16,691</u>	<u>\$ 11,565</u>
	March 31, 2022	December 31, 2021
Total Assets		
TTEC Digital	\$ 827,887	\$ 828,255
TTEC Engage	1,223,798	1,168,549
Total	<u>\$ 2,051,685</u>	<u>\$ 1,996,804</u>

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The following table presents revenue based upon the geographic location where the services are provided (in thousands):

Revenue	Three Months Ended March 31,	
	2022	2021
United States	\$ 394,610	\$ 358,326
Philippines	100,030	102,252
Europe / Middle East / Africa	31,565	25,917
Latin America	27,382	29,439
Canada	17,640	7,118
Asia Pacific / India	17,499	16,167
Total	<u>\$ 588,726</u>	<u>\$ 539,219</u>

(4) SIGNIFICANT CLIENTS AND OTHER CONCENTRATIONS

The Company had one client that contributed in excess of 10% of total revenue for the three months ended March 31, 2022; this client operates in the automotive industry and is included in the TTEC Engage segment. This client contributed 10.4% and 8.8% of total revenue for the three months ended March 31, 2022 and 2021, respectively. The Company had one client that contributed in excess of 10% of total revenue for the three months ended March 31, 2021; this client operates in the financial services sector. This client contributed 7.3% and 15.7% of total revenue for the three months ended March 31, 2022 and 2021, respectively. The Company does have clients with aggregate revenue exceeding \$100 million annually and the loss of one or more of these clients could have a material adverse effect on the Company's business, operating results, or financial condition. To mitigate this risk, the Company has multiple contracts with these larger clients, where each individual contract is for an amount below the \$100 million aggregate.

To limit the Company's credit risk with its clients, management performs periodic credit evaluations, maintains allowances for credit losses and may require pre-payment for services from certain clients. Based on currently available information, management does not believe significant credit risk existed as of March 31, 2022.

Activity in the Company's Allowance for credit losses consists of the following (in thousands):

	Three Months Ended March 31,	
	2022	2021
Balance, beginning of year	\$ 5,409	\$ 5,067
Provision for credit losses	(185)	21
Uncollectible receivables written-off	(213)	(83)
Effect of foreign currency	21	(8)
Balance, end of year	<u>\$ 5,032</u>	<u>\$ 4,997</u>

Accounts Receivable Sales Agreement

The Company is party to an Uncommitted Receivables Purchase Agreement ("Agreement") with Bank of the West ("Bank"), whereby from time-to-time the Company may elect to sell, on a revolving basis, U.S. accounts receivables of certain clients at a discount to the Bank for cash on a limited recourse basis. The maximum amount of receivables that the Company may sell to the Bank at any given time shall not exceed \$100 million. The sales of accounts receivable in accordance with the Agreement are reflected as a reduction of Accounts Receivable, net on the Consolidated Balance sheets. The Company has retained no interest in the sold receivables but retains all collection responsibilities on behalf of the Bank. The discount on the accounts receivable sold will be recorded within Other expense, net in the Consolidated Statements of Comprehensive Income (Loss). The cash proceeds from this Agreement are included in the change in accounts receivable within the operating activities section of the Consolidated Statements of Cash Flow.

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As of March 31, 2022 and December 31, 2021, the Company had factored \$88.7 million and \$97.7 million, respectively, of accounts receivable; under the Agreement discounts on these receivables were not material during the quarter. As of March 31, 2022, the Company had collected \$15.4 million of cash from customers which had not been remitted to the Bank. The unremitted cash is restricted cash and is included within Prepaid and other current assets with the corresponding liability included in Accrued expenses on the Consolidated Balance Sheet. The Company has not recorded any servicing assets or liabilities as of March 31, 2022 as the fair value of the servicing arrangement as well as the fees earned were not material to the financial statements.

(5) GOODWILL

Goodwill consisted of the following (in thousands):

	December 31, 2021	Acquisitions / Adjustments	Impairments	Effect of Foreign Currency	March 31, 2022
TTEC Digital	\$ 505,222	\$ —	\$ —	\$ 392	\$ 505,614
TTEC Engage	234,259	—	—	(342)	233,917
Total	<u>\$ 739,481</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 50</u>	<u>\$ 739,531</u>

The Company performs a goodwill impairment assessment on at least an annual basis. The Company conducts its annual goodwill impairment assessment during the fourth quarter, or more frequently, if indicators of impairment exist. During the quarter ended March 31, 2022, the Company assessed whether any such indicators of impairment existed and concluded there were none.

(6) DERIVATIVES

Cash Flow Hedges

The Company enters into foreign exchange related derivatives. Foreign exchange derivatives entered into consist of forward and option contracts to reduce the Company's exposure to foreign currency exchange rate fluctuations that are associated with forecasted revenue earned in foreign locations. Upon proper qualification, these contracts are designated as cash flow hedges. It is the Company's policy to only enter into derivative contracts with investment grade counterparty financial institutions, and correspondingly, the fair value of derivative assets considers, among other factors, the creditworthiness of these counterparties. Conversely, the fair value of derivative liabilities reflects the Company's creditworthiness. As of March 31, 2022, the Company has not experienced, nor does it anticipate, any issues related to derivative counterparty defaults. The following table summarizes the aggregate unrealized net gain or loss in Accumulated other comprehensive income (loss) for the three months ended March 31, 2022 and 2021 (in thousands and net of tax):

	<u>Three Months Ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
Aggregate unrealized net gain/(loss) at beginning of period	\$ (40)	\$ 8,431
Add: Net gain/(loss) from change in fair value of cash flow hedges	390	(3,773)
Less: Net (gain)/loss reclassified to earnings from effective hedges	239	1,059
Aggregate unrealized net gain/(loss) at end of period	<u>\$ 589</u>	<u>\$ 5,717</u>

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The Company's foreign exchange cash flow hedging instruments as of March 31, 2022 and December 31, 2021 are summarized as follows (amounts in thousands). All hedging instruments are forward contracts.

<u>As of March 31, 2022</u>	Local Currency Notional Amount	U.S. Dollar Notional Amount	% Maturing in the next 12 months	Contracts Maturing Through
Canadian Dollar	6,000	\$ 4,675	100 %	December 2022
Philippine Peso	7,296,000	141,365 ⁽¹⁾	54.8 %	December 2024
Mexican Peso	1,277,000	56,308	47.6 %	December 2024
		<u>\$ 202,348</u>		

<u>As of December 31, 2021</u>	Local Currency Notional Amount	U.S. Dollar Notional Amount		
Canadian Dollar	9,000	\$ 7,022		
Philippine Peso	8,472,000	164,295 ⁽¹⁾		
Mexican Peso	1,422,500	63,002		
		<u>\$ 234,319</u>		

(1) Includes contracts to purchase Philippine pesos in exchange for New Zealand dollars and Australian dollars, which are translated into equivalent U.S. dollars on March 31, 2022 and December 31, 2021.

Fair Value Hedges

The Company enters into foreign exchange forward contracts to economically hedge against foreign currency exchange gains and losses on certain receivables and payables of the Company's foreign operations. Changes in the fair value of derivative instruments designated as fair value hedges are recognized in earnings in Other income (expense), net. As of March 31, 2022 and December 31, 2021 the total notional amounts of the Company's forward contracts used as fair value hedges were \$41.7 million and \$32.9 million, respectively.

Derivative Valuation and Settlements

The Company's derivatives as of March 31, 2022 and December 31, 2021 were as follows (in thousands):

<u>Designation:</u>	<u>March 31, 2022</u>	
	Designated as Hedging Instruments	Not Designated as Hedging Instruments
<u>Derivative contract type:</u>	Foreign Exchange	Foreign Exchange
<u>Derivative classification:</u>	Cash Flow	Fair Value
Fair value and location of derivative in the Consolidated Balance Sheet:		
Prepays and other current assets	\$ 2,716	\$ 172
Other long-term assets	1,409	—
Other current liabilities	(1,976)	(24)
Other long-term liabilities	(1,362)	—
Total fair value of derivatives, net	<u>\$ 787</u>	<u>\$ 148</u>

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	December 31, 2021	
	Designated as Hedging Instruments	Not Designated as Hedging Instruments
Designation:	Foreign Exchange	Foreign Exchange
Derivative contract type:	Cash Flow	Fair Value
Derivative classification:		
Fair value and location of derivative in the Consolidated Balance Sheet:		
Prepays and other current assets	\$ 2,272	\$ 204
Other long-term assets	611	—
Other current liabilities	(1,527)	(6)
Other long-term liabilities	(1,418)	—
Total fair value of derivatives, net	<u>\$ (62)</u>	<u>\$ 198</u>

The effects of derivative instruments on the Consolidated Statements of Comprehensive Income (Loss) for the three months ended March 31, 2022 and 2021 were as follows (in thousands):

	Three Months Ended March 31,	
	2022	2021
Designation:	Designated as Hedging Instruments	
Derivative contract type:	Foreign Exchange	
Derivative classification:	Cash Flow	
Amount of gain or (loss) recognized in Other comprehensive income (loss) - effective portion, net of tax	\$ 239	\$ 1,059

Amount and location of net gain or (loss) reclassified from Accumulated OCI to income - effective portion:		
Revenue	\$ 323	\$ 1,431

	Three Months Ended March 31,	
	2022	2021
Designation:	Not Designated as Hedging Instruments	
Derivative contract type:	Foreign Exchange	
Derivative classification:	Fair Value	
Amount and location of net gain or (loss) recognized in the Consolidated Statement of Comprehensive Income (Loss):		
Other income (expense), net	\$ 299	\$ (337)

(7) FAIR VALUE

The authoritative guidance for fair value measurements establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires that the Company maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 — Quoted prices in active markets for identical assets or liabilities.
- Level 2 — Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, similar assets and liabilities in markets that are not active or can be corroborated by observable market data.

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Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The following presents information as of March 31, 2022 and December 31, 2021 for the Company's assets and liabilities required to be measured at fair value on a recurring basis, as well as the fair value hierarchy used to determine their fair value.

Accounts Receivable and Payable - The amounts recorded in the accompanying balance sheets approximate fair value because of their short-term nature.

Investments – The Company measures investments, including cost and equity method investments, at fair value on a nonrecurring basis when they are deemed to be other-than-temporarily impaired. The fair values of these investments are determined based on valuation techniques using the best information available, and may include market observable inputs, and discounted cash flow projections. An impairment charge is recorded when the cost of the investment exceeds its fair value and this condition is determined to be other-than-temporary. As of March 31, 2022, the investment in CaféX Communication, Inc., which consisted of the Company's total \$15.6 million investment, is fully impaired to zero.

Debt - The Company's debt consists primarily of the Company's Credit Facility, which permits floating-rate borrowings based upon the current Prime Rate or LIBOR plus a credit spread as determined by the Company's leverage ratio calculation (as defined in the Credit Agreement). As of March 31, 2022 and December 31, 2021, the Company had \$803.0 million and \$791.0 million, respectively, of borrowings outstanding under the Credit Facility. During the first quarter of 2022 outstanding borrowings accrued interest at an average rate of 1.3% per annum, excluding unused commitment fees. The amounts recorded in the accompanying Balance Sheets approximate fair value due to the variable nature of the debt based on Level 2 inputs.

Derivatives - Net derivative assets (liabilities) are measured at fair value on a recurring basis. The portfolio is valued using models based on market observable inputs, including both forward and spot foreign exchange rates, interest rates, implied volatility, and counterparty credit risk, including the ability of each party to execute its obligations under the contract. As of March 31, 2022, credit risk did not materially change the fair value of the Company's derivative contracts.

The following is a summary of the Company's fair value measurements for its net derivative assets (liabilities) as of March 31, 2022 and December 31, 2021 (in thousands):

As of March 31, 2022

	Fair Value Measurements Using			At Fair Value
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Cash flow hedges	\$ —	\$ 787	\$ —	\$ 787
Fair value hedges	—	148	—	148
Total net derivative asset (liability)	\$ —	\$ 935	\$ —	\$ 935

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As of December 31, 2021

	Fair Value Measurements Using			At Fair Value
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Cash flow hedges	\$ —	\$ (62)	\$ —	\$ (62)
Fair value hedges	—	198	—	198
Total net derivative asset (liability)	<u>\$ —</u>	<u>\$ 136</u>	<u>\$ —</u>	<u>\$ 136</u>

The following is a summary of the Company's fair value measurements as of March 31, 2022 and December 31, 2021 (in thousands):

As of March 31, 2022

	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets			
Derivative instruments, net	\$ —	\$ 935	\$ —
Total assets	<u>\$ —</u>	<u>\$ 935</u>	<u>\$ —</u>
Liabilities			
Deferred compensation plan liability	\$ —	\$ (28,801)	\$ —
Derivative instruments, net	—	—	—
Contingent consideration	—	—	—
Total liabilities	<u>\$ —</u>	<u>\$ (28,801)</u>	<u>\$ —</u>
Redeemable noncontrolling interest	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (56,666)</u>

As of December 31, 2021

	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets			
Derivative instruments, net	\$ —	\$ 136	\$ —
Total assets	<u>\$ —</u>	<u>\$ 136</u>	<u>\$ —</u>
Liabilities			
Deferred compensation plan liability	\$ —	\$ (30,012)	\$ —
Derivative instruments, net	—	—	—
Contingent consideration	—	—	(9,600)
Total liabilities	<u>\$ —</u>	<u>\$ (30,012)</u>	<u>\$ (9,600)</u>
Redeemable noncontrolling interest	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (56,316)</u>

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Deferred Compensation Plan — The Company maintains a non-qualified deferred compensation plan structured as a Rabbi trust for certain eligible employees. Participants in the deferred compensation plan select from a menu of phantom investment options for their deferral dollars offered by the Company each year, which are based upon changes in value of complementary, defined market investments. The deferred compensation liability represents the combined values of market investments against which participant accounts are tracked.

Contingent Consideration - The Company recorded contingent consideration related to the acquisitions of VF US and VF ASEAN that closed during 2020. The contingent payable for VF US was calculated using a Monte Carlo simulation including a discount rate of 23.1%. The contingent payable for VF ASEAN was calculated using a Monte Carlo simulation including a discount rate of 18.4%. The measurements were based on significant inputs not observable in the market. The Company recorded interest expense each period using the effective interest method until the future value of these contingent payments reached the expected total future value.

During the fourth quarter of 2020, the first quarter of 2021, the second quarter of 2021 and the fourth quarter of 2021, the Company recorded fair value adjustments to the contingent consideration associated with the VF US and VF ASEAN acquisitions based on increased actual results and estimates of EBITDA for 2021 which caused the payables to increase. Accordingly, a combined \$4.3 million increase, \$0.9 million increase, \$0.2 million increase and a \$0.1 million increase to the payables were recorded as of December 31, 2020, March 31, 2021, June 30, 2021 and December 31, 2021, respectively, and were included in Other income (expense), net in the Consolidated Statements of Comprehensive Income (Loss). As of March 31, 2022, the expected future contingent consideration for the VF US and VF ASEAN acquisitions were finalized at \$9.6 million and were paid in March 2022.

A rollforward of the activity in the Company's fair value of the contingent consideration payable is as follows (in thousands):

	<u>December 31, 2021</u>	<u>Acquisitions</u>	<u>Payments</u>	<u>Imputed Interest / Adjustments</u>	<u>March 31, 2022</u>
VF US	\$ 7,414	\$ —	\$ (7,414)	—	\$ —
VF ASEAN	2,186	—	(2,186)	—	—
Total	<u>\$ 9,600</u>	<u>\$ —</u>	<u>\$ (9,600)</u>	<u>\$ —</u>	<u>\$ —</u>

(8) INCOME TAXES

The Company accounts for income taxes in accordance with the accounting literature for income taxes, which requires recognition of deferred tax assets and liabilities for the expected future income tax consequences of transactions that have been included in the Consolidated Financial Statements. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using tax rates in effect for the year in which the differences are expected to reverse. Quarterly, the Company assesses the likelihood that its net deferred tax assets will be recovered. Based on the weight of all available evidence, both positive and negative, the Company records a valuation allowance against deferred tax assets when it is more-likely-than-not that a future tax benefit will not be realized. The Company's selection of an accounting policy with respect to both the global intangible low taxed foreign income ("GILTI") and base erosion and anti-abuse tax ("BEAT") rules is to compute the related taxes in the period the entity becomes subject to either GILTI or BEAT.

As of March 31, 2022, the Company had \$15.1 million of net deferred tax assets (after a \$29.4 million valuation allowance) and a net deferred tax asset of \$10.2 million (after deferred tax liabilities of \$5.0 million) related to the United States and international tax jurisdictions whose recoverability is dependent upon future profitability.

The effective tax rate for the three months ended March 31, 2022 and 2021 was 17.6% and 22.5%, respectively.

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The Company's U.S. income tax returns filed for the tax years ending December 31, 2017 to present, remain open tax years. The Company has been notified of the intent to audit or is currently under audit of income taxes for the United States for tax year 2017 and 2018, the Philippines for tax year 2020, the state of California for tax years 2017 through 2018, the state of Washington for tax years 2017 through 2019, and India for tax years 2017 through 2019. Although the outcome of examinations by taxing authorities are always uncertain, it is the opinion of management that the resolution of these audits will not have a material effect on the Company's Consolidated Financial Statements.

When there is a change in judgment concerning the recovery of deferred tax assets in future periods, a valuation allowance is recorded into earnings during the quarter in which the change in judgment occurred. In the first, third and fourth quarters of 2021, changes to the valuation allowance were recorded in the amount of \$2.4 million, \$6.4 million and \$5.1 million, respectively, for assets that did not meet the "more-likely-than-not" standard. In the first quarter of 2022, \$1.3 million was released from the valuation allowance for assets that are expected to be recognized in the future.

The Company has been granted "Tax Holidays" as an incentive to attract foreign investment by the government of the Philippines. Generally, a Tax Holiday is an agreement between the Company and a foreign government under which the Company receives certain tax benefits in that country, such as exemption from taxation on profits derived from export-related activities. In the Philippines, the Company has been granted multiple agreements with an initial period of tax at 0% for four years, which will be fully expired in 2022 and additional periods at a reduced tax rate, expiring at various times beginning in 2030. The aggregate benefit to income tax expense for the three months ended March 31, 2022 and 2021 was approximately \$0.9 million and \$1.1 million, respectively, which had an impact on diluted net income per share of \$0.02 and \$0.02, respectively.

(9) COMMITMENTS AND CONTINGENCIES

Credit Facility

On November 23, 2021, the Company entered into a Sixth Amendment to the Amended and Restated Credit Agreement and Amendment ("the Credit Agreement") and Restated Security Agreement originally dated June 3, 2013, (collectively, the "Credit Facility") to convert the \$300 million term loan included in the total Credit Facility commitments, that was previously agreed on March 25, 2021 as part of the Fifth Amendment to the Credit Agreement, into a \$1.5 billion senior secured revolving Credit Facility with a syndicate of lenders led by Wells Fargo, National Association, as agent, swingline and fronting lender. The Credit Facility matures on November 23, 2026. We primarily use our Credit Facility to fund working capital, general operations, dividends, acquisitions and other strategic activities.

On March 25, 2021, the Company entered into a Fifth Amendment to its Credit Agreement and Credit Facility to increase the total commitments by \$300 million to \$1.2 billion by exercising the accordion feature that was included in the senior secured revolving credit facility. The \$300 million increase was in the form of a term loan, could be prepaid anytime and would become due February 14, 2024, contemporaneously with the expiration of the revolving line of credit.

The maximum commitment under the Credit Facility is \$1.5 billion in the aggregate, if certain conditions are satisfied. The Credit Facility commitment fees are payable to the lenders in an amount equal to the unused portion of the Credit Facility multiplied by a rate per annum as determined by reference to the Company's net leverage ratio. The Credit Agreement contains customary affirmative, negative, and financial covenants. The Credit Agreement permits accounts receivable factoring up to the greater of \$100 million or 25 percent of the average book value of all accounts receivable over the most recent twelve-month period. The Credit Agreement also permits the utilization of up to \$100 million of limits within the Credit Facility for letters of credit to be used in the business.

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Base rate loans bear interest at a rate equal to the greatest of (i) Wells Fargo's prime rate, (ii) one half of 1% in excess of the federal funds effective rate, and (iii) 1.25% in excess of the one month LIBOR; plus in each case a margin of 0% to 0.75% based on the Company's net leverage ratio. Eurodollar loans bear interest at LIBOR plus a margin of 1.0% to 1.75% based on the Company's net leverage ratio. Alternate currency loans bear interest at rates applicable to their respective currencies.

Letter of credit fees are one eighth of 1% of the stated amount of the letter of credit on the date of issuance, renewal or amendment, plus an annual fee equal to the borrowing margin for Eurodollar loans.

The Company primarily utilizes its Credit Facility to fund working capital, general operations, dividends and other strategic activities, such as the acquisitions described in Note 2. As of March 31, 2022 and December 31, 2021, the Company had borrowings of \$803.0 million and \$791.0 million, respectively, under its Credit Facility, and its average daily utilization was \$917.8 million and \$446.1 million for the three months ended March 31, 2022 and 2021, respectively. During early April 2021, the Company increased borrowings by approximately \$500 million in connection with the acquisition of Avtex (see Note 2). Based on the current level of availability based on the covenant calculations, the Company's remaining borrowing capacity was approximately \$525 million as of March 31, 2022. As of March 31, 2022, the Company was in compliance with all covenants and conditions under its Credit Agreement.

Letters of Credit

As of March 31, 2022, outstanding letters of credit under the Credit Facility totaled \$12.6 million and primarily guaranteed workers' compensation and other insurance related obligations. As of March 31, 2022, letters of credit and contract performance guarantees issued outside of the Credit Agreement totaled \$0.4 million.

Guarantees

Indebtedness under the Credit Agreement is guaranteed by certain of the Company's present and future domestic subsidiaries.

Legal Proceedings

From time to time, the Company has been involved in legal actions, both as plaintiff and defendant, which arise in the ordinary course of business. The Company accrues for exposures associated with such legal actions to the extent that losses are deemed both probable and reasonably estimable. To the extent specific reserves have not been made for certain legal proceedings, their ultimate outcome, and consequently, an estimate of possible loss, if any, cannot reasonably be determined at this time.

Based on currently available information and advice received from counsel, the Company believes that the disposition or ultimate resolution of any current legal proceedings, except as otherwise specifically reserved for in its financial statements, will not have a material adverse effect on the Company's financial position, cash flows or results of operations.

(10) DEFERRED REVENUE AND REMAINING PERFORMANCE OBLIGATIONS

Revenue recognized for the three months ended March 31, 2022 from amounts included in deferred revenue as of December 31, 2021 was \$78.2 million. Revenue recognized for the three months ended March 31, 2021 from amounts included in deferred revenue as of December 31, 2020 was \$36.3 million.

Remaining performance obligations (RPO) represent the amount of contracted future revenue that has not yet been recognized, including both deferred revenue and non-cancelable contracted amounts that will be invoiced and recognized as revenue in future periods. The Company's RPO excludes performance obligations from on-demand arrangements as there are no minimum purchase commitments associated with these arrangements, and certain time and materials contracts that are billed in arrears.

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As of March 31, 2022, the Company's RPO was \$310.0 million, which will be delivered and recognized within the next three years. However, the amount and timing of revenue recognition are generally driven by customer consumption, which can extend beyond the original contract term in cases where customers are permitted to roll over unused capacity to future periods, generally upon the purchase of additional capacity at renewal.

(11) ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following table presents changes in the accumulated balance for each component of Other comprehensive income (loss), including current period other comprehensive income (loss) and reclassifications out of accumulated other comprehensive income (loss) (in thousands):

	Foreign Currency Translation Adjustment	Derivative Valuation, Net of Tax	Other, Net of Tax	Totals
Accumulated other comprehensive income (loss) at December 31, 2020	\$ (78,139)	\$ 8,431	\$ (2,448)	\$ (72,156)
Other comprehensive income (loss) before reclassifications	(5,879)	(3,773)	108	(9,544)
Amounts reclassified from accumulated other comprehensive income (loss)	—	1,059	(72)	987
Net current period other comprehensive income (loss)	(5,879)	(2,714)	36	(8,557)
Accumulated other comprehensive income (loss) at March 31, 2021	<u>\$ (84,018)</u>	<u>\$ 5,717</u>	<u>\$ (2,412)</u>	<u>\$ (80,713)</u>
Accumulated other comprehensive income (loss) at December 31, 2021	<u>\$ (95,547)</u>	<u>\$ (40)</u>	<u>\$ (2,839)</u>	<u>\$ (98,426)</u>
Other comprehensive income (loss) before reclassifications	292	390	108	790
Amounts reclassified from accumulated other comprehensive income (loss)	—	239	(67)	172
Net current period other comprehensive income (loss)	292	629	41	962
Accumulated other comprehensive income (loss) at March 31, 2022	<u>\$ (95,255)</u>	<u>\$ 589</u>	<u>\$ (2,798)</u>	<u>\$ (97,464)</u>

The following table presents the classification and amount of the reclassifications from Accumulated other comprehensive income (loss) to the Statement of Comprehensive Income (Loss) (in thousands):

	For the Three Months Ended March 31,		Statement of Comprehensive Income (Loss) Classification
	2022	2021	
Derivative valuation			
Gain on foreign currency forward exchange contracts	\$ 323	\$ 1,431	Revenue
Tax effect	(84)	(372)	Provision for income taxes
	<u>\$ 239</u>	<u>\$ 1,059</u>	Net income (loss)
Other			
Actuarial loss on defined benefit plan	\$ (75)	\$ (80)	Cost of services
Tax effect	8	8	Provision for income taxes
	<u>\$ (67)</u>	<u>\$ (72)</u>	Net income (loss)

TTEC HOLDINGS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
(Unaudited)

(12) WEIGHTED AVERAGE SHARE COUNTS

The following table sets forth the computation of basic and diluted shares for the periods indicated (in thousands):

	Three Months Ended March 31,	
	2022	2021
Shares used in basic earnings per share calculation	47,005	46,743
Effect of dilutive securities:		
Restricted stock units	350	612
Performance-based restricted stock units	26	—
Total effects of dilutive securities	376	612
Shares used in dilutive earnings per share calculation	<u>47,381</u>	<u>47,355</u>

For the three months ended March 31, 2022 and 2021, there were Restricted Stock Units (“RSUs”) of 193 thousand and zero, respectively, outstanding which were excluded from the computation of diluted net income per share because the effect would have been anti-dilutive.

(13) EQUITY-BASED COMPENSATION PLANS

All equity-based awards to employees are recognized in the Consolidated Statements of Comprehensive Income (Loss) at the fair value of the award on the grant date. During the three months ended March 31, 2022 and 2021, the Company recognized total equity-based compensation expense of \$3.7 million and \$4.0 million, respectively. Of this total compensation expenses, \$1.6 million and \$1.3 million were recognized in Cost of services and \$2.1 million and \$2.7 million were recognized in Selling, general and administrative during the three months ended March 31, 2022 and 2021, respectively.

Restricted Stock Unit Grants

During the three months ended March 31, 2022 and 2021, the Company granted 20,643 and 44,471 RSUs, respectively, to new and existing employees, which vest over four to five years. The Company recognized compensation expense related to RSUs of \$3.6 million and \$3.3 million for the three months ended March 31, 2022 and 2021, respectively. As of March 31, 2022, there was approximately \$35.3 million of total unrecognized compensation cost (including the impact of expected forfeitures) related to RSUs granted under the Company’s equity plans.

Performance Based Restricted Stock Unit Grants

During 2019, the Company awarded performance restricted stock units (“PRSUs”) that are subject to service and performance vesting conditions. If defined minimum targets are met, the annual value of the PRSUs issued will be between \$0.4 million and \$1.4 million and vest immediately. If the defined minimum targets are not met, then no shares will be issued. The award amounts are based on the Company’s annual adjusted operating income for the fiscal years 2019, 2020 and 2021. Each fiscal year’s adjusted operating income will determine the award amount. The Company recognized compensation expense related to PRSUs of zero and \$0.3 million, respectively, for the three months ended March 31, 2022 and 2021.

During 2020, the Company awarded PRSUs that are subject to service and performance vesting conditions. If defined minimum targets are met, the annual value of the PRSUs issued will be between \$0.2 million and \$2.0 million and vest immediately. If the defined minimum targets are not met, then no shares will be issued. The number of shares awarded are based on the Company’s annual revenue and adjusted operating income for the fiscal years 2021 and 2022. Each fiscal year’s revenue and adjusted operating income will determine the award amount. The Company recognized compensation expense related to PRSUs of \$0.4 million and \$0.5 million, respectively, for the three months ended March 31, 2022 and 2021.

TTEC HOLDINGS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
(Unaudited)

During 2021, the Company awarded PRSUs that are subject to service and performance vesting conditions. If defined minimum targets are met, the annual value of the PRSUs issued will be between \$1.2 million and \$4.9 million and vest immediately in 2024. If the defined minimum targets are not met, then no shares will be issued. The number of shares that will be awarded will be based on the Company's annual revenue and adjusted operating income for the fiscal year 2023. Fiscal year's 2023 revenue and adjusted operating income will determine the award amount. Expense for these awards will begin at the start of the requisite service period, beginning January 1, 2023.

During 2022, the Company made awards of two different PRSU programs that are subject to service and performance vesting conditions: ordinary course annual PRSUs and one-time stretch financial goals PRSUs. For the ordinary course annual PRSUs, if defined minimum targets are met, the annual value of the PRSUs issued will be between \$0.9 million and \$3.5 million and vest immediately in March 2025. If the defined minimum targets are not met, then no shares will be issued. The number of shares that will be awarded will be based on the Company's annual revenue and adjusted EBITDA for the fiscal year 2024. Fiscal year's 2024 revenue and adjusted EBITDA will determine the award amount. The one-time stretch financial goals PRSUs, if defined minimum targets at TTEC Engage and TTEC Digital business segments' levels, are met, the value of the PRSUs issued will be between 0.0 million shares and 0.5 million shares and will vest immediately in March 2026. If the defined minimum targets are not met, then no shares will be issued. The number of shares to be awarded will be based on the TTEC Engage and TTEC Digital business segments' annual revenue and adjusted EBITDA for the fiscal year 2025. Expense for these awards will begin at the start of the requisite service period, beginning January 1, 2024 and January 1, 2025, respectively.

(14) RELATED PARTY TRANSACTIONS

The Company entered into an agreement under which Avion, LLC ("Avion") and Airmax LLC ("Airmax") provide certain aviation flight services as requested by the Company. Such services include the use of an aircraft and flight crew. Kenneth D. Tuchman, Chairman and Chief Executive Officer of the Company, has an indirect 100% beneficial ownership interest in Avion and Airmax. During the three months ended March 31, 2022 and 2021, the Company expensed \$0.1 million and \$0.3 million, respectively, to Avion and Airmax for services provided to the Company. There was \$88 thousand in payments due and outstanding to Avion and Airmax as of March 31, 2022.

Ms. Regina M. Paolillo, Global Chief Operating Officer of the Company, was a member of the board of directors of Welltok, Inc., a consumer health SaaS company, and partner of the Company in the TTEC Welltok joint venture. During the three months ended March 31, 2022 and 2021, the Company recorded revenue of \$0.4 million and \$0.5 million, respectively, in connection with work performed through the joint venture. As of December 2021, Ms. Paolillo is no longer a member of the board of directors of Welltok, Inc. and the joint venture has been wound down, but TTEC continues to service revenue for Welltok, Inc.

Ms. Regina M. Paolillo is a member of the board of directors of Unisys, a global information technology company. During the three months ended March 31, 2022 and 2021, the Company recorded revenue of \$32 thousand and \$0.2 million, respectively, in connection with services performed for Unisys.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the Private Securities Litigation Reform Act of 1995, relating to our operations, expected financial position, results of operation, and other business matters that are based on our current expectations, assumptions, and projections with respect to the future, and are not a guarantee of performance. In this report, when we use words such as “may,” “believe,” “plan,” “will,” “anticipate,” “estimate,” “expect,” “intend,” “project,” “would,” “could,” “target,” or similar expressions, or when we discuss our strategy, plans, goals, initiatives, or objectives, we are making forward-looking statements.

We caution you not to rely unduly on any forward-looking statements. Actual results may differ materially from those expressed in the forward-looking statements, and you should review and consider carefully the risks, uncertainties and other factors that affect our business and may cause such differences as outlined in Part II. Item 1A Risk Factors of this report and Item 1A. Risk Factors in our Annual Report on [Form 10-K](#) for the year ended December 31, 2021. Important factors that could cause our actual results to differ materially from those indicated in the forward looking statements include, among others, the risks related to our business operations and strategy, including the risks related to our strategy execution in a competitive market; our ability to innovate and introduce technologies that are sufficiently disruptive to allow us to maintain and grow our market share; risks inherent in the reliability of our information technology systems; risks related to our information technology infrastructure’s cybersecurity in general, and criminal activity such as ransomware, other malware and data exfiltration or destruction in particular, which can impact our ability to consistently deliver uninterrupted service to our clients; our dependence on third parties for our cloud solutions; risks inherent in our transition to a work from home environment; our ability to attract and retain qualified and skilled personnel at a price point that we can afford and our clients are willing to pay; our M&A activity, including our ability to identify, acquire and properly integrate acquired businesses in accordance with our strategy; the risk related to our international operations including risks associated with the Russian invasion of Ukraine in the first quarter of 2022 and impacts it may have on our clients’ European based business and the Company’s business; the risks related to legal and regulatory impact on our operations, including rapidly changing laws that regulate our and our clients’ business, such as data privacy and data protection laws, regulatory changes impacting our healthcare businesses, financial and public sector specific regulations, our ability to comply with these laws timely and cost effectively; and the cost of wage and hour litigation in the United States; the impact of the post COVID-19 pandemic economic recovery and regulatory realities on our business and our clients’ business; and risks inherent in our equity structure including our controlling shareholder risk, and Delaware choice of dispute resolution risks.

Our forward-looking statements speak only as of the date that this report is filed with the United States Securities and Exchange Commission (“SEC”). We undertake no obligation to update them, except as may be required by applicable law. Although we believe that our forward-looking statements are reasonable, they depend on many factors outside of our control and we can provide no assurance that they will prove to be correct.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Executive Summary

TTEC Holdings, Inc. ("TTEC", "the Company", "we", "our" or "us"; pronounced "T-TEC") is a leading global customer experience as a service ("CXaaS") partner for many of the world's most iconic and disruptive brands. TTEC designs, builds, orchestrates, and delivers seamless digitally enabled customer experiences that are designed to increase brand value, customer loyalty, revenue, and profitability through personalized, outcome-based interactions. We help clients improve their customer satisfaction while lowering their total cost to serve by combining innovative digital solutions with service capabilities that deliver a frictionless customer experience ("CX") across different channels and phases of the customer lifecycle.

The Company operates and reports its financial results of operation through two business segments: TTEC Digital and TTEC Engage.

- **TTEC Digital** is one of the largest pure-play CX technology service providers with expertise in CX strategy, digital consulting, and transformation enabled by proprietary CX applications and technology partnerships. TTEC Digital designs, builds, and operates robust digital experiences for clients and their customers through the contextual integration and orchestration of customer relationship management ("CRM"), data, analytics, CXaaS technology, and intelligent automation to ensure high-quality, scalable CX outcomes.
- **TTEC Engage** provides the digitally enabled CX managed services to support our clients' end-to-end customer interaction delivery at scale. The segment delivers omnichannel customer care, tech support, order fulfillment, customer acquisition, growth, and retention services with industry specialization and distinctive CX capabilities for hypergrowth brands. TTEC Engage also delivers digitally enabled back office and industry specific specialty services including artificial intelligence ("AI") operations, content moderation, and fraud management services.

TTEC Digital and TTEC Engage strategically come together under our unified offering, Humanify[®] CXaaS, which drives measurable customer results for clients through the delivery of personalized, omnichannel experiences. Our Humanify[®] cloud platform provides a fully integrated ecosystem of CX offerings, including messaging, AI, machine learning, robotic process automation, analytics, cybersecurity, CRM, knowledge management, journey orchestration, and traditional voice solutions. Our end-to-end CXaaS platform differentiates us from competitors by combining design, strategic consulting, technology, data analytics, process optimization, system integration, and operational excellence along with our decades of industry know-how. This unified offering is value-oriented, outcome-based and delivered to large enterprises, governments, and hypergrowth companies on a global scale.

During 2022, the TTEC global operating platform delivered onshore, nearshore, and offshore services in 20 countries on six continents -- the United States, Australia, Belgium, Brazil, Bulgaria, Canada, Costa Rica, Germany, Greece, India, Ireland, Mexico, the Netherlands, New Zealand, the Philippines, Poland, Singapore, South Africa, Thailand, and the United Kingdom with the help of 62,000 consultants, technologists, and CX professionals.

Our revenue for first quarter 2022 was \$588.7 million, approximately \$113.6 million, or 19% which came from our TTEC Digital segment and \$475.1 million, or 81%, which came from our TTEC Engage segment.

To improve our competitive position in a rapidly changing market and stay strategically relevant to our clients, we continue to invest in innovation and service offerings for both mainstream and high growth disruptive businesses, diversifying and strengthening our core customer care services with technology-enabled, outcomes-focused services, data analytics, insights and consulting.

We also invest to broaden our product and service capabilities, increase our global client base and industry expertise, tailor our geographic footprint to the needs of our clients, and further scale our end-to-end integrated solutions platform. To this end we have been highly acquisitive in the last several years, including in April 2022 the acquisition of certain citizen experience assets of Faneuil, Inc. that include healthcare exchange and transportation services contracts, which will expand our capabilities in the growing public sector market deploying investments to achieve technology-enabled citizen engagement solutions. We also completed an acquisition early in the second quarter of 2021 of a provider of Genesys and Microsoft cloud contact center services, which followed an acquisition in the second half of 2020 of a preferred Amazon Connect cloud contact center service provider.

We have extensive expertise in the automotive, communications, financial services, national/federal and state and local government, healthcare, logistics, media and entertainment, e-tail/retail, technology, travel and transportation industries. We serve more than 750 diverse clients globally, including many of the world's iconic brands, Fortune 1000 companies, government agencies, and disruptive growth companies.

Cybersecurity Incident

In September 2021, TTEC experienced a ransomware incident that temporarily disrupted the Engage business segment's client support environment. Certain TTEC systems and data became encrypted and certain TTEC data was exfiltrated or destroyed. TTEC Digital business segment's information systems and client environment were not involved in the attack. TTEC activated its incident response and business continuity protocols, notified law enforcement, took appropriate measures to restore its systems and was able to restore operations for many impacted clients within hours of the start of the incident, with all client-facing systems returning to operations within five days of the incident.

We exercised reasonable efforts to identify data that may have been exfiltrated. We continue to monitor the situation, and we are not currently aware of evidence that exfiltrated data was publicly released. As of the date of this report, data involved in the incident has been analyzed for impact and notice obligations, and we provided appropriate regulatory and individual notices about the incident and its potential impacts.

With support from outside forensic experts, TTEC completed its investigation of root causes and impacts of the cybersecurity incident and is working to harden the security of its information technology environment and is taking measures to move to a 'zero trust' environment to protect its systems and its data.

The Company performed appropriate procedures to validate the accuracy and completeness of information involved in its financial reporting, and we have no indication that the accuracy and completeness of any financial information was impacted as a result of the incident.

The temporary operational disruptions that occurred due to this incident did not have a long-term impact on our results of operations. We made additional investments in the hardening of our cybersecurity environment and the operational governance of our information technology systems during the fourth quarter of 2021 and expect to make further investments in 2022. While the total amount of likely investment has not yet been determined, we anticipate that it will be at least \$6 million in 2022 and beyond. The incident and any failure or perceived failure by us to comply with applicable privacy laws in connection with this incident could result in government enforcement actions, regulatory investigations, fines, penalties, and private legal actions, which could impact our results of operations and expenses associated with the incident. In the first quarter of 2022, we have been served with certain lawsuits alleging data privacy failures, which are typical when cybersecurity incidents result in data exfiltration. Other actual and potential consequences of the incident may include negative publicity, loss of client trust, reputational damage, litigation, contractual claims, financial judgement or settlements in excess of insurance, and disputes with insurance carriers concerning coverage. See, Part I, Item 1A Risk Factors in our Annual Report on [Form 10-K](#) for the year ended December 31, 2021.

COVID-19 Pandemic

Through the period ended March 31, 2022 the COVID-19 pandemic has not had a material adverse impact on our operational or financial results. While we expect this positive trend to continue only some of our COVID-19 specific surge work has transitioned to more traditional business activities for the same clients, and our clients continue to reposition their work in post-pandemic environment, leveraging new ways of working, and evolving the use of technology, in an inflationary economy with considerable labor pressures. These changes bring more opportunities to the Company, while at the same time temporarily or permanently divert certain business volumes. Based on currently available information, we cannot accurately predict the post-pandemic changes to our clients' businesses and their effect on the magnitude and timing of our clients' buying decisions. Further, while to date we have been successful in managing service delivery from a highly disbursed employee population working remotely, certain seasonal weather cycles and their potential impacts on power grid, and internet availability for our employees working from home may impact our delivery capability with little notice, thus potentially impacting our results of operations in the future.

Our Integrated Service Offerings and Business Segments

We provide strategic value and differentiation through our two business segments: TTEC Digital and TTEC Engage.

TTEC Digital is one of the largest pure-play CX technology service providers with expertise in CX strategy, digital consulting and transformation enabled by proprietary CX applications and technology partnerships. TTEC Digital designs, builds, and operates robust digital experiences for clients and their customers through the contextual integration and orchestration of CRM, data, analytics, CXaaS technology, and intelligent automation to ensure high-quality, scalable CX outcomes.

- **Technology Services:** Our technology services design, integrate, and operate highly scalable, digital omnichannel technology solutions in the cloud, on premise, or hybrid environment, including journey orchestration, automation and AI, knowledge management, and workforce productivity.
- **Professional Services:** Our management consulting practices deliver customer experience strategy, analytics, process optimization, and learning and performance services.

TTEC Engage provides the digitally enabled CX managed services to support our clients' end-to-end customer interaction delivery at scale. The segment delivers omnichannel customer care, tech support, order fulfillment, customer acquisition, growth, and retention services with industry specialization and distinctive CX capabilities for hypergrowth brands. TTEC Engage also delivers digitally enabled back office and industry specific specialty services including AI operations, content moderation, and fraud management services.

- **Customer Acquisition, Growth, and Retention Services:** Our customer growth and acquisition services optimize the buying journeys for acquiring new customers by leveraging technology and analytics to deliver personal experiences that we believe increase the quantity and quality of leads and customers.
- **Customer Care, Tech Support, and Order Fulfillment Services:** Our customer care, technical support, and order fulfillment services provide turnkey contact center solutions, including digital omnichannel technologies, associate recruiting and training, facilities, and operational expertise to create exceptional customer experiences across all touchpoints.
- **Digitally Enabled Back Office and Specialty Services:** Our digital AI operations, content moderation, and fraud detection and prevention services provide clients with data tagging and annotation capabilities to train and enable AI platforms, community content moderation, and compliance to meet client content standards, and proactive fraud solutions to assist our clients in the detection and prevention of fraud.

Based on our clients' preference, we provide our services on an integrated cross-business segment and/or on a discrete basis.

Additional information with respect to our segments and geographic footprint is included in Part I, Item 1. Financial Statements, Note 3 to the Consolidated Financial Statements.

Financial Highlights

In the first quarter of 2022, our revenue increased \$49.5 million, or 9.2%, to \$588.7 million over the same period in 2021 including a decrease of \$5.2 million, or 1.0%, due to foreign currency fluctuations. The increase in revenue was comprised of a \$50.0 million, or 78.6%, increase for TTEC Digital offset by a decrease of \$0.5 million, or 0.1%, for TTEC Engage.

Our first quarter 2022 income from operations decreased \$25.1 million, or 34.2%, to \$48.3 million or 8.2% of revenue, compared to \$73.4 million or 13.6% of revenue in the first quarter of 2021. The decrease in operating income is comprised of a number of factors across the segments. The TTEC Digital operating income increased 51.0% due to the acquisition of Avtex and growth in the cloud revenue platform offset by increased amortization of acquisition related intangible assets. The TTEC Engage operating income decreased 39.4% over the same period last year primarily related to the ramp of several new programs, change in revenue mix away from COVID-surge programs, increased sales and marketing expenses and expenses of \$3.8 million related to the cybersecurity event from the third quarter of 2021.

Income from operations in the first quarter of 2022 and 2021 included \$1.7 million and \$3.9 million of restructuring charges and asset impairments, respectively.

Our offshore customer engagement centers spanning six countries serve clients based in the U.S. and in other countries with 22,800 workstations, representing 63% of our global delivery capability. Revenue for our TTEC Engage segment provided from these offshore locations represented 28% of our revenue for the first quarter of 2022, as compared to 29% of our revenue for the corresponding period in 2021.

Our seat utilization is defined as the total number of utilized workstations compared to the total number of available production workstations. As of March 31, 2022, the total production workstations for our TTEC Engage segment was 36,500 and the overall capacity utilization in our centers was 70% versus 64% in the prior year period. While utilization has increased, it continues to be lower than the previous years primarily due to COVID-19 protocols requiring the distancing of employees which has reduced the available seat capacity. Adjusted for social distancing protocols, which reduced the available workstations to approximately 19,800, and accounting for all client paid seats as utilized, whether through actual usage or contractual commitments to hold the seats, current utilization is in excess of 129%.

Post COVID-19 we expect our clients to leverage a more diversified geographic footprint and an increased mix of work from home versus brick and mortar seats. We will continue to refine our site strategy and capacity as we finalize plans with our clients and prospects.

Some of our clients may be subject to regulatory pressures to serve clients onshore. We plan to continue to selectively retain and grow capacity and expand into new offshore markets, while maintaining appropriate capacity onshore. As we grow our offshore delivery capabilities and our exposure to foreign currency fluctuation increases, we will continue to actively manage this risk via a multi-currency hedging program designed to minimize operating margin volatility.

Recently Issued Accounting Pronouncements

Refer to Part I, Item I, Financial Statements, Note 1 to the Consolidated Financial Statements for a discussion of recently adopted and issued accounting pronouncements.

Critical Accounting Policies and Estimates

Management's Discussion and Analysis of our Financial Condition and Results of Operations is based upon our Consolidated Financial Statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses as well as the disclosure of contingent assets and liabilities. We regularly review our estimates and assumptions. These estimates and assumptions, which are based upon historical experience and on various other factors believed to be reasonable under the circumstances, form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Reported amounts and disclosures may have been different had management used different estimates and assumptions or if different conditions had occurred in the periods presented. For further information, please refer to the discussion of all critical accounting policies in Note 1 of the Notes to the Consolidated Financial Statements in our Annual Report on [Form 10-K](#) for the year ended December 31, 2021.

Results of Operations

Three months ended March 31, 2022 compared to three months ended March 31, 2021

The tables included in the following sections are presented to facilitate an understanding of Management's Discussion and Analysis of Financial Condition and Results of Operations and present certain information by segment for the three months ended March 31, 2022 and 2021 (amounts in thousands). All inter-company transactions between the reported segments for the periods presented have been eliminated.

TTEC Digital

	Three Months Ended March 31,		\$ Change	% Change
	2022	2021		
Revenue	\$ 113,583	\$ 63,587	\$ 49,996	78.6 %
Operating Income	6,347	4,202	2,145	51.0 %
Operating Margin	5.6 %	6.6 %		

The increase in revenue for the TTEC Digital segment was driven by the acquisition of Avtex and increases in the cloud platform and the systems integration practice.

The operating income increase is primarily attributable to the increase in revenue offset by additional amortization of acquisition related intangible assets. Operating income as a percentage of revenue decreased to 5.6% in the first quarter of 2022 as compared to 6.6% in the prior period. Included in operating income was amortization expense related to acquired intangibles of \$6.3 million and \$1.2 million for the quarters ended March 31, 2022 and 2021, respectively.

TTEC Engage

	Three Months Ended March 31,		\$ Change	% Change
	2022	2021		
Revenue	\$ 475,143	\$ 475,632	\$ (489)	(0.1)%
Operating Income	41,963	69,222	(27,259)	(39.4)%
Operating Margin	8.8 %	14.6 %		

The slight decrease in revenue for the TTEC Engage segment was due to a net increase of \$38.5 million in client programs, offset by a decrease for program completions of \$34.1 million and a \$4.9 million decrease due to foreign currency fluctuations.

The operating income decreased primarily due to the ramp of several new programs, change in revenue mix away from COVID-surge programs, increased sales and marketing expenses, and expenses of \$3.8 million related to the cybersecurity event from the third quarter of 2021. As a result, operating income as a percentage of revenue decreased to 8.8% in the first quarter of 2022 as compared to 14.6% in the prior period. Included in operating income was amortization expense related to acquired intangibles of \$3.2 million and \$3.3 million for the quarters ended March 31, 2022 and 2021, respectively.

Interest Income (Expense)

For the three months ended March 31, 2022 interest income was \$0.2 million and \$0.2 million in the same period in 2021. Interest expense increased to \$3.8 million during 2022 from \$1.8 million during 2021 due to higher utilization of the line of credit and higher interest rates.

Other Income (Expense)

For the three months ended March 31, 2022 Other income (expense), net increased to net income of \$1.3 million from net expense of \$0.8 million during the prior year quarter.

Included in the three months ended March 31, 2021 was a \$0.9 million expense related to the fair value adjustment of contingent consideration for two acquisitions (see Part I. Item 1. Financial Statements, Note 7 to the Consolidated Financial Statements).

Income Taxes

The effective tax rate for the three months ended March 31, 2022 was 17.6%. This compares to an effective tax rate of 22.5% for the comparable period of 2021. The effective tax rate for the three months ended March 31, 2022 was influenced by earnings in international jurisdictions currently under an income tax holiday, the distribution of income between the U.S. and international tax jurisdictions and the associated U.S. tax impacts of foreign earnings. Without a \$1.5 million benefit related to equity compensation, a \$2.5 million benefit related to the amortization of purchased intangibles, a \$1.3 million benefit related to changes in valuation allowances, \$0.8 million of expense related to other items, a \$0.4 million benefit related to restructuring, and a \$1.0 million benefit related to the cybersecurity event from the third quarter of 2021, the Company's normalized tax rate for the first quarter of 2022 was 21.5%.

Liquidity and Capital Resources

Our principal sources of liquidity are our cash generated from operations, our cash and cash equivalents, and borrowings under our Credit Facility. During the three months ended March 31, 2022, we generated positive operating cash flows of \$13.7 million. We believe that our cash generated from operations, existing cash and cash equivalents, and available credit will be sufficient to meet expected operating and capital expenditure requirements for the next 12 months, however, if our access to capital is restricted or our borrowing costs increase, our operations and financial condition could be adversely impacted.

We manage a centralized global treasury function in the United States with a focus on safeguarding and optimizing the use of our global cash and cash equivalents. Our cash is held in the U.S. in U.S. dollars, and outside of the U.S. in U.S. dollars and foreign currencies. We expect to use our cash to fund working capital, global operations, dividends, acquisitions, and other strategic activities. While there are no assurances, we believe our global cash is well protected given our cash management practices, banking partners and utilization of diversified bank deposit accounts and other high quality investments.

We have global operations that expose us to foreign currency exchange rate fluctuations that may positively or negatively impact our liquidity. We are also exposed to higher interest rates associated with our variable rate debt. To mitigate these risks, we enter into foreign exchange forward and option contracts through our cash flow hedging program. Please refer to Part I. Item 3. Quantitative and Qualitative Disclosures About Market Risk, Foreign Currency Risk, for further discussion.

In early April 2021, we drew down approximately \$500 million of the availability on the Credit Facility in order to provide funding for the acquisition of Avtex Solutions, Holdings LLC.

Although we expect that current cash and cash equivalent balances and cash flows that are generated from operations will be sufficient to meet our domestic and international working capital needs and other capital and liquidity requirements for at least the next 12 months, if our access to capital is restricted or our borrowing costs increase, our operations and financial condition could be adversely impacted.

The following discussion highlights our cash flow activities during the three months ended March 31, 2022 and 2021.

Cash and Cash Equivalents

We consider all liquid investments purchased within 90 days of their original maturity to be cash equivalents. Our cash and cash equivalents totaled \$156.8 million and \$158.2 million as of March 31, 2022 and December 31, 2021, respectively. We diversify the holdings of such cash and cash equivalents considering the financial condition and stability of the counterparty institutions.

We reinvest our cash flows to grow our client base, expand our infrastructure, for investment in research and development, for strategic acquisitions and to pay dividends.

Cash Flows from Operating Activities

For the three months ended March 31, 2022 and 2021, net cash flows provided by operating activities was \$13.7 million and \$69.8 million, respectively. The decrease is primarily due to a \$16.4 million increase in net cash income from operations offset by a \$39.7 million reduction in net working capital.

Cash Flows from Investing Activities

For the three months ended March 31, 2022 and 2021, net cash flows used in investing activities was \$16.7 million and \$11.8 million, respectively. The increase was due to a \$5.1 million increase in capital expenditures.

Cash Flows from Financing Activities

For the three months ended March 31, 2022 and 2021, net cash flows used in financing activities was \$3.8 million and \$54.2 million, respectively. The change in net cash flows from 2021 to 2022 was primarily due to a \$58.0 million net increase in the line of credit, and a \$2.4 million increase in tax payments related to restricted stock units offset by a \$9.6 million increase in payments of contingent consideration.

Free Cash Flow

Free cash flow (see "Presentation of Non-GAAP Measurements" below for the definition of free cash flow) decreased for the three months ended March 31, 2022 compared to the three months ended March 31, 2021 primarily due to an increase in net cash from operations offset by a decrease in working capital and higher capital expenditures. Free cash flow was \$(3.0) million and \$58.2 million for the three months ended March 31, 2022 and 2021, respectively.

Presentation of Non-GAAP Measurements

Free Cash Flow

Free cash flow is a non-GAAP liquidity measurement. We believe that free cash flow is useful to our investors because it measures, during a given period, the amount of cash generated that is available for debt obligations and investments other than purchases of property, plant and equipment. Free cash flow is not a measure determined by GAAP and should not be considered a substitute for "income from operations," "net income," "net cash provided by operating activities," or any other measure determined in accordance with GAAP. We believe this non-GAAP liquidity measure is useful, in addition to the most directly comparable GAAP measure of "net cash provided by operating activities," because free cash flow includes investments in operational assets. Free cash flow does not represent residual cash available for discretionary expenditures, since it includes cash required for debt service. Free cash flow also includes cash that may be necessary for acquisitions, investments and other needs that may arise.

The following table reconciles net cash provided by operating activities to free cash flow for our consolidated results (in thousands):

	Three Months Ended March 31,	
	2022	2021
Net cash provided by operating activities	\$ 13,686	\$ 69,787
Less: Purchases of property, plant and equipment	16,691	11,565
Free cash flow	<u>\$ (3,005)</u>	<u>\$ 58,222</u>

Obligations and Future Capital Requirements

There were no material changes to the Company's contractual obligations and future capital requirements outside the normal course of business from the date of our 2021 [Form 10-K](#) filing on March 3, 2022 through the filing of this report.

Future Capital Requirements

We expect total capital expenditures in 2022 to be between 2.9% and 3.1% of revenue. Approximately 65% of these expected capital expenditures are to support growth in our business and 35% relate to the maintenance for existing assets. The anticipated level of 2022 capital expenditures is primarily driven by new client contracts and the corresponding requirements for additional customer engagement center capacity as well as enhancements to our technological infrastructure.

The amount of capital required over the next 12 months will depend on our levels of investment in infrastructure necessary to maintain, upgrade or replace existing assets. Our working capital and capital expenditure requirements could also increase materially in the event of acquisitions or joint ventures, among other factors. These factors could require that we raise additional capital through future debt or equity financing. We can provide no assurance that we will be able to raise additional capital upon commercially reasonable terms acceptable to us.

Client Concentration

During the three months ended March 31, 2022, one of our clients represented more than 10% of our total revenue. Our five largest clients, collectively, accounted for 37.0% and 41.8% of our consolidated revenue for the three months ended March 31, 2022 and 2021, respectively. We have had long-term relationships with our top five TTEC Engage clients, ranging from 16 to 22 years, with all of these clients having completed multiple contract renewals with us. The relative contribution of any single client to consolidated earnings is not always proportional to the relative revenue contribution on a consolidated basis and varies greatly based upon specific contract terms. In addition, clients may adjust business volumes served by us based on their business requirements. We believe the risk of this concentration is mitigated, in part, by the long-term contracts we have with our largest clients. Although certain client contracts may be terminated for convenience by either party, we believe this risk is mitigated, in part, by the service level disruptions and transition/migration costs that would arise for our clients if they terminated our contract for convenience.

Some contracts with our five largest clients expire between 2022 and 2023, but most of our largest clients have multiple contracts with us with different expiration dates for different lines of work. We have historically renewed most of our contracts with our largest clients, but there can be no assurance that future contracts will be renewed or, if renewed, will be on terms as favorable as the existing contracts.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk represents the risk of loss that may impact our consolidated financial position, consolidated results of operations, or consolidated cash flows due to adverse changes in financial and commodity market prices and rates. Market risk also includes credit and non-performance risk by counterparties to our various financial instruments. We are exposed to market risk due to changes in interest rates and foreign currency exchange rates (as measured against the U.S. dollar); as well as credit risk associated with potential non-performance of our counterparty banks. These exposures are directly related to our normal operating and funding activities. We enter into derivative instruments to manage and reduce the impact of currency exchange rate changes, primarily between the U.S. dollar/Philippine peso, the U.S. dollar/Mexican peso, and the Australian dollar/Philippine peso. We enter into interest rate derivative instruments to reduce our exposure to interest rate fluctuations associated with our variable rate debt. To mitigate against credit and non-performance risk, it is our policy to only enter into derivative contracts and other financial instruments with investment grade counterparty financial institutions and, correspondingly, our derivative valuations reflect the creditworthiness of our counterparties. As of the date of this report, we have not experienced, nor do we anticipate, any issues related to derivative counterparty defaults.

Interest Rate Risk

We have previously entered into interest rate derivative instruments to reduce our exposure to interest rate fluctuations associated with our variable rate debt. The interest rate on our Credit Agreement is variable based upon the Prime Rate and LIBOR and, therefore, is affected by changes in market interest rates. As of March 31, 2022, we had \$803.0 million of outstanding borrowings under the Credit Agreement. Based upon average outstanding borrowings during the three months ended March 31, 2022, interest accrued at a rate of approximately 1.3% per annum, respectively. If the Prime Rate or LIBOR increased by 100 basis points, there would be an annualized \$1.0 million of additional interest expense per \$100.0 million of outstanding borrowing under the Credit Agreement.

Foreign Currency Risk

Our subsidiaries in the Philippines, Mexico, India, Bulgaria and Poland use the local currency as their functional currency for paying labor and other operating costs. Conversely, revenue for these foreign subsidiaries is derived principally from client contracts that are invoiced and collected in U.S. dollars or other foreign currencies. As a result, we may experience foreign currency gains or losses, which may positively or negatively affect our results of operations attributed to these subsidiaries. For the three months ended March 31, 2022 and 2021, revenue associated with this foreign exchange risk was 18% and 17% of our consolidated revenue, respectively.

In order to mitigate the risk of these non-functional foreign currencies weakening against the functional currencies of the servicing subsidiaries, which thereby decreases the economic benefit of performing work in these countries, we may hedge a portion, though not 100%, of the projected foreign currency exposure related to client programs served from these foreign countries through our cash flow hedging program. While our hedging strategy can protect us from adverse changes in foreign currency rates in the short term, an overall weakening of the non-functional foreign currencies would adversely impact margins in the segments of the servicing subsidiary over the long term.

Cash Flow Hedging Program

To reduce our exposure to foreign currency exchange rate fluctuations associated with forecasted revenue in non-functional currencies, we purchase forward and/or option contracts to acquire the functional currency of the foreign subsidiary at a fixed exchange rate at specific dates in the future. We have designated and account for these derivative instruments as cash flow hedges for forecasted revenue in non-functional currencies.

While we have implemented certain strategies to mitigate risks related to the impact of fluctuations in currency exchange rates, we cannot ensure that we will not recognize gains or losses from international transactions, as this is part of transacting business in an international environment. Not every exposure is or can be hedged and, where hedges are put in place based on expected foreign exchange exposure, they are based on forecasts for which actual results may differ from the original estimate. Failure to successfully hedge or anticipate currency risks properly could adversely affect our consolidated operating results.

Our cash flow hedging instruments as of March 31, 2022 and December 31, 2021 are summarized as follows (in thousands). All hedging instruments are forward contracts, except as noted.

As of March 31, 2022	Local Currency Notional Amount	U.S. Dollar Notional Amount	% Maturing in the next 12 months	Contracts Maturing Through
Canadian Dollar	6,000	\$ 4,675	100 %	December 2022
Philippine Peso	7,296,000	141,365 ⁽¹⁾	54.8 %	December 2024
Mexican Peso	1,277,000	56,308	47.6 %	December 2024
		<u>\$ 202,348</u>		

As of December 31, 2021	Local Currency Notional Amount	U.S. Dollar Notional Amount
Canadian Dollar	9,000	\$ 7,022
Philippine Peso	8,472,000	164,295 ⁽¹⁾
Mexican Peso	1,422,500	63,002
		<u>\$ 234,319</u>

⁽¹⁾ Includes contracts to purchase Philippine pesos in exchange for New Zealand dollars and Australian dollars, which are translated into equivalent U.S. dollars on March 31, 2022 and December 31, 2021.

The fair value of our cash flow hedges as of March 31, 2022 was assets/(liabilities) (in thousands):

	March 31, 2022	Maturing in the Next 12 Months
Canadian Dollar	\$ 124	\$ 124
Philippine Peso	(2,802)	(1,493)
Mexican Peso	3,465	2,109
	<u>\$ 787</u>	<u>\$ 740</u>

Our cash flow hedges are valued using models based on market observable inputs, including both forward and spot foreign exchange rates, implied volatility, and counterparty credit risk. The increase in fair value from December 31, 2021 reflects changes in the currency translation between the U.S. dollar and Mexican Peso and U.S. dollar and Philippine pesos.

We recorded net gains of \$0.3 million and \$1.4 million for settled cash flow hedge contracts and the related premiums for the three months ended March 31, 2022 and 2021, respectively. These gains were reflected in Revenue in the accompanying Consolidated Statements of Comprehensive Income (Loss). If the exchange rates between our various currency pairs were to increase or decrease by 10% from current period-end levels, we would incur a material gain or loss on the contracts. However, any gain or loss would be mitigated by corresponding increases or decreases in our underlying exposures.

Other than the transactions hedged as discussed above and in Part I, Item 1. Financial Statements, Note 6 to the Consolidated Financial Statements, the majority of the transactions of our U.S. and foreign operations are denominated in their respective local currency. However, transactions are denominated in other currencies from time-to-time. We do not currently engage in hedging activities related to these types of foreign currency risks because we believe them to be insignificant as we endeavor to settle these accounts on a timely basis. For the three months ended March 31, 2022 and 2021, approximately 14% and 14%, respectively, of revenue was derived from contracts denominated in currencies other than the U.S. Dollar. Our results from operations and revenue could be adversely affected if the U.S. Dollar strengthens significantly against foreign currencies.

Fair Value of Debt and Equity Securities

We did not have any investments in marketable debt or equity securities as of March 31, 2022 or December 31, 2021.

ITEM 4. CONTROLS AND PROCEDURES

This report includes the certifications of our Chief Executive Officer (the “CEO”) and Chief Financial Officer (the “CFO”) required by Rule 13a-14 of the Securities Exchange Act of 1934 (the “Exchange Act”). See Exhibits 31.1 and 31.2. This Item 4 includes information concerning the controls and control evaluations referred to in those certifications.

Disclosure Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to provide reasonable assurance that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

We carried out an evaluation under the supervision and with the participation of management, including the CEO and CFO, of the effectiveness of our disclosure controls and procedures, as of March 31, 2022, the end of the period covered by this Form 10-Q. Based on this evaluation, our CEO and CFO have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) were effective at the reasonable assurance level.

Inherent Limitations of Internal Controls

Our management, including the CEO and CFO, believes that any disclosure controls and procedures or internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of internal control are met. Further, the design of internal controls must consider the benefits of controls relative to their costs. Inherent limitations within internal controls include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of controls. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with associated policies or procedures. While the objective of the design of any system of controls is to provide reasonable assurance of the effectiveness of controls, such design is also based in part upon certain assumptions about the likelihood of future events, and such assumptions, while reasonable, may not take into account all potential future conditions. Thus, even effective internal control over financial reporting can only provide reasonable assurance of achieving their objectives. Therefore, because of the inherent limitations in cost effective internal controls, misstatements due to error or fraud may occur and may not be prevented or detected.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended March 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Part I, Item 1. Financial Statements, Note 10 to the Consolidated Financial Statements of this Form 10-Q is hereby incorporated by reference.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Item 1A. Risk Factors in our 2021 Annual Report on [Form 10-K](#), which could materially affect our business, financial condition or future results. In addition to the risk factors identified in our 2021 Annual Report, please consider the following additional Risk Factors.

Our operations in Europe, especially in former Eastern Bloc countries, may be impacted by the Russia-Ukraine conflict.

In February 2022, the Russian Federation invaded Ukraine, resulting in military actions, economic disruption in Europe, broad sanctions against Russia and its political and economic elite, and the mass exodus of refugees to Poland and other neighboring countries (the “Conflict”). More recently, the Russian Federation made open threats against various countries that support Ukraine in the Conflict and against European countries interested in joining the North Atlantic Treaty Organization (“NATO”). Although the specific nature of these threats is not clear, experts believe that Russia may use traditional warfare, cyber-attacks, or manipulation of supplies of energy to Europe to discourage anti-Russian sentiment and actions. Further, on April 27, 2022, Russia took an unprecedented step of breaching its gas supply contracts with Poland and Bulgaria where TTEC has operations. Lack of access to the Russian gas supply in Poland and Bulgaria may impact business operations in these countries and employees’ ability to deliver services. Although the full potential impact on TTEC’s or its clients’ European operations in general and on TTEC’s operations in Poland and Bulgaria, in particular, from the Russian aggression in Europe is not yet clear, if we are unable to continue delivering services from our current locations in Europe or if our clients reduce our service volumes because of the Conflict, our growth strategy, revenue generation and financial results of operations in Europe could be materially impacted.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

In November 2001, our Board of Directors (“Board”) authorized a stock repurchase program with the objective of increasing stockholder returns. The Board periodically authorizes additional increases to the program. The most recent Board authorization to purchase additional common stock occurred in February 2017, whereby the Board increased the program allowance by \$25.0 million. Since inception of the program through March 31, 2022, the Board has authorized the repurchase of shares up to a total value of \$762.3 million, of which we have purchased 46.1 million shares on the open market for \$735.8 million. The Company did not repurchase any of its shares during the three months ended March 31, 2022. As of March 31, 2022 the remaining amount authorized for repurchases under the program was approximately \$26.6 million. The stock repurchase program does not have an expiration date.

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

<u>Exhibit No.</u>	<u>Exhibit Description</u>	<u>Incorporated Herein by Reference</u>		
		<u>Form</u>	<u>Exhibit</u>	<u>Filing Date</u>
10.35*	Form of TTEC Holdings, Inc. Performance Restricted Stock Unit Agreement (Value Creation Program) effective March 15, 2022			
10.84*	Employment Agreement between Michelle Swanback and TTEC Services Corporation effective May 2, 2022			
31.1*	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)			
31.2*	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)			
32.1*	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)			
32.2*	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)			

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101.INS	XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
104	The cover page from TTEC Holdings, Inc's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, formatted in Inline XBRL

* Filed or furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TTEC HOLDINGS, INC.
(Registrant)

Date: May 4, 2022

By: /s/ Kenneth D. Tuchman
Kenneth D. Tuchman
Chairman and Chief Executive Officer

Date: May 4, 2022

By: /s/ Dustin J. Semach
Dustin J. Semach
Chief Financial Officer

TTEC HOLDINGS, INC.
VALUE CREATION PROGRAM
PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT

This Value Creation Program Performance Restricted Stock Unit Agreement (this "**Agreement**") is made to be effective as of March 15, 2022 (the "**Grant Date**") by and between TTEC Holdings, Inc., a Delaware corporation (the "**Company**" or "**TTEC**") and _____ (the "**Grantee**").

This Agreement is governed by the terms of the TTEC Holdings, Inc. 2020 Equity Incentive Plan (the "**Plan**"), pursuant to which the Company may grant equity awards to eligible employees, directors and consultants of the Company and its affiliates.

Capitalized terms that are used but not defined in this Agreement have the meaning ascribed to them in the Plan. The terms and provisions of the Plan as they may be amended from time to time are incorporated into this Agreement by reference. In the event of a conflict between any term or provision contained in this Agreement and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail.

The parties agree to be legally bound by this Agreement, and in exchange for sufficient consideration, the adequacy of which is not in question, agree as follows:

1. **VALUE CREATION PROGRAM.** The Value Creation Program was established by the Company as a one-time incentive designed to motivate TTEC key employees to meet stretch longer term financial targets; reward their contribution to the growth of TTEC the operating groups, where their performance has the opportunity to directly influence the financial results of operations; strengthen TTEC relationship and retention with top talent; foster an ownership culture among those who manage TTEC, as if it was their own business; and align under a singular mission – maximizing client, employee and shareholder value. Participation in this program entitles key employees to share in the value created by their efforts via a value creation performance based restricted stock unit ("**VC-PRSU**"). The vesting of such VC-PRSUs is based on certain revenue and adjusted EBITDA targets related to the operating group that are directly influenced by his/her performance.

The VC-PRSU one-time awards are separate and distinct from the **Grantee's** annual equity compensation incentive opportunity. Grantee's annual equity incentives are not subject to this Agreement and those awards, if any, are made pursuant to TTEC's annual incentive program and based on performance for a specific fiscal year.

2. **VC-PRSU GRANT BASED ON PERFORMANCE DURING THE MEASUREMENT PERIOD.**

2.1 Pursuant to the Plan and subject to the provisions of this Agreement, the Company hereby irrevocably provides to the **Grantee** a performance based restricted stock unit award covering a target of _____ Shares of Company stock (the "**VC-PRSU Grant**") that will vest as further described below based on **Performance Goals** for _____ **Operating Group** during the **Measurement Period** (as these terms are defined in Section 3.3 below).

The number of Shares of Company stock that the **Grantee** may earn under this VC-PRSU Award will be determined based on the actual Performance (Revenue and Adjusted EBITDA) Goals for the relevant Operating Group as set forth in the Appendix A - Performance Goals for the Measurement Period.

2.2. Employment Status At the Time of Vesting. Except as otherwise provided in Section 2.4 (termination without cause) and 6.12 (change in circumstances), the **Grantee's** entitlement to any VC-PRSUs under this VC-PRSU Award is conditioned on the **Grantee's** continuing employment in good standing with the Company, as of the Vesting Date specified in Section 4 of this Agreement."

2.3. Operating Group Change/Payout Proration. If prior to the end of the Measurement Period, the Grantee's primary affiliation within TTEC business changes from the Grantee's Operating Group listed in Section 2.1 to another Operating Group, the Award payout, at vesting, will be prorated based on the time spent by the Grantee in each Operating Group, measured by the respective Operating Group's performance against the relevant Operating Segment's Performance Goals.

2.4 Termination Without Cause/Payout Proration. If the Grantee's employment with the Company is terminated by the Company without Cause as that term is defined in Section 3.3 of this Agreement, the number of vested shares that the Grantee would earn under this VC-PRSU Award would be as follows:

(i) If the termination occurs during the 2022 or 2023 calendar year, there shall be no vesting of VC-PRSU Award and no payout under this Grant, regardless of the Grantee's Operating Group's performance during the Measurement Period;

(ii) If the termination occurs during the 2024 calendar year, based on the actual performance of the Grantee's Operating Group during the Measurement Period, the Grantee shall receive up to 33.33% (one third) of the payout that the Grantee would have received, if the Grantee was not terminated without Cause and was still employed by the Company on the Vesting Date; provided, however, that the actual payout that the Grantee would receive, would be prorated based on the number of days that the Grantee was employed by the Company during the period between January 1, 2022 and December 31, 2025 (the end of the Measurement Period)¹;

(iii) If the termination occurs during the 2025 calendar year or thereafter at any time through the Vesting Date, based on the performance of the Grantee's Operating Group during the Measurement Period, the Grantee shall receive up to 75% (three quarters) of the payout that the Grantee would have received, if the Grantee was not terminated without Cause and was still employed by the Company on the Vesting Date; provided, however, that the actual payout that the Grantee would receive, would be prorated based on the number of days that the Grantee was employed by the Company during the period between January 1, 2022 and December 31, 2025 (the end of the Measurement Period)².

(iv) For the avoidance of doubt, 'constructive termination' or termination for a 'good reason' as these terms are sometimes used to describe voluntary termination of employment shall not constitute "termination without Cause" for purposes of this Agreement, unless expressly provided elsewhere in an agreement specific to the Grantee.

¹ For illustration purposes only, if Grantee is terminated by the Company without Cause on July 1, 2024, the payout that the Grantee would receive, pursuant to this Section 2.4(ii), would be 20.8% of the actual payout the Grantee would have received if not terminated (.3333 x Grantee's payout, if the Grantee was employed by the Company on the Vesting Date times .624 (912 days divided by 1,461 days, where 1,461 is the total number of days in the 48 months and 912 is the number of days in 30 months that the Grantee actually worked for the business between January 1, 2022 and the termination date.)

² For illustration purposes only, if Grantee is terminated by the Company without Cause on July 1, 2025, the payout that the Grantee would receive, pursuant to this Section 2.4(iii), would be 65.6% of the actual payout the Grantee would have received if not terminated (.75 x Grantee's payout, if the Grantee was employed by the Company on the Vesting Date times .875 (1,278 days divided by 1,461 days, where 1,461 is the total number of days in the 48 months and 1,278 is the number of days in 42 months that the Grantee actually worked for the business between January 1, 2022 and July 1, 2025).

3. **VC-PRSU AWARD EARNING OPPORTUNITY.**

<u>VC-PRSU AWARD/PAYOUT</u>	<u>THRESHOLD</u> 0%	<u>TIER I</u> 50%	<u>TIER II</u> 75%	<u>TIER III</u> <u>(TARGET)</u> 100%	<u>TIER IV</u> <u>(MAX)</u> 200%
<u>REVENUE GOAL ACHIEVEMENT</u>	0 SHARES	[•] SHARES	[•] SHARES	[•] SHARES	[•] SHARES
<u>ADJUSTED EBITDA GOAL ACHIEVEMENT</u>	0 SHARES	[•] SHARES	[•] SHARES	[•] SHARES	[•] SHARES

3.2

Payout Calculations. The VC-PRSU opportunity will max-out at 200% of the VC-PRSU Award regardless of the actual Revenue and/or Adjusted EBITDA earned by Grantee’s relevant TTEC Operating Group during the Measurement Period. If the Revenue and/or Adjusted EBITDA for the Measurement Period fall below Threshold, as stated above, the portion of the Award attributable to the relevant performance metric that is below the Threshold will not be paid.

When the Revenue or Adjusted EBITDA for the Measurement Period falls between designated payout tiers, the actual VC-PRSUs paid for that period will be prorated accordingly, on a straight-line basis, with the same proration rules applying for all employees who are subject to this VC-PRSU opportunity.

3.3 **Definitions.**

“**TTEC Digital**” for purpose of this VC-PRSU Award shall mean the TTEC Digital business segment for which the Company reports financial results, or business segment successor to TTEC Digital.

“**TTEC Engage**” for purposes of this VC-PRSU Award shall mean the TTEC Engage business segment for which the Company reports financial results, or business segment successor to TTEC Engage.

“**TTEC EMEA**” for purposes of this VC-PRSU Award shall mean the “TTEC Europe Middle East and Africa” operating group.

“**TTEC Enterprise Services**” for purposes of this VC-PRSU Award shall mean the TTEC Enterprise Services operating group.

“**Operating Group**” for purposes of this VC-PRSU Award shall mean the relevant performance group (e.g., TTEC Digital, TTEC Engage, TTEC EMEA or TTEC Enterprise Services, as the case may be), based on which the VC-PRSU Award is granted under this Agreement as provided in Section 2 and Appendix A.

“**Grantee’s Operating Group**” for purposes of this VC-PRSU Award shall mean the operating group stated in the opening paragraph to this Agreement, the performance of which during the Measurement Period would determine the size of the actual VC-PRSU payout for the Grantee at the time of vesting.

“**Measurement Period**” for purposes of this VC-PRSU Award shall be the Company’s 2025 fiscal year. For avoidance of doubt, the measurement period for this Award is not a multi-year period but is the Company’s performance in a single fiscal year.

“**Performance Goals**” for purposes of this VC-PRSU Award calculation are performance metrics for the relevant Operating Group as reflected in Appendix A – Performance Goals to this Agreement.

“**Revenue**” for purposes of this VC-PRSU Award calculations will be equal to the relevant Operating Group GAAP revenue for the Measurement Period, as publicly disclosed in TTEC’s earnings release for that fiscal year (or if not so reported, as derived from the Company’s audited financial statements for that period) and adjusted, up or down, at the discretion of TTEC Compensation Committee of the Board for material Unbudgeted and Unanticipated Items.

“Adjusted EBITDA” for purposes of this VC-PRSU Award calculations will be equal to the relevant Operating Group GAAP operating income for the Measurement Period, as publicly disclosed in TTEC’s earnings release for that fiscal year (or if not so reported, as derived from the Company’s audited financial statements for that period), plus costs associated with restructure, impairment, depreciation, amortization and stock-based compensation and attributed to the relevant Operating Group, *adjusted, up or down*, at the discretion of the Compensation Committee of the Board for material Unbudgeted and Unanticipated Items.

“Unbudgeted and Unanticipated Items” may include among others, as determined by the Compensation Committee of the Board, investments, divestitures, costs associated with natural disasters, storms or pandemics, foreign exchange variations, capital markets transaction costs, other material transaction and litigation costs that could not have been reasonably anticipated in the ordinary course of business.

Revenue and Adjusted EBITDA associated with acquisitions closed between January 1, 2022 and the end of the Measurement Period ***will be included*** for purposes of the Performance Goals metric’s calculation as follows:

- (i) For Digital Operating Group: up to \$160 million of ‘acquired’ Revenue and up to \$40 million in ‘acquired’ Adjusted EBITDA;
- (ii) For Engage Operating Group: up to \$310 million of ‘acquired’ Revenue and up to \$48 million in ‘acquired’ Adjusted EBITDA;
- (iii) For EMEA Operating Group: up to \$29 million of ‘acquired’ Revenue and up to \$11 million in ‘acquired’ Adjusted EBITDA
- (iv) For Enterprise Services Operating Group: the vesting of the VC-PRSU’s is based 50% on Digital Operating Group’s Performance Goal (30% of Digital’s Revenue and 20% of Digital’s Adjusted EBITDA) and 50% of the Engage Operating Group’s Performance Goal (30% of Engage’s Revenue and 20% of Engage’s Adjusted EBITDA); and ‘acquired’ Revenue and ‘acquired’ EBITDA to be included in respective Performance Goals’ metrics will be consistent with each Operating Group
- (v) For each acquisition, the “acquired” revenue and “acquired” adjusted EBITDA to be included in the Performance Goals metrics will be based on the acquired business’s revenue and adjusted EBITDA performance during the last twelve months (LTM) period as of month’s end when the acquisition closed, but in the aggregate for all acquisitions for a relevant Operating Group not to exceed the above state caps.

“Threshold” for purposes of this Award is the minimum level of Revenue or Adjusted EBITDA in the Measurement Period, as applicable, below which the VC-PRSU incentive does not pay.

“Cause” for purposes of a prorated payout of this Award if a Grantee is terminated without Cause, the term shall have the following meaning:

- (i) Fraud, theft, embezzlement (or attempted fraud, theft, embezzlement), dishonest acts or illegal conduct;
- (ii) Other similar material acts of willful misconduct on the part of the Grantee resulting in damage to the Company, including without limitation a material breach by the Grantee of the requirements of TTEC Ethics Code;
- (iii) NA (this section is intentionally left blank);
- (iv) A material breach by the Grantee of this Agreement;
- (v) Use of any controlled substance or alcohol while performing duties of employment, except as part of a Company-sponsored event in connection with a business-related social engagement such as

a trade conference or customer entertainment, but only in moderation and in a professional manner that reflects positively on the Company; with visible inebriation at a business-related social engagement constituting a cause for immediate termination;

- (vi) Breach of a fiduciary duty that results in an adverse impact to the Company or in personal profit to the Grantee (as determined by the Company based on its conflict of interest policies outlined in the TTEC Ethics Code);
- (vii) Use of trade secrets or confidential information of the Company or any of its subsidiaries, other than in pursuit of TTEC's business;
- (viii) Aiding a competitor of TTEC;
- (ix) Failure by the Grantee in the performance of the duties that results in material adverse effect on the Company.

If this definition of the "Cause" is different from a definition of the "Cause" that the Grantee may have in an employment agreement, the definition tailored to the Grantee and the Grantee's role in the employment agreement shall govern the payout provisions of this Grant.

3.4 No Catch-Up Rights. The purpose of the VC-PRSU Award is to reward the **Grantee** for driving exceptional performance over the entire Measurement Period, as reflected in the performance metrics of relevant Operating Group. Therefore, there are no catch-up rights with respect to the VC-PRSU Award.

- 4. VESTING DATE. The VC-PRSU Award shall vest in March 2026, after the Company releases to the public its earnings for the Measurement Period, with the exact vesting date to be selected by the Compensation Committee of the Board (the "**Vesting Date**"). The Vesting Date shall be the same for all VC-PRSU participants.
- 5. NON-COMPETITION; NON-SOLICITATION.

5.1 Grantee recognizes that the primary purpose of this VC-PRSU Award is to reward the Grantee's performance and to ensure Employee's loyalty to TTEC, and that this VC-PRSU Award would not be made to **Grantee** in the absence of the promises below. In consideration of the VC-PRSU Award, the **Grantee** agrees and covenants during the term of his/her affiliation with TTEC (employment or otherwise) and for twelve (12) months thereafter not to:

- (i) Non-Compete Undertaking. Work or otherwise contribute his/her knowledge, directly or indirectly, in whole or in part, as an employee, officer, owner, manager, advisor, consultant, agent, partner, director, significant shareholder (i.e., a shareholder holding more than 5% of outstanding equity in any such entity), volunteer, intern or in any other similar capacity to a business/company engaged in the same or substantially similar business as the Company, its subsidiaries and affiliates, including the delivery of CX (customer experience) technology and orchestration services through public or proprietary cloud-based CXaaS (Customer Experience as a Service) platform; designing, building, engineering and operating omnichannel contact center technology, conversational messaging, CRM, CX automation (AI / ML and RPA), and CX analytics solutions; and digital customer engagement, customer acquisition & growth, content moderation, fraud prevention, and data annotation solutions (collectively, "**TTEC Business**").

The Non-Compete Undertaking shall apply only in the territory where the Company actually benefits and where it may reasonably expect to benefit from the **Grantee's** services, but only with respect to that aspect of TTEC Business that is substantially similar to the business that the Grantee primarily contributes to while employed by TTEC.

- (ii) Employees Non-Solicitation Undertaking. Solicit, hire, recruit, attempt to hire or recruit, or induce the termination of employment, directly or indirectly, of any then current employee of the Company or its subsidiaries and affiliates or anyone who was an employee of the Company within the previous six (6) month period; and

- (iii) Client Non-Solicitation Undertaking. Solicit or interfere with business relationships between the Company and its current or prospective (actively pursued) clients of the Company or any of its subsidiaries and affiliates for purposes of offering or accepting goods or services similar to or competitive with those offered by the Company or any of its subsidiaries and affiliates.

5.2 If the **Grantee** breaches any of the covenants and undertakings set forth in this Section 5:

- (i) All unvested VC-PRSU Awards shall be immediately forfeited and cancelled;
- (ii) The value of any vested VC-PRSU Awards that have vested must be paid by Grantee back to TTEC since the primary purpose of the VC-PRSU Award will not have been realized by TTEC;
- (iii) He/she (but not to the exclusion of those who aid him/her in such breach) shall be liable for all other damages resulting from such breach; and
- (iv) The **Grantee** hereby consents and agrees that the Company shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages or other available forms of relief at law or specified in this Agreement.

5.3 Acknowledgements.

- (i) **Grantee** acknowledges that the non-competition and non-solicitation provisions above are fair and reasonable with respect to their scope and duration, given the **Grantee's** position with TTEC and the impact such activities would have on the TTEC Business.
- (ii) **Grantee** further acknowledges that the geographic restriction on competition included in this Section 5 is fair and reasonable, given the nature and geographic scope of the TTEC Business, the investment of capital and resources by Company to develop its business operations, and the nature of **Grantee** position with TTEC.
- (iii) **Grantee** also acknowledges that while employed or otherwise affiliated with TTEC, Grantee has access to proprietary and unique trade secret information that would be valuable or useful to Company's competitors and that **Grantee** has access to Company's valuable customer relationships and thus acknowledges that the restrictions on **Grantee's** future employment and business activities in TTEC's industry as set forth in this Section 5 are fair and reasonable.
- (iv) **Grantee** acknowledges and is prepared for the possibility that **Grantee's** standard of living may be reduced during the non-competition and/or non-solicitation period and assumes and accepts any risk associated with that possibility, and further acknowledges that any such drop in Grantee's standard of living does not constitute undue hardship.

6. MISCELLANEOUS PROVISIONS.

6.1 Consideration. The Company is providing this VC-PRSU Award opportunity in consideration of the services that the Grantee is providing to the Company through the Vesting Date, and other mutual covenants provided in this Agreement.

6.2 Separation of Services. Pursuant to the delegations of authority that the Compensation Committee of the Board has made with respect to the administration of the Plan, and subject to the provisions of Section 6.11 (administration), the Global Chief Operating Officer and Chief People Officer of the Company, in their discretion but acting in concert, shall have the authority to determine the effect of all matters and questions with respect to the Grantee's termination of affiliation with the Company and whether continuous services are being provided as these matters relate to the VC-PRSU Award payout or vesting, including, without limitation, the question of whether a termination of service has occurred, whether a leave of absence or disability constitute a termination of service and other similar questions.

6.3 Grant of Equity; Rights are Non-Transferable. This Agreement is a grant of an equity-based incentive compensation related to the Company's performance. Subject to any exceptions set forth in this Agreement or the Plan, the rights conveyed by this Agreement and any related rights may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the **Grantee**. Any attempt to assign, alienate, pledge, attach, sell or transfer or encumber the VC-PRSU Award rights shall be ineffective and, if any such attempt is made, the VC-PRSU Award rights conveyed hereunder will be forfeited by the **Grantee** and all other rights that the **Grantee** may have under the Plan and this Agreement shall immediately terminate without any payment or consideration by TTEC.

6.4 Incentive Recoupment Provisions. If in Grantee's role he/she is subject to the TTEC Incentive Recoupment Policy, which was promulgated in accordance with the requirements of the Sarbanes-Oxley Act of 2002 and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, then by signing below Grantee agrees that, notwithstanding any other provision in this Agreement, the VC-PRSU Award provided under this Agreement will be subject to that TTEC Incentive Recoupment Policy, which can be found on TTEC's policy website at <https://investors.ttec.com/static-files/c8d8459a-049e-472a-a3ef-35654486a970> (and if no longer available via this link by contacting TTEC Legal department).

6.5 No Right to Continuing Service. Neither the Plan nor this Agreement shall confer upon the **Grantee** any right to be retained in any position, as an employee, consultant or director of TTEC. Further, nothing in the Plan or this Agreement shall be construed to limit the discretion of TTEC to terminate the **Grantee's** services (employment or otherwise) at any time, with or without cause.

6.6 Tax Liability and Withholding. The Grantee shall be required to pay, and the Company or its administrator shall have the right to deduct from any compensation paid to the Grantee pursuant to the Plan and the VC-PRSU Award, the amount of any required withholding taxes applicable upon the vesting of the VC-PRSU Award or the issuance of the Common Stock of the Company (or cash equivalent) and to take all such other action as the Company deems necessary to satisfy all obligations for the payment of such withholding taxes. At the Grantee's discretion, the VC-PRSU Award may be subject to withholding for tax purposes, where a portion of Shares to be received pursuant to vesting may be used (netted against the Shares otherwise receivable) by the Company to cover the Grantee's tax obligations in connection with Award.

6.7 Compliance with Law. The issuance and transfer of shares of Common Stock of the Company upon the vesting of the VC-PRSU Award shall be subject to compliance by the Company and the Grantee with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange on which the Company's shares of Common Stock may be listed. No shares of Common Stock shall be issued or transferred unless and until any then applicable requirements of U.S. state and federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its legal counsel. The Grantee understands that the Company is under no obligation to register the shares of Common Stock used for this Award with the Securities and Exchange Commission, any state securities commission or any stock exchange to affect such compliance.

If the Grantee is a resident of one of the countries listed on Appendix D to this Agreement, then the country specific provisions found in Appendix D are incorporated into this Agreement by reference.

6.8 Executive Equity Holding Guidelines. Grantee may be subject to the TTEC Executive Stock Ownership Guidelines, attached to this Agreement and incorporated by reference as Appendix B. If in Grantee's role he/she is subject to the Stock Ownership Guidelines, by signing below Grantee (a) confirms that he/she is (i) aware of the Company's expectations with respect to the Executive Stock Ownership holdings in the Company, (ii) the time the Grantee has to honor these expectations and (iii) how the Company envisions that the Grantee reaches the appropriate holding levels; and (b) hereby agrees to exercise best efforts to meet such expectations.

6.9 Data Privacy. Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Grantee's personal data as described in this Agreement and any other equity incentive grant materials by and among, as applicable, the Grantee's employer, the Company and its other affiliates for the exclusive purpose of implementing, administering and managing Grantee's participation in the Plan. Grantee understands that TTEC and the Company may hold certain personal

information about the Grantee, including, but not limited to, Grantee's name, home address and telephone number, date of birth, social security or other national identification number or insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in TTEC, details of all VC-PRSUs or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in Grantee's favor ("**Data**"), for the exclusive purpose of implementing, administering and managing the Plan.

Grantee understands that Data may be transferred to a stock plan service provider ("**Service Provider**") that may be selected by TTEC, which is assisting TTEC with the implementation, administration and management of the Plan. Grantee authorizes TTEC and the Service Provider and any other possible recipients which may assist TTEC (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. Grantee understands that Data will be held only as long as is necessary to implement, administer and manage Grantee's participation in the Plan.

Further, Grantee understands that he or she is providing the consents herein on a voluntary basis. If Grantee does not consent, or if Grantee later seeks to revoke his or her consent, his or her employment status or service and career with the employer will not be adversely affected; the only adverse consequence of refusing or withdrawing Grantee's consent is that TTEC would not be able to grant Grantee VC-PRSUs or other equity awards or administer or maintain such awards. Therefore, Grantee understands that refusing or withdrawing his/her consent may affect Grantee's ability to participate in the Plan. For more information on the consequences of Grantee's refusal to consent or withdrawal of consent, Grantee understands that he/she may contact his/her human capital representative.

6.10 Governing Law and Dispute Resolution.

- (i) Governing Law. This Agreement will be construed and interpreted in accordance with the laws of the State of Colorado without regard to conflict of law principles.
- (ii) Disputes. The parties agree that any action arising from or relating in any way to this Agreement or the Plan shall be resolved and tried in the United States federal or state courts situated in Denver, Colorado. Grantee and Company each expressly consents to the personal jurisdiction of the state and United States federal courts located in Denver, Colorado to adjudicate any dispute between Grantee and Employee arising out of or related to this Agreement, regardless of where Grantee executes this Agreement or performs work for the Company. Grantee and Company consent to the exclusive jurisdiction and venue of the state and United States federal courts located in Denver, Colorado to adjudicate any such disputes, and Grantee and Company waive any defenses regarding the propriety of venue, including any argument that venue should not be in Denver, Colorado due to the inconvenience of the forum to the parties or witnesses.

Entering into this Agreement is not a condition of Grantee's employment. If Grantee does not wish to consent to having disputes regarding this Agreement litigated in Colorado, Grantee can reject this Agreement by not signing this agreement. Doing so, however, would mean that none of the terms of this Agreement will apply, including the grant of VC-PRSUs offered to Grantee in connection with this Agreement.

- (iii) In this regard, the Grantee acknowledges and admits to all or a combination of several following substantial contacts with the State of Colorado: (A) Grantee is employed, provides services for or otherwise is affiliated with a legal entity headquartered in the State of Colorado, U.S.A.; (B) Grantee receives compensation in a form of checks or wire transfers that are drawn either directly or indirectly, from bank accounts in Colorado; (C) Grantee regularly interacts with, contacts and is contacted by other TTEC employees and executives in Colorado; (D) Grantee either travels to or attends business meetings in Colorado; and (E) Grantee receives substantial compensation and benefits as a result of TTEC being a corporation headquartered in and subject to the laws of Colorado. Based on these and other contacts, the Grantee acknowledges that he/she could reasonably be subject to the laws of Colorado.

- (iv) Attorneys' fees. The party that substantially prevails in any action to enforce any provision of this Agreement shall recover all reasonable costs and attorneys' fees incurred in connection with the action.

6.11 Administration of the Agreement and Awards.

- (i) Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by the Grantee or the Company to the Compensation Committee of the Board for review. The resolution of such dispute by the Compensation Committee of the Board shall be final and binding on the Grantee and the Company.
- (ii) Settlement of Vested VC-PRSUs. VC-PRSU's subject to this VC-PRSU Award shall be settled pursuant to the terms of the Plan, in stock or cash, as soon as reasonably practicable and in all events within 74 days following the vesting thereof as provided in this Agreement.
- (iii) Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon the Grantee and the Grantee's beneficiaries, executors, administrators and the person(s) to whom the rights under this Agreement may transfer by will or the laws of descent or distribution.
- (iv) Discretionary Nature of All Future Awards. This VC-PRSU Award is a discretionary one-time award and it does not create any contractual, statutory or other right to receive future VC-PRSU Awards, or benefits in lieu of VC-PRSU's, even if similar or other equity awards have been granted in the past. Future equity awards, if any, will be at the sole discretion of the Company.
- (v) No Impact on Other Benefits. The value of the Grantee's awards hereunder is not part of his/her normal or expected compensation for purposes of calculating any severance, retirement, welfare, insurance or similar employee benefit.

6.12 Changes in Circumstances Including Change in Control.

- (i) If prior to the end of the Measurement Period the Company engages in a capital markets transaction, restructuring, material accounting or reporting change affecting one or more operating segments or material geographic regions of the Company, business combination, recapitalization, stock split, extraordinary special stock dividend, consolidation, rights offering, spin-off, or the like ("**Material Transaction**") the result of which would make fair and equitable measurement of the Performance Goals over the Measurement Period no longer practical or if the Material Transaction constitutes a "Change in Control" event, as that term is defined in the Plan and Appendix C to this Agreement, the Compensation Committee of the Board shall have the discretionary authority to reconstitute and shall reconstitute this VC-PRSU Award to adjust and modify Performance Goals and payout targets of this Award to preserve the intended incentive opportunities under this VC-PRSU Award.
- (ii) This VC-PRSU Award is subject to the Change of Control rights and entitlements as further referenced in Appendix C to this Agreement and incorporated into the Agreement by reference.

6.13 Confidentiality. Unless required by law, Grantee agrees not to disclose, directly or indirectly, to any other employee, director or consultant of TTEC or an affiliate and to keep confidential all information related to any Awards granted to Grantee, pursuant to the Plan, including the amount of any such Award and its vesting schedule. Failure to honor the Confidentiality provisions of this Section 6.13 shall constitute the breach of this Agreement and all VC-PRSU's granted hereunder shall be forfeited as a consequence of such breach.

6.14 Severability and Entirety. The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

The Agreement (including the Plan) constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior and contemporaneous agreements, oral or written, between the Company and Grantee relating to Grantee's participation in the Value Creation Program, or entitlement to VC-PRSUs or similar benefits under the Plan.

6.15 IRS Section 409A. This Agreement shall be interpreted and administered in a manner so that any amount or benefit payable hereunder shall be paid or provided in a manner that is either exempt from, or complies with, the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and the Internal Revenue Service guidance and Treasury Regulations thereunder (collectively, "Section 409A").

6.16 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

6.17 Acceptance. The Grantee hereby acknowledges receipt of a copy of the Plan and this Agreement. The Grantee has read and understands its terms and provisions and accepts the VC-PRSU Award subject to the terms and conditions of the Plan and this Agreement. The Grantee acknowledges that there may be adverse tax consequences upon the grant or vesting of the VC- PRSUs or disposition of the underlying shares and that the Grantee has been advised to consult a tax advisor prior to such grant, vesting or disposition.

The parties have executed this Agreement as of the date first above written.

TTEC Holdings, Inc.

Grantee:

Regina Paolillo,
Global Chief Operating Officer
Date: _____

[Grantee's Name]
Date: _____

APPENDIX A -- PERFORMANCE GOALS

Performance Goals. The following tables outline the performance goal and payout opportunity tiers for the VC-PRSU Award based on specific Operating Group relevant to the Grantee as identified in the Agreement.

TTEC Digital Operating Group

Weighting of Performance Goals. The VC-PRSU payout opportunity for TTEC Digital Operating Group will be calculated as follows:

- 60% based on the Revenue goal achievement, and
- 40% based on the Adjusted EBITDA goal achievement,

each measured as of the end of the Measurement Period (all terms defined in Section 3.3 of the Agreement).

		2025 Performance (amounts in millions)			
2021 Actuals		Revenue	% of Change Based on 2021 Results	Payout %	
TTEC Digital Revenue	\$414.4	\$805.0	18.1%	Threshold – 0%	
		18.1%	CAGR		
		\$840.0	19.3%	Tier I – 50%	
		19.3%	CAGR		
		\$872.0	20.4%	Tier II – 75%	
		20.4%	CAGR		
		\$907.0	21.6%	Tier III – 100%	
		21.6%	CAGR		
\$938.0	22.7%	Tier IV (Max) – 200%			
22.7%	CAGR				

		2025 Performance (amounts in millions)			
2021 Actuals		Adjusted EBITDA	% of Change Based on 2021 Results	Payout %	
TTEC Digital Adjusted EBITDA	\$69.4	<\$140.0	19.2%	Threshold – 0%	
		19.2%	CAGR		
		\$154.0	22.1%	Tier I – 50%	
		22.1%	CAGR		
		\$169.6	25.0%	Tier II – 75%	
		25.0%	CAGR		
		\$188.0	28.3%	Tier III – 100%	
		28.3%	CAGR		
\$206.0	31.3%	Tier IV (Max) – 200%			
31.3%	CAGR				

TTEC Engage Operating Group

Weighting of Performance Goals. The VC-PRSU payout opportunity for TTEC Engage Operating Group will be calculated as follows:

- 60% based on the Revenue goal achievement, and
- 40% based on the Adjusted EBITDA goal achievement,

each measured as of the end of the Measurement Period (all terms defined in Section 3.3 of the Agreement).

		2025 Performance (amounts in millions)		
2021 Actuals	Revenue	% of Change Based on 2021 Results		Payout %
TTEC Engage Revenue	\$2,624.0	9.0%		Threshold – 0%
	9.0%	CAGR		
	\$2,714.0	9.9%		Tier I – 50%
	9.9%	CAGR		
	\$2,810.0	10.9%		Tier II – 75%
	10.9%	CAGR		
	\$2,908.0	11.8%		Tier III – 100%
	11.8%	CAGR		
\$2,999.5	12.7%		Tier IV (Max) – 200%	
12.7%	CAGR			

		2025 Performance (amounts in millions)		
2021 Actuals	Adjusted EBITDA	% of Change Based on 2021 Results		Payout %
TTEC Engage Adjusted EBITDA	<\$400.0	9.5%		Threshold – 0%
	9.5%	CAGR		
	\$416.0	10.6%		Tier I – 50%
	10.6%	CAGR		
	\$437.4	12.0%		Tier II – 75%
	12.0%	CAGR		
	\$457.0	13.2%		Tier III – 100%
	13.2%	CAGR		
\$480.0	14.6%		Tier IV (Max) – 200%	
14.6%	CAGR			

ENTERPRISE SERVICES OPERATING GROUP

Weighting of Performance Goals. The VC-PRSU payout opportunity will be calculated as follows:

- 30% based on the Revenue goal achievement for TTEC Digital,
- 20% based on the Adjusted EBITDA goal achievement for TTEC Digital,
- 30% based on Revenue goal achievement for TTEC Engage, and
- 20% based on the Adjusted EBITDA goal achievement for TTEC Engage,

each measured as of the end of the Measurement Period (all terms defined in Section 3.3 of the Agreement).

TTEC EMEA Operating Group (in USD)

Weighting of Performance Goals. The VC-PRSU payout opportunity for TTEC EMEA Operating Group will be calculated as follows:

- 60% based on the Revenue goal achievement, and
- 40% based on the Adjusted EBITDA goal achievement,

each measured as of the end of the Measurement Period (all terms defined in Section 3.3 of the Agreement).

		2025 Performance (amounts in millions)			
TTEC EMEA Revenue	2021 Actuals	Revenue	% of Change Based on 2021 Results	Payout %	
	\$125.0		\$340.5	28.5%	Threshold – 0%
		28.5%	CAGR		
		\$352.9	29.6%	Tier I – 50%	
		29.6%	CAGR		
		\$365.6	30.8%	Tier II – 75%	
		30.8%	CAGR		
		\$378.8	31.9%	Tier III – 100%	
		31.9%	CAGR		
	\$390.9	33.0%	Tier IV (Max) – 200%		
	33.0%	CAGR			

		2025 Performance (amounts in millions)			
TTEC EMEA Adjusted EBITDA	2021 Actuals	Adjusted EBITDA	% of Change Based on 2021 Results	Payout %	
	\$10.0		<\$30.7	32.4%	Threshold – 0%
		32.4%	CAGR		
		\$32.4	34.2%	Tier I – 50%	
		34.2%	CAGR		
		\$34.5	36.3%	Tier II – 75%	
		36.3%	CAGR		
		\$36.7	38.4%	Tier III – 100%	
		38.4%	CAGR		
	\$39.0	40.5%	Tier IV (Max) – 200%		
	40.5%	CAGR			

APPENDIX B
Executive Stock Ownership Guidelines

Equity provides the opportunity for the company to further invest in the employees who passionately uphold our values while driving the business with an entrepreneurial spirit. Company leaders who think and act like owners are crucial to our success and encouraging star players to actively participate in company growth is key to building our future together.

When a company's board of directors, shareholders and employees align their interest in organization's long-term success, the stage is set for true transformation. To that end, TTEC has adopted Stock Ownership Guidelines to encourage company leaders (vice president-level and above) to align their interests with TTEC and our stockholders and to focus on value creation, while sharing in the company's success. The following are answers to questions you may have about TTEC's new Executive Stock Ownership Guidelines.

Executive Stock Ownership Guidelines

Q. Why are we implementing an Ownership Guideline?

- A. The Guidelines are designed to align our senior leaders' interests with our shareholders' interest, driving a long-term vision and commitment to creating company value. The Executive Ownership Guidelines are also designed to:
- Support confidence in company strategy to execute our business transformation
 - Allow us to remain an attractive and competitive choice for executive-level talent by adopting best practices
 - Align executive behavior with external shareholder expectation
 - Drive long-term accountability
 - Enable company success

Q. Do I have to buy TTEC stock to meet this holding Guideline?

- A. TTEC does not expect you to buy TTEC stock to meet the holdings Guidelines, and how you meet them is entirely up to you. Most employees will be able to meet the requirement by holding a portion of their annual equity grant (net of tax), as it vests.

Q. How much stock should I hold as a company leader?

- A. The new Executive Stock Ownership Guidelines call for TTEC vice presidents and above to hold a multiplier of base compensation in TTEC stock (based on Fair Market Value (FMV) of stock as it trades on NASDAQ). Employees will have five years from the start of this requirement (or promotion into a new role) to meet the holding Guidelines.

Executive Level	Target Holding Amount within 5 years of appointment
Chief Executive Officer for a Business Segment Global Chief Operating Officer	4 times current base salary
Chief Financial Officer	3 times current base salary
Chief Revenue Officer and other Executive Vice President level executives	2.5 times current base salary
General Counsel Chief Information Officer Chief Security Officer Chief People Officer Business Segment Chief Operating Officers and other Senior Vice President level executives	1.5 times current base salary
Group Vice Presidents	0.5 times current base salary

Q. How many shares should I consider holding from each RSU grant to meet the holding Guidelines?

- A. How much you hold from each grant and from each vesting event is entirely up to you. Based on basic modeling, however, we believe that if you hold a percentage of each vesting event from annual Equity

Grants (net of tax as indicated in the table below) you should comfortably reach the holding requirement in five years or sooner.

The holding guideline can be satisfied with any stock you hold including:

- the exercise of options to purchase the company's common stock
- the vesting of restricted stock; and
- the vesting of performance shares.

Executive Level	% of Net Received Shares to Hold
Group Vice Presidents	50%
All Other Executives Subject to TTEC Executive Shareholding Requirement	75%

Once the holding target is reached, you should maintain it during your entire tenure in the role; and as your role changes be aware of the changes in the holding guidelines as well.

Q. What happens if I don't reach my target holding amount within the five-year time frame due to market volatility or amount of my equity awards?

- A. If the actual Equity Grants you receive and/or market price volatility does not allow an employee to reach the target holding level within the required five-year time frame, the company does not expect employees to invest out of pocket. The company expects the Equity Grants you receive to be the source for the holding requirement and we look to you as a leader to exercise a good faith effort to honor the requirements. If the Equity Grants you receive or market volatility creates a challenge, discuss the matter with your supervisor and your HC partner for a practical resolution.

Q. What if I have a special situation (hardship) that makes maintaining the holding requirement difficult for me?

- A. The Executive Ownership Guidelines is designed to align your interests with the company's interests and position you to share in our success. If your personal situation makes the compliance with the Ownership Guidelines a hardship, speak to your HC partner and the Executive Committee level executive responsible for your business segment for guidance and support.

Q. Whom should I contact with questions?

- A. If you have questions, please contact [Pam LeMasters](#), executive director, Global Compensation via email or by phone at 303.397.8531.

APPENDIX C

VC-PRSU VESTING FOLLOWING CHANGE IN CONTROL (DOUBLE TRIGGER).

1. ACCELERATED VESTING. Notwithstanding the vesting schedule contained in Agreement, (a) upon a “Change in Control” (as defined below), and (ii) if Grantee’s services for the Company (or its successors) are terminated by the Company (or its successor), on or before the one year anniversary of such Change in Control unless stated otherwise in an employment agreement or elsewhere, any unvested VC-PRSUs that would otherwise vest on or after the effective date of such Change in Control shall be accelerated and become vested on the effective date of such termination of services as if the relevant Operating Group performed at Tier II.

The accelerated vesting described herein shall not apply if the termination of services is (A) by Grantee for any reason other than for “Good Reason” (as defined below), or (B) by the Company (or successor) for “Cause” as defined in the Plan.

2. DEFINITION OF “CHANGE IN CONTROL”. For purposes of this Agreement, “Change in Control” means the occurrence of any one of the following events:

- a. Any consolidation, merger or other similar transaction (i) involving TTEC, if TTEC is not the continuing or surviving corporation, or (ii) which contemplates that all or substantially all of the business and/or assets of TTEC will be controlled by another corporation;
- b. Any sale, lease, exchange or transfer (in one transaction or series of related transactions) of all or substantially all of the assets of TTEC (a “Disposition”); provided, however, that the foregoing shall not apply to any Disposition to a corporation with respect to which, following such Disposition, more than 51% of the combined voting power of the then outstanding voting securities of such corporation is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners of at least 51% of the then outstanding Common Stock and/or other voting securities of TTEC immediately prior to such Disposition, in substantially the same proportion as their ownership immediately prior to such Disposition;
- c. Approval by the stockholders of TTEC of any plan or proposal for the liquidation or dissolution of TTEC, unless such plan or proposal is abandoned within 60 days following such approval;
- d. The acquisition by any “person” (as such term is used in Sections 13(d) and 14(d)(2) of the U.S. Securities Exchange Act of 1934, as amended), or two or more persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the U.S. Securities Exchange Act of 1934, as amended) of 51% or more of the outstanding shares of voting stock of TTEC; provided, however, that for purposes of the foregoing, “person” excludes Kenneth D. Tuchman and his affiliates; provided, further that the foregoing shall exclude any such acquisition (A) by any person made directly from TTEC, (B) made by TTEC or any Affiliate, or (C) made by an employee benefit plan (or related trust) sponsored or maintained by TTEC or any Affiliate; or
- e. If, during any period of 15 consecutive calendar months commencing at any time on or after the Grant Date, those individuals (the “Continuing Directors”) who either (i) were directors of TTEC on the first day of each such 15-month period, or (ii) subsequently became directors of TTEC and whose actual election or initial nomination for election subsequent to that date was approved by a majority of the Continuing Directors then on the board of directors of TTEC, cease to constitute a majority of the board of directors of TTEC.

3. OTHER DEFINITIONS. The following terms have the meanings ascribed to them below:

- a. “Good Reason” means with respect to any Grantee who is an employee

(i) any material reduction in Grantee's base salary; provided that a reduction in Grantee's base salary of 10% or less does not constitute "Good Reason" if such reduction is affected in connection with a reduction in compensation that is applicable generally to officers and senior management of the Company;

(ii) Grantee's responsibilities or areas of supervision within TTEC or its Subsidiaries are substantially reduced; or

(iii) Grantee's principal office is relocated outside the metropolitan area in which Grantee's office was located immediately prior to the Change in Control; provided, however, that temporary assignments made in the best interest of the Company's business shall not constitute such a move of office location.

(iv) In addition, no termination of a Grantee's employment or service shall be deemed to be for Good Reason unless (x) Grantee provides the Company with written notice setting forth the specific facts or circumstances constituting Good Reason within thirty (30) days after the initial existence of the occurrence of such facts or circumstances, (y) the Company or, if different, the Affiliate which employs Grantee has failed to cure such facts or circumstances within thirty (30) days of its receipt of such written notice, and (z) the effective date of the termination for Good Reason occurs no later than ninety (90) days after the initial existence of the facts or circumstances constituting Good Reason.

b. "Termination of Service Date" means the date upon which Grantee's services for the Company (or successor) terminate and for a Grantee who is then an employee, shall mean the latest day on which Grantee is expected to report to work and is responsible for the performance of services to or on behalf of the Company (or successor) or any Affiliate (regardless of the reason for the termination and whether or not later to be found invalid or in breach of employment laws in the jurisdiction where Grantee is employed or the terms of Grantee's employment agreement, if any), notwithstanding of any notice period mandated by law during which Grantee may be entitled to receive payments from the Company (e.g., for unused vacation or sick time, severance payments, deferred compensation or otherwise) and which may extend beyond such date; and

c. "Termination of Service." shall mean:

(i) As to a director, the time when a Grantee who is a director ceases to be a director for any reason, including, without limitation, a termination by resignation, failure to be elected, death or retirement, but excluding terminations where the Grantee simultaneously commences employment with the Company (successor) or any subsidiary or remains in employment or service with the Company (or successor) or any Affiliate in any capacity.

(ii) As to an employee, the time when the employee-employer relationship between a Grantee and the Company (or successor) or any Affiliate is terminated for any reason, including, without limitation, a termination by resignation, discharge, death, disability or retirement; but excluding terminations where the Grantee simultaneously commences service with TTEC as a director.

(iii) As to a consultant, the time when a Grantee who is a consultant ceases to be a consultant for any reason, including without limitation, completion of a contract term, failure to renew the consultant relationship, death or retirement, but excluding terminations where the Grantee simultaneously commences service with TTEC as an employee.).

4. 409A TREATMENT. Notwithstanding any provision herein to the contrary, for purposes of determining whether Grantee's service for the Company have terminated with respect to Change in Control, Grantee will not be treated as having his/her services terminated unless such termination constitutes a "separation from service" as defined for purposes of Section 409A of the Code ("Section 409A") with regard to Grantees who are subject to Section 409A. If Grantee has a "separation from service" following a Change in Control pursuant to Appendix C, the equity vesting as a result of such "separation from service" will be paid on a date determined by TTEC (or successor) within 5 days of Grantee's "separation from service." If Grantee is a "specified employee" (within the meaning of Section 409A) with respect to TTEC at the time of a "separation from service" and Grantee becomes vested in VC-PRSUs as a consequence of a "separation from service," the delivery of property in settlement of such vested VC-PRSUs shall be delayed until the earliest date upon which such property may be delivered to Grantee without being subject to taxation under Section 409A.

This Agreement and the Award are intended to be exempt from the provisions of Section 409A and Department of Treasury regulations and other interpretive guidance issued thereunder, as providing for any payments to be made within the applicable "short-term deferral" period (within the meaning of Section 1.409A-1(b)(4) of the Department of Treasury regulations) following the lapse of a "substantial risk of forfeiture" (within the meaning of Section 1.409A-1(d) of the Department of Treasury regulations).

Notwithstanding any provision of this Agreement to the contrary, in the event that the Committee determines that the Award may be subject to Section 409A, the Committee, in its sole discretion, may adopt amendments to this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, from time to time, without the consent of Grantee, that the Committee determines are necessary or appropriate to (a) exempt the Award from Section 409A and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A and related Department of Treasury guidance and thereby avoid the application of penalty taxes under Section 409A.

APPENDIX D

SPECIAL PROVISIONS FOR THE AWARD IN CERTAIN COUNTRIES

This Appendix includes special country-specific terms that apply to residents in the countries listed below. This Appendix is part of the Agreement and is incorporated into the Agreement by reference. Unless otherwise provided below, capitalized terms used but not defined in this Appendix shall have the same meanings assigned to them in the Plan and the Agreement.

This Appendix also includes information with respect to Grantee's participation in the Plan. It is each Grantee's responsibility to be aware of the terms of this Appendix. For example, certain individual exchange control reporting requirements may apply upon vesting of the VC-PRSUs and/or sale of Common Stock. The information is based on the securities, exchange control and other laws in effect in the respective countries as of July 1, 2021 and is provided for informational purposes. Such laws are often complex and change frequently, and results may be different based on the particular facts and circumstances. Therefore, TTEC strongly recommends that Grantee **not rely exclusively on the information noted** in this Appendix as the only source of information relevant to the consequences of Grantee's participation in the Plan, because the information may be out of date at the time Grantee's VC-PRSUs vest or are settled, or Grantee sells shares of Common Stock acquired under the Plan.

In addition, the information provided in this Appendix is general in nature and may not apply to Grantee's particular situation, and TTEC is not in a position to assure Grantee of any particular result, especially results that may relate to the Grantee's particular tax consequences. Accordingly, Grantees are advised to seek appropriate professional advice as to how the relevant laws in their country may apply to their particular situation.

Finally, if Grantee is a citizen or resident of a country other than the one in which Grantee currently is working, transfers employment after the VC-PRSUs are granted, or is considered a resident of another country for local law purposes, the information contained in this Appendix may no longer be applicable to Grantee or information with respect to different country may become relevant.

If the Grantee is resident in a country other than the U.S. or a country listed in this Appendix, at the time of the VC-PRSU Award or at the time of its vesting or settlement, the Grantee should consider reaching out to his/her HC partner for additional information.

AUSTRALIA

Securities Law Information. If Grantee acquires shares of Common Stock pursuant to the VC-PRSUs and offers the shares of Common Stock for sale to a person or entity resident in Australia outside of the process established by the Company, the offer may be subject to incremental disclosure requirements under Australian law. Grantee should obtain legal advice on such disclosure obligations, if any, prior to making any such offer.

Exchange Control Information. Exchange control reporting is required for cash transactions exceeding AUD\$10,000 and for international fund transfers. The Australian bank assisting with the transaction will file the report for Grantee. If there is no Australian bank involved in the transfer, Grantee will have to file the report.

BELGIUM

Foreign Asset / Account Reporting Information. Grantee is required to report any securities (e.g., shares of Common Stock) or bank accounts opened and maintained outside Belgium on their annual tax return. In a separate report, certain details regarding such foreign accounts (including the account number, bank name and country in which such account was opened) must be provided to the Central Contact Point of the National Bank of Belgium. The forms to complete this report are available on the website of the National Bank of Belgium.

Stock Exchange Tax. A stock exchange tax applies to transactions executed by a Belgian resident through a financial intermediary, such as a bank or broker. If the transaction is conducted through a Belgian financial intermediary, it may withhold the stock exchange tax, but if the transaction is conducted through a non-Belgian financial intermediary, the Belgian resident may need to report and pay the stock exchange tax directly. The stock exchange tax likely will apply when shares of Common Stock acquired under the Plan are sold. Belgian residents should consult with a personal tax or financial advisor for additional details on their obligations with respect to the stock exchange tax.

Brokerage Account Tax. A brokerage account tax applies to Belgian residents if the average annual value of securities (including shares of Common Stock acquired under the Plan) held in a brokerage account exceeds certain thresholds. Belgian residents should consult with a personal tax or financial advisor for additional details on their obligations with respect to the brokerage account tax.

BRAZIL

Compliance with Laws. By Grantee's signature on the Agreement, Grantee agrees that he/she will comply with Brazilian law when he/she vests in the VC-PRSUs and sells shares of Common Stock. Grantee also agrees to report and pay any and all taxes associated with the vesting of the VC-PRSUs, the sale of the shares of Common Stock acquired pursuant to the Plan and the receipt of any dividends.

Exchange Control Information. Grantee must prepare and submit a declaration of assets and rights held outside of Brazil to the Brazilian Central Bank on an annual basis, if Grantee holds assets or rights denominated in foreign currency and valued at or in excess of US \$100,000. The assets and rights that must be reported include shares of Common Stock and VC-PRSUs .

BULGARIA

No Entitlement. By accepting the VC-PRSU Award, Grantee acknowledges that the VC-PRSU Award is intended as an incentive for Grantee to remain employed with the Company and is not intended as remuneration for labor services performed.

Responsibility for taxes. Without limitation to Section 6.6 of the Agreement, Grantee agrees that Grantee is liable for any and all tax arising as a result of this Award, including income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other payments, whether or not subject to withholding at the source ("Tax-Related Items") and hereby covenants to pay all such Tax-Related Items, as and when requested by the Company or any tax authority. Bulgarian residents should consult with a personal tax or financial advisor for additional details on their obligations with respect to the Tax-Related Items.

CANADA

Settlement of VC-PRSUs. Notwithstanding any terms and conditions of the Plan or the Agreement to the contrary, VC-PRSUs will be settled in shares of Common Stock only, not cash.

Securities Law Information. Grantee acknowledges and agrees that Grantee will sell shares of Common Stock acquired through participation in the Plan outside of Canada only through the facilities of a stock exchange on which the Common Stock is listed. Currently, the shares of Common Stock are listed on the Nasdaq Stock Market.

Termination Date. This provision replaces the definition of Termination Date in Section 3(a) of the Agreement:

For purposes of the Agreement, the "**Termination Date**" shall mean the earlier of (1) the date Grantee is no longer actively providing service to the Company or (2) the date Grantee receives notice of Termination of Service from the Employer, regardless of any notice period or period of pay in lieu of such notice required under applicable laws (including, but not limited to statutory law, regulatory law and/or common law).

The following provisions apply if Grantee is resident in Quebec:

Language Acknowledgment

The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, including this Appendix, be provided to them in English.

Consentement relatif à la langue utilisée. Les parties reconnaissent avoir expressément souhaité que la convention («Agreement») ainsi que tous les documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à la présente convention, ainsi que cette Annexe, soient rédigés en langue anglaise.

Data Privacy. This provision supplements Section 6.9 of the Agreement:

Grantee hereby authorizes TTEC, the Employer and their representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. Grantee further authorizes TTEC and its Subsidiaries to disclose and discuss the Plan with their advisors. Grantee further authorize TTEC and its Subsidiaries to record such information and to keep such information in Grantee's employee file.

COSTA RICA

There are no special provisions.

GERMANY

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. In case of payments in connection with the sale of shares of Common Stock acquired under the Plan, the report must be filed electronically by the 5th day of the month following the month in which the payment was received. The form of report ("*Allgemeine Meldeportal Statistik*") can be accessed via the Bundesbank's website (www.bundesbank.de) and is available in both German and English. It is Grantee's responsibility to comply with this reporting obligation and Grantee should consult with their personal tax advisor in this regard.

Foreign Asset/Account Reporting Information. If Grantee's acquisition of shares of Common Stock under the Plan leads to a "qualified participation" at any point during the calendar year, Grantee will need to report the acquisition when Grantee files their tax return for the relevant year. A "qualified participation" is attained if (i) the value of the shares of Common Stock acquired exceeds a certain threshold or (ii) in the unlikely event Grantee holds shares of Common Stock exceeding a certain threshold of the total Common Stock.

GREECE

Vesting and Issuance of Shares; Dividend Equivalents. Notwithstanding any provisions of the Agreement to the contrary, and for purposes of the VC-PRSU Award under this Agreement only, if the Grantee's employment terminates due to retirement, as that concept is defined under the relevant provisions of Greek labor law on retirement, the shares of Common Stock subject to the VC-PRSUs shall continue to vest according to the schedule set forth in the Agreement, notwithstanding such retirement related termination of employment.

INDIA

Exchange Control Notification. Grantees understand and acknowledge that they must repatriate to India any proceeds from the sale of shares of Common Stock acquired under the Plan and any cash dividends received in relation to such shares; and to convert such repatriated funds into local currency within ninety (90) days of receipt, and any cash dividends paid on shares of Common Stock acquired under the Plan within hundred and eighty (180) days of receipt or for both foregoing scenarios such other period as required under applicable regulations. Grantee must obtain a Foreign Inward Remittance Certificate ("FIRC") from the bank where Grantee deposits the foreign currency and shall maintain the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India or the Company requests proof of repatriation. It is Grantee's responsibility to comply with these requirements.

Foreign Asset / Account Reporting Information. Grantee is required to declare any foreign bank accounts and assets (including shares of Common Stock acquired under the Plan) on their annual tax return. Grantees should consult with their personal tax advisors to determine their reporting requirements.

IRELAND

Manner of Payment. Notwithstanding any discretion provided in the Plan or the Agreement to the contrary, upon vesting of the VC-PRSUs, shares will be issued to Grantee. In no event will the VC-PRSU Award be paid to Grantee in the form of cash.

Exclusion from Termination Indemnities and Other Benefits. By accepting the VC-PRSUs, Grantee acknowledges, understands, and agrees that the benefits received under the Plan are not a remuneration for past services but an incentive provided for future loyalty and will not be taken into account for any redundancy or unfair dismissal claim.

MEXICO

Labor Law Policy and Acknowledgment. By Grantee's signature on the Agreement, Grantee expressly recognizes that TTEC Holdings, Inc., with offices at 9197 South Peoria Street, Englewood, Colorado, U.S.A., is solely responsible for the administration of the Plan and that Grantee's participation in the Plan and acquisition of shares does not constitute an employment relationship between Grantee and TTEC Holdings Inc., since Grantee is participating in the Plan on a wholly commercial basis and his or her sole employer is TTEC CX Solutions Mexico, S.A. de C.V. located in Mexico ("TTEC-Mexico"), not TTEC Holdings, Inc., a company in the United States. Based on the foregoing, Grantee expressly recognizes that the Plan and the benefits that Grantee may derive from participation in the Plan do not establish any additional rights between Grantee and TTEC-Mexico (his/her employer), and do not form a part of the employment conditions and/or benefits provided by TTEC-Mexico and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of his/her employment.

Grantee further understands that his/her participation in the Plan is a result of a unilateral and discretionary decision of TTEC Holdings, Inc.; therefore, TTEC reserves the absolute right to amend and/or discontinue Grantee's participation at any time without any liability to him or her.

Finally, Grantee hereby declares that he or she does not reserve to himself or herself any action or right to bring any claim against TTEC for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and Grantee therefore grants a full and broad release to TTEC, its Affiliates, branches, representation offices, its shareholders, officers, agents or legal representatives with respect to any claim that may arise.

Política Laboral y Reconocimiento/Aceptación. *Aceptando este Premio¹, el Grantee ("Grantee") reconoce que TTEC, con oficinas en 9197 South Peoria Street, Englewood, Colorado, U.S.A., es el único responsable de la administración del Plan y que la participación del Grantee en el mismo y la adquisición de acciones no constituye de ninguna manera una relación laboral entre el Grantee y TTEC, toda vez que la participación del participante en el Plan deriva únicamente de una relación comercial con TTEC, reconociendo expresamente que el único empleador del participante lo es TTEC CX Solutions Mexico, S.A. de C.V. en Mexico ("TTEC-Mexico"), no es TTEC en los Estados Unidos. Derivado de lo anterior, el participante expresamente reconoce que el Plan y los beneficios que pudieran derivar del mismo no establecen ningún derecho entre el participante y su empleador, TTEC-México, y no forman parte de las condiciones laborales y/o prestaciones otorgadas por TTEC-México, y expresamente el participante reconoce que cualquier modificación el Plan o la terminación del mismo de manera alguna podrá ser interpretada como una modificación de los condiciones de trabajo del Grantee.*

Asimismo, el Grantee entiende que su participación en el Plan es resultado de la decisión unilateral y discrecional de TTEC, por lo tanto, TTEC se reserva el derecho absoluto para modificar y/o terminar la participación del participante en cualquier momento, sin ninguna responsabilidad para el Grantee.

Finalmente, el Grantee manifiesta que no se reserva ninguna acción o derecho que origine una demanda en contra de TTEC, por cualquier compensación o daño en relación con cualquier disposición del Plan o de los beneficios derivados del mismo, y en consecuencia el participante otorga un amplio y total finiquito a TTEC, sus entidades relacionadas, Afiliadas, oficinas de representación, sus accionistas, directores, agentes y representantes legales con respecto a cualquier demanda que pudiera surgir.

¹ El término "Premio" se refiere a la palabra "RSU"

NETHERLANDS

No Entitlement. By accepting the VC-PRSUs, Grantee acknowledges that the VC-PRSU is intended as an incentive for Grantee to remain employed with the Company and is not intended as remuneration for labor performed.

NEW ZEALAND

There are no special provisions.

PHILIPPINES

Securities Law Information. The sale or disposal of shares of Common Stock acquired under the Plan may be subject to certain restrictions under Philippine securities laws. Such restrictions should not apply if the offer and resale of the shares of Common Stock takes place outside of the Philippines through the facilities of a stock exchange on which the shares of Common Stock are listed. The shares of Common are currently listed on the Nasdaq Stock Market in the United States of America.

POLAND

Foreign Asset/Account Reporting Information. If Grantee maintains bank or brokerage accounts holding cash and foreign securities (including shares of Common Stock) outside of Poland, Grantee will be required to report information to the National Bank of Poland on transactions and balances in such accounts if the value of such cash and securities exceeds PLN 7,000,000. If required, such reports must be filed on a quarterly basis on special forms available on the website of the National Bank of Poland.

Exchange Control Information. The transfer of funds in excess of a certain threshold (currently €15,000, unless the transfer of funds is considered to be connected with the business activity of an entrepreneur, in which case a lower threshold may apply) into or out of Poland must be made through a bank account in Poland. Grantee understands that he or she is required to store all documents connected with any foreign exchange transactions for a period of five years, as measured from the end of the year in which such transaction occurred. Grantee should consult with their personal legal advisor to determine what he or she must do to fulfill any applicable reporting/exchange control duties.

UNITED KINGDOM

Responsibility for Taxes. This provision supplements Section 6.6 of the Agreement: Without limitation to Section 6.6 of the Agreement, Grantee agrees that Grantee is liable for any and all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related withholding ("Tax-Related Items") and hereby covenants to pay all such Tax-Related Items, as and when requested by the Company or by Her Majesty's Revenue and Customs ("HMRC") or any other tax authority or any other relevant authority. Grantee also agrees to indemnify and keep indemnified the Company against any Tax-Related Items that he/she is required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on Grantee's behalf.

Notwithstanding the foregoing, if Grantee is a director or executive officer (within the meaning of Section 13(k) of the Exchange Act, as amended), Grantee understands that they may not be able to indemnify the Company for the amount of any Tax-Related Items not collected from or paid by Grantee, in which case the indemnification could be considered to be a loan. In this case, the Tax-Related Items not collected or paid may constitute a benefit to Grantee on which additional income tax and National Insurance contributions ("NICs") may be payable. Grantee understands that he/she will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying to the Company the amount of any NICs due on this additional benefit, which may also be recovered from Grantee by any of the means referred to in Section 6.6 of the Agreement.

Manner of Payment. Notwithstanding any discretion in the Plan or the Agreement to the contrary, upon vesting of the VC-PRSUs, shares of Common Stock will be issued to Grantee. In no event will the VC-PRSU Award be paid to Grantee in the form of cash.

Furthermore, notwithstanding any provision of the Plan or the Agreement to the contrary, Grantee will not be entitled to receive any shares of Common Stock pursuant to the vesting of the VC-PRSUs unless and until Grantee has executed a Joint Election (as defined below) in connection with the VC-PRSUs.

Joint Election. As a condition of the grant of VC-PRSUs, Grantee agrees to accept any liability for secondary Class 1 National Insurance contributions (the "Employer NICs") which may be payable by the Company with respect to the vesting of the VC-PRSUs or otherwise payable with respect to a benefit derived in connection with the VC-PRSUs.

Without limitation to the foregoing, Grantee agrees to execute a joint election between the Company and Grantee (the "Joint Election"), the form of such Joint Election being formally approved by HMRC, and any other consent or election required to accomplish the transfer of the Employer NICs to Grantee. Grantee further agrees to execute such other joint elections as may be required between Grantee and any successor to the Company. If Grantee does not enter into a Joint Election, no shares of Common Stock shall be issued to Grantee without any liability to the Company. Grantee further agrees that the Company may collect the Employer NICs from Grantee by any of the means set forth in the Agreement.

The Joint Election shall be provided to the Grantee at the time of the VC-PRSU Award. If Grantee has signed a Joint Election in the past with respect to an VC-PRSU Award granted to them by the Company and that Joint Election applies to all grants made under the Plan, Grantee need not sign another Joint Election in connection with this VC-PRSU Award.

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement ("Agreement") is by and between TTEC Services Corporation, a Colorado company ("TTEC" or the "Company"), a wholly owned subsidiary of TTEC Holdings, Inc., a Delaware corporation ("TTEC Parent"), and Michelle "Shelly" Swanback ("Executive" or "Swanback"), each a "Party" and together the "Parties." The Executive Employment Agreement is executed to be effective as of **May 2, 2022** ("Effective Date").

1. APPOINTMENT.

a. Subject to the terms of this Agreement, the Company hereby appoints Ms. Swanback as Chief Executive Officer for the TTEC Engage business segment, and vests in her all the relevant responsibilities to lead the TTEC Engage business segment, including the P&L for the business, in the best interest of TTEC Parent and its shareholders, as directed by TTEC Parent Chief Executive Officer ("TTEC CEO") and its Board of Directors (the "Board"). In this role, the Executive will report to the TTEC CEO and will be a member of TTEC Parent company's executive leadership team, known as the Executive Committee (the "EC"). For purposes of relevant U.S. federal securities laws, the Chief Executive Officer of TTEC Engage is a public company executive officer (known as a "Section 16 Officer"), subjecting the Executive to the various compliance requirements appropriate for Section 16 Officers. Please refer to Exhibit A to this Agreement for **Directors and Executive Officers U.S. Securities Law Handbook** for reference.

b. The Executive shall devote her full-time and best efforts to the performance of all duties contemplated by her role and responsibilities, and as assigned from time to time by the TTEC CEO or his delegates. Unless otherwise specifically authorized in writing by TTEC's Parent, Executive shall not engage in any other business activity, or otherwise be employed by any company other than TTEC's subsidiaries. Notwithstanding the foregoing, Ms. Swanback is not precluded by the terms of this Agreement from serving on boards of directors of non-competitor companies or not-for-profit organizations so long as the TTEC CEO has provided prior written approval.

TTEC Parent is aware that Ms. Swanback is currently serving as a member of the board of directors of Willis Towers Watson Plc and has no objection to the appointment at this time, provided Ms. Swanback's activities on this board do not conflict nor interfere with her responsibilities to TTEC Parent and the Company.

c. As a member of the EC, Ms. Swanback shall render services to TTEC Parent as necessary and desirable to protect and advance the best interests of TTEC Parent and all its affiliated companies, acting at all times, in accordance with TTEC **Ethics Code: How TTEC Does Business** (or a successor code of conduct document, collectively "TTEC Ethics Code"), included in this Agreement as Exhibit B, the **Ethics Code for Executive and Senior Financial Officers**, included in this Agreement as Exhibit C, and in accordance with all other material policies and procedures.

d. Notwithstanding other provisions in this Agreement, but subject to the reasonable interpretation of provisions of Paragraph 6(h) (on "Constructive Termination"), Ms. Swanback understands and agrees that her role and responsibilities may change over time in the best interest of the business, and TTEC Parent reserves the right to assign to Ms. Swanback different and/or additional roles and assignments that best serve the business.

2. COMPENSATION.

a. **Salary and Periodic Salary Review.** As of the Effective Date, the Executive's base salary shall be **\$625,000 per year** ("Base Salary"), payable in equal installments in accordance with the Company's standard payroll practice, less legally required deductions and withholdings. The Base Salary may be periodically reviewed and adjusted, at the TTEC CEO's and the Compensation Committee of the TTEC Board of Director's (the "Board") discretion, to appropriately reflect the Executive's role in the business, the contribution of the role, and the market pay for such role in accordance with TTEC's Parent standard compensation review practices. Notwithstanding the foregoing, nothing in this Agreement provides assurances that the Executive's salary will be increased from time to time.

b. **Variable Incentive Compensation (annual cash bonus).** As of the Effective Date, Ms. Swanback shall be eligible to participate in an annual performance-based cash incentive program, currently referred to as TTEC Variable Incentive Plan (“VIP”) pro-rated, in 2022 only, based on the Effective Date. The Executive’s annual VIP opportunity shall be **up to \$625,000** tied to the annual TTEC Engage performance targets, TTEC Parent business performance goals, as well as the Executive’s personal goals, as set by the TTEC CEO and the Board and, as of the Effective Date, outlined in Paragraph 2(d) of this Agreement.

In addition, the Compensation Committee of the Board may, but shall not be obligated to, adjust the Executive’s VIP award upward based on TTEC Parent and TTEC Engage segments’ performance against annual metrics set by the Board and deemed to be that year’s business imperatives, such as but not limited to annual bookings and backlog, revenue, adjusted EBITDA, operating income, and cash flow.

c. **Equity Incentive Compensation (annual equity compensation).** As of the Effective Date, the Executive is also eligible to participate in TTEC’s annual Equity program, designed to provide long term incentives for senior executives of TTEC Parent. This incentive Equity program aligns the Executive’s interests with the interest of TTEC company stockholders.

Currently, TTEC offers its equity grants in the form of restricted stock units (the “RSUs) and performance restricted stock units (“PRSUs”) vesting over a period of years. Until and unless modified by the Compensation Committee of the Board, the Executive shall be eligible for an annual RSU equity grant opportunity and annual PRSU equity grant opportunity of **up to \$500,000, each**, in fair market value of TTEC equity, based on the market value of TTEC stock at the time of the grant. The RSU grants are usually time based with a four-year vesting schedule; while the PRSUs are performance-based equity with a three-year cliff-vesting schedule based on the performance of the business during the three-year measurement period, and an opportunity to overperform up to 200% of the original grant.

The RSUs/PRSUs are granted under the terms of grant-specific agreements that are approved by the Compensation Committee of the Board from time to time (“Equity Agreements). These Equity Agreements provide vesting schedules, performance metrics, if any, and other material terms of each grant. TTEC Parent and the Compensation Committee of the Board reserve the right, at their discretion, to change the terms of future Equity Agreements and the equity granted thereunder. The use of the RSUs/PRSUs, as part of the annual equity grant, is discretionary and may be substituted, at the discretion of the Compensation Committee of the Board, by other equity instruments in accordance with incentive compensation plans adopted by TTEC Parent from time to time. All grants as part of TTEC Parent Equity program are subject to **Executive Stock Ownership Guidelines** included in this Agreement as Exhibit D.

d. **Incentive Award Size Determination and Payment Timing.** Except as expressly stated with respect to VIP payable pursuant to Paragraph 6(b)(iv) (VIP proration due to termination without cause) or Paragraph 6(g)(iv) (VIP payment in Change of Control double trigger termination), the Executive’s actual annual VIP and Equity awards are discretionary and are not guaranteed. They are based on a combination of metrics reflecting targets and goals of the business as set-out and annually approved by TTEC CEO and the Board. At present these metrics include the (i) TTEC-wide results of operations; (ii) business segment specific results, including TTEC Engage business segment’s revenue, operating income, and adjusted EBITDA goals; (iii) the Executive’s individual performance against targets set-out by the TTEC CEO; and (iv) the Executive’s compliance with the guidelines for TTEC employees’ conduct outlined in TTEC’s Ethics Code. The metrics that may be used for future cash awards and grants may change from time to time, as determined by the Compensation Committee of the Board.

The timing for the payment of the VIP and Equity awards, if any, is determined from time to time (usually annually) by the Compensation Committee of the Board.

e. **Value Creation Performance Equity Award.** The Executive will also be able to participate in TTEC Value Creation Program established by TTEC Parent as a one-time incentive designed to motivate TTEC key employees to meet stretch financial targets; reward their contribution to the growth of their specific business segment, where their performance has the opportunity to directly influence the financial results of TTEC Parent; strengthen TTEC relationships with and retention of top employees; foster an ownership culture among those who manage TTEC, as if it was their own business; and align TTEC key leaders under a singular mission of maximizing client, employee and shareholder value.

TTEC Parent shall grant to the Executive the value creation performance based restricted stock ("VC-PRSU") award in the amount of **75,000 VC-PRSUs**. This VC-PRSU award will cliff-vest in 2026, based on TTEC Engage business segment's performance during 2025 fiscal year. The actual number of TTEC shares that will vest in connection with this VC-PRSU award will depend on TTEC Engage business segment's 2025 revenue and adjusted EBITDA and may range between zero and 150,000 shares (200% of the initial grant) in TTEC stock. Specific terms and conditions of the award and its terms of vesting are documented in a VCP-PRSU agreement, attached hereto as Exhibit E and incorporated herein by reference ("VC Equity Agreement.")

This VC-PRSU one-time award is separate and distinct from the Executive's annual equity compensation incentive opportunities outlined in Paragraph 2(c) of this Agreement.

f. **Welcome Aboard Incentive.** TTEC Parent shall grant to the Executive time-based RSUs with a market value of **\$4,500,000**, based on TTEC stock's fair market value at the time of the grant ("New Hire RSUs"). The New Hire RSUs shall vest in accordance with the terms and conditions set forth in the New Hire Equity Agreement, attached hereto as Exhibit E and incorporated herein by reference. The New Hire RSUs shall vest in (5) installments, on each anniversary of the Effective Date of this Agreement, provided that the Executive continues to be employed in the business on each of the vesting dates.

g. **Reimbursement of Business Expenses.** The Company agrees to reimburse the Executive for all reasonable out-of-pocket business expenses incurred by her on behalf of the Company in accordance with TTEC expense reimbursement policies.

h. **Services to Subsidiaries.** Ms. Swanback acknowledges that, as part of her employment responsibilities, she may be required to serve as an officer and/or director ("D&O") of TTEC subsidiaries, affiliates and related entities. She hereby agrees to perform such duties diligently and without additional compensation, and to follow TTEC Parent's direction in the performance of such services. For the duration of such D&O services, TTEC shall maintain appropriate D&O insurance policies for the Executive's protection in connection with the services. Furthermore, the Executive agrees to resign such D&O roles, if requested to do so by TTEC Parent.

i. **Tax Liability and Withholdings.** All compensation and other payments made under this Agreement will be subject to withholding of the federal, state, and local taxes, Social Security, Medicare and other withholdings in such amounts as is reasonably determined by Company. The withholdings taxes due with respect to any equity grants may, at Company's discretion and in accordance with the relevant equity plans, be deducted directly from the equity being granted or as it vests. The Company shall have the right to take all the action as it deems necessary to satisfy its and employees tax withholding obligations.

4. **BENEFITS.**

a. **Health and Welfare Benefits.** Ms. Swanback shall be eligible to participate in TTEC health and wellness plans in a manner similar to others at her level of responsibility at TTEC Parent, including participation for the Executive and her dependents in TTEC group medical, vision, and dental insurance and other welfare plans, as they continue or change from time to time. The eligibility for most wellness benefits starts on the first day of the month following 30 days' employment tenure with the Company, and given the Effective Date will start for the Executive on **July 1, 2022**.

b. **Miscellaneous Benefits.** The Executive shall be eligible for benefits generally applicable to other senior management employees of the Company, as they are in effect from time to time, including TTEC 401(k) Plan and its Deferred Compensation Plan.

c. **Paid Leave.** The Executive shall be eligible to participate in paid time off ("PTO") and sick leave benefit programs pursuant to the Company's current time off/leave policy (or any other vacation/sick policy then in effect). The Executive will also be paid for time off for holidays in accordance with the TTEC holiday policy.

5. **CHANGE IN CONTROL.**

For purposes of this Agreement, "Change in Control" event shall mean the occurrence of any one of the following:

(i) Any consolidation, merger or other similar transaction (i) involving TTEC Parent, if TTEC Parent is not the continuing or surviving corporation, or (ii) which contemplates that all or substantially all of the business and/or assets of TTEC Parent would be controlled by another corporation or legal entities not controlled by TTEC Parent;

(ii) Any sale, lease, exchange or transfer (in one transaction or series of related transactions) of all or substantially all of the assets of TTEC Parent (a "Disposition"); provided, however, that the foregoing shall not apply to any Disposition with respect to which, following such Disposition, more than 51% of the combined voting power of the then outstanding voting securities of the receiving entity for the Disposition are directly or indirectly (beneficially or otherwise) owned by all or substantially all of the individuals and entities that were the beneficial owners of at least 51% of the outstanding common stock and/or other voting securities of TTEC Parent immediately prior to such Disposition, in substantially the same proportion of total ownership as their ownership immediately prior to such Disposition;

(iii) Approval by the stockholders of TTEC Parent of any plan or proposal for the liquidation or dissolution of TTEC, unless such plan or proposal is abandoned within 60 days following such approval;

(iv) The acquisition by any "person" (as such term is used in Sections 13(d) and 14(d)(2) of the U.S. Securities Exchange Act of 1934, as amended ("the Exchange Act")), or two or more persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of 51% or more of the outstanding shares of voting stock of TTEC Parent; provided, however, that for purposes of the foregoing, the term "person" shall exclude Kenneth D. Tuchman and his affiliates; provided, further that the foregoing shall exclude any such acquisition (1) made directly from TTEC Parent, (2) made by TTEC Parent (directly or through an affiliated company), or (3) made by a TTEC employee benefit plan (or related trust) sponsored or maintained by TTEC Parent or any of its affiliates; or

(v) If, during any period of 15 consecutive calendar months commencing at any time on or after the Effective Date, those individuals ("Continuing Directors") who either (1) were directors of TTEC Parent on the first day of each such 15-months period, or (2) subsequently became directors of TTEC Parent and whose actual election or initial nomination for election subsequent to that date was approved by a majority of the Continuing Directors who were then members of the TTEC Parent Board of Directors, cease to constitute a majority of the Board of Directors of TTEC Parent.

6. TERMINATION AND PAYMENTS, BENEFITS ON TERMINATION.

a. **Termination by the Executive.** The Executive may terminate her employment with the Company with 90 days' written notice of her intention. The parties may mutually agree to a different separation date including shorter notice period.

Ms. Swanback is not entitled to any separation related compensation, if she terminates her employment with the Company pursuant to this Paragraph 6(a).

b. **Termination by the Company without Cause.** Except as set forth in Paragraphs 6(c) (termination for Cause), Paragraph 6(d) (termination due to death), Paragraph 6(e) (termination due to disability), Paragraph 6(h) (Constructive Termination or Good Reason), and Paragraph 6(g) (Change in Control), the Company may terminate the Executive's employment with 30 days' written notice for any reason or no reason. In case of termination pursuant to this Paragraph 6(b), and provided Ms. Swanback executes a separation agreement in a form substantially similar to the agreement set forth in Exhibit G (attached hereto), releasing all legal claims except those that cannot legally be released and Ms. Swanback continues to comply with all terms of such separation agreement, and any other agreements signed by the Executive with the Company, the Executives shall be entitled to:

(i) **Severance.** then the Company shall pay Ms. Swanback severance compensation equal to eighteen (18) full calendar months of her then current Base Salary ("Severance" or "salary continuation"). Salary continuation payments will be made at the Company's regular payroll intervals, provided, however, payments accruing for payroll periods prior to the date that the Company has received a signed and effective separation agreement and release shall be suspended and paid on the first payroll date following the effective date of the separation and release.

(ii) Continuation of Benefits. In addition to Severance, the Company shall continue to provide to Executive and to the Executive's eligible dependents with the same level of welfare and health benefits, including without limitation medical, dental, vision, accident, disability, life insurance, and other welfare benefits in place prior to termination of employment for a period of twelve (12) months after the effective date of such termination, on substantially the same terms and conditions (including contributions required by the Executive for such benefits) as existed immediately prior to termination; provided that, if Executive cannot continue to participate in the Company's, TTEC Parent's or successor's benefit plans, TTEC Parent or successor shall otherwise provide such benefits on the same after-tax basis as if continued participation had been permitted.

(iii) Value Creation Program Payout. Unvested VC-PRSUs granted pursuant to TTEC Value Creation Program shall vest in case of Executive's employment being termination by the Company without Cause pursuant to the provisions of the VC Equity Agreement.

(iv) Prorated VIP Cash Bonus. Annual cash bonus provided pursuant to Paragraph 2(b) (VIP bonus) shall be paid as provided in Paragraph 2(d) in March of the year following the performance year based on the audited results of TTEC operations for the full performance year and prorated, in straight line, based on the actual number of days the Executive was with the business during the performance year.

(v) Accelerated Vesting Prorated Time Based Equity. The unvested time-based equity held by the Executive at the time of separation (including time-based equity granted pursuant to Paragraph 2(c) (RSU annual equity grants) and pursuant to Paragraph 2(f) (New Hire RSU grant)) shall vest on a prorated bases, in straight line, based on the actual number of days the Executive was employed by the business during the vesting period for each grant. Neither the vesting schedule nor the payout terms for the performance based PRSU grants held by the Executive at the time of separation, however, shall change if Executive's employment is terminated by the Company without Cause.

If the Company terminates this Agreement without Cause under this Paragraph 6(b), and the Company pays Ms. Swanback the compensation earned as of the effective date of the termination, and provides to Ms. Swanback incremental compensation and continuation of benefits on the terms specified in this Paragraph 6(b), the Company's acts in doing so shall be in complete accord and satisfaction of any claim that Ms. Swanback has or may at any time have for compensation, benefits or payments of any kind from the Company or TTEC Parent arising from or relating in whole or part to the Executive's employment with the Company and/or this Agreement. If the separation agreement and legal release referenced above is not signed within thirty (30) days from the date that such agreement is presented to Ms. Swanback (which the Company shall present no later than fifteen (15) days after the effective date of Executive's termination), then Ms. Swanback waives her right to receive any severance or other compensation pursuant to this Agreement, even if Ms. Swanback were to successfully litigate any claim against the Company and/or TTEC Parent.

c. Termination by the Company for Cause. The Company may terminate Executives employment with no notice for Cause, as that term is defined in Paragraph 6(c), with the Company's only obligation being the payment of any salary compensation earned as of the date of termination, reimbursement of any reasonable business expenses incurred by the Executive in accordance with the Company's expense reimbursement policies, and any continuing obligations under the Company benefit plans then in effect, and without liability for any separation compensation of any kind.

For purposes of this Agreement, "Cause" shall have the following meaning:

(i) Fraud, theft, embezzlement (or attempted fraud, theft, embezzlement), dishonest acts or illegal conduct;

(ii) Other similar material acts of willful misconduct on the part of Executive resulting in damage to TTEC Parent or the Company, including without limitation a material breach by the Executive of the requirements of TTEC Ethics Code that results in a negative publicity for TTEC Engage business segment or TTEC Parent;

(iii) A material breach by the Executive of this Agreement;

(iv) Use of any controlled substance or alcohol while performing Executive's duties, except as part of a TTEC Parent, TTEC Engage company-sponsored event such as a trade conference or customer entertainment, but only in moderation and in a professional manner that reflects positively on TTEC Parent and the Company; with visible inebriation at a business-related social engagement constituting a cause for immediate termination;

(v) Breach of a fiduciary duty that results in an adverse impact to TTEC Parent or the Company or in personal profit to the Executive (as determined by the Company based on its conflict of interest policies outlined in the TTEC Ethics Code);

(vi) Use of trade secrets or confidential information of TTEC Parent, any of its subsidiaries including the Company, other than in pursuit of TTEC Parent or the Company's business;

(vii) Aiding a competitor of TTEC Parent or TTEC Engage;

(viii) Failure by the Executive in the performance of her duties that results in material adverse effect on TTEC Parent, the Company, or TTEC Parent's other material subsidiary companies.

If the act or acts constituting Cause are susceptible of cure, the Company will provide Executive with written notice setting forth the acts constituting Cause and providing the Executive with the opportunity to cure, assuming that such cure may be achieved in a reasonable time not to exceed thirty (30) business days of receipt of such notice. Any recurrence of acts constituting Cause within one (1) year of the original occurrence will void Executive's right to such pre-termination right to cure.

d. **Termination upon Executive's Death.** This Agreement shall terminate immediately upon Executive's death. Thereafter, the Company shall pay to the Executive's estate all compensation fully earned, and benefits fully vested as of the last date of Executive's continuous, full-time active employment with the Company; and will provide the estate with the reimbursement of any reasonable business expenses that the Executive incurred prior to her death in accordance with the Company's expense reimbursement policies. For purposes of this Agreement, continuous, full-time active employment shall be defined as the last date upon which Executive continuously performed her job responsibilities on a regular, full-time basis consisting of at least 35 hours per week, and in the usual course of the Company's business ("Continuous Full-Time Active Employment"). In case of Executive's death, the Company shall not be required to pay any form of severance or other compensation concerning or on account of the Executive's employment with the Company or the termination thereof.

e. **Termination Due to or Following Disability.** During the first ninety (90) calendar days after a mental or physical condition that renders Executive unable to perform the essential functions of her position with reasonable accommodation (the "Initial Disability Period"), Executive shall continue to receive her Base Salary pursuant to Paragraph 2(a) of this Agreement. Thereafter, if Executive qualifies for benefits under the Company's long-term disability insurance plan (the "LTD Plan"), then Executive shall remain on leave for as long as Executive continues to qualify for such benefits, up to a maximum of 180 consecutive days (the "Long-term Leave Period"). The Long-term Leave Period shall begin on the first day following the end of the Initial Disability Period. During the Long-term Leave Period, Executive shall be entitled to any benefits to which the LTD Plan entitles the Executive, but no additional compensation from the Company in the form of salary, performance bonus, equity grants, allowances or otherwise. If during or at the end of the Long-term Leave Period Executive remains unable to perform the essential functions of her position, with or without reasonable accommodation, then the Company may terminate this Agreement and/or Executive's employment. If the Company terminates this Agreement or Executive's employment under this Paragraph 6(e), the Company's payment obligation to Executive shall be limited to all compensation fully earned, reimbursement of all reasonable business expenses that the Executive incurred prior to the separation in accordance with the company's expense reimbursement policies, and benefits fully vested as of the last date of Executive's continuous, full-time active employment with the Company.

f. **Continuing Obligations.** Ms. Swanback shall remain subject to the Company's Agreement to Protect Confidential Information, Assign Inventions and Prevent Unfair Competition and Unfair Solicitation ("Confidentiality Agreements"), Equity Agreements, and any other similar agreements executed at any time during her employment, including without limitation this Agreement, all of which survive termination of employment.

g. **Termination In Connection with Change in Control Event.** If a Change in Control event occurs, and at any time within fifteen (15) months of such Change in Control event's effective date ("COC Period") the Company, TTEC Parent, or its successor terminate Executive's employment without Cause (as that term is defined in Paragraph 6(b)) whether such termination occurs outright or pursuant to a Constructive Termination (as defined in Paragraph 6(h)), and provided the Executive executes a separation agreement in a form substantially similar to the agreement set forth in Exhibit G (attached hereto), releasing all legal claims except for those that cannot legally be released and agreeing to continue to comply with all terms of such separation agreement, and any other agreements signed by the Executive with the Company or successor, the Executive shall be entitled to and the Company, TTEC Parent or its successor shall cause the following to occur:

(i) **Severance.** The Company shall pay the Executive a lump-sum severance compensation equal to 2x of Executive's Base Salary in effect at the time of such termination ("COC Severance") within ten (10) business days of the effective date of such Change in Control related termination; provided, however, if the COC Severance payment is due prior to the date that the Company or successor receive a signed and effective separation agreement and release, the payment shall be suspended until the receipt of such signed separation agreement, and then paid as soon as reasonable but in no event later than ten (10) business days after such receipt.

(ii) **Continuation of Benefits.** In addition to COC Severance, the Company, TTEC Parent, or successor shall continue to provide to Executive and to the Executive's eligible dependents with the same level of welfare and health benefits, including without limitation medical, dental, vision, accident, disability, life insurance, and other welfare benefits in place prior to termination of employment, for a period of twelve (12) months after the effective date of such termination, on substantially the same terms and conditions (including contributions required by the Executive for such benefits) as existed immediately prior to termination; provided that, if Executive cannot continue to participate in the Company's, TTEC Parent's or successor's benefit plans, TTEC Parent or successor shall otherwise provide such benefits (via lump sum compensation or in kind) on the same after-tax basis as if continued participation had been permitted.

(iii) **Equity Vesting on Change in Control (double trigger).** Notwithstanding any vesting schedule provisions contained in the new hire and annual time-based Equity Agreements as well as the annual PRSU Equity Agreements that Executive may hold, any unvested equity that would vest pursuant to these awards on or after the Change in Control event's effective date and would otherwise forfeit on termination of employment, shall vest in full as if the business achieved its target level performance as set by the Board for the relevant performance year (performance @goal) as of employment termination date, if such termination occurs during the COC Period. The accelerated vesting, if any, in case of a COC event under the VC-PRSU Equity Agreement or another equity programs that the Company or TTEC Parent may adopt from time to time after the Effective Date of this Agreement shall be separately documented in the relevant equity grant agreements or as an amendment to this Agreement as the case may be.

(iv) **Prorated VIP Cash Bonus.** Annual cash bonus provided pursuant to Paragraph 2(b) (VIP bonus) shall be paid as provided in Paragraph 2(d), in March of the year following the performance year, based on the audited results of TTEC operations for the full performance year and prorated, in straight line, based on the actual number of days the Executive was with the business during the performance year.

(v) **Termination Ahead of Change in Control Event.** Notwithstanding anything in this Agreement to the contrary, if Executive's employment is terminated (actually or pursuant to a Constructive Termination as defined in Paragraph 6(h) of this Agreement) within three (3) months before a Change in Control event occurs, then for purposes of this Agreement, the effective date of Change in Control event shall be deemed to be the date immediately prior to the date of such termination of employment.

h. **"Good Reason" or "Constructive Termination."** The Executive may terminate her employment with the Company for Good Reason with 90 days' notice; provided the Company may elect to accept the Executive's resignation sooner at its discretion. Termination by Executive for "Good Reason" or "Constructive Termination" by the Company may be triggered if, without Executive's express written consent, the occurrence of any of the following (in connection with or independent of a Change in Control event):

(i) **Change in Responsibilities.** The material adverse change in the Executive's scope of responsibilities and duties (including the diminution of such duties and responsibilities), or material adverse change in the Executive's reporting responsibilities or title by the Company, TTEC Parent, or (in case of a Change in Control event) by their successor. Notwithstanding the foregoing, the change in scope of Executive's responsibilities, duties or title following the Executive's failure to materially meet agreed targets and business objectives for TTEC Engage shall not trigger the right of the Executive to terminate this Agreement for Good Reason nor constitute Constructive Termination on the part of the Company. Further notwithstanding the foregoing, the change in scope of Executive's responsibility where she continues as a CEO of a different business segment within TTEC Parent group of companies shall not trigger the right of the Executive to terminate this Agreement for Good Reason nor constitute Constructive Termination on the part of the Company.

(ii) **Change in Compensation.** Any material reduction by the Company, TTEC Parent or, in case of a Change in Control event by successor, of the Executive's total compensation package, including material adverse change in the annual salary, the incentive bonus ranges and targets, or the timing of payment of same as compared to the compensation package in effect as of the date hereof or immediately prior to a Change in Control event, as the case may be. Notwithstanding anything in this provision to the contrary, a change in the compensation structure that is consistent with prevailing market trends, as supported by an independent report of a qualified compensation advisor to the Compensation Committee of the Board, the Company or its successor, shall not give rise to a 'constructive termination' or 'termination for good reason' claim.

(iii) **Change in Location.** Any requirement of the Company or successor that Executive be based anywhere more than fifty (50) miles from the site where the Executive is located at the time of Effective Date (Denver, Colorado, U.S.A.) or the time of the Change in Control event.

(iv) **Failure to Cause Assumption of this Agreement; Other Breach.** Failure of the Company or TTEC Parent to assign and obtain the assumption of this Agreement from any successor in case of a Change in Control event; or any other material breach of this Agreement by the Company or TTEC Parent.

An action taken in good faith and which is remedied by TTEC Parent or successor within fifteen (15) calendar days after receipt of the Executive's notice thereof shall not constitute Good Reason or Constructive Termination under this Agreement. Executive must provide notice of termination of employment within thirty (30) calendar days of Executive's knowledge of an event constituting "Good Reason" or such event shall not constitute Good Reason or Constructive Termination under this Agreement.

In case of termination pursuant to this Paragraph 6(h), and provided that Ms. Swanback executes a separation agreement in a form substantially similar to the agreement set forth in Exhibit G (attached hereto), releasing all legal claims except for those that cannot legally be released and Ms. Swanback continues to comply with all terms of such separation agreement, and any other agreements signed by the Executive with the Company, the Executives shall be entitled to:

(A) **Severance.** The Company shall pay Ms. Swanback severance compensation equal to eighteen (18) full calendar months of her then current Base Salary ("Severance" or "salary continuation"). Salary continuation payments will be made at the Company's regular payroll intervals, provided, however, payments accruing for payroll periods prior to the date that the Company has received a signed and effective separation agreement and release shall be suspended and paid on the first payroll date following the effective date of the separation and release.

(B) Continuation of Benefits. In addition to Severance, the Company shall continue to provide to Executive and to the Executive's eligible dependents with the same level of welfare and health benefits, including without limitation medical, dental, vision, accident, disability, life insurance, and other welfare benefits in place prior to termination of employment for a period of twelve (12) months after the effective date of such termination, on substantially the same terms and conditions (including contributions required by the Executive for such benefits) as existed immediately prior to termination; provided that, if Executive cannot continue to participate in the Company's, TTEC Parent's or successor's benefit plans, TTEC Parent or successor shall otherwise provide such benefits on the same after-tax basis as if continued participation had been permitted.

(C) Value Creation Program Payout. With respect to termination of employment for Good Reason, as provided in Paragraph 6(h)(i) only (Change in Responsibilities), the unvested VC-PRSUs granted pursuant to TTEC Value Creation Program shall vest as provided in the VC Equity Agreement for termination by the Company without Cause.

(D) Prorated VIP Cash Bonus. With respect to termination of employment for Good Reason, as provided in Paragraph 6(h)(i) only (Change in Responsibilities), annual cash bonus described in Paragraph 2(b) (VIP bonus) shall be paid as provided in Paragraph 2(d), in March of the year following the relevant performance year, based on the audited results of TTEC operations for the full performance year, and prorated, in straight line, based on the actual number of days the Executive was with the business during the performance year.

(E) Accelerated Vesting Prorated Time Based Equity. With respect to termination of employment for Good Reason, as provided in Paragraph 6(h)(i) only (Change in Responsibilities), the unvested time-based equity held by the Executive at the time of separation (including time-based equity granted pursuant to Paragraph 2(c) (RSU annual equity grants) and pursuant to Paragraph 2(f) (New Hire RSU grant)) shall vest on a prorated bases, in straight line, based on the actual number of days the Executive was employed by the business during the vesting period for each grant. Neither the vesting schedule nor the payout terms for the performance based PRSU grants held by the Executive at the time of separation, however, shall change if Executive terminates her employment with the Company for Good Reasons.

(F) No Other Benefits. Except as otherwise provided in this Paragraph 6(h) with respect to the Executive's decision to terminate her employment with the Company for a "Good Reason" as this term is defined in the Paragraph 6(h), she shall not be entitled to any other benefits.

If the Executive terminates her employment with the Company under this Paragraph 6(h), and the Company pays Ms. Swanback the compensation earned as of the effective date of the termination, and provides to Ms. Swanback incremental compensation and continuation of benefits on the terms specified in this Paragraph 6(h), the Company's acts in doing so shall be in complete accord and satisfaction of any claim that Ms. Swanback has or may at any time have for compensation, benefits or payments of any kind from the Company or TTEC Parent arising from or relating in whole or part to the Executive's employment with the Company and/or this Agreement. If the separation agreement and legal release referenced above is not signed within thirty (30) days from the date that such agreement is presented to Ms. Swanback (which the Company shall present no later than fifteen (15) days after the effective date of Executive's termination), then Ms. Swanback waives her right to receive any severance or other compensation pursuant to this Agreement, even if Ms. Swanback were to successfully litigate any claim against the Company and/or TTEC Parent.

7. NON-DISCLOSURE, NON-COMPETITION AND NON-SOLICITATION.

As a senior member of the executive leadership team of TTEC Parent, the Executive is privy to TTEC Parent company wide global business and financial strategy. Therefore, in addition to the provisions of the Confidentiality Agreements that the Executive signs at the time of her employment with the Company, the Executive agrees and covenants for a period of twelve (12) months post separation of her employment with the Company (whatever the reason for this separation) not to -

a. **Non-Compete Undertaking.** Work or otherwise contribute his/her knowledge, directly or indirectly, in whole or in part, as an employee, officer, owner, manager, advisor, consultant, agent, partner, director, significant shareholder (i.e., a shareholder holding more than 5% of outstanding equity in any such entity), volunteer, intern or in any other similar capacity to a business/company engaged in the same or substantially similar business as the Company, its subsidiaries and affiliates, including customer experience as a service (CXaaS) offerings, digital customer engagement, customer acquisition & growth, content moderation, fraud prevention, and data annotation solutions; the delivery of CX technology and orchestration services through public or proprietary cloud-based CXaaS platform; designing, building, engineering and operating omnichannel contact center technology, conversational messaging, CRM, CX automation (AI / ML and RPA), and CX analytics solutions (collectively, “TTEC Business”). The Non-Compete Undertaking shall apply only in the territory where the Company and TTEC Parent actually benefits and where it may reasonably expect to benefit from the Executive’s services, but only with respect to that aspect of TTEC Business that is substantially similar to the business that the Executive contributes to while employed by TTEC.

b. **Employees Non-Solicitation Undertaking.** Solicit, hire, recruit, attempt to hire or recruit, or induce the termination of employment, directly or indirectly, of any then current employee of the Company and TTEC Parent or its subsidiaries and affiliates or anyone who was an employee of the Company or TTEC Parent within the previous six (6) month period; and

c. **Client Non-Solicitation Undertaking.** Solicit or interfere with business relationships between the Company and its current or prospective (actively pursued) clients of the Company, TTEC Parent or any of its subsidiaries and affiliates for purposes of offering or accepting goods or services similar to or competitive with those offered by the Company, TTEC Parent or any of its subsidiaries and affiliates. The term ‘actively pursued’ includes any prospective client of the Company or TTEC Parent or any of its material subsidiary with respect to which TTEC positioned for an opportunity, submitted a proposal or responded to a request for information during a twelve (12) months period prior to the Executive’s separation of employment.

d. **Acknowledgement.** The Executive acknowledges that the non-competition and non-solicitation provisions above are fair and reasonable with respect to their scope and duration, given the Executive’s position with TTEC and the impact such activities would have on the TTEC Business. The Executive further acknowledges that the geographic restriction on competition included in this Paragraph 7 is fair and reasonable, given the nature and geographic scope of the TTEC Business, the investment of capital and resources by Company to develop its business operations, and the nature of the Executive’s position with the business.

The Executive also acknowledges that while employed by the Company or otherwise affiliated with TTEC Parent, the Executive has access to proprietary and unique trade secret information that would be valuable or useful to Company’s and TTEC Parent’s competitors and that the Executive has access to Company’s valuable customer relationships and thus acknowledges that the restrictions on the Executive’s future employment and business activities in TTEC’s industry as set forth in this Paragraph 7 are fair and reasonable.

The Executive acknowledges and she is prepared for the possibility that her standard of living may be reduced during the non-competition and/or non-solicitation period and assumes and accepts any risk associated with that possibility, and further acknowledges that any such drop in the Executive’s standard of living does not constitute undue hardship.

e. **Impact of COC on Restrictive Covenants.** If Executive’s employment is terminated pursuant to provisions of Paragraph 6(g) (Change in Control event) and if Executive is paid Change in Control related compensation and receives other benefits as provided in that Paragraph, the Executive agrees for the Non-Competition and Non-Solicitation undertakings of this Paragraph 7 to be extended from twelve (12) to eighteen (18) months; and

f. **Consequences of Breach.** If Executive breaches any of the material covenants and undertakings set forth in this Paragraph 7:

(i) The Executive and those who aid her in such breach shall be liable for all costs and business losses including any damages and out-of-pocket expenses associated with or resulting from such breach;

(ii) TTEC Parent nor the Company have any further liabilities to the Executive pursuant to this Agreement, including without limitation no liability for any compensation including cash bonuses or equity not yet granted or granted and unvested;

(iii) All unvested equity held by the Executive shall be immediately forfeited and cancelled;

(iv) The value of any vested equity received by the Executive in connection with her employment with the Company must be paid by the Executive back to the Company since one of the primary purposes of the equity awards would not have been realized by TTEC Parent;

(v) The Executive hereby consents and agrees that the Company shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages or other available forms of relief at law or specified in this Agreement.

8. MISCELLANEOUS.

a. **Relationship between this Agreement and Other Company Agreements.** In the event of any direct conflict between any term of this Agreement and any other TTEC Parent or the Company agreement, policy, procedure, guideline or other publication addressing the same terms and conditions contained in this Agreement, the terms of this Agreement shall control Ms. Swanback's employment.

The employment arrangement contemplated by this Agreement includes other related documents in addition to this Executive Employment Agreement, some of which are TTEC Parent and the Company's standard documents not otherwise tailored to this transaction. To the extent any provisions of these related agreements contradict the clear provisions and terms of this Executive Employment Agreement, the provisions of this Agreement shall be controlling.

b. **Successors and Assigns.** TTEC Parent, the Company, their successors and assigns may in their sole discretion assign this Agreement to any person or entity in connection with the merger, acquisition or other business combination that results in the divestiture or transfer of all or substantially all the assets of the Company or TTEC Parent. This Agreement shall bind, and inure to the benefit of TTEC Parent's and the Company's successors or assigns.

Concurrently with any Change in Control event or a business combination that may impact the legal implications of this Agreement, the Company, TTEC Parent shall cause any successor or transferee to assume unconditionally, by written instrument delivered to the Executive, all of the obligations of the Company and TTEC Parent hereunder. Failure of the Company or TTEC Parent to obtain such assumption prior to the effectiveness of any Change in Control event or other business combination, shall be a breach of this Agreement and shall constitute Constructive Termination entitling the Executive to resign, within thirty (30) calendar days of consummation of such Change in Control event or business combination, and receive compensation and benefits as provided in Paragraph 6(g).

This Agreement is for personal services and Ms. Swanback's may not and shall not assign her rights or obligations hereunder.

c. **IRSC Section 409A.**

(i) **Interpretation.** This Agreement shall be interpreted and administered in a manner so that any amount or benefit payable hereunder shall be paid or provided in a manner that is either exempt from, or complies with, the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and the Internal Revenue Service guidance and Treasury Regulations thereunder (collectively, "Section 409A"). It is the Parties' intention that salary continuation payments under the Agreement will be exempt from the requirements of Section 409A because they are short term deferrals under Treas. Reg. Sec. 1.409A-1(b)(4) or payments under a separation pay plan within the meaning of Treas. Reg. Sec. 1.409A-1(b)(9) and the Agreement shall be construed and administered in a manner consistent with such intent.

(ii) Separation from Service; Separate Payments. Notwithstanding anything in this Agreement to the contrary, to the extent that any payment or benefit subject to Section 409A, including an exemption from Section 409A, and such payment or benefit would otherwise be payable or distributable hereunder by reason of Executive's termination of employment, all references to the Executive's "termination of employment" shall be construed to mean a "separation from service," as defined in Treasury Regulation Section 1.409A-1(h), and Executive shall not be considered to have had a termination of employment unless such termination constitutes a "separation from service" with respect to Executive. If under this Agreement, an amount is to be paid in two or more installments, for purposes of Section 409A, each installment shall be treated as a separate payment.

(iii) Specified Employee. Notwithstanding anything in this Agreement to the contrary, if the Executive is a "specified employee" (within the meaning of Treasury Regulation Section 1.409A-1(i)) on the date of the Executive's "separation from service", any benefit or payment that constitutes non-exempt "nonqualified deferred compensation" (within the meaning of Section 409A) and is payable on account of the Executive's separation from service shall be delayed in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i), and any such delayed payment shall be paid to the Executive in a lump sum during the ten (10) day period commencing on the earlier of (i) the expiration of a six-month period from the date of Executive's "separation from service," or (ii) Executive's death. To the greatest extent permitted under Section 409A, any separate payment or benefit under the Agreement will not be deemed to constitute "nonqualified deferred compensation" subject to Section 409A and the six-month delay requirement to the extent provided in the exceptions in Treasury Regulation Sections 1.409A-1(b)(4) or 1.409A-1(b)(9), or in any other applicable exception or provision of Section 409A.

(iv) Reimbursements. With regard to any provision in this Agreement that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A, (x) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (y) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, provided that the foregoing clause (y) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such arrangement provides for a limit on the amount of expenses that may be reimbursed over some or all of the period the arrangement is in effect and (z) such payments shall be made on or before the last day of Swanback's taxable year following the taxable year in which the expenses were incurred.

(v) If the Parties hereto determine that any payments or benefits payable under this Agreement intended to comply with Section 409A do not so comply, the Executive and the Company agree to amend this Agreement, or take such other actions as the Executive and the Company deem necessary or appropriate, to comply with the requirements of Section 409A, while preserving benefits that are, in the aggregate, no less favorable than the benefits as provided to the Executive under this Agreement. If any provision of this Agreement would cause such payments or benefits to fail to so comply, such provision shall not be effective and shall be null and void with respect to such payments or benefits, and such provision shall otherwise remain in full force and effect.

d. Governing Law and Dispute Resolution.

(i) Good Faith Negotiation Requirement. Ms. Swanback, TTEC Parent and the Company agree that in the event of any controversy or claim arising out of or relating to Ms. Swanback's employment with and/or separation from the Company, they shall negotiate in good faith to resolve the controversy or claim privately, amicably and confidentially. Each Party may consult with counsel in connection with such negotiations.

(ii) Governing Law. This Agreement will be construed and interpreted in accordance with the laws of the State of Colorado without regard to conflict of law principles.

(iii) Disputes. The Parties agree that any action arising from or relating in any way to this Agreement, shall be resolved and tried in the state or federal courts situated in Denver, Colorado. The parties consent to jurisdiction and venue of those courts to the greatest extent allowed by law. In this regard, the Executive acknowledges and admits to all or a combination of several following substantial contacts with Colorado; the Executive is employed, provides services for or otherwise is affiliated with an

legal entity headquartered in the state of Colorado; the Executive receives the compensation in a form of checks or wire transfers that are drawn either directly or indirectly, from bank accounts in Colorado; the Executive regularly interacts with, contacts and is contacted by other TTEC and Company employees and executives in Colorado; the Executive either routinely travels to or attends business meetings in Colorado; and the Executive receives substantial compensation and benefits as a result of TTEC Parent being a corporation headquartered in and subject to the laws of Colorado. Based on these and other contacts, the Executive acknowledges that she could reasonably be subject to the laws of Colorado.

e. **Severability.** If any court of competent jurisdiction declares any provision of this Agreement invalid or unenforceable, the remainder of the Agreement shall remain fully enforceable. To the extent that any court concludes that any provision of this Agreement is void or voidable, the court shall reform such provision(s) to render the provision(s) enforceable, but only to the extent absolutely necessary to render the provision(s) enforceable.

f. **Modification of Agreement.** This Agreement or any other term or condition of employment may not be modified by word or deed, except in writing signed by the Executive and the Global Chief Operating Officer, Chief People Officer, or Chief Executive Officer for TTEC Parent.

g. **Waiver.** No provision of this Agreement shall be deemed waived, nor shall there be an estoppel against the enforcement of any such provision, except by a writing signed by the party charged with the waiver or estoppel. No waiver shall be deemed continuing unless specifically stated therein, and the written waiver shall operate only as to the specific term or condition waived, and not for the future or as to any act other than that specifically waived.

h. **Construction.** Whenever applicable, masculine and neutral pronouns shall equally apply to the feminine genders; the singular shall include the plural and the plural shall include the singular. The Parties have reviewed and understand this Agreement, and each has had a full opportunity to negotiate the agreement's terms and to consult with counsel of their own choosing. Therefore, the Parties expressly waive all applicable common law and statutory rules of construction that any provision of this Agreement should be construed against the agreement's drafter, and agree that this Agreement and all amendments thereto shall be construed as a whole, according to the fair meaning of the language used.

i. **Dodd-Frank Recoupment Provisions.** TTEC Incentive Recoupment Policy, noted as Exhibit H, is incorporated in this Agreement by reference.

j. **Greatest Net Benefit.**

(i) Anything in this Agreement to the contrary notwithstanding, in the event that the Executive determines (at her discretion and expense) that the receipt of any payments hereunder would subject the Executive to tax under Internal Revenue Code (the "Code") Section 4999 or a successor provision, the Executive shall have the option at her discretion to cause TTEC Parent or successor to reduce the payment due to the Executive under this Agreement so that the net (after tax) benefit of the payments to the Executive is maximized ("Reduced Payment Election"). The Executive shall have forty-five (45) calendar days from receipt of notice of the payment due under this Agreement or the payment itself under this Agreement, as the case may be, to advise TTEC Parent or successor of such election.

(ii) If the Executive accepts the full payment hereunder and thereafter within the period provided above determines that he/she wants to make the Reduced Payment Election, any payments received by the Executive in excess of the amount payable under Reduced Payment Election shall be treated for all purposes as a loan *ab initio* to the Executive, which the Executive shall repay to TTEC Parent or successor, together with appropriate interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code, within sixty (60) days of the Reduced Payment Election.

(iii) Nothing in this Paragraph 8(h) shall be interpreted to compel the Executive to make the Reduced Payment Election.

Ms. Swanback acknowledges and agrees that she reviewed and fully understands the terms and provisions of this Agreement; that she enters into it freely, knowingly, and mindful of the fact that it creates important legal obligations and affects her legal rights; and that she understands the need to and has had the opportunity to consult with counsel (if she so wishes) concerning this Agreement with legal counsel.

Executive

TTEC Services Corporation

[Signature on file]

[Signature on file]

Michelle "Shelly" Swanback

Regina M. Paolillo, Global COO

Date: April 29, 2022

Date: April 29, 2022

CERTIFICATIONS

I, Kenneth D. Tuchman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TTEC Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2022

By: /s/ KENNETH D. TUCHMAN
Kenneth D. Tuchman
Chairman and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATIONS

I, Dustin J. Semach, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TTEC Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2022

By: /s/ DUSTIN J. SEMACH
Dustin J. Semach
Chief Financial Officer
(Principal Financial and Accounting Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, the Chief Executive Officer of TTEC Holdings, Inc. (the "Company"), hereby certifies that, to his knowledge on the date hereof:

- (a) the Form 10-Q of the Company for the quarter ended March 31, 2022 filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities and Exchange Act of 1934; and
- (b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ KENNETH D. TUCHMAN
Kenneth D. Tuchman
Chairman and Chief Executive Officer

Date: May 4, 2022

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, the Chief Financial Officer of TTEC Holdings, Inc. (the "Company"), hereby certifies that, to her knowledge on the date hereof:

- (a) the Form 10-Q of the Company for the quarter ended March 31, 2022 filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities and Exchange Act of 1934; and
- (b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ DUSTIN J. SEMACH

Dustin J. Semach
Chief Financial Officer

Date: May 4, 2022
