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DELTA REPORT

10-K

TDC - TERADATA CORP /DE/

10-K - DECEMBER 31, 2024 COMPARED TO 10-K - DECEMBER 31, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 3096

█ **CHANGES** 254

█ **DELETIONS** 1466

█ **ADDITIONS** 1376

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

FORM 10-K

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

For the fiscal year ended **December 31, 2023** **December 31, 2024**

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 001-33458

TERADATA CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

75-3236470

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

17095 Via Del Campo
San Diego, California 92127

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (866) 548-8348

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, \$0.01 par value	TDC	New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15 (d) of the Act. Yes No

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 Regulations 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes No

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of voting stock held by non-affiliates of the registrant as of June 30, 2023 June 28, 2024, was approximately \$5.4 3.3 billion.

At January 31, 2024 January 31, 2025, there were 97.4 million94.6 million shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III: Portions of the registrant's Notice of Annual Meeting of Stockholders and Proxy Statement, to be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after registrant's fiscal year end of December 31, 2023 December 31, 2024 are incorporated herein by reference.

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This report contains trademarks, service marks, and registered marks of Teradata Corporation and its subsidiaries, and other companies, as indicated.

PART I

FORWARD-LOOKING STATEMENTS

Forward-looking statements in our public filings or other public statements are subject to known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other public statements. These forward-looking statements were based on various facts and were derived utilizing numerous important assumptions and other important factors, and changes in such facts, assumptions or factors could cause actual results to differ materially from those in the forward-looking statements. Forward-looking statements include the information concerning our expected future financial and reporting performance, business strategy and trends, projected plans and objectives, liquidity, financial guidance, capital allocation, including share repurchase plans, and market conditions. Statements preceded by, followed by or that otherwise include the words "believe," "expects," "anticipates," "intend," "project," "estimate," "plan," "increase," "fluctuate," "strive," "looking ahead," "outlook," "guidance," "forecast," "continue," "likely," "potential," "drive," "focus," "see," "commit" and similar expressions or future or conditional verbs such as "will," "should," "would," "may" and "could" are generally forward-looking in nature and not historical facts. You should understand that the factors described under "Risk Factors" and the following important factors could affect our future results and could cause actual results to differ materially from those expressed in such forward-looking statements:

- Our ability to timely and effectively execute our strategy, including our initiatives to provide and enhance our offerings for on-premises, **hybrid**, and cloud environments **and coupled with** market acceptance of our cloud platform and **enablement of** artificial intelligence ("AI") capabilities;
- Our ability to rapidly and successfully develop and introduce new solutions that include highly advanced technology, and the increased difficulty and complexity associated with producing new offerings with greater capacity, delivery and performance capabilities, which may increase the likelihood of reliability, quality and operability issues;
- The rapidly changing and intensely competitive nature of the information technology ("IT") industry and the **data** analytic **data** platform business, including the ongoing consolidation activity, new and emerging technologies and competitors, including for **enabling** AI and machine learning ("ML"), and pressure on achieving continued price/performance gains for **data** analytic **data** product offerings and solutions;
- Fluctuations in our operating results, timing of transactions, customer cancellations or non-renewals of subscription arrangements or support services, unanticipated delays or accelerations in our sales cycles and the difficulty of accurately estimating revenues;
- **Our ability to execute and realize the anticipated benefits of our refreshed brand, business transformation program or restructuring, sales and operational execution initiatives, and cost savings initiatives;**
- Risks associated with data privacy, cyberattacks and maintaining secure and effective products for our customers, as well as, internal IT and control systems;
- The impact of global economic fluctuations on the markets in general or on the ability of our suppliers, **customers** and **customers partners** to meet their commitments to us, or the timing of purchases by our current and potential customers, including the potential impacts of catastrophic events, epidemics, pandemics, inflation, recessions, and/or labor availability on global economies; and

- Risks inherent in operating in foreign countries, including the impact of foreign currency fluctuations, foreign currency controls, economic, political, legal, regulatory, compliance, cultural, public health, and other conditions abroad.

Other factors not identified above, including the risk factors described in the section entitled "Risk Factors" included in this Annual Report on Form 10-K ("Annual Report"), may also cause actual results to differ materially from those projected by our forward-looking statements. Most of these factors are difficult to anticipate and are generally beyond our reasonable control. We undertake no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events.

Item 1. BUSINESS

Overview. At Teradata Corporation ("we," "us," "Teradata," or the "Company"), we believe that people thrive when empowered with trusted information. We are focused on helping organizations improve business performance, enrich customer experiences, and integrate data across the enterprise. As such, we strive to innovate and deliver trusted solutions for their toughest data and analytics challenges. That is why we built our open and connected hybrid cloud analytics and data platform for artificial intelligence ("AI"). AI. With our hybrid cloud platform, named Teradata Vantage, platform, underpinned by our extensive patented workload management optimization technology, we are well positioned to help enterprises deliver business breakthroughs and solve business problems and deliver business breakthroughs with its our capabilities to provide harmonized data, trusted AI, and faster innovation, innovation, at scale. As companies embrace AI, they need data at scale. Data at scale is the foundation of agentic and generative AI applications, and data at scale is what Teradata provides.

We believe our platform provides companies with:

- Harmonized data: Data: We strive to empower our customers to make more confident decisions with integrated data using our cloud-native hybrid platform that has the capability to support both cloud and on-premises environments and is designed to be efficient, flexible, and secure.
- Trusted AI: We believe that our platform provides our customers with powerful, open, and connected analytics – from ML and traditional analytics to enabling AI that perform with speed is designed to provide actionable, differentiated insights and deliver better insights, enhance enterprise value.
- Faster innovation: Innovation: Our Teradata Vantage platform is designed to fuel our customer's growth opportunities with AI/ML innovation that's that's cost-effectively operationalized at scale.

As a result, we believe that we empower our customers - and our customers' customers - to make better, more confident decisions, engage in faster innovation, and drive positive impact within the enterprise.

Our Complete Hybrid Cloud Analytics and Data Platform

Teradata Vantage is our open and connected platform that is designed to allow organizations to leverage all their data across an enterprise, whether in a hybrid environment. Whether in public or private clouds, in a multi-cloud, environment, or on-premises, and at the scale, scale, Teradata Vantage comprises deployment options that are designed to address the full span of data analytics and data AI needs while providing optimized total cost of ownership and financial governance:

- Teradata VantageCloud: Our flexible, connected, and modern cloud platform and includes Teradata VantageCloud Lake, which is built on our cloud-native lake architecture, and Teradata VantageCloud Enterprise for managed enterprise workloads.
- Teradata VantageCore: Our on-premises data and analytics platform offering, which seamlessly integrates with our cloud offerings to enable hybrid environments that many large enterprises currently for which we see increasing demand.

Key capabilities of Teradata Vantage across all deployments are:

- ClearScape Analytics™: ClearScape Analytics provides encompasses the end-to-end analytics capabilities of integrated into our Vantage platform and is designed to be a secure, highly concurrent, and resilient analytics offering that offering. ClearScape Analytics provides robust in-database engine analytics functionality, across advanced calculations open and connected integrations, and operationalization at scale for more effective data preparation, to enable end-to-end AI advanced analytics, and machine learning ("ML") capabilities. We believe that our ClearScape Analytics capabilities provide the analytics enterprises need to improve business performance and drive profitable growth. ClearScape Analytics is available across all of our Vantage deployment options. AI/ML performance.
- Query Grid™: Query Grid is our "data fabric" is fabric, a data integration and management layer included with our Teradata Vantage offering. QueryGrid hybrid platform. Query Grid serves as the connective tissue in multi-cloud, and as well as between cloud and on-premises environments. This technology innovation is designed to reduce data silos, as it brings bring data together and enables enable consistent data access across the ecosystem, so that users can query data regardless of where it lies, lies, thereby reducing data silos, and potentially saving the expense of moving data. With our data

fabric, we enable data analytics and data integration across public clouds for a multi-cloud experience that large enterprises are investing in to leverage diverse capabilities across multiple ecosystems and mitigate risk. As AI is deployed across the enterprise, our experience. Our data fabric is designed to

provide our customers with the analytic capabilities to deliver trusted data—data that is secure and well governed, governed—while controlling costs.

Our Cloud Business Transformation

Across Teradata, we are executing to advance in our transformation as a leading hybrid cloud analytics and data platform. Teradata is recognized by industry analysts as offering a hybrid cloud analytics and data platform with next-generation, cloud-native deployment, and expansive analytics capabilities. Whether their first move into the cloud or moving from other vendors, we help companies smoothly move migrate to the cloud, deployment that is right for their business, offering a fast path to cloud modernization with our extensive cloud migration capabilities. Additionally, we see that companies are increasingly operating in a hybrid environment with an architecture blending cloud and on-premises systems, and we believe that Teradata is well positioned to compete and win with our robust open and connected capabilities both in cloud and on-premises.

Our 2023 2024 Innovations

During 2023, Throughout 2024, we delivered several a broad set of innovations and executed transactions that we believe are intended to advance our differentiated position Teradata to lead in enabling trusted AI, including including:

- Open Table Formats ("OTF"): We announced our open and connected approach to supporting OTFs Apache Iceberg and Linux Foundation Delta Lake. Our open and connected approach is designed to allow enterprises to employ a modern data strategy with agility and flexibility to execute AI at scale, while taking advantage of our differentiated analytics.
- Teradata VantageCloud Lake: We made Teradata VantageCloud Lake Our cloud-native platform became available on both Google Cloud. This integration with Google Cloud, including Google Vertex and Gemini, is designed to offer customers a modern data platform that excels in multiple types of AI, from scaling predictive AI initiatives to powering new generative AI use cases. With this advancement, we added Google Cloud availability in addition to Amazon Web Services ("AWS") and Microsoft Azure, and expect to have it available on Google Cloud in 2024. Azure.
- Stemma Technologies Acquisition: Bring-Your-Own Large Language Model ("BYO-LLM"): We have included BYO-LLM capabilities in our platform and ClearScape Analytics. With a focus on AI-enhanced BYO-LLM our customers can take advantage of small and mid-size open LLMs by bringing the model to the data search and exploration, we expect this acquisition minimizing expensive data movement, which helps to broaden Teradata's capacity to provide analytics value from discovery through delivery. Stemma's automated data catalog capabilities is expected to help Teradata deliver an enhanced user experience maximize the security, privacy, and accelerate growth in AI/ML analytics, including through AI Unlimited. trust of the data.
- Teradata ask.ai: Teradata ask.ai is ClearScape Analytics: We extended our generative analytics capabilities through API integration with Google Cloud's AI development platform providing the capability to train and predict models against data. Together, the solutions provide the ability for VantageCloud Lake. This natural language interface is customers to execute complex analytics and AI/ML on massive data sets and incorporate preferred data science tools. In addition, we further enhanced the capabilities of ClearScape Analytics by adding new features and functionality designed to allow users to ask questions of their company's boost data science productivity and receive instant responses from VantageCloud Lake. streamline complex processes through various self-service and automated features. These new features and functionality include:
 - ModelOps: Teradata included new ModelOps capabilities in Spark to ClearScape Analytics, which is intended enables data scientists to provide no-code capabilities easily convert pyspark code to Teradata ML, eliminating the need for re-engineering or data movement, which can significantly reduce complexity and costs.
 - AutoML, designed to enable customers data scientists to quickly scale automatically train high-quality models specific to their company's business needs.
 - KNIME integration with Teradata VantageCloud, designed to accelerate AI initiatives and advanced analytics expand usage of ClearScape Analytics to non-technical individuals.
 - An enhanced self-service user experience, so that users can access their data and with enterprise governance, no coding, thereby reducing the risk of coding errors or bad code.
- Teradata AI Unlimited: We launched Teradata announced that AI Unlimited, our AI and ML experience in the cloud, on-demand compute engine is natively integrated with Microsoft Fabric. AI Unlimited can enable in Microsoft Fabric leverages OTF in OneLake to create shortcuts to data across cloud object stores, enabling customers to drive faster, easier, and take advantage of more cost-effective AI innovation. than 150 ClearScape Analytics functions without the time or expense of moving data for each workload experience. It is designed available on AWS and Azure.

- Continued strengthening partnerships: We continued our commitment to provide access developing and building strong partnerships. Notable announcements with partners include:
 - With Nvidia, we are integrating Nvidia NeMo and Nvidia NIM microservices into our platform to vast amounts accelerate AI workloads and support the development of data, flexibility, foundation and the ability to cost-effectively customized LLMs, agentic workflows, and securely explore, experiment and operationalize new Retrieval-Augmented Generation ("RAG") applications.
 - With AWS, we announced delivery of "rapid-start" generative AI use cases at scale. Further, when leveraging our platform on AWS, integrated with Amazon Bedrock. Also, we announced that our platform will offer Nvidia's accelerated computing infrastructure, starting with the BYO-LLM integration referenced above.
 - With Anaconda, we announced integration of Anaconda's secure repository of Python and R packages with ClearScape Analytics designed to accelerate the use of data science and generative AI use cases and enable users to swiftly apply secure open-source packages, scale efficiently, and access harmonized data and trusted AI.
 - With dbt, we announced that the Teradata AI Unlimited will be natively platform is now integrated with Microsoft's AI-powered platform, Microsoft Fabric.
- Integration dbt Cloud. We bring our ability to manage complex large-scale datasets with both Microsoft Azure Machine Learning ("Azure ML") enterprise-grade reliability, robust security and Google Vertex AI: Already available on Amazon Sagemaker, the integrations of Teradata VantageCloud governance, and ClearScape Analytics combine that with Microsoft Azure ML and Google Cloud's Vertex AI are designed to operationalize AI/ML models with the scalability and performance of ClearScape Analytics. These integrations are designed to enable companies to access the full value of their data, put AI models into production, and to scale those models across the organization.
- Dataiku AI Models in ClearScape Analytics: Teradata launched new ClearScape Analytics capabilities dbt's transformation tools that are designed to allow customers the ability to import and operationalize Dataiku AI models inside the Vantage platform. The combination of Dataiku and turn raw data into actionable insights with less manual effort.
 - With DataRobot, we announced a new integration between ClearScape Analytics and the DataRobot AI Platform aimed at helping enterprises maximize their AI potential by providing greater optionality and flexibility for building and scaling safe and effective AI models. This new functionality is intended to empower customers to accelerate digital transformations and deliver AI-led business value, available through ClearScape Analytics' Bring Your Own Model ("BYOM") capability.
 - Dell Technologies ("Dell") Integration: We further deepened our relationship with Dell. With third-party productivity tools, Airbyte Cloud, Apache Airflow, and dbt, we introduced integrations that support the modern data stack, so that developers can innovate faster by co-engineering speeding the deployment and bringing together our companies' best-of-breed technologies, as we integrated Teradata Vantage with Dell's converged infrastructure. As a result, we are jointly offering private cloud solutions that are designed to give the flexibility operationalization of the cloud with the control and security of on-premises environment. AI/ML at enterprise scale.

These announcements highlight our commitment to a fully open and connected approach that allows enterprises to employ modern data strategies to enable and execute trusted AI at scale.

Market Dynamics with AI Focus

Our target market focuses on organizations that are large-scale users of data. As data volumes grow exponentially along with increasing sources of data, we are seeing organizations are expected to increasingly move to cloud-based analytic adopt hybrid, multi-cloud, and on-premises data analytics and AI/ML technologies. With companies pivoting to cloud-based environments, we We believe it is essential for these enterprises to be able to integrate ecosystems across multi-cloud and on-premises environments, simplify access to trusted data wherever it resides, and accommodate analytics at massive scale and speed to derive significant business value. We believe that Teradata addresses the full spectrum of analytics needs and varying cloud adoption strategies—from cloud-only to multi-cloud to hybrid and on-premises.

Generative As companies around the world are exploring and implementing AI is ushering in new frontiers of creativity, productivity, applications, including agentic and innovation. generative AI, wWe e believe that we can help enterprises accelerate AI value, including by:

- Managing uncontrolled data growth: AI requires extensive volumes of high-quality data. We deliver AI capabilities for our customers by providing a platform that is designed to integrate and harmonize data across the organization, organization and analytics capabilities that excel at scale.
- Building a flexible, open, and connected ecosystem: We design our Teradata's Vantage architecture is designed to provide a flexible, open, and connected ecosystem to allow companies freedom to use their preferred tools and technologies with public or custom large language models ("LLM") LLMs to produce

generative AI.

- Providing a secure, trusted, and cost-effective AI: Teradata's Vantage environment: Our hybrid analytics and data platform is designed to deliver a secure environment, while controlling costs.

Our customers use Teradata technologies and innovations in leveraging data to solve their business challenges and drive business outcomes, which outcomes. We provide guidance to customers on uses of Teradata analytics tailored to their needs and offer differentiated packaged use case solutions that can accelerate growth. Business use cases leverage the latest in Teradata AI/ML capabilities and can include, among other things:

- AI/ML, augmented customer complaint analysis,
- digital identity management, customer acquisition, experience and retention,
- personalized product and action recommendations,
- automated speech analysis,
- financial visibility,
- resilient supply chains,
- fraud prevention,
- customer acquisition, experience and retention,
- regulatory compliance and risk management,
- operational resilience.

Our Consulting Services and Third-Party Relationships

Our experienced consultants offer a broad range of services, including helping organizations establish a data analytics and analytics AI/ML vision, enabling a modern, multi-cloud hybrid ecosystem architecture, and identifying and operationalizing opportunities to ensure their data and analytics ecosystem investments deliver significant value. opportunities. Our support and maintenance services are designed to provide an optimal experience with Teradata and our managed services offerings are designed to provide an enhanced experience to our customers by helping their analytic environments operate efficiently. We also work closely with the top global and regional systems integrators to accelerate innovation, enable digital transformation and maximize customer value from their Teradata technologies.

Our Subscription Options

Teradata offers subscription offerings that are flexibly priced, ranging from capacity-based to consumption-based pricing. These flexible pricing options are designed to enable our customers to reduce complexity, risk, and cost and expand their data analytics and data AI/ML capabilities to fit their data and budget needs.

Our Segments

For the calendar year ended December 31, 2023 December 31, 2024, we had total revenues of \$1.833 billion \$1.750 billion. On August 5, 2024, we announced the realignment of our sales function to optimize operations. Due to this organizational change we now manage our business under two segments, which approximately 59% was derived from the Americas region (North America are also our new operating segments: (1) Product Sales and Latin America) and 41% from the EMEA (Europe, Middle East and Africa) and APJ regions (Asia Pacific and Japan). (2) Consulting Services. For financial information about our segments and geographic information, see "Note 14-Segment, Other Supplemental Information and Concentrations" in the Notes to Consolidated Financial Statements in this Annual Report.

History. Teradata was incorporated in 1979 as a Delaware corporation. Teradata became a publicly traded company named Teradata Corporation (NYSE: TDC) on September 30, 2007.

Industry and Market Opportunity. As companies face mounting data demands, along with the need to extract value from this data, we believe that our opportunity to grow in the multi-billion dollar data management and analytics market will continue. Industry analysts forecast that the data management and analytics market will grow at a double-digit rate year-over-year for the next few years, and it is expected that the market opportunity will continue to expand with the anticipated rapid and global adoption and enablement of AI. AI/ML. We believe that, in addition to companies facing significant ongoing increases in data volumes and proliferation of data silos, sources, there will also be an increasing expectation that this data be trusted, secured, and democratized. Furthermore, the agility provided by cloud-based

technologies can bring significant benefits, yet also creates complexity, particularly with the increased need that data and analytics ecosystems span multiple environments. These factors all contribute to the increased complexity, cost, and risk associated with managing data analytics and analytic AI/ML environments, as well as the rapidly emerging desire of customers to create and deliver value from agentic and generative AI. This is particularly true for our target market of global enterprise companies, and we believe that these companies require well integrated well-integrated solutions that can accommodate significant agility, scale, and speed. speed in an open and connected ecosystem. We are focused on supporting our customers, whether they are cloud-only, multi-cloud, on-premises, customers and/or a hybrid combination. We are helping new and existing customers migrate to the cloud, upgrade from VantageCloud Enterprise to VantageCloud Lake, expand workloads in the cloud, grow connect their hybrid environments, and capture the possibilities provided by enabling AI. We are also focused on growing the adoption of our hybrid platform, adoption enabling AI on-premises by bringing additional data and AI/ML capabilities to our on-premises offering, increasing software utilization, expanding partnerships with leading companies, and demonstrate the capabilities we have for AI. demonstrating our extensive AI capabilities.

Our Strategy. We continue to have a sharp strategic focus on our strategy of providing being the most complete hybrid cloud analytics and data platform for AI trusted AI at scale. We deliver on this strategy through leveraging our talented teams who are continuing committed to execute our transformation to be "cloud-first" across all parts of our business, as we consistently drive for profitable growth. In this regard, our culture and executing the following strategic growth objectives are to: imperatives:

- further strengthen our cloud analytics enabling faster innovation, better customer experiences, and data improved productivity via the Teradata platform with Teradata VantageCloud Lake and ClearScape Analytics; Analytics capabilities to enable AI/ML;
- help enhancing our customers create enterprise value ClearScape Analytics roadmap with harmonized data, trusted incremental AI and faster innovation; capabilities;
- enable end-to-end business outcomes through a seamless user experience; enabling AI on-premises by bringing additional data and AI/ML capabilities to our on-premises offerings;
- accelerate broadening our cloud-first strategy by supporting platform to support OTF;
- providing well-defined use cases that demonstrate the value of our customers on their cloud migration journeys; products to solve real-world business challenges;
- expand customer footprints by increasing consumption and onboarding new workloads in existing and new business buying centers;
- expand our product capabilities through deeper integration with cloud ecosystems;
- focus on partner enablement to drive solution adoption and execution on our Vantage platform;
- deepen deepening relationships with strategic public cloud service providers, systems integrators, independent software vendors, distributors, and resellers;
- expand expanding our go-to-market reach by onboarding new customers, making vertical investments, enhancing customer success programs, and strengthening extending our partner relationships; and
- deliver operational excellence through efficient cost management and execution.

AI requires significant high-quality data to create value; as such, integrating and harmonizing data across the organization is crucial. Our analytics and data offering hybrid cloud platform is designed to be scalable, secure, highly concurrent, and resilient in order to help companies solve complex data challenges at scale. We provide a data management solution that enables enterprises to support their data analytics and analytic AI/ML ecosystems, enable consistent data across business units, and easily grow and at scale. Furthermore, as demand shifts to the cloud, we provide enterprise customers with the flexibility to address their hybrid data analytics and multi-cloud data and analytics AI/ML needs, empowering operational, ad-hoc analytic analytics, and mixed workloads, whether in the cloud, on-premises, or on-premises. in a hybrid combination.

We believe we are differentiated by providing our hybrid cloud analytics and data platform offering across a secure, multi-cloud an open and connected ecosystem. Our differentiated approach spans deployments in the top public cloud service provider platforms of AWS, Microsoft Azure, and Google Cloud, as well as private cloud platform instances, on-premises, and hybrid environments.

As customers increasingly grow their cloud-based analytic data analytics ecosystems, our strategy supports existing we support customers on that journey with a fast path to migration that is enabled through a data fabric in QueryGrid that connects all environments, as well as data and workload migration tools and services.

We also believe that we offer a competitive and compelling total cost of ownership by building out best-in-class capabilities that are designed to provide an easy experience for ingestion, exploration, development, consumption, and operationalization of data analytics and analytics. With a focus on delivering an outstanding user experience and an ability to start small and easily scale in the cloud, we are attracting new customers, migrating existing customers to the cloud with Teradata VantageCloud, and seeing customers expand their Teradata cloud environments. AI/ML.

Our strategy is further supported by our commitment to be a responsible corporate citizen. We believe it is our responsibility to make a positive impact on and support important issues, such as addressing the climate crisis and environmental sustainability, responsible use of AI, environmental sustainability, promoting diversity, equity belonging and inclusion, supporting communities where we live and work, protecting data privacy, and acting ethically in everything we do.

Customers. Teradata concentrates our marketing and go-to-market efforts on companies that are seeking to improve business performance and view data analytics and AI/ML as a strategic asset in to achieving that objective. We focus on the key buying centers of business leaders, analytics buyers and users, as well as technology buyers and users. Our platform differentiates Teradata in industries with high-data

requirements, including Financial Services, Government, Healthcare and Life Sciences, Public Sector, Manufacturing, Retail, Telecommunications, and Travel/Transportation. We believe that these industries provide a good fit for our analytic solutions and services as they these industries typically have the greatest

analytic potential with large and growing data volumes, as well as complex data management requirements, and as well as large and varied groups types of users. We currently do not have any customer that represents 10% or more of our total revenue.

Seasonality. Historically, our new contract bookings and renewals are seasonal, in line with customer spending patterns, with lower volume typically in the first quarter and higher volume generally in the fourth quarter of each calendar year. Such seasonality causes our working capital cash flow requirements to vary from quarter to quarter depending on the variability in the volume, timing of invoices and subsequent collection, and mix of platform sales. Historically, cash provided by operating activities is higher in the first half of the year due to collections of the higher receivable balances at December 31 driven by the higher contract bookings in the fourth quarter and receipts from annual renewals of our maintenance support agreements.

In addition, contract bookings in the third month of each quarter have historically been significantly higher than in the first and second months, with the majority occurring in the last quarter of our fiscal year. In addition, the size and complexity of our sales transactions have resulted in, and we expect will continue to result in, lengthy sales cycles with multiple levels of customer approvals which can also lead to less predictability of the timing of quarterly transactions. These factors, among others as more fully described in Item 1A, Risk Factors, in this Annual Report, make forecasting more difficult and may adversely affect our ability to accurately predict financial results.

We have transitioned the

The majority of our customers from perpetual to pay for their Teradata offerings via subscription-based purchasing options. As a result, a substantial portion of our revenue from sales is recurring, which generally increases the predictability of our revenue and the durability of our future cash flows in the future. The majority of our customer contracts are based on a blended pricing model which provides a fixed capacity but also offers the customer optional consumption for times when they experience increased activity.

Sales, Marketing, Customer Services and Partners

Sales and Marketing. We primarily sell and market our solutions and services through a direct sales force. We have more than 80% of our employees in customer-facing and/or revenue-driving roles (including sales, marketing, consulting, customer services, and product engineering).

We support our sales force efforts with marketing and training programs that are designed to:

- grow awareness of Teradata as a leading hybrid multi-cloud leader, cloud analytics and data platform for trusted AI, highlighting our technology leadership and innovation, differentiation, hybrid cloud and differentiation, analytics and AI expertise;
- lead customers on their migration to the cloud with the benefits of multi-cloud an open and connected ecosystem with hybrid cloud and multi-cloud capabilities, and then help them easily expand their environment when needed; and
- create demand for, and adoption and expanded use of, our technologies, including Teradata VantageCloud, Enterprise, Teradata VantageCloud Lake, ClearScape Analytics, and Teradata AI Unlimited, as well as related services; and services.

We additionally provide extensive training to educate and enable the our sales force with the skills and knowledge to deliver compete and win with our value proposition.

Our brand messaging is intended to highlight Teradata's role as a leader in data analytics, AI, analytics, and hybrid cloud data and on technology, as well as our strength as a leading open and connected multi-cloud hybrid cloud analytics and data platform for enterprise analytics, trusted AI. To support our growth objectives, we employ a broad range of modern marketing strategies, including programs designed to inform, educate, and generate demand with customers and prospects. These strategies include our global website, digital marketing, paid media, demos and trials of our software, webinars, conferences and events, public and media relations, social media, a customer reference advocacy program, and targeted account-based marketing, demand generation.

Customer Services. Our global customer services organization is dedicated to creating and sustaining an optimal customer experience and working with our customers to help them achieve the best use and outcomes for from the data that they produce is managed in our Vantage platform so they are empowered with the full potential of Teradata's data analytics solutions. Our global customer services organization is comprised of cloud operations, customer support, customer experience, consulting and managed services, and customer education. Our customer services organization supports our cloud-first cloud strategy by facilitating a customer's migration to the VantageCloud platform and managing the day-to-day operations of a customer's VantageCloud environment. This organization focuses on delivering business value throughout the customer journey, enabling innovative use of the Vantage platform, extracting additional efficiencies, and maximizing customer impact and satisfaction—which are designed to retain customers and drive greater consumption of our technology.

Strategic Partnerships. We seek to extend our sales and marketing reach by partnering with cloud service providers, alliance partners (including independent software vendors, open-source software distributors, and resellers), leading global and regional systems integrators, consultants, and universities consultants, that we believe complement our differentiated offerings. Strategic partnerships are a key element in our ability to leverage the value and expand the scope of our data and analytics platform offering in the marketplace.

- **Cloud Service Providers:** Teradata has We have established partnerships with the top three global public cloud service providers: AWS, Microsoft Azure, and Google Cloud. We work to continuously strengthen these strategic

partnerships so that Teradata can provide companies around the world can easily have access to the Teradata VantageCloud Enterprise platform and VantageCloud Lake, our data analytics capabilities via the manner they prefer.

- **Alliance Partners:** Teradata has We have a focus on working collaboratively with independent software vendors in several areas, including AI/ML and large language models ("LLMs"), LLMS, tools, data and application integration solutions, data mining, analytics, business intelligence, and specific analytic and industry solutions. Our goal is to provide choices to our customers with partner offerings that are optimized and certified to work with the Teradata Vantage platform to deliver end-to-end analytic and data solutions and to provide comprehensive capabilities that support the customer's business goals and work within their analytic ecosystem.
- **Systems Integrators and Consultants:** We work with a range of systems integrators and consultants who engage in the design, implementation, and integration of analytic solutions for our joint customers. Our strategic partnerships with select global and regional consulting and systems integration firms provide broad industry and technology expertise in the design of business solutions that leverage Teradata technologies to enable enterprise analytics.

Competition. We compete in a large and growing data management and analytics market that is attractive to both current and new competitors. There is a large number of vendors in the analytics and data market and the market landscape of vendors is rapidly increasing with the introduction and increasing traction of cloud and AI. Participants include AWS, Databricks, Google Cloud, Microsoft Azure, Snowflake, and more; the competitive market also comprises traditional legacy competitors. We believe our focus on AI, hybrid and multi-cloud ecosystem simplification, providing solutions for the most scalable and complex workloads, and providing products designed to achieve desired business outcomes of our customers, enables us to successfully compete within our target market. We believe that our technology innovations of the Teradata Vantage platform, including Teradata VantageCore, Teradata VantageCloud Enterprise, Teradata VantageCloud Lake, ClearScape Analytics, and Teradata AI Unlimited are highly differentiated, deliver scale and integration, and are positioned to provide business value to our customers. Furthermore, we provide our customers with the opportunity to de-risk their buying decisions with the ability to our hybrid capabilities and helping them deploy across the top public clouds, private cloud and on-premises, coupled with flexibility in purchasing and portable licensing. For more information on competition, see Item 1A, Risk Factors, in this Annual Report.

We believe that the principal competitive factors for our products and services include: data analytics and analytics AI/ML experience; business outcome delivery; hybrid multi-cloud offerings and experience; total cost of ownership; customer references; technology leadership; product quality; performance, scalability, availability, integrity, security, and manageability; partner relationships; support and consulting services capabilities; management of technologies in a complex analytical ecosystem; delivery of a platform and tools that are designed to provide AI enable AI/ML for our customers; and industry knowledge.

Research and Development ("R&D"). We remain focused on designing and developing our hybrid cloud analytics and data platform that anticipates our customers' evolving needs and supports solving their complex business challenges. Our teams are extending Teradata technologies and innovations for the Teradata Vantage platform, including Teradata VantageCloud Enterprise, Teradata VantageCloud Lake, ClearScape Analytics and Teradata AI Unlimited in order to have consistent and differentiated capabilities that meet the demands of today's multi-cloud and hybrid ecosystems. We have delivered significant innovations such as VantageCloud Lake. With extensive in-database functionality, seamless and expedited interconnectivity, and robust features for easy operationalization, ClearScape Analytics is designed to enable companies to scale AI/ML quicker and more cost effectively. Aligning to the growing AI-enabled world, we acquired Stemma Technologies to enhance data search and exploration.

With a focus on creating a truly an open and connected platform, we continue to build a deep integration with cloud data and analytic ecosystems, including advanced analytics and AI/ML tools. Furthermore, with our strong partnerships, our R&D team is extending our platform to enable deeper integration with a broader range of solution and service providers.

Our extensive and talented R&D workforce is one of our core strengths. Our R&D team is globally dispersed to take advantage of global engineering talent. We anticipate that we will continue to have significant R&D expenditures, which may include complementary strategic acquisitions, to help support the flow of innovative, high-quality cloud-based data and analytic offerings.

Intellectual Property and Technology. We own 594 in 565 patents in the United States. We are also the exclusive licensee of four additional patents in the United States and counterpart patents in foreign countries. Many of the patents that we own are licensed to others, and we are licensed to use certain patents owned by others. While our

portfolio of patents and patent applications in aggregate is of significant value to our Company, we do not believe that any individual patent is by itself of material importance to our business.

In addition, we own copyrights and trade secrets in our code base that comprises all of the Teradata software offerings, including analytic data platforms and analytic applications and capabilities. Teradata's software offerings reflect the investment of hundreds of person-years of development work.

The source code versions of our offerings are protected as trade secrets and, in all major markets, as unpublished copyright works. We take great efforts to protect our rights in all software offerings and related intellectual property; however, there can be no assurance that these measures will be successful. The Company owns the Teradata® word and logo trademarks, which are registered in the United States and in many foreign countries, as well as other trade names, service marks, and trademarks.

Sources of Materials. Our hardware components are assembled and configured by Flex Ltd. ("Flex"). Our platform line is designed to leverage the components from manufacturers that we believe are industry leaders. Our data storage devices and memory components utilize industry-standard technologies but are selected and configured to work optimally with our software and hardware platform. Flex also procures a wide variety of components used in the assembly process on our behalf. Although many of these components are available from multiple sources, Teradata utilizes preferred supplier relationships to better ensure more consistent quality, cost and delivery. Typically, these preferred suppliers maintain alternative processes and/or facilities to ensure business continuity of supply. Given our strategy to outsource product assembly activities to Flex and to source certain components from single suppliers, a disruption in production at Flex or at a supplier, a global shortage of components, commodity, transportation, and/or inflationary pressures could impact the timing or profitability of customer shipments. In addition, a significant change in the forecasts to any of these preferred suppliers could result in purchase obligations for components that may be in excess of demand. Although we have not experienced issues from inflationary challenges or otherwise, the current inflation environment could present potential supply chain uncertainty, and we have implemented programs to mitigate these potential risks. For more information, see Item 1A, Risk Factors in this Annual Report.

Human Capital

Teradata operates with a fully flexible work environment, empowering employees to make decisions about where and how they can be most productive. Our global workforce is located in ~~approximately~~ approximately 40 ~~countries~~ countries, and our corporate headquarters are in San Diego, California.

Teradata's people objectives are to attract, retain, develop, and nurture the most innovative, curious, and skilled talent available. Along with our fully flexible work environment, we offer competitive pay and comprehensive health and wellness benefits and programs designed to help our people thrive.

As of ~~December 31, 2023~~ December 31, 2024, we had approximately 6,500~~5,700~~ employees globally, with approximately 30% ~~employed~~ employed in the United States and ~~70%~~ 70% across the rest of the world. Our global workforce is critical to our overall business strategy across target markets. During fiscal ~~2023~~ 2024, our overall headcount decreased ~~somewhat~~ as we continue to align and optimize our talent needs to drive our ~~cloud-first~~ cloud and profitable growth ~~strategy~~ strategies.

Culture and Engagement. Engagement At Teradata, we believe ~~that~~ people thrive when empowered with trusted information. We have designed our culture to be the guiding force behind our ability to deliver on that purpose. We empower our people to live our core principles: customer and market driven, agility in execution, and accountability to each other. We strive to create a workplace that is free from discrimination where everyone feels they belong. We cultivate a trusted environment where every individual feels not only valued, but truly empowered to thrive.

Diversity, Equity, and Inclusion. Teradata's core strength is our people. We believe that we have built a workplace where everyone can bring their authentic selves to work.

Diversity, equity, and inclusion ("DEI") is an important focus across many of our people and culture initiatives. Examples include:

- A DEI Advisory Board, designed to support our DEI mission.
- Many resources and tools to help our employees engage within culturally- and geographically-dispersed work teams to enable a culture of growth, learning, and collaboration.
- Our Inclusion Communities, which are networks of employees who unite based on shared characteristics, life experiences, or common interests. These communities are designed to provide support, networking and enhanced career and personal development. Our Inclusion Communities include Teradata Alliance of Black Employees, Blend (a community for employees in India), Veterans, Teradata Pride, HISPA (a community for Hispanic and Latin employees), Women of Teradata, Green Agenda, and Asian and Pacific Islander. All our Inclusion Communities encourage membership from allies.
- Diversity in Technology Scholarship, a program for STEM-related degrees in support of the communities where we operate and live.
- A score of 100 out of 100 in the Human Rights Campaign Corporate Equality Index ("CEI"), a benchmarking survey and report that measures corporate policies and practices related to LGBTQ+ equality. 2023 marked our second time earning a score of 100.

Health, Safety, and Wellness. Wellness We are committed to the health, safety, and wellness of our employees and their families. We provide flexible and inclusive programs that cater to diverse needs of well-being. This includes quarterly well-being days, global paid holidays for all employees, as well as half-day Fridays, providing employees extra paid time off each week during 3 months of the year.

Compensation and Benefits. Our compensation and benefits reflect our commitment to fairness and inclusion. We have robust compensation and benefit programs designed to attract and retain talent and meet the varied and evolving needs of a global ~~and diverse~~ workforce. In addition to our competitive base pay,

these programs, (which vary by country/region) region, include sales incentives, annual bonuses, stock awards, an Employee Stock Purchase Plan, a 401(k) Retirement Savings Plan with a company match, Plans, healthcare and insurance benefits, and paid time off, family leave, and paid parental leave. As an off. One specific example of our commitment

inclusive benefits includes parental leave, offering birthing and non-birthing parents up to DEI, we ensure that all 14 weeks of our benefits provide coverage paid leave for domestic partners, bonding with a new child arriving through birth, adoption, placement, or foster care.

Talent Development. Teradata is committed to supporting the professional development of our employees by providing resources and pathways for growth. Over the last several years, we have evolved our talent practices to facilitate frequent conversations between managers and employees on performance and development. We have launched on-demand learning resources, such as LinkedIn Learning and Country Navigator, which give employees flexibility in when and how they learn. We also provide facilitated learning opportunities to help build specific capabilities and skills, such as Basics of Communication, Emotional Intelligence, Influence, and Time Management. Our We offer executive and leadership development programs are designed to enable our leaders to role model our leadership principles and empower individuals to lead at every level.

Community Engagement. We believe that building connections between our employees, their families, and our communities creates a more meaningful, fulfilling, and enjoyable workplace. We support local STEM education programs to ensure emerging leaders in our communities have opportunities to explore their interests. Our Teradata Cares program empowers our employees to make a positive difference where we live and work through volunteerism and giving. We support our employees' giving and volunteer efforts by providing matching donations for employee contributions to qualified not-for-profit agencies, project grants, Annual Days of Caring, and supporting communities where we have employee populations. To further enable employees to support the charity of their choice, we afford provide every employee four days a year, during normal working hours, for volunteer efforts of their choice.

Properties and Facilities. Our corporate headquarters is located in San Diego, California. As of December 31, 2023 December 31, 2024, we operated 4441 facilities in 3029 countries throughout the world. We own our San Diego complex, while all other facilities are leased.

Information About Our Executive Officers. The following table and biographies sets forth information as of February 23, 2024 February 21, 2025 regarding the individuals who are serving as our executive officers.

Name	Age	Position(s)
Stephen McMillan	53 54	President and Chief Executive Officer
Hillary Ashton	52	Chief Product Officer
Claire Bramley	46 47	Chief Financial Officer
Todd Cione	54	Chief Revenue Officer
Kathleen Cullen-Cote	59 60	Chief People Officer
Michael Hutchinson	58 59	Chief Customer Officer
Richard Petley	48	Chief Revenue Officer
Margaret Treese	57 58	Chief Legal Officer
Jacqueline Woods	62 63	Chief Marketing Officer

Stephen McMillan. Stephen McMillan is the Company's President and Chief Executive Officer and has served in this role since joining the Company in June 2020. Mr. McMillan has served on the Company's Board of Directors since June 2020. Previously, he served as the Executive Vice President of Global Services for F5 Networks, Inc., a transnational company that specializes in application services and application delivery networking, from October 2017 when he joined F5 until May 2020. Prior to joining F5, from September 2015 until October 2017, he was Senior Vice President, Customer Success and Managed Cloud Services at Oracle Corporation, a global software and services company, where he was responsible for developing, overseeing, and expanding a customer success organization focused on the company's strategic SaaS portfolio. From May 2012 to September 2015, he served as Senior Vice President, Managed Cloud Services at Oracle.

Hillary Ashton. Hillary Ashton is the Company's Chief Product Officer and has served in this role since August 2020. Prior to that, Ms. Ashton served as the Executive Vice President of Teradata Products from November 2019, when she joined the Company, until August 2020. Prior to joining Teradata, she served as Executive Vice President and General Manager Augmented Reality, at PTC Inc., a global computer software and services company, from July 2018 until November 2019. In this role, she was responsible for all operational aspects of the Vuforia business and its product lines, including executive leadership and vision, strategy, sales, and marketing. From 2014 to 2018, she served as SVP of Analytics SaaS solutions at Manthan, a cloud analytics company for consumer-facing businesses.

Claire Bramley. Claire Bramley is the Company's Chief Financial Officer and has served in this role since joining Teradata in June 2021. She served as the Global Controller for HP Inc., a multinational information technology company, from December 2018 until June 2021. From June 2015 until December 2018, she served as HP's Regional Head for Finance for EMEA, and from January 2013 to May 2015, she served as Vice President, Corporate Financial Planning and Analysis at HP. Ms. Bramley also serves on the Board of Directors of Ansys, Inc. On February 11, 2025, we announced that Ms. Bramley decided to resign from her position as Chief Financial Officer of the Company (including as its principal financial officer and principal accounting officer) and that her last day with the Company will be March 31, 2025.

Todd Cione. Todd Cione is the Company's Chief Revenue Officer and has served in this role since joining Teradata in January 2021. Mr. Cione served as the Head of U.S. Enterprise Accounts for Apple, Inc., a multinational technology company, from the time he joined the company in July 2017 until December 2020. Prior to joining Apple, from 2016 until 2017, he was Senior Vice President, Oracle Digital, North America Applications, at Oracle Corporation, a global software and services company.

Kathleen Cullen-Cote. Kathleen Cullen-Cote is the Company's Chief People Officer and has served in this role since joining Teradata in July 2019. Prior to joining Teradata, Ms. Cullen-Cote served in human resource leadership roles at PTC Inc., a global computer software and services company, from 2002 to June 2019, including Executive Vice President and Chief Human Resources Officer from April 2019 to July 2019; Corporate Vice President, Human Resources from 2012 until March 2019; Senior Vice President, Human Resources, from December 2010 to 2012; and Vice President, Human Resources, from October 2009 until December 2010.

Michael Hutchinson. Michael Hutchinson is the Company's Chief Customer Officer and has served in this role since January 2022. Previously, from June 2021 when he joined the Company until December 2022, he served as Senior Vice President World-Wide Customer Success, Consulting and Renewals. Prior to joining Teradata, Mr. Hutchinson served as the Senior Vice President and Chief Customer Officer at Verint Systems Inc., a customer engagement solutions provider, from August 2020 to May 2021 and as its Senior Vice President, Global Professional Services and Support from April 2018 until August 2020. From 1990-2018, he held several positions with Oracle Corporation, a global software and services company, most recently as the Group Vice President, North America Customer Success from December 2015 to March 2018.

Richard Petley. Richard Petley is the Company's Chief Revenue Officer and has served in this role since April 2024. Previously, Mr. Petley served as Teradata's Executive Vice President, Global Sales, from April 2022, when he joined the Company, until April 2024. He served as General Manager, Western Europe, for Oracle Cloud, at Oracle Corporation, a global software and services company, from 2021 until April 2022. From 2018 until 2021, he was the Managing Director, Oracle UK. Prior to Oracle, Mr. Petley held sales leadership positions at IBM Corporation, a global technology company, with consistent success in growth areas of enterprise software, SaaS and AI, most recently serving as Vice President, IBM Cognitive and Industry Solutions, IBM UK and Ireland from 2017 until 2018.

Margaret Treese. Margaret Treese is the Company's Chief Legal Officer and has served in this role since November 2020. Previously, from 2018 until January 2020, she served as Teradata's Deputy General Counsel and Secretary. From 2007 until 2018, she served as the Chief Corporate and Governance Counsel and Assistant Secretary and was named Corporate Secretary of Teradata in 2018.

Jacqueline Woods. Jacqueline Woods is the Company's Chief Marketing Officer and has served in this role since joining Teradata in December 2021. Previously, she served as the Global Chief Marketing and Communications Officer for NielsenIQ, a consumer intelligence company, from 2019 until November 2021. Prior to that, Ms. Woods was with IBM Corporation, a global technology company, serving as the company's Chief Marketing Officer of IBM Global Partner Ecosystem Division from 2017 until 2019 and, Chief Marketing Officer of IBM Global Financing from 2015 until 2017. Ms. Woods also serves on the Board of Directors of Winnebago Industries, Inc.

There are no family relationships between any of the executive officers or directors of Teradata.

There are no contractual obligations regarding the election of our executive officers or directors.

Information. Teradata makes available through its website, free of charge, its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, and all amendments to such reports, as soon as reasonably practicable after these reports are electronically filed or furnished to the U.S. Securities and Exchange Commission ("SEC") pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act"). These reports and other information are available, free of charge, at www.sec.gov. Teradata will furnish, without charge to a security holder upon written request, the Notice of Meeting and Proxy Statement for the 2024 2025 Annual Meeting of Stockholders. Teradata will furnish the Code of Conduct and any other exhibit at cost (the Code of Conduct is also available through Teradata's website at <http://https://www.teradata.com/about-us/corporate-governance/code-of-conduct/>). Document requests are available by calling or writing to:

Teradata - Investor Relations
17095 Via Del Campo
San Diego, CA 92127
Phone: 858-485-2088

Item 1A. RISK FACTORS

You should carefully consider each of the following risk factors and all other information set forth in this Annual Report. Based on the information currently known to us, we believe that the following information identifies the most significant risk factors affecting our company in each of these categories of risks. However, the risks and uncertainties our Company faces are not limited to those set forth in the risk factors described below. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business.

In addition, past financial performance may not be a reliable indicator of future performance, and historical trends should not be used to anticipate results or trends in future periods.

If any of the following risks and uncertainties develops into actual events or occurrences, these events could have a material adverse effect on our business, financial condition or results of operations. In such case, the trading price of our common stock could decline.

RISKS RELATED TO OUR BUSINESS AND OPERATIONS

Our failure to successfully execute our cloud-first strategy and achieve the anticipated benefits of our business transformation, which includes successfully developing, launching, and scaling cloud-based cloud- and on-premises-based products and product enhancements and/or enabling our data platform to operate effectively in cloud various environments, including cloud, hybrid, and on-premises, or those of our cloud service provider partners, and/or for various uses, including artificial intelligence ("AI") and machine learning ("ML"), could have a material adverse effect on our competitive position, business, brand and reputation, competitive position, financial condition, results of operations, and cash flows.

The successful implementation of our cloud-first strategy to be the hybrid cloud platform for trusted AI at scale, coupled with the continued execution of our business transformation presents can present organizational and infrastructure challenges. We may not be able to implement, execute, and realize some or all of the anticipated benefits from our strategy or our business transformation plan on a timely basis, or at all. Even if the anticipated benefits and savings are substantially realized, there may be unforeseen consequences, internal control issues, or business impacts.

A core component of our business strategy is to expand and enhance our product offerings, particularly for analytic solutions in a cloud-based environment with cloud service providers, and hybrid environments, to include newer market-relevant features, functionality, and cloud native cloud-native options, including AI/ML, and to keep pace with price-to-performance gains. In this regard, we have launched our Teradata VantageCloud Lake and Teradata VantageCloud Enterprise components please see Item 1. Business, for a description of our Teradata Vantage platform, have focused on migrating our customers from on-premises environments to the cloud product offerings and upgrading our customers from our VantageCloud Enterprise environment to our VantageCloud Lake environment, and consistently released additional capabilities and new cloud platforms throughout 2023, and we innovations. We expect that we will continue to enhance our cloud, hybrid, on-premises, and AI/ML offerings in the future. In addition, we are focused on expanding our customer's workloads in both our on-premises and cloud platforms. Shortened product life cycles due to customer demands and competitive pressures impact the pace at which we must develop, introduce, and implement new technology as part of our product offerings. This requires a high-level anticipation of customer needs and technology trends, as well as innovation by both our software developers and the suppliers of the third-party software components included in our solutions. Bringing new offerings to the market entails a costly and, at times, lengthy process, that may increase our risk of liability and cause us to incur significant technical, legal, or other costs. Furthermore, as we migrate our customers from on-premises environments to the cloud, upgrade customers from customers' VantageCloud Enterprise to VantageCloud Lake, environments, and expand our customer's customers' workloads in cloud, hybrid, and on-premises deployments, we may incur unexpected costs or delays. New cloud offerings, migrations, expansions, upgrades, and deployment models that we rollout may not be successful, and we may not be able to develop the necessary business models, infrastructure, and systems to support and scale the business as our business evolves. This includes acquiring, retaining and developing the right people to execute our business strategy in a competitive job market. In addition, market acceptance of new product and service offerings will be dependent in part on our ability to include functionality and usability that address customer requirements, and to optimally price our offerings and services to meet customer demand and cover our costs. Our go-to-market strategies, including for AI/ML, cloud, and multi-cloud strategies hybrid also must adjust to customers' customers' changing buying preferences, and there can be no assurance that our go-to-market approach will adequately and completely address such preferences.

As part of our business strategy, we also continue to dedicate a significant amount of resources to our R&D efforts in order to maintain and advance our competitive position, including our initiatives to provide and improve our offerings for cloud environments and to enable our data platform to operate effectively in cloud environments. However, we may not receive significant revenues from these investments for several years, if at all. R&D expenses represent a significant portion of our discretionary fixed costs.

We may not successfully execute on our vision or strategy because of challenges we may face, including with regard to product planning and timing, technical hurdles that we fail to overcome in a timely fashion, cloud service provider costs or other requirements, or a lack of appropriate resources. If we are unable to:

successfully execute on our cloud-first strategy and/or continue to respond to market demands, demands; develop leading technologies, technologies; timely deliver offerings to the market, market; timely scale of our cloud business to achieve gross margins comparable or better than our on-premises business, business; continue successful migrations, expansions, and upgrades for our customers, customers; maintain our industry leading hybrid-environment capabilities; and maintain our leadership in analytic data solutions solutions' performance and scalability, scalability; then our competitive position, business, brand and reputation, talent acquisition, financial condition, guidance, and forecasts, results of operations, future Total Annual Recurring Revenue ("ARR") growth potential, and cash flows may be adversely affected.

Unanticipated delays or accelerations in our sales cycles makes accurate estimation of our Total ARR, Public Cloud ARR, and revenues difficult, and have resulted in, and could in the future result in, significant fluctuations in our quarterly operating results and have impacted, and could in the future impact, our ability to achieve any financial guidance and forecasts that we may provide.

The length of our sales cycle varies depending on several factors over which we may have little or no control, including including:

- the size and complexity of a potential transaction, transaction;
- whether a sale involves a cloud offering, or hybrid offering;
- the level of competition that we encounter in our selling activities, and our current and potential activities;
- customers' internal budgeting and approval process, as well as with increasing involvement of the customer C-suite in transactions given the enterprise-wide strategic value our platform provides, including for AI/ML;
- corporate events impacting our customers, including reorganizations or acquisitions, where personnel we are engaging with who have institutional knowledge and history with us have departed or are otherwise unavailable to us; and
- overall macro-economic conditions.

In addition, our account team has teams have had difficulty in the past obtaining and assessing information as to whether a transaction is proceeding as planned or if whether a longer sales cycle will be required, and such difficulty may continue in the future. Because of a generally long sales cycle, we may expend significant effort over a long period of time in an attempt to obtain an order, but ultimately not complete the sale, or the order ultimately received may be smaller than anticipated. The long sales cycle for our products also makes it difficult to predict the quarter in which sales will occur. For instance, in the fourth quarter of 2023, we experienced elongated sales cycles resulting in Teradata's Public Cloud ARR for the 2023 fiscal year falling below the 2023 Public Cloud ARR guidance range that had previously been provided. Delays in sales have caused, and could in the future cause, significant variability in our results for any particular period and have impacted, and could in the future impact, our ability to achieve any financial guidance and forecasts that we may provide.

We may experience variability in our operating results based on the purchasing behavior of our customers.

Our business has substantially shifted from a traditional, perpetual pricing and revenue model to a subscription-based model in which less revenue is recognized upfront at the time the customer enters into a transaction. The pace and extent to which customers will continue to purchase, consume and renew our offerings on a subscription basis is variable and, therefore, has impacts on our results and operations. In addition, we We also have flexible pricing options for our cloud customers, including consumption-unit based, "pay as you go" pricing. Under such a pricing model, we generally recognize revenue based on consumption. To the extent that customers opt for such a flexible pricing model, we may not be able to accurately forecast the timing of customer consumption of our offerings. In addition, the needs of our customers have quickly evolved from a cloud-only approach to considering hybrid platforms or remaining on-premises. As a result, our actual results may differ from our projections, projections, particularly for Public Cloud ARR and Total ARR. Furthermore, our on-premises subscription arrangements may provide the customers with the right to cancel our agreement upon certain notice periods, which we may change in the future. Such arrangements may impact the timing of revenue recognition for these customers and result in fluctuations in our quarterly operating results.

As we develop new offerings with enhanced capacity, delivery and performance capabilities, the increased difficulty and complexity associated with producing these offerings may increase the likelihood of reliability, quality, operability, and/or security issues.

From time to time, errors or security flaws are identified in our offerings, which in certain cases are can be discovered after the offerings are introduced and delivered to customers. This risk is enhanced when offerings are first introduced, or when new versions are released, released, or if customers choose to either delay or deny an upgrade to the most recent version of our platform. In particular, when we develop offerings with more advanced technology, the production of such offerings involve involves increased difficulty and complexity and as a result may increase the likelihood of reliability, quality, operability, and/or security issues with such offerings. Our products and services may also fail to perform to the full specifications and expectations of our customers, including as part of transitioning customers to the cloud, in particular those that involve customer and/or third-party dependencies. Additionally, third-party components that we integrate into our solutions can have undetected quality issues that can impact the performance of our offerings. We may not be able to detect or remedy all errors, including those that may be deemed critical by our customers, prior to release or deployment.

Such reliability, quality, operability, and security issues may negatively impact our ability to retain current customers, including due to customer cancellations or non-renewals, as well as our ability to obtain new customers and could expose us to liability, performance and warranty claims, as well as harm our brand and reputation. These and other risks associated with new offerings may have a material adverse impact on our results of operations and future performance.

A cybersecurity incident, disruption, or failure of our information systems or those of our third-party providers could adversely impact our reputation, business, and financial results.

Our operations are critically dependent on the security of our computer systems, the computer systems of our key suppliers and third parties, and the information stored in such systems. We face risks from, among other things, natural disasters (such as earthquakes and fires), technological threats (such as cyber-attacks, power outages, and telecommunications failures), and human actions (such as unauthorized access or exploitations, insider actions, phishing schemes, and other events). Increasingly, companies are subject to a wide variety of attacks on their networks on an ongoing basis. Incidences of cyberattacks cyber-attacks and other cybersecurity breaches and incidents have increased and are likely to continue to increase. The occurrence of one or more of these events could result in data loss, system outages, and other interruptions in our operations, which could have a material adverse effect on our business, financial condition or results of operations.

Despite robust data security measures and skilled computer programmers, nation state sponsored cyber attackers (including from countries such as Iran, China, Russia and certain Eastern European nations) and hackers may be able to penetrate our network security or that of our third-party providers and misappropriate or compromise our intellectual property or other confidential information or that of our customers, create system disruptions or cause shutdowns. They may also be able to develop and deploy viruses, worms, and other malicious software programs that attack our systems or products or otherwise exploit security vulnerabilities of our systems or products. In addition, phishing-scheme-perpetrators may be able to lure employees or contractors into providing such perpetrators with information that may enable them to avoid some of our network security controls or those of third-party providers which could result in system disruptions or a loss of confidential and proprietary information.

While immaterial in impact, we have been subject to actual and threatened cyber-attacks, and there can be no assurance that our defensive measures will be adequate to prevent them in the future. From time to time, we discover vulnerabilities in our software products, and while we routinely perform regular system updates and patches to our various information systems and our products to address such vulnerabilities, our we may be unable to timely implement patches and security measures may not be able to detect and address each vulnerability, which if exploited by threat actors, can could result in a cyber incident with material impact to our business, financial condition and results of operations cyber-attack. When such attacks cyber-attacks occur, we could incur significant liability to our customers whose information was compromised, and our product platform may be perceived as less desirable, which could negatively affect our business and damage our reputation. Further, because we do not control our third-party service providers, or the processing of data by our third-party service providers, we cannot fully ensure the integrity or security of measures they take to protect customer information and prevent data loss. These types of activities will recur and persist, one or more of them may be successful in the future, and one or more of them may have been or will be successful but not detected, prevented, remediated or mitigated by us, and the costs to us to eliminate, detect, prevent, remediate, mitigate or alleviate cyber security or security vulnerabilities could be significant, and our efforts to address these problems may not be successful and could adversely impact our future results of operations. If as a result of these events, the information stored on our or our customers' systems could be accessed, publicly disclosed, altered, lost or stolen, they can subject us to additional liability and cause us financial harm. In addition, our disclosures concerning security incidents may become the subject of litigation, and cause us, especially in the event of an adverse court ruling, additional financial strain and reputational harm. While we take and will continue to take remediation steps, there is no guarantee that our preventative and mitigation actions with respect to any cybersecurity incident will fully eliminate the risk of a malicious compromise of our, our third-party service providers' or our customers' systems.

Additionally, we offer the ability for our employees to choose a remote work location which introduces additional security challenges. The increase in endpoints to manage and reliance on employees to adhere to information security policies and hygiene practices, heightens the vulnerability of our systems to security breaches.

While we maintain insurance coverage for certain liabilities related to cyber-attacks and/or data breaches, such coverage may not adequately cover all costs, expenses, liability and damages that we or our customers may incur as a result of such incidents.

The transition to cloud-based software-as-a-service (SaaS) offering of our cloud- and cloud solutions hybrid-based platforms has increased our exposure to information security risks related to the protection of by increasing our joint responsibility with customers and third-party cloud providers for protecting sensitive information processed through these solutions and platforms, preventing any unauthorized access to or use of such systems platforms, preventing data breaches, and addressing vulnerabilities in customer-managed applications, the failure of which could adversely impact our results of operation, reputation, compliance obligations, and relationships with our customers.

Prior to our transition to a subscription-based business, offering cloud- and hybrid-based platforms, our customers generally purchased or leased on-premises hardware systems used in connection with our software solutions, which our customers deployed and operated. With respect to these types of customer on-premises solutions, the customer, directly or through its selected services providers, has full control over its data security. Our ongoing transition from traditional While we continue to provide on-premises hardware systems to cloud-based SaaS offerings capabilities for our customers, we also provide cloud- and hybrid-based platforms, which has altered expanded our information security risk landscape. Cloud-based SaaS offerings

Our cloud- and hybrid-based platforms generally require us to deploy or operate solutions for our customers, directly or through the use of third-party services providers, either on-premises at customer-selected data center facilities, or at third-party-hosted data

center facilities. As a result, more responsibility for data security has been transferred to us and our third-party service providers. Furthermore, providers due to the data security responsibilities allocated among us, our customers, and third-party providers that are inherent in cloud environments, we cloud- and hybrid-based platforms. For example, gaps in security responsibilities can materialize if roles among us, our customers, or third-party providers are exposed not clearly defined or effectively managed and can lead to additional security risks (such as compromised credentials, hijacked accounts, data breaches due to misconfigured cloud storage, inadequate security practices by third-party providers, and vulnerabilities in shared technology). The distributed and bear greater responsibility for

securing multi-tenant nature of our cloud- and hybrid-based platforms can also complicate data against unauthorized access, governance and compliance. While customers handle application development and deployment within our platform, vulnerabilities stemming from various actions, including unsecure coding practices, data breaches, leakage, performance issues, or mismanagement of configurations, can impact the broader platform's integrity and other cyber threats. This responsibility extends not only to security. Further, we are required to our infrastructure but also to third-party cloud service providers we engage. The transition to cloud-based SaaS maintain and cloud solutions has increased our exposure to risks related to the protection of sensitive information processed through these solutions and the need to obtain various global security certifications for our Vantage Cloud platforms, such as the International Organization for Standardization 27001 ("ISO 27001"), Payment Card Industry Data Security Standard ("PCI"), Federal Risk and Authorization Management Program ("FedRAMP®"), to remain competitive and any delays or failure in certain industries. The distributed nature of cloud computing can also complicate data governance maintaining or obtaining such certifications may hinder our competitiveness, particularly in regulated industries, and compliance with various global data protection regulations. impact customer confidence.

If unauthorized access to or use of such information our cloud- or systems hybrid-based platforms, failure to prevent data breaches, or failure to address vulnerabilities in customer-managed applications occurs, despite robust data security measures and third-party commitments to protect them, our results of operation, reputation, compliance obligations, and relationships with our customers could be adversely impacted. Even the perception of inadequate security, including as a result of delays or failure to obtain necessary security certifications such as FedRAMP, may damage our reputation and negatively impact our ability to win new customers and retain existing customers, consequently adversely impacting our financial performance and condition.

If our existing customers fail to renew, or cancel, their subscription license arrangements or support agreements, or if customers do not renew on terms favorable to us, our business could be adversely affected.

Teradata's platform offerings have been expanded to include a variety of subscription options, which impact the timing of when revenues are recognized and related cash flows are collected. The IT industry generally has been experiencing increasing pricing pressure from customers when purchasing or renewing support agreements. In addition, we are in a transformation to a cloud-first company. As our on-premises customers migrate all or a portion of their data analytics solutions to a cloud-based environment, some customers have selected a cloud-based offering of one of our competitors and existing customers may do so in the future. As a result, such customers have cancelled all or a portion of their arrangements with us and may continue to do so in the future. While customer cancellations we have had to date have not been material to our business, they could become material in the future. Mergers and acquisitions in certain industries that we serve could result in a reduction of the software and hardware being supported and put pressure on our subscription and support terms with customers who have merged. Given these factors, there can be no assurance that our current customers will migrate from on-premises to the cloud with Teradata, renew their subscription and/or support agreements, or agree to the same terms when they renew, which could result in our reducing or losing subscription and/or support fees which could adversely impact operating results.

Our future results depend in part on our relationships with strategic partners, key suppliers, and other third parties.

Our development, marketing, and distribution plans depend in part on our ability to form strategic alliances with third parties that have complementary offerings, software, services, and skills. Our strategic partners include cloud service providers, consultants and system integrators, software and technology providers, hardware support service providers, and indirect channel distributors in certain countries. These relationships involve risks, including our partners changing their business focus, entering strategic alliances with other companies, being acquired, including by our competitors, failing to meet regulatory requirements, data privacy or other laws, or performance criteria, improperly using our confidential information, exposing our data and/or customer information through the transfer of data to the cloud or otherwise or through other security breaches, or their market reputation deteriorating. If we fail to maintain or expand our relationships with strategic partners or if we are forced to seek alternative technology or technology for new solutions that may not be available on commercially reasonable terms, our business may be adversely affected.

As part of our cloud-first strategy, the growth of our business is dependent primarily on our relationships with public cloud service providers, Amazon Web Services ("AWS"), Google Cloud, and Microsoft Azure. Azure, can impact our business. Our strategic partnerships relationships with these cloud service providers for our cloud offerings on their platforms require significant investments to ensure that our solutions are optimized in these cloud environments. In addition, there are geographies in which we operate that utilize alternative, local cloud-platform service providers where AWS, Google Cloud, and Microsoft Azure are inaccessible or not available. The cloud service providers maintain relationships with certain of our competitors, and our competitors may in the future establish relationships with additional competing cloud data platform providers. Furthermore, cloud service providers do and may in the future provide platforms that compete with VantageCloud and VantageCloud Lake. Any of these cloud service providers may decide to modify or terminate our business relationship, change the terms of any agreement or pricing terms that we have with them, or may otherwise enter into preferred relationships with one or more competing cloud data platform providers. If we are unsuccessful in meeting performance requirements or obtaining future returns on these investments, or if we are otherwise unable to maintain adequate relationships with any of these cloud service providers, our financial results may be adversely impacted.

Third-party vendors provide important elements to our solutions; if we do not maintain our relationships with these vendors or if these vendors cease to be going concerns, interruptions in the supply of our offerings may result. There are some components of our solutions that we purchase from single sources due to price, quality, technology or other reasons. For example, we rely on Flex as a key single source contract manufacturer for our on-premises hardware systems. In addition, we buy servers from Dell Technologies Inc. and storage disk systems from NetApp, Inc. Some components supplied by third parties may be critical to our solutions, and several of our suppliers may terminate their agreements with us without cause with 180-days' notice. In addition, we rely on certain vendors for hardware support services and parts supply. If we were unable to purchase necessary services, parts, components or offerings from a particular vendor and had to find an alternative supplier, our shipments and deliveries could be delayed. Also, quality issues, commodity, transportation, wage, or other inflationary pressures, a disruption in our supply chain or the need to find alternative suppliers could impact the costs and/or timing associated with procuring necessary offerings, components and services. In any case, our operations could be adversely impacted. Similarly, our suppliers' offerings and services have certain dependencies with respect to their own supply chain networks, and supply and/or inflation issues among our suppliers may also adversely impact our business.

Demand for the offerings and services we sell could decline if we fail to maintain positive brand perception and recognition.

In 2023, Teradata introduced a new brand **identity**, including our messaging around trusted data and trusted AI. With this brand we strive to be modern, innovative, and reflective of our vision for the future. Our updated brand is designed to highlight Teradata's role as a leader in AI **analytics**, and **hybrid** cloud **data** and **analytics**. We believe that recognition and the reputation of our brand is key to our success, including our ability to retain existing customers **and as well as** attract new **customers**, **customers** and **partners**. While we leverage our decades of experience in data analytics and database management services, we believe we have evolved to provide the modern offerings customers need. These include the cloud-native architecture of Teradata VantageCloud Lake, the end-to-end pipeline of AI/ML capabilities in ClearScape Analytics, **and our AI and on-demand AI/ML engine in the cloud that delivers a completely self-service and serverless experience of with Teradata AI Unlimited**, **Unlimited**, and our commitment to providing a platform compatible with OTFs to provide an open and connected ecosystem offering to our customers. The failure for the market to recognize our **new** brand attributes or for there to be misperceptions in the market regarding our **cloud**, **hybrid**, **AI**, or other capabilities could negatively impact our ability to upgrade existing on-premises customers to our **hybrid** cloud-based solutions, or from **VantageCloud Enterprise to VantageCloud Lake**, drive expansion/consumption growth, and/or acquire new customers for our on-premises and **hybrid** cloud businesses. In addition, damage to the reputation of our **brands** could result in, among other things, customer cancellations or non-renewals, lower employee retention and productivity, vendor relationship issues, and investor and other stakeholder scrutiny, **all any** of which could materially affect our revenue and profitability.

Increases in the cost of components used in our product, and/or increases in our other costs of doing business, have, and could continue to, adversely affect our profit margins.

Our cloud offerings are dependent on cloud service providers and require significant investments to ensure that our solutions are optimized in these cloud environments. In addition, our profit margins are currently adversely impacted by the price we pay for cloud services and will continue to do so until we effectively scale our cloud business.

Our hardware components are assembled and configured by Flex. Flex also procures a wide variety of components used in the assembly process on our behalf. Although many of these components are available from multiple sources, we utilize preferred supplier relationships to better ensure more consistent quality, cost and delivery. Components used in our products require commodities as part of their manufacturing. In addition, we have a global employee population. As such, increased costs and/or commodity and other inflation, and/or increased tariffs on certain items imported from foreign countries have affected our profit margins and could continue to result in declines in our profit margins. Historically, we have mitigated certain cost increases, in part, by increasing prices on some of our products and collaborating with suppliers, **in particular Flex**, reviewing alternative sourcing options, and engaging in internal cost reduction efforts, all as appropriate. However, we may not be able to fully offset increased costs. Further, if any price increases we adopt are not accepted by our customers and the market, our net sales, profit margins, earnings, and market share could be adversely affected.

Challenges with the design and implementation of our new enterprise resource planning ("ERP") system could adversely impact our business and operations.

We are **executing** a multi-year initiative to transform and modernize our **ERP system**, and expect to complete the final go-live phase in the first quarter of 2025. The **1st** phase of the system's implementation has been used to support the preparation of our Annual Report on Form 10-K for 2024. The **ERP** system is designed to accurately maintain the Company's financial records, enhance operational functionality, and provide timely information to the Company's management team related to the operation of the business. The implementation of the new **ERP** system requires an investment in financial and personnel resources, including substantial expenditures for outside consultants and system expenses in connection with the transformation of our financial and operating processes. While the **ERP** system is intended to **further** improve and enhance our information management systems, the ongoing implementation **and initial use** of this new **ERP** system exposes us to integration complexities and challenges with

our existing systems and processes, including the possible disruption of our financial reporting. If we failed to properly design our **ERP** system or are unable to successfully implement **and use** the new **ERP** system as planned, we may experience increased expenditure and the diversion of personnel resources which could adversely affect our internal control over financial reporting, business operations and financial condition.

Any disruption, including as a result of natural disasters or climate change, at or near any of our facilities or other operations or those of our customers, vendors, data warehouses, distribution channels, and public cloud service providers could adversely affect our business.

Disruptions could occur as a result of supply chain challenges; decreases in work force availability; natural resources availability; natural disasters; inclement weather, including as exacerbated by global climate change; man-made disasters; or other external events, such as terrorist acts or acts of war, pandemics and/or epidemics, boycotts and sanctions, widespread criminal activities, or protests and/or social unrest, or other events, at or in proximity to any of our facilities or those of our customers, vendors, data warehouses, distribution channels, and public cloud service providers. Such events and disruptions could make it difficult or impossible to deliver products and services to our customers or perform critical business functions and could adversely affect our business.

Our headquarters and data **centers** are located in California, a region with a history of seismic activity, **and** wildfires and an extreme risk of drought, flooding, and vulnerability to future water scarcity. As such, we could experience disruptions as a result of natural disasters and/or extreme weather conditions, including sea-level rise, earthquakes, tornadoes, hurricanes, earthquakes, floods, tsunamis, typhoons, drought, and fire, that could impact our business and operations. Such events could pose physical risks to our facilities and data **warehouses**, **center**, result in power outages and shortages, and/or result in failures of global critical infrastructure, telecommunication and security systems, natural resource availability, such as energy and water sources, employees' ability to work, availability of supply chain and logistics, and the additional costs to maintain or resume operations such as costs to repair damages to our facilities, equipment, infrastructure, and business relationships, each of which could negatively impact our business and operations. Furthermore, environmental regulations are increasing in their frequency

of issuance and applicability to our company, particularly due to our operations in California and the European Union. Such regulations may result in changes in the demand for resources that could adversely impact the availability or cost of goods and services, including natural resources necessary to run our business.

The world economy, including our business, realized significant disruption during the COVID-19 pandemic. The occurrence of future global pandemics and/or regional epidemics may disrupt our business in the future. The extent to which our business may be affected in the future is highly uncertain and cannot be predicted as it would be dependent on factors such as the duration and scope of the pandemic; governmental, business, and individuals' actions in response to the pandemic; and the impact on economic activity such as financial market instability.

Failure to successfully complete reorganization activities in connection with our transformation activities or otherwise could negatively affect our operations.

We have completed reorganization efforts in connection with our business transformation and we may continue to complete reorganization activity in furtherance of our strategy. In addition, from time to time, we may wind down certain business activities and/or facilities, cease doing business in certain geographic areas, and/or perform other organizational reorganization projects in an effort to reduce costs and optimize operations. For example, in 2022, we ceased our operations in Russia to comply with sanctions imposed as a result of Russia's invasion of Ukraine and in

2023 we ceased our direct operations in China. In addition, on August 5, 2024, we announced that we had realigned our sales function and had initiated global restructuring and cost reduction actions to optimize operations, reduce non-revenue generating expenses, and drive efficiencies for long-term growth and profitability. Reorganization activities involve risks as they may divert management's attention from our core businesses, increase expenses on a short-term basis or reduce revenues. We may also experience a loss of continuity, loss of accumulated knowledge, or loss of efficiency during such transitional periods, all of which may negatively impact our business, financial condition, operating results, and cash flows.

Our business is affected by the global economies in which we operate and the economic climate of the industries we serve.

Our business and results of operations are affected by international, national and regional economic conditions. In particular, the IT industry in which we operate is susceptible to significant changes in the strength of the economy and the financial health of companies and governmental entities that make spending commitments for new technologies. Accordingly, adverse global economic, inflationary, recessionary, and market conditions, including in certain economic sectors in which many of our customers operate (such as retail, manufacturing, financial services or government), may adversely impact our business. For example, adverse changes to the economy could impact the timing of purchases by our current and potential customers or the ability of our customers to fulfill their obligations to us. In addition, decreased or more closely scrutinized spending in our customers' businesses and in the industries we serve, may adversely impact our business. Uncertainty about future economic conditions may make it difficult for us to forecast operating results and to make decisions about future investments. In addition, our inability or failure to quickly respond to inflation and the resulting buying behaviors of our customers could harm our business, results of operations and financial condition. Our success in periods of economic uncertainty may also be dependent, in part, on our ability to reduce costs in response to changes in demand, inflation or other activity.

Generating substantial revenues from our international operations poses pose several risks.

In 2023, 2024, the percentage of our total revenues from outside of the United States was 47% 49%. We have exposure to more than 30 functional currencies. The risks associated with the geographic scope of our business operations include, among other things the following:

- Cultural, management, and staffing challenges associated with operating in countries around the world, including developing countries;
- Realignment of our international strategy and organization structure;
- The imposition of additional and/or different country laws, governmental controls and regulations;
- The ever-changing macro-economic and geo-political (including local conflicts and wars) environments we operate in;
- Longer payment cycles for sales in certain foreign countries and difficulties in enforcing contracts and collecting accounts receivable;
- Fluctuations in the value of local currencies and foreign currency controls in various jurisdictions where we operate, including Argentina;
- Tariffs or other restrictions on foreign trade or investment;
- Foreign trade policy changes, trade regulations, and/or disputes may adversely affect sales of our solutions and services and may result in longer sales cycles;
- The imposition of sanctions against a country, company, person or entity with whom we do business that would restrict or prohibit our business; and
- Foreign or domestic government activities that favor domestic companies, including those that may require companies to procure goods and services from locally-based suppliers.

Any of these events, among others, could materially and adversely affect our financial condition and operating results.

Our offerings are subject to United States export controls and, when exported from the United States, or re-exported to another country, must be authorized under applicable United States export regulations. Our offerings may also be subject to local country import controls. Changes in our offerings or changes in export or import regulations, including the implementation of adverse tariffs, may create delays in the introduction of our offerings in international markets, prevent our customers with international operations from deploying our offerings throughout their global systems or, in some cases, prevent the export or import of our offerings to certain countries or customers altogether. Any change in export or import regulations or related legislation, shift in approach to the enforcement or scope of existing regulations, change in tariff policy, or change in the countries, persons or technologies targeted by these regulations could result in decreased use of our offerings by, or in our decreased ability to export, import or sell our offerings to, existing or potential customers with international operations.

international operations. There is active enforcement and ongoing focus by the SEC Securities and Exchange Commission (the "SEC") and other governmental authorities on the United States Foreign Corrupt Practices Act, the U.K. Bribery Act of 2010 and similar anti-bribery, anti-corruption laws in other countries. Given the breadth and scope of our international operations, we may not in all cases be able to detect improper or unlawful conduct by our partners, distributors, resellers, customers, and employees, despite our high ethics, governance and compliance standards, which could put the Company at risk regarding possible violations of such laws and could result in various civil or criminal fines, penalties or administrative sanctions, and related costs, which could negatively impact the Company's business, brand, results of operations or financial condition.

Inadequate internal control over financial reporting and accounting practices could lead to errors, which could adversely impact our ability to assure timely and accurate financial reporting.

Internal control over financial reporting, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control objectives will be met. These inherent limitations include system errors, the potential for human error and unauthorized actions of employees or contractors, inadequacy of controls, temporary lapses in controls due to shortfalls in transition planning and oversight of resources, internal control failures as a result of the implementation and use of our new ERP system, and other factors. Consequently, such controls may not prevent or detect misstatements in our reported financial results as required under the Securities and Exchange Commission ("SEC") SEC and the New York Stock Exchange ("NYSE") rules, which could increase our operating costs or impair our ability to operate our business. Controls may also become inadequate due to changes in circumstances, and it is necessary to replace, upgrade or modify our internal information systems from time to time. In addition, unforeseen risks may arise in connection with financial reporting systems, including with our new ERP system, due to inefficient business processes, business process reengineering projects, or changes in accounting standards.

If management is not successful in maintaining a strong internal control environment, material weaknesses could occur, causing investors to lose confidence in our reported financial information. This could lead to a decline in our stock price, limit our ability to access the capital markets in the future, and require us to incur additional costs to improve our internal control systems and procedures.

Increased scrutiny from governments, investors, raters, rating agencies, customers, and others other stakeholders regarding our environmental, social, and governance ("ESG") practices, commitments, and performance and our inability to achieve any ESG goals we establish could impose additional costs, expose us to new risks, or negatively impact our reputation.

The ESG landscape is constantly changing, with an increased focus from certain investors, raters, employees, customers, regulatory requirements and other stakeholders which could stakeholder expectations continuously evolving. As a result, in greater expectations our ability to meet program goals and objectives may be challenged by a variety of us and our factors, including the complexity of implementing ESG initiatives goals, efforts, transparency, across our operations and communications which may not satisfy our stakeholders.

To meet expectations from our stakeholders, we supply chain, unforeseen economic or operational constraints, and shifts in market dynamics or regulatory frameworks. We are working to align our reporting with emerging ESG disclosure frameworks, new regulations, including those passed in the European Union and the state of California, and potential new disclosure requirements, while we also seek to report timely on progress toward our ESG objectives. We have established ESG goals, and we expect to continue to establish additional ESG goals in which our ESG goals and/or our ESG program performance may be reviewed by third-party providers such as raters and rankers rating agencies who may unfavorably evaluate our ESG initiatives. If we fail, or are perceived to fail, to meet our stakeholders' and/or raters' expectations including the achievement of the ESG goals that we establish, or regulatory requirements, we could be exposed to increased costs associated with compliance or operational changes, risk of litigation, difficulty in attracting and retaining employees, negative investor sentiment, and an adverse impact on our reputation.

RISKS RELATED TO OUR INDUSTRY

Our cloud and service offerings are designed to offer AI/ML capabilities, which exposes us to an emerging and uncertain regulatory environment and rapidly changing technology where any inability to comply with any such regulations may result in reputational harm, liability and disruption to our business operations.

The AI/ML regulatory environment is rapidly evolving, and it is difficult to predict the impact the evolving regulatory landscape may have on our business, results of operations and financial condition. Teradata VantageCloud Enterprise, Teradata VantageCloud Lake, Teradata's platforms and ClearScape Analytics are designed to deliver harmonized data, AI/ML, and faster innovation to facilitate better decision-making. AI/ML technologies are rapidly changing, and with the evolving regulatory environment, we may be subject to increased regulatory requirements, as well as other risks such as data privacy concerns, intellectual property disputes, and exposure to litigation.

The IT industry is intensely competitive and evolving, and competitive pressures could adversely affect our pricing practices or demand for our offerings and services.

We operate in the intensely competitive IT industry, which is characterized by rapidly changing technology, evolving industry standards and models for consuming and delivering business and IT services, frequent new product introductions, and frequent price and cost reductions. In general, as a participant in the data analytic analytics and AI solutions market, we face:

- Changes in customer spending preferences and other shifts in market demands, which drive changes in the Company's competition;
- Changes in pricing, marketing and product strategies, such as potential aggressive price discounting and the use of different pricing models by our competitors;
- Rapid changes in product delivery models, such as on-premises solutions versus cloud or hybrid solutions;
- Rapid changes in computing technology and capabilities that challenge our ability to maintain differentiation;
- New and emerging analytic technologies, including for AI/ML workloads, competitors, and business models;
- Continued emergence of open-source software that often rivals current technology offerings at a much lower cost, despite its limited functionality;
- Changing competitive requirements and deliverables in developing and emerging markets; and
- Continuing trend toward consolidation of companies, which could adversely affect our ability to compete, including if our key partners merge or partner with our competitors.

Our competitors include established companies within our industry, including Amazon, Google, IBM, Oracle, Microsoft, and SAP, which are well-capitalized companies with widespread distribution, brand recognition and penetration of our product platforms and service offerings. The significant purchasing and market power of these larger competitors, which have greater financial resources than we do, could allow them to surpass our market penetration and marketing efforts to promote and sell their offerings and services. In addition, many other companies participate in specific areas of our business, such as enterprise applications, analytic platforms and business intelligence software. In some cases, we may partner with a company in one area of our business and compete with them in another. In particular, in delivering our Teradata VantageCloud offerings in a cloud environment to certain of our customers, we partner with each of Amazon Web Services, Google, and Microsoft, which are public cloud service providers. The status of our business relationships with these companies can influence our ability to compete for analytic data solutions opportunities in such areas. In addition, we see additional competition from both established and emerging cloud-only data vendors and open-source providers. Failure to compete successfully with new or existing competitors in these and other areas could have a material adverse impact on our ability to generate additional revenues or sustain existing revenue levels.

Current and evolving privacy laws and regulations, regarding cloud computing, cross-border data transfer restrictions and other aspects of data privacy may impact the use and adoption of our solutions and services and adversely affect our business.

Federal, state and foreign governments continue to adopt new, or modify existing, laws and regulations addressing data privacy and the collection, processing, storage, transfer and use of data. Some of these impose new obligations directly on the Company as both a data controller and a data processor, as well as on many of our customers. New laws also require us to evaluate any required changes to our solutions and services on an ongoing basis to enable Teradata and/or our customers to comply with the new legal requirements and may also increase our potential liability through higher potential penalties for non-compliance. Further, laws such as the European Union's proposed e-Privacy Regulation are increasingly aimed at the use of personal information for marketing purposes, and the tracking of individuals' online activities. These new or proposed laws and regulations are also subject to differing interpretations which may be inconsistent among jurisdictions. These and other requirements could reduce demand for our solutions and services, require us to take on more onerous obligations in our contracts, restrict our ability to store, transfer and process data or, in some cases, impact our ability to offer our solutions and services in certain locations or our customers' ability to deploy our solutions globally. For example, existing and developing laws regarding how companies transfer personal data from the European Economic Area to the United States and other third-world countries across borders can be unpredictable and subject to legal challenge and could result in further limitations on the ability to transfer data across borders, particularly if governments are unable or unwilling to create new, or maintain existing, mechanisms that support cross-border data transfers. Additionally, certain countries have passed or are considering passing laws requiring local data residency. The costs of compliance with, and other burdens imposed by, privacy laws, regulations and standards may limit the use and adoption of our solutions and services, reduce overall demand for our solutions and services, make it more

difficult to meet expectations from or commitments to customers, lead to significant fines, penalties or liabilities for noncompliance, or slow the pace at which we close sales transactions, any of which could harm our business.

In addition to government activity, privacy advocacy and other industry groups establish new self-regulatory standards that may place additional burdens on our ability to provide our solutions and services globally. Our customers expect us to meet voluntary certification and other standards established by third parties, such as related International Organization for Standardization ("ISO") ISO standards. If we are unable to maintain these certifications or meet these standards, it could adversely affect our ability to provide our solutions to certain customers and could harm our business.

Furthermore, concerns regarding data privacy may cause our customers' customers to resist providing the data necessary to allow our customers to use our solutions and services effectively. Even the perception that the privacy of personal information is not satisfactorily protected or does not meet regulatory requirements could inhibit sales of our offerings or services and could limit adoption of our cloud-based solutions.

RISKS RELATED TO HUMAN CAPITAL

We depend on key employees and face competition in hiring and retaining qualified employees.

Our employees and access to talent are critical to our success. Our future success depends on our ability to attract, retain, develop, and motivate the services of senior management and key personnel in all areas of our Company, including engineering and development, marketing and sales professionals, and consultants. Competition for highly skilled personnel and acquired talent in the **current environment**, specifically the **IT** industry is intense. We have experienced, and may continue to experience, voluntary workforce attrition, including the loss of senior management and key personnel, in part due to the **highly-competitive** **highly competitive** job market in our industry. Furthermore, we are required to attract and retain talent with expertise in cloud-based technologies and **AI/ML** capabilities, particularly with respect to our engineering, **development** and **development services** teams. No assurance can be made that key personnel will remain with us, and it may be difficult and costly to replace such employees and/or obtain qualified talent who are not employees. We implemented a remote working policy to expand our talent pool for key personnel and we cannot predict the longer-term workforce implications. **Competition is heightened for diverse talent as companies, including us, develop and enhance DEI initiatives.** Our failure to execute on our key culture initiatives, hire, retain or replace our key personnel could have a material adverse impact on our business operations.

RISKS RELATED TO LEGAL AND REGULATORY MATTERS

We face uncertainties regarding legal proceedings, complex and changing laws and regulations, and other related matters.

In the normal course of business, we are subject to proceedings, lawsuits, claims and other matters, including those that could relate to the environment, health and safety, employee benefits, export compliance, **shareholder matters**, intellectual property, a variety of local laws and regulations, and other regulatory compliance and general matters. See "Note 10-Commitments and Contingencies" in the Notes to Consolidated Financial Statements in this Annual Report. Because such matters are subject to many uncertainties, their outcomes are not predictable. There can be no assurances that the amounts required to satisfy alleged liabilities from such matters will not impact future operating results.

In addition, we are subject to diverse and complex laws and regulations, including those relating to technology, including **AI/ML**, corporate governance, **ESG reporting**, **environmental protection**, data privacy, public disclosure, and reporting, which are rapidly changing and subject to possible changes in the future. From time to time, we may conduct internal investigations to ensure compliance with such laws and regulations, the costs or results of which could impact our financial results. In addition, we may be subject to unexpected costs in connection with new public disclosure or other **accounting** or regulatory requirements that are issued from time to time. Laws and regulations impacting our customers, such as those relating to privacy, data protection and digital marketing, could also impact our future business. Because we do business in the government sector, we are generally subject to audits and investigations which could result in various civil or criminal fines, penalties or administrative sanctions, including debarment from future government business, which could negatively impact the Company's results of operations or financial condition.

In addition, our facilities and operations, including former facilities and former operations for which we may have liabilities, are subject to a wide range of environmental protection laws. There can be no assurances that the costs required to comply with applicable environmental laws will not adversely impact future operating results.

Management time and resources are spent to understand and comply with changing laws, regulations and standards relating to such matters as corporate governance, accounting principles, public disclosure, SEC regulations, and the rules of the NYSE where our shares are listed. Rapid changes in accounting standards, and federal securities laws and regulations, among others, may substantially increase costs to our organization, challenge our ability to timely comply with all of them and could have a negative impact on our future operating results.

Gaps in protection of Teradata's intellectual property or unlicensed use of third-party intellectual property could impact our business and financial condition.

As a technology company, our intellectual property portfolio is crucial to our continuing ability to be a leading **multi-cloud** **hybrid cloud** data and analytics platform **provider** for **trusted AI**. We strive to enhance and, as much as is legally and reasonably possible, protect our proprietary intellectual property rights through patent, copyright, trademark and trade secret laws, as well as through technological safeguards and the actions of our people. These efforts include protection of the offerings and application, diagnostic and other software we develop.

Where gaps exist in our intellectual property protection, even if such gaps are reasonable, our business could be materially adversely impacted. We may be unable to prevent third parties from using our technology without our authorization or independently developing technology that is similar to ours, particularly in those countries where the laws do not protect our proprietary rights as fully as in the United States (such as Iran, China and certain Eastern European countries who may use NSSAPC to advance their own industries). With respect to inventions for which we choose to file patent applications, we may not be successful in securing patents for these claims, and our competitors may already have applied for patents that, once issued, will prevail over our patent rights or otherwise limit our ability to sell our offerings.

While we take steps to provide for confidentiality obligations of employees and third parties with whom we do business (including customers, suppliers and strategic partners), there is a risk that such parties will breach such obligations and jeopardize our intellectual property rights. Many customers have outsourced the administration and management of their data and analytics environments to third parties, including some of our competitors, who then have access to our confidential information. Although we have agreements in place to mitigate this risk, there can be no assurance that such protections will be sufficient. In addition, our ability to capture and re-use field-based developed intellectual property is important to future business opportunities and profits.

We are seeing an extended trend towards aggressive enforcement of intellectual property rights, especially by so-called "patent assertion entities" ("PAEs") or "non-practicing entities" ("NPEs"), as the functionality of offerings in our industry increasingly overlaps and the volume of issued software patents continues to grow. As a result, we have been, and in the future could be, subject to infringement claims which, regardless of their validity, could:

- Be expensive, time consuming, and divert company resources and management attention away from normal business operations;
- Require us to pay monetary damages or enter into non-standard royalty and licensing agreements;
- Require us to modify our product sales and development plans; or

- Require us to satisfy indemnification obligations to our customers.

Regardless of whether these claims have any merit, they can be burdensome to defend or settle and can harm our business, reputation, financial condition and results of operations.

A change in our effective tax rate can have a significant adverse impact on our business.

A number of factors may adversely impact our future effective tax rates, such as:

- The jurisdictions in which our profits are determined to be earned and taxed;
- Changes in corporate tax rates in the jurisdictions in which we operate;
- The resolution of issues arising from tax audits with various tax authorities;
- Changes in the valuation of our deferred tax assets and liabilities;
- Adjustments to estimated taxes upon finalization of various tax returns; and
- Changes in available tax credits, especially surrounding tax credits in the United States for our research and development activities and foreign tax credits.

Tax rules may change in a manner that adversely affects our future reported results of operations or the way we conduct our business. Further changes in the tax laws of foreign jurisdictions could arise as a result of the base erosion and profit shifting project that was undertaken by the Organization for Economic Co-operation and Development ("OECD"). The OECD, which represents a coalition of member countries, recommended changes to numerous long-standing tax principles impacting how large multinational enterprises are taxed. In particular, the OECD has issued its guidance on the Global Anti-Base Erosion rules, with the purpose of ensuring multinational companies pay a 15% global minimum tax on the income generated in each of the jurisdictions where they operate in, referred to as "Pillar Two."

Many jurisdictions, including several European Union members and G20 countries, have now committed to an effective enactment date for enacted Pillar Two starting as of January 1, 2024. Pillar Two did not have a material impact to our effective tax rate in 2024. We are monitoring continuing to monitor developments and evaluating the impacts these new rules will have on our future tax rate, including eligibility to qualify for these the safe harbor rules.

Further, the increased scrutiny on international tax and continuous changes to countries' tax legislation may also affect the policies and decisions of tax authorities with respect to certain income tax and transfer pricing positions taken by the Company in prior or future periods. It is not uncommon for taxing authorities in different countries to have conflicting views, for instance, with respect to, among other things, the manner in which the arm's length standard is applied for transfer pricing purposes, or with respect to the valuation of intellectual property. Our income tax obligations are based partly on our corporate structure and inter-company arrangements, including how we develop, value, and use our intellectual property and the valuations of our inter-company transactions. Tax authorities may disagree with certain positions we have taken and assess additional taxes. We regularly assess the likely outcomes of these audits to determine the appropriateness of our tax provision; however, there can be no assurance that we will accurately predict the outcomes of these audits, and the actual outcomes of these audits could have a material impact on our financial condition or results of operations. In addition, governmental authorities in the United States and throughout the world may increase or impose new income taxes or indirect taxes, or revise interpretations of existing tax rules and regulations, as a means of financing the costs of stimulus and other measures enacted or taken, or that may be enacted or taken in the future. Such actions could have an adverse effect on our results of operations and cash flows.

RISKS RELATED TO OUR FINANCIAL CONDITION

Our indebtedness could adversely affect our financial condition and limit our financial flexibility.

The Company's indebtedness could:

- Expose us to interest rate risk;
- Increase our vulnerability to general adverse economic and industry conditions;
- Limit our ability to obtain additional financing or refinancing at attractive rates; rates and terms;
- Require the dedication of a substantial portion of our cash flow from operations to the payment of principal of, and interest on, our indebtedness, thereby reducing the availability of such cash flow to fund our growth strategy, working capital, capital expenditures, share repurchases and other general corporate purposes;
- Limit our flexibility in planning for, or reacting to, changes in our business and the industry; and
- Place us at a competitive disadvantage relative to our competitors with less debt.

Further, our outstanding indebtedness is subject to financial and other covenants, which may be affected by changes in economic or business conditions or other events that are beyond our control. If we fail to comply with the covenants in any of our indebtedness, we may be in default under the loan, which may entitle the lenders to accelerate the debt obligations. To avoid defaulting on our indebtedness, we may be required to take actions such as reducing or delaying capital expenditures, reducing or eliminating stock repurchases, selling assets, seeking additional equity capital, and restructuring or refinancing all or part of our existing debt, or seeking additional equity capital, debt. In addition, our ability to refinance any of our outstanding or future indebtedness will depend on market conditions

and our financial condition at such time, which may not be available could result in our ability to engage in these activities on desirable rates and terms, that are favorable to us, if or at all.

fluctuations *Fluctuations in foreign currency exchange rates have affected our operating results and could continue to impact our revenue and net earnings.*

Because the functional currency of most of our foreign activities is the applicable local currency, but our financial reporting currency is the U.S. dollar, we are required to translate the assets, liabilities, expenses, and revenues of our foreign activities into U.S. dollars at the applicable exchange rate in preparing our Consolidated Financial Statements. We operate in approximately 40 countries and are exposed to various foreign currencies in the Americas region (North America and Latin America), EMEA region (Europe, Middle East, and Africa) and APJ region (Asia Pacific and Japan) currencies. Accordingly, we face foreign currency exchange rate risk arising from transactions in the normal course of business.

In addition, we operate in certain jurisdictions that utilize foreign currency controls that may temporarily restrict access to foreign currency which results in excess cash in the jurisdiction that cannot be remitted outside of the country and is, therefore, subject to foreign currency exchange rate risk. For example, the Company has operations in Argentina. The Central Bank of Argentina maintains currency controls that limit the Company's ability to access U.S. dollars Commencing in Argentina October 2023 and remit cash from its Argentine operations. During October of 2023, continuing throughout 2024, the Company began entering into Blue Chip Swap transactions (a foreign exchange mechanism which effectively results in a parallel U.S. dollar exchange rate) in order to remit cash from its Argentine operations and such action resulted in a pre-tax loss on investment of \$4 million and \$13 million during the fourth quarter of 2023, 2024 and during 2023, respectively.

Foreign currency exchange rates and foreign currency controls have affected our revenue and net earnings and could continue to impact our revenue and net earnings. While we actively manage our foreign currency market risk in the normal course of business by entering into various derivative instruments to hedge against such risk, these derivative instruments involve risks and may not effectively limit our underlying exposure to foreign currency exchange rate fluctuations or minimize our net earnings and cash volatility associated with foreign currency exchange rate changes. Further, the failure of one or more counterparties to our foreign currency exchange rate contracts to fulfill their obligations to us could adversely affect our operating results.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 1C. CYBERSECURITY

Risk Management and Strategy

Our cybersecurity program is designed to protect information and information systems from unauthorized access, use, disclosure, disruption, modification, or destruction.

Enterprise Risk Management. We have processes in place for assessing, identifying, and managing material risks from cybersecurity threats, which are integrated into our Enterprise Risk Management ("ERM") program. Our ERM program, which is coordinated through our Enterprise Risk and Internal Audit function ("ERAS team"), includes the identification of risks relevant to Teradata's business, including material risks from cybersecurity threats; assigning personnel responsible for such risks; the development of strategies and plans to monitor, assess, and mitigate such risks; and oversight of the identified risks through regular reporting and risk evaluations with management, our Board, and/or relevant Board committee. Our ERAS team works closely with the Information Security function, including our Chief Information Security Officer ("CISO"), in the cybersecurity risk management process that informs the ERM program.

Cybersecurity Processes. The processes in place for managing cybersecurity threats, including threats associated with our use of third-party service providers, include identifying potential cybersecurity threats; defining the roles and responsibilities of our personnel pursuant to our Cybersecurity Incident Response Plan ("CIRP"); continuous testing and training of our employees on cybersecurity risks and security hygiene; communication and escalation protocols; and tools and technologies for incident detection and responses. We continuously assess risks and changes in the cybersecurity environment and adjust our processes and cybersecurity investments as appropriate.

- Our information security processes are built upon a foundation of advanced security technology, a trained team of security experts, and operations based on various global practices, standards, and frameworks,

including the International Organization for Standardization, International Electrotechnical Commission, and National Institute of Standards and Technology Cybersecurity Framework.

- We maintain policies, procedures, and controls that are designed to identify, protect, detect, respond to, and recover from information security and cybersecurity threats and incidents. Such items are reviewed, approved, and maintained by our CISO on an ongoing basis. In addition, we engage external advisors periodically to review and assess our policies, procedures, and controls.
- Our CIRP provides a documented framework for handling cybersecurity incidents. The CIRP addresses cybersecurity incident detection, containment, analysis, eradication, recovery, escalation protocols, and coordination across multiple functions of the organization.
- We have processes to manage cybersecurity risks associated with third-party service providers. Such providers are subject to information security assessments at the time of onboarding and at certain other times during their engagement with us. We require our providers to meet appropriate security requirements, controls, and responsibilities and comply with certain cybersecurity and data security standards that we

have. We monitor compliance with these standards and investigate security incidents to take appropriate actions as necessary. However, despite the controls that we have in place, we also rely on our third-parties to implement security programs and we cannot ensure in all circumstances that their efforts will be successful.

- We maintain an annual cybersecurity training plan including employee training on cybersecurity risks, requirements, and incident reporting. As part of our training plan, we regularly perform phishing tests of our employees. In addition, our security training incorporates awareness of cyber threats (including but not limited to malware, ransomware, and social engineering attacks), password hygiene, incident reporting process, as well as physical security best practices. On an annual basis, our employees must complete cybersecurity awareness training.
- We perform simulations and drills to review and test our information security program, including tabletop exercises, penetration and vulnerability testing, and other exercises to evaluate the effectiveness of our information security program and improve our security measures and planning.
- We maintain insurance to provide coverage for certain losses from cybersecurity threats and incidents.
- We have developed business continuity and disaster recovery capabilities to mitigate interruptions to critical information systems and the loss of data and services from the effects of natural or man-made disasters to Teradata systems.

Cybersecurity Incidents. To protect our information systems from cybersecurity incidents and threats, we use various security tools that help prevent, identify, escalate, investigate, resolve, and recover from identified vulnerabilities and security incidents in a timely manner. We maintain controls and procedures that are designed to ensure prompt escalation of certain cybersecurity incidents so that decisions regarding materiality of the incident and any necessary public disclosure and reporting of such incidents can be made in a timely manner. In the last three fiscal years, we have not experienced any material cybersecurity incident and the expenses we have incurred from security incidents were immaterial. As a result, we do not believe that cybersecurity threats, including as a result of any previous cybersecurity incidents, have materially impacted our results of operations and financial condition. As cybersecurity threats become more sophisticated and coordinated, it is reasonably likely that we will be required to expend greater resources to continue to modify and enhance our protective measures as we pursue our business strategies.

Cybersecurity Risks. Notwithstanding the extensive approach we take to cybersecurity, we may not be successful in preventing or mitigating a cybersecurity incident that could have a material adverse effect on us. While we maintain cybersecurity insurance, the costs related to cybersecurity incidents may not be fully insured. See "Risk Factors — A cybersecurity incident, disruption, or failure of our information systems or those of our third-party providers could adversely impact our reputation, business, and financial results."

Governance

Board Oversight of Cybersecurity Risk. Our Board's role is to engage in informed oversight of enterprise-wide risks as managed through our ERM program, including cybersecurity. While the full Board has overall

responsibility for risk oversight, the Board has delegated oversight responsibility related to risks from cybersecurity threats to the Audit Committee.

The Audit Committee is responsible for reviewing the adequacy and effectiveness of the Company's information security policies, the internal controls regarding information security and cybersecurity, and risks related to such exposures and actions taken to monitor and/or mitigate such risks. The Audit Committee receives quarterly reports as part of its meeting materials prepared by our CISO regarding the assessment of the status, adequacy, and effectiveness of our processes related to assessing, identifying, and managing cybersecurity risks and related mitigation plans. In addition, at least twice per year, the Audit Committee meeting agenda includes a presentation by the CISO to review and discuss the CISO's report on cybersecurity risks, mitigation plans and the steps the security team has taken to monitor and control related exposures. The Audit Committee reports to the Board on cybersecurity matters discussed at its meetings and the CISO's quarterly reports are provided to the Board as part of their meeting materials for their information as well.

Executive Oversight of Cybersecurity. Management is responsible for the Company's planning, identification, assessment, and mitigation of risks from cybersecurity threats. Our CISO, Chief Legal Officer, and Chief Financial Officer comprise our Core Cybersecurity Management Team (the "CCMT"). The CCMT has oversight of

Teradata's CIRP and is informed and consulted on the response and resolution process for cybersecurity incidents. The CCMT is responsible for determining communications to inform relevant stakeholders of cybersecurity incidents as applicable, relevant, and/or required, including the Board; Audit Committee; the executive leadership team; investors; customers; employees; law enforcement; and regulators.

Depending on the nature and/or severity of the incident, additional stakeholders within the broader enterprise-wide management team may be included in the assessment, response, and resolution of an incident by the CCMT. The broader management team for this purpose may include, but is not limited to, executive and senior leaders in our Product, Customer, People, Information Technology, and Law functions, as well as others that may be considered necessary (collectively referred to as the "ECMT"). The ECMT provides oversight, perspective, and support from their respective areas of expertise to assist in analyzing the cybersecurity incident, materiality of the incident, and remediation considerations.

CISO and Cybersecurity Team. Our Information Security function is led by our CISO and is responsible for executing our enterprise-wide cybersecurity strategy, policy, standards, architecture, and processes.

- The Information Security function consists of qualified professionals in cybersecurity. This team sets the cybersecurity strategy for Teradata; develops Teradata's cybersecurity architecture and deploys and manages tools and technologies aligned with such architecture to safeguard our information systems; manages the cybersecurity training required of our employees; monitors our cybersecurity threats and incidents; escalates the occurrence of cybersecurity incidents pursuant to the CIRP; and addresses and incorporates mitigation items.
- The CISO appoints a Cybersecurity Incident Response Coordinator ("CIRC") to lead the management of cybersecurity incidents. The primary responsibilities of the CIRC include, but are not limited to:
 - receiving and tracking all reported potential cybersecurity threats;
 - escalating incident response;
 - determining relevant stakeholders of the Information Technology function and cybersecurity incident response team, which team is selected by CIRC to serve as the lead function for investigating and coordinating cybersecurity incidents;
 - alerting the applicable support functions of the potential cybersecurity threat and any defensive action that would be required; and
 - alerting management, as applicable and necessary, of the potential cybersecurity threat.
- Members of our Information Security function have broad ranges of qualifications and experience in information technology and security.
 - Our CISO has over 25 years of information security experience during which he has worked on various information technology and security programs, including privacy operations and security risk management. He has experience with many different types of enterprises, including the federal government, private companies, and publicly listed companies. Our CISO was also a founding member of the U.S. Department of Homeland Security and is a veteran who served in the United States Marine Corps. Our CISO has a Bachelor of Science in Information Technology and an MBA.
 - The team within the Information Security function (referred hereinto as the "cybersecurity team") possesses a robust blend of technical knowledge, practical skills, and strategic insight, gained through years of experience in the field of cybersecurity. Our cybersecurity team includes professionals certified in a wide array of cybersecurity disciplines. Their qualifications include, but are not limited to, Certified Information Systems Security Professional ("CISSP") for general security practices, Certified Ethical Hacker ("CEH") for penetration testing capabilities, Certified Information Systems Auditor ("CISA") for information systems auditing, Certified Information Security Manager ("CISM") for overseeing enterprise security, Certified Risk and Information Systems Control ("CRISC") for risk management, and Certified Cloud Security Professional ("CCSP") for cloud security expertise. Additionally, they possess various other certifications in specific technologies and cloud security from providers like AWS and Microsoft, along with numerous other industry-relevant security certifications. This diverse expertise underscores their comprehensive understanding of the cybersecurity landscape.
 - The cybersecurity team attends training programs to update their skills and knowledge.

Item 2. PROPERTIES

As of December 31, 2023 December 31, 2024, Teradata operated 44 41 facilities in 30 29 countries consisting of approximately 672 645 thousand square feet throughout the world. Approximately 69% 71% of this square footage is our headquarters in San Diego, which is the only property that we own, the rest of our property is leased. Within the total facility portfolio, Teradata operates 7 facilities where R&D activity occurs totaling approximately 253 259 thousand square feet, of which approximately 90% 88% is owned. The remaining approximately 419 386 thousand square feet of space includes office, repair, warehouse and other miscellaneous sites, and is 55% 60% owned and 45% 40% leased. Teradata believes its facilities are suitable and adequate to meet its current needs. Teradata's corporate headquarters is in San Diego, California.

Item 3. LEGAL PROCEEDINGS

The information required to be set forth under this Item 3 is incorporated by reference to Note 10, Commitments and Contingencies—Legal Proceedings of the Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K.

Item 4. MINE SAFETY DISCLOSURES

N/A.

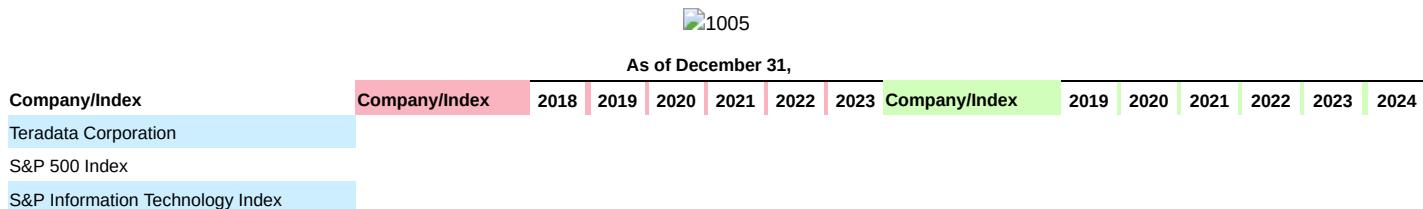
PART II**Item 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

Teradata common stock trades on the New York Stock Exchange under the symbol "TDC." There were approximately 18,457 16,811 registered holders of Teradata common stock as of February 14, 2024 February 14, 2025.

Teradata has not paid cash dividends and does not anticipate the payment of cash dividends to holders of Teradata common stock in the immediate future. The declaration of dividends in the future would be subject to the discretion of Teradata's Board of Directors.

The information under the caption "Stock Ownership" and the caption "Current Equity Compensation Plan Information" in Part III, Item 12 of this Annual Report on Form 10-K is also incorporated by reference in this section.

The following graph compares the relative performance of Teradata stock, the Standard & Poor's ("S&P") 500 Stock Index and the S&P Information Technology Index. This graph covers the five-year period from December 31, 2018 December 31, 2019 to December 31, 2023 December 31, 2024. In each case, assumes a \$100 investment on December 31, 2018 December 31, 2019, and reinvestment of all dividends, if any.

**Purchases of Equity Securities by the Issuer and Affiliated Purchases**

Section 16 officers occasionally transfer vested shares earned under restricted share awards to the Company at the current market price to cover their withholding taxes. For the year ended December 31, 2023 December 31, 2024, the total of these purchases was 416,815 301,994 shares at an average price of \$40.57 \$43.54 per share.

The following table provides information relating to the Company's repurchase of common stock for the year ended December 31, 2023 December 31, 2024:

Total Number of Shares Purchased	Total Number Purchased	Average Price Paid	Total Number of Shares Purchased	Total Number Purchased	Maximum Dollar Value that May	Maximum Dollar Value that May	Total Number of Shares Purchased	Average Price Paid	Total Number of Shares Purchased	Total Number of Shares Purchased	Maximum Dollar Value that May	Maximum Dollar Value that May

Period	per Share	as Part of Publicly Announced Dilution Offset Program	as Part of Publicly Announced General Share Repurchase Program	Yet Be Purchased Under the Dilution Offset Program	Yet Be Purchased Under the General Share Repurchase Program	per Share	as Part of Publicly Announced Dilution Offset Program	as Part of Publicly Announced General Share Repurchase Program	Yet Be Purchased Under the Dilution Offset Program	Yet Be Purchased Under the General Share Repurchase Program
	(1)	Program (2)			Program	(1)	Program (2)			Program
First quarter total										
First quarter total										
First quarter total										
Second quarter total										
Third quarter total										
October 2023										
November 2023										
December 2023										
October 2024										
November 2024										
December 2024										
Fourth quarter total										
2023 Full year total										
2024 Full year total										

1. The dilution offset program allows the Company to repurchase Teradata common stock to the extent of cash received from the exercise of stock options and the ESPP to offset dilution from shares issued pursuant to these plans.
2. The general share repurchase program authorized by the Board allows the Company to repurchase outstanding shares of Teradata common stock. Share repurchases made by the Company are reported on a trade date basis. On November 1, 2021, Teradata's Board of Directors authorized an additional \$1 billion to be utilized to repurchase Teradata common stock under this share repurchase program. The general share repurchase program expires on December 31, 2025.

Item 6. [Reserved]

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS ("MD&A")

You should read the following discussion in conjunction with the consolidated financial statements and the notes to those statements included in this Annual Report on Form 10-K ("Annual Report"). This Annual Report contains certain statements that are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. Certain statements contained in the MD&A are forward-looking statements that involve risks and uncertainties. The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about our industry, business and future financial results. Our actual results could differ materially from the results contemplated by these forward-looking statements due to several factors, including those discussed in other sections of this Annual Report. See "Risk Factors" and "Forward-looking Statements."

OVERVIEW

At Teradata Corporation ("we," "us," "Teradata," or the "Company"), we believe that people thrive when empowered with trusted information. We are focused on helping organizations improve business performance,

enrich customer experiences, and integrate data across the enterprise. As such, we strive to innovate and deliver trusted solutions for their toughest data and analytics challenges. That is why we built our comprehensive open and connected hybrid cloud analytics and data platform for artificial intelligence ("AI"). AI. With our Teradata Vantage platform, underpinned by our extensive patented workload management optimization technology, we are well positioned to help enterprises deliver business breakthroughs and solve business problems and deliver business breakthroughs with its our capabilities to provide harmonized data, trusted AI, and faster innovation. innovation, at scale. As companies embrace AI, they need data at scale. Data at scale is the foundation of generative AI applications, and data at scale is what Teradata provides. As a result, we believe that we empower our customers - and our customers' customers - to make better, more confident decisions, engage in faster innovation, and drive positive impact within the enterprise.

Teradata is recognized by industry analysts as offering a cloud analytics Teradata's business, key priorities, and data platform with next-generation, cloud-native deployment and expansive analytics capabilities. Teradata's strategy is discussed under Part I, Item I of this Annual Report on Form 10-K.

We are continuing to execute on our key priorities, including supporting our on-premises customers, migrating customers to the cloud, upgrading customers from VantageCloud Enterprise to VantageCloud Lake, expanding our Teradata Vantage analytics and data platform product offering (which includes VantageCloud Enterprise, VantageCloud Lake, and ClearScape Analytics), adding new customers and expanding our footprint with existing customers, informing our customers on our AI capabilities, increasing our focus on diversity and inclusiveness, and driving operational excellence and agility across the Company.

To allow for greater transparency regarding the progress we are making toward achieving our strategic objectives, we utilize the following financial and performance metrics:

- Total Annual Recurring Revenue ("Total ARR") - annual value at a point in time of all recurring contracts, including subscription, cloud, software upgrade rights, and maintenance. ARR does not include managed services and third-party software.
- Public Cloud ARR (included within Total ARR) - annual value at a point in time of all contracts related to public cloud implementations of Teradata VantageCloud and does not include ARR related to private or managed cloud implementations.
- Cloud Net Expansion Rate - Teradata calculates its last-twelve months dollar-based cloud net expansion rate as of a fiscal quarter end as follows:
 - We identify the ARR for active cloud customers in the fiscal quarter ending one year prior to the given fiscal quarter (the "base period");
 - We then identify the public cloud ARR in the given fiscal quarter (the "current period") from the same set of active cloud customers as the base period, including increases in usage, as well as reductions and cancellations, and additional conversions of on-premises revenues to the cloud for customers active in the base period, all in constant currency; and
 - The quarterly dollar-based, cloud net expansion rate is calculated by taking the ARR from the current period and dividing by the ARR from the base period.

The last twelve-month dollar-based cloud net expansion rate is calculated by taking the average of the quarterly dollar-based cloud net expansion rate from the last fiscal quarter and the prior three fiscal quarters.

2023 2024 FINANCIAL OVERVIEW

As more fully discussed in later sections of this MD&A, the following are the financial highlights for 2023: 2024:

- Revenue of \$1,833 million increased \$1,750 million decreased by 2% 5% in 2023 2024 as compared to 2022, 2023, with a 5% increase 1% decrease in recurring revenue. Foreign currency fluctuations had a 2% adverse impact on total revenue and a 2% adverse impact on recurring revenue compared to the prior year. The In addition to adverse foreign currency impact, the recurring revenue increase decline was due primarily to driven by a decrease in revenue from on-premises solutions, which was offset in part by an increase in Public Cloud revenue from migrations and expansions. revenue. Perpetual software licenses, hardware and other revenue decreased by 31% 49% and consulting services revenue decreased by 5% 16%. Revenues from perpetual software licenses, hardware and other decreased primarily due to our strategic shift towards recurring revenue. The decline in consulting service revenue was additionally due to our focus on higher-margin engagements and purposeful decrease in consulting services given the development of our strategic partner ecosystem.
- Gross profit as a percent of revenue was 60.8% 60.5% in 2023, an increase 2024, a slight decrease from 60.2% 60.8% in 2022, 2023, primarily due to a higher mix of recurring Public Cloud revenue, and improving cloud gross profit rates partially offset by an improvement in Public Cloud margins year-over-year.

- Operating expenses in **2023** **2024** decreased by **4%****9%** as compared to **2022**, **2023**, primarily driven by our cost discipline initiatives and a favorable impact from foreign currency fluctuations.
- Operating income was **\$186 million****\$209 million** in **2023**, **2024**, up from **\$118 million****\$186 million** in **2022**, **2023**.
- Net income was **\$62 million****\$114 million** in **2023****2024** versus net income of **\$33 million****\$62 million** in **2022**, **2023**, primarily due to **increased revenue****lower operating expenses** and **lower operating expenses**, **income tax expense**. Diluted net earnings per share was **\$0.61****\$1.16** in **2023****2024** compared to diluted earnings per share of **\$0.31****\$0.61** in **2022**, **2023**.

RESULTS FROM OPERATIONS FOR THE YEARS ENDED DECEMBER 31, **2023****2024** AND **2022****2023**

For discussion of fiscal year **2022****2023** versus **2021****2022** see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report filed with the SEC for the fiscal year ended **December 31, 2022****December 31, 2023**.

Revenue

	% of
In millions	
In millions	
In millions	
Recurring	
Recurring	
Recurring	
Perpetual software license, hardware and other	
Perpetual software license, hardware and other	
Perpetual software license, hardware and other	
Consulting services	
Consulting services	
Consulting services	
Total revenue	
Total revenue	
Total revenue	

2023**2024** compared to **2022****2023** - Total revenue increased 2% decreased 5% in **2023**, **2024**, which included a 2% negative impact from foreign currency exchange rate fluctuations. Total revenue growth was led by increased recurring revenue, offset in part by lower perpetual software license, hardware, and other revenue, as well as lower consulting revenue. Recurring revenue grew 5% in 2023, which included a 2% negative impact from foreign currency exchange rate fluctuations. Recurring revenue declined 1% in 2024, which included a 2% negative impact from foreign currency exchange rate fluctuations. Within recurring revenue, a decline in revenue from on-premises solutions was partially offset by growth was driven by an increase in cloud Public Cloud revenue as we continue our intentional shift continued to migrate customers to the cloud. All three regions experienced strong cloud revenue growth year-over-year.

Revenues from perpetual software licenses, hardware, and other were down 31% 49% in **2023**, **2024**, including 2% of adverse impact from foreign currency exchange rate fluctuations, as customers continue to transition to our subscription-based offerings, consistent with our overall strategy towards recurring revenue.

Consulting services revenue decreased 5% 16%, including a 3% adverse impact from foreign currency exchange rate fluctuations, as we continue to realign and focus our consulting resources on higher-margin engagements. In this regard, we are focused on both direct engagement with customers and joint engagement with partners that drive increased software consumption within our targeted customer base.

As a portion of our operations and revenue occur outside the United States, and in currencies other than the U.S. dollar, we are exposed to fluctuations in foreign currency exchange rates. Based on currency rates as of **January 31, 2024****December 31, 2024**, Teradata is estimating a 1.0%-to-1.5% 1.5%-to-2.0% negative impact from currency translation on our **2024****2025** full-year total revenues.

Financial and Performance Measures

Total ARR is composed of three main categories: (1) Public Cloud ARR, (2) ARR related to on-premises subscription-based contracts and private cloud ("Subscription ARR"), and (3) ARR related to our legacy perpetual maintenance and software upgrade rights. Our financial and performance measures for the following years ended December 31 was as follows:

ARR	2023

	2023	2023	2024	2024	2024
In millions					
In millions					
In millions					
Public Cloud					
Public Cloud					
Public Cloud					
Subscription					
Subscription					
Subscription					
Maintenance and Software upgrade rights					
Maintenance and Software upgrade rights					
Maintenance and Software upgrade rights					
Total ARR					
Total ARR					
Total ARR					
Cloud Net Expansion rate					
Cloud Net Expansion rate					
Cloud Net Expansion rate					

Total ARR increased/decreased 6% versus the prior year, with declines in Subscription, and Maintenance and Software upgrade rights ARR more than off-set in part by growth in Public Cloud ARR and Subscription ARR. Foreign currency fluctuations had a positive 1% negative 2% impact on total ARR. Our overall ARR growth decline was primarily driven by increased demand for our differentiated offerings, increasing partner involvement, on-premises erosions, elongated deal closing cycles and incremental workloads driving migrations lower on-premises expansion activity, and expansions. was partially offset by growth in Public Cloud ARR.

Public Cloud ARR increased 48% 15% versus the prior year primarily due to on-premises customers migrating to Teradata VantageCloud along with a strong net expansion rate of 124% 117%. Foreign currency fluctuations had a positive 2% negative 3% impact on Public Cloud ARR. Public Cloud ARR growth and the improved Cloud Net Expansion rate were driven by customer demand for our differentiated offerings, resulting in new workloads for both migrations and expansions. Subscription ARR increased 3% decreased 12% in 2023 2024 from the prior year primarily due to net expansions, migrations from on-premises to Public Cloud, and included a 1% positive 2% adverse impact from foreign currency fluctuations.

Our Maintenance and Software upgrade rights ARR declined 38% 43% compared to 2022, 2023. This was expected as we continue to transition to a subscription model and customers increasingly purchased Teradata on a subscription and/or public cloud basis.

We expect to see expansion as the primary contributor for Total ARR growth in 2024 2025 and expansion and conversion as the primary contributors for Public Cloud ARR growth in 2024 2025. In addition, we expect a slight negative impact from annual upfront software subscription revenue associated with on-premises recurring revenue in 2025.

Gross Profit

The Company often uses specific terms and definitions to describe variances in gross profit. The terms and definitions most often used are as follows:

- **Revenue Mix** - The proportion of recurring, consulting, and perpetual software licenses, hardware and other revenue that generates the total revenue of the Company. Changes in revenue mix can have an impact on gross profit even if total revenue remains unchanged.
- **Recurring Revenue Mix** - The proportion of various recurring revenue offerings that comprise the total of recurring revenue. For example, a higher mix of cloud deals will have a negative impact on total recurring gross profit until we achieve scale.
- **Deal Mix** - Refers to the type of transactions closed within the period that generate the total perpetual software license, hardware and other revenue. For example, a higher mix of Teradata versus third-party products can positively impact profitability.

Gross profit for the following years ended December 31 was as follows:

	% of
In millions	
In millions	
In millions	
Gross profit	
Gross profit	
Gross profit	
Recurring	
Recurring	
Recurring	
Perpetual software licenses, hardware and other	
Perpetual software licenses, hardware and other	
Perpetual software licenses, hardware and other	
Consulting services	
Consulting services	
Consulting services	
Total gross profit	
Total gross profit	
Total gross profit	

2023 2024 compared to 2022 2023 - The **increase** slight decrease in gross profit as a percentage of revenue was primarily driven by a higher mix of **recurring** **Public Cloud** revenue, and offset in part by improving **cloud** **Public Cloud** gross profit rates year-over-year.

Recurring gross profit as a percentage of revenue was **flat** **down** from the prior year, primarily because the negative gross profit rate impact on increased **Public Cloud** revenue, **was** **partially** offset by improved **Public Cloud** gross profit rates year-over-year.

The decrease in perpetual software licenses, hardware and other gross profit as a percentage of revenue was primarily driven by deal mix and a higher ratio of perpetual hardware to software revenue as compared to prior year as the vast majority of all customers have transitioned to our subscription-based offerings, consistent with our overall strategy.

Consulting services gross profit as a percentage of revenue decreased as compared to the prior year primarily due to lower consulting services revenue. We continue to refocus our consulting organization on Teradata Vantage-oriented offerings and reduce our footprint in non-core consulting engagements, accompanied by our strategic development of a partner ecosystem.

We expect a **decline** in gross profit primarily due to negative foreign currency exchange rates and cloud mix, partially offset by cloud rate improvements. We also expect to continue our disciplined approach to managing our financial plan, investing in activities that generate growth extending our technology strengths and promoting Teradata as a leader in data analytics, trusted AI, enhance commercial awareness of our brand, and continue to drive increased adoption and consumption of the Teradata VantageCloud platform, including greater efficiencies with hybrid cloud service providers. technology, while prudently managing costs.

Operating Expenses

	% of
In millions	
In millions	
In millions	
Operating expenses	
Operating expenses	
Operating expenses	
Selling, general and administrative expenses	
Selling, general and administrative expenses	
Selling, general and administrative expenses	
Research and development expenses	
Research and development expenses	
Research and development expenses	
Total operating expenses	
Total operating expenses	
Total operating expenses	

2023 2024 compared to 2022 2023 - The decrease in selling, general and administrative ("SG&A") expense was primarily driven by the favorable impact from foreign currency exchange rate fluctuations and continued cost discipline as compared to the prior year.

R&D expenses decreased in 2023 2024 as compared to the prior year. R&D expenses were impacted by continued cost discipline initiatives as compared to the prior year.

We intend to continue investing in R&D areas that we anticipate will generate growth, such as technologies that support AI/ML demand creation, and brand awareness. We expect to balance these investments with cost discipline in non-revenue generating areas and productivity improvements. OTF, including for on-premises environments.

Other Expense, net

In millions

In millions

Interest income

Interest income

Interest income

Interest expense

Interest expense

Interest expense

Other

Other

Other

Total Other Expense, net

Other expense, net in 2023 2024 and 2022 2023, is comprised primarily of interest expense on long-term debt and finance leases, foreign currency transactions, as well as benefit costs for our pension and postemployment plans, partially offset by interest income earned on our cash and cash equivalents. Other expense is higher in 2023, 2024, primarily due to a \$13 million loss in losses resulting from foreign currency transactions compared to the prior year, and \$9 million less in losses with respect to Argentina Blue Chip Swaps (a foreign exchange mechanism which effectively results in a parallel U.S. dollar exchange rate) in order to remit cash from our Argentine operations and \$8 million higher losses resulting from foreign currency transactions compared to the prior year operations.

Provision for Income Taxes

The effective income tax rate for the following years ended December 31 was as follows:

2023

2024

Effective Tax Rate

Effective Tax Rate

Effective Tax Rate

The 2024 effective tax rate included a net \$3 million of discrete tax expense, a majority of which related to additional tax expense from stock-based compensation vesting.

The 2023 effective tax rate included a net \$18 million of discrete tax expense, of which \$15 million of tax expense related to the foreign currency translation impact on deferred and payable balances for our Argentina operations due to hyperinflation in Argentina and \$10 million of tax expense related to a valuation allowance recorded against deferred tax assets for our operations in Argentina and other reorganization and transformation activities. These expenses were offset by \$4 million of tax benefit related to the reversal of a FIN 48 tax reserve due to the expiration of statute of limitations and \$3 million of incremental tax benefit related to stock-based compensation.

The 2022 effective tax rate included a net \$1 million of discrete tax benefit, of which \$2 million of tax benefit related to the reversal of a FIN 48 tax reserve due to the expiration of statute of limitations and \$4 million of incremental tax benefit related to stock-based compensation. These tax benefits were partially offset by \$5 million

of discrete tax expense related to valuation allowances recorded against deferred tax assets and current receivables in Russia that are not expected to be realized as a result of the discontinuation of our business in Russia in 2022.

Effective on January 1, 2022, the U.S. tax law changed to require that R&D expenses be capitalized and amortized for tax purposes under Internal Revenue Code Section 174; as a result of this law change, we recognized approximately \$2 million of tax expense related to global intangible low-taxed income ("GILTI") in our marginal effective tax rate for 2023 2024 and approximately \$4 \$2 million for 2022 2023. We expect that a majority of our foreign earnings will be repatriated to the U.S.

Revenue and Gross Profit Results by Operating Segment

On August 5, 2024, Teradata announced that it realigned its sales function and initiated global restructuring to optimize operations. Due to these organizational changes, Teradata now manages its business under three geographic regions, two segments, which are also the Company's new operating segments: (1) Americas region (North America Product Sales and Latin America); (2) EMEA region (Europe, Middle East, Consulting Services. Teradata's Product Sales segment represents the results for the Recurring Revenue and Africa) Perpetual Software Licenses, Hardware and (3) APJ region (Asia Pacific Other line items and Japan). For purposes of discussing results by the Consulting Services segment management excludes represents the impact of certain items, consistent with Consulting Services line item, each as disclosed in the manner by which management evaluates Company's financial statements and in the performance of each segment. This format is useful to investors because it allows analysis and comparability of operating trends. It also includes tables in this Form 10-K. As the same information that is used by Teradata management to make decisions regarding the segments and to assess financial performance. The chief operating decision maker, who is our President and Chief Executive Officer, evaluates the performance of the segments based on revenue and multiple profit measures, including gross margin trends for these business categories are already discussed in the sections above, there is no separate segment gross profit. For management reporting purposes, assets are not allocated to the segments. discussion presented here. Our segment results are reconciled to total company results reported under GAAP information is presented in Note 14 of Notes to Condensed Consolidated Financial Statements.

The following table presents revenue and operating performance by segment for the years ended December 31:

In millions	2023	% of Revenue		2022	% of Revenue
		Revenue	Revenue		
Segment revenue					
Americas	\$ 1,089	59.4 %	\$ 1,038	57.8 %	
EMEA	475	25.9 %	465	25.9 %	
APJ	269	14.7 %	292	16.3 %	
Total segment revenue	\$ 1,833	100 %	\$ 1,795	100 %	
Segment gross profit					
Americas	\$ 689	63.3 %	\$ 643	61.9 %	
EMEA	295	62.1 %	285	61.3 %	
APJ	149	55.4 %	177	60.6 %	
Total segment gross profit	\$ 1,133	61.8 %	\$ 1,105	61.6 %	

2023 compared to 2022

Americas

Americas revenue increased 5% including a 2% negative impact from foreign currency exchange rate fluctuations. An increase in Americas recurring revenue of 7% and Americas consulting revenue of 2% was partially offset by a decrease of 39% in Americas perpetual software licenses, hardware and other revenue. Segment gross profit, as a percentage of revenue, increased due to higher gross profit associated with upfront license revenue compared to the prior year, partially offset by a higher mix of Public Cloud revenue.

EMEA

EMEA revenue increased 2%, which included a 1% unfavorable impact from foreign currency exchange rate fluctuations. The overall increase in revenue included an increase of 10% in EMEA recurring revenue offset by a 10% decrease in EMEA consulting revenue and a decrease of 39% in EMEA perpetual software licenses, hardware and other revenue. EMEA segment gross profit, as a percentage of revenue, increased due to a higher mix of recurring revenue, partially offset by the negative impact of ceasing operations in Russia in 2022.

APJ

APJ revenue decreased 8%, which included a 5% unfavorable impact from foreign currency exchange rate fluctuations. The overall decrease in revenue included a decrease in APJ recurring revenue of 9%, an increase of 22% (\$2 million) in APJ perpetual software licenses, hardware and other revenue and a decrease in APJ consulting revenue of 8%. Overall APJ revenue was negatively impacted by the wind-down of direct operations in China that started earlier in 2023. The decrease in consulting revenue was also consistent with our focus on higher-margin Teradata Vantage-oriented engagements and purposeful decrease in consulting services.

given our strategic development of a partner ecosystem. The decrease in APJ segment gross profit, as a percentage of revenue was primarily due to reduced revenues.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Teradata ended **2023** **2024** with **\$486 million** **\$420 million** in cash and cash equivalents, a **\$83 million** **\$66 million** decrease from **December 31, 2022** **December 31, 2023**, after using approximately **\$308 million** **\$215 million** for repurchases of Company common stock during the year. Cash provided by operating activities decreased decreased by **\$44 million** **\$72 million** to **\$375 million** **\$303 million** in **2023** **2024** compared to **2022** **2023**. The decrease in cash provided by operating activities was primarily due to the difference lower billings year over year driving a decrease in cash taxes paid. Teradata had **\$65 million** deferred revenue and a lower receivables balance in net cash tax payments in **2023**, **2024** as compared to **2022** **2023**. This was offset in part by higher net refund of **\$18 million** income, adjusted for non-cash items, in **2022**, due primarily **2024** as compared to a **\$50 million** tax refund received the first quarter of **2022** related to our Cares Act carryback claim. **2023**. Teradata used approximately **\$43 million** **\$37 million** of cash in **2023** **2024** for reorganization activities, including aligning the re-alignment of our go-to-market function with our cloud-first strategy, and other activities to optimize our workforce, as compared to **\$26 million** **\$43 million** used in **2022** **2023** for similar purposes.

Teradata's management uses a non-GAAP measure called "free cash flow," which is not a measure defined under GAAP. We define free cash flow as net cash provided by operating activities less capital expenditures for property and equipment and additions to capitalized software. Free cash flow is one measure of assessing the financial performance of the Company, and this may differ from the definition used by other companies. The components that are used to calculate free cash flow are GAAP measures taken directly from the Consolidated Statements of Cash Flows. We believe that free cash flow information is useful for investors because it relates the operating cash flow of the Company to the capital that is spent to continue and improve business operations. In particular, free cash flow indicates the amount of cash available after capital expenditures for, among other things, investments in the Company's existing businesses, strategic acquisitions, and repurchase of Teradata common stock. Free cash flow does not represent the residual cash flow available for discretionary expenditures since there may be other non-discretionary expenditures that are not deducted from the measure. This non-GAAP measure should not be considered a substitute for, or superior to, cash flows from operating activities under GAAP.

The table below shows net cash provided by operating activities and capital expenditures for the following periods:

In millions

Net cash provided by operating activities

Net cash provided by operating activities

Net cash provided by operating activities

Less:

Less:

Less:

Expenditures for property and equipment

Expenditures for property and equipment

Expenditures for property and equipment

Additions to capitalized software

Additions to capitalized software

Additions to capitalized software

Free cash flow

Free cash flow

Free cash flow

Financing activities and certain other investing activities such as our strategic acquisition of Stemma Technologies during the third quarter of **2023**, are not included in our calculation of free cash flow. The acquisition of Stemma Technologies was not financially material. In the fourth quarter of **2023**, **2024**, we entered into Blue Chip Swap transactions in order to remit cash from our Argentine operations that resulted in a pre-tax loss on investment of **\$4 million**, compared to **\$13 million**, of such pre-tax losses in **2023**, the net purchases of which are reported in other investing activities in the Consolidated Statement of Cash Flows. In **2023**, other investing activities also included our strategic acquisition of Stemma Technologies. The acquisition of Stemma Technologies was not financially material. There were no other material other investing activities in **2023** **2024** and **2022**, **2023**.

Teradata's financing activities for **2023** **2024** and **2022** **2023** primarily consisted of cash outflows for share repurchases, and payments on our finance leases, leases, and repayments on long-term borrowings. At **December 31, 2023** **December 31, 2024**, we had no outstanding borrowings on our **\$400 million** Revolving Facility (as

defined below).

We have two share repurchase programs that were authorized by our Board of Directors:

- The dilution offset share repurchase program allows us to repurchase Teradata common stock to the extent (i) cash is received from the exercise of stock options and (ii) employees' purchase Teradata stock pursuant to the Teradata Employee Stock Purchase Plan ("ESPP"). The purpose of the dilution offset share repurchase program is to offset dilution from shares issued pursuant to the exercise of stock options and shares purchased under the ESPP.
- Our open market share repurchase program provides for the repurchase of Teradata stock periodically on an ongoing basis in open market transactions, through 10b5-1 programs, through accelerated share repurchase programs, in privately negotiated transactions, or through the use of derivative instruments, in accordance with applicable securities rules regarding issuer repurchases. The open market share repurchase program

will expire on December 31, 2025. On November 1, 2021, our Board of Directors authorized an additional \$1 billion for share repurchases under the open market share repurchase program. There is a total authority of ~~\$554 million~~ \$352 million remaining under the open market share repurchase program as of ~~December 31, 2023~~ December 31, 2024.

In the aggregate under the dilution offset share repurchase program and the open market share repurchase program, we repurchased approximately ~~7.0 million~~ 5.8 million shares of our common stock at an average price per share of ~~\$43.79~~ \$36.99 in ~~2023~~ 2024 and approximately ~~9.4 million~~ 7.0 million shares of our common stock at an average price per share of ~~\$41.16~~ \$43.79 in ~~2022~~ 2023.

Share repurchases are reported on a trade date basis. Our share repurchase activity depends on factors such as our working capital needs, our cash requirements for capital investments, our stock price, and economic and market conditions.

Other financing activities, including net share settlement for the payroll tax liability of section 16 officers (as discussed in Item 5 of this Annual Report on Form 10-K), offset by proceeds from the ESPP and the exercise of stock options, net of tax, was a net ~~inflow~~ outflow of ~~\$7 million~~ \$1 million for ~~2023~~ 2024 and a net inflow of ~~\$5 million (including fees from the credit facility agreement)~~ \$7 million for ~~2022~~ 2023.

Our total cash and cash equivalents held outside the United States in various foreign subsidiaries was \$350 million as of December 31, 2024 and \$428 million as of December 31, 2023 and \$405 million as of December 31, 2022. The remaining balance held in the United States ("U.S.") was \$70 million as of December 31, 2024 and \$58 million as of December 31, 2023 and \$164 million as of December 31, 2022. The Company expects that a majority of its foreign earnings will be repatriated to the U.S. Effective January 1, 2018, the U.S. moved to a territorial system of international taxation, and as such will generally not subject future foreign earnings to U.S. taxation upon repatriation in future years.

Management believes current cash, cash generated from operations and the \$400 million available under the Credit Facility will be sufficient to satisfy future working capital, research and development activities, capital expenditures, pension contributions, and other financing requirements for at least the next twelve months. The Company principally holds its cash and cash equivalents in bank deposits and highly-rated money market funds.

The Company's ability to generate positive cash flows from operations is dependent on general economic conditions, competitive pressures, and other business and risk factors described in this Annual Report. If the Company is unable to generate sufficient cash flows from operations, or otherwise comply with the terms of the Credit Facility or its term loan agreement, the Company may be required to seek additional financing alternatives.

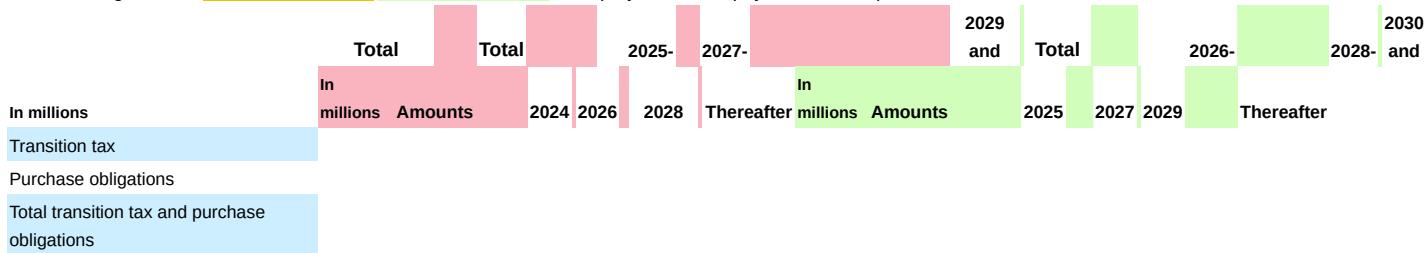
Long-Term Debt. On June 28, 2022, we entered into a Credit Agreement that provides for (i) a five-year unsecured term loan in an aggregate principal amount of \$500 million (the "Term Loan"), and (ii) a five-year unsecured revolving credit facility in an aggregate principal amount of up to \$400 million, including a \$50 million sublimit for the issuance of standby letters of credit and a \$50 million sublimit for swingline loans (the "Revolving Facility" and, collectively with the Term Loan, the "Credit Facility"). ~~The Credit Facility replaces our prior revolving credit agreement in the maximum principal of \$400 million and our prior term loan agreement in the principal amount of \$500 million, both of which were entered into in 2018 (the "Prior Agreements"). In connection with the execution of the Credit Facility, the \$400 million term loan outstanding under the Prior Agreements was repaid in full.~~ Our long-term debt is discussed in Note 12 of Notes to Consolidated Financial Statements. In addition, as disclosed in Note 9 of Notes to Consolidated Financial Statements, Teradata entered into an interest rate swap to hedge approximately 90% of the floating interest rate of the total \$500 million Term Loan and a cross currency swap to hedge a portion of Euro currency exposure of its net investment in certain foreign subsidiaries.

On September 21, 2023, the Credit Agreement was amended to establish key performance indicators with respect to certain environmental, social, and governance ("ESG") targets, pursuant to which certain positive or negative adjustments would be made to various fees and applicable margin based on Teradata's performance against such ESG targets.

Leases. In the normal course of business, we enter into operating and finance leases that impact, or could impact, our liquidity. Leases and minimum lease obligations as of ~~December 31, 2023~~ December 31, 2024 are described in detail in Note 13 of Notes to Consolidated Financial Statements.

Contractual and Other Commercial Commitments. In the normal course of business, we enter into various contractual obligations that impact, or could impact, our liquidity. The following table and discussion outline our

material obligations at **December 31, 2023** **December 31, 2024**, with projected cash payments in the periods shown:



Transition tax is the remaining **current payable balance recorded on our balance sheet** as of **December 31, 2023** **December 31, 2024**, of the one-time tax on accumulated foreign earnings resulting from the 2017 Tax Act. The payments associated with this deemed repatriation are being paid over seven years ending in 2025. Purchase obligations are committed purchase orders and other contractual commitments for goods and services and include non-cancelable contractual payments for fixed or minimum amounts to be purchased in relation to service agreements with various vendors for ongoing telecommunications, information technology, hosting and other services.

Additionally, we had **\$40 million** **\$44 million** of unrecognized tax benefits recorded on our balance sheet as of **December 31, 2023** **December 31, 2024**, of which **\$19 million** **\$21 million** is recorded in non-current liabilities and **\$21 million** **\$23 million** is reflected as an offset to deferred tax assets related to certain tax attribute carryforwards. These items are not included in the table of obligations shown above. The settlement period for the non-current income tax liabilities cannot be reasonably estimated as the timing and the amount of the payments, if any, will depend on possible future tax examinations with the various tax authorities.

We also have postemployment and international pension obligations that may affect future cash flow. These items are not included in the table of obligations shown above. We are also potentially subject to concentration of supplier risk. Our hardware components are assembled primarily by Flex Ltd. ("Flex"). Flex procures a wide variety of components used in the manufacturing process on our behalf. Although many of these components are available from multiple sources, we utilize preferred supplier relationships to better ensure more consistent quality, cost, and delivery. Typically, these preferred suppliers maintain alternative processes and/or facilities to ensure continuity of supply. Given our strategy to outsource manufacturing activities to Flex and to source certain components from single suppliers, a disruption in production at Flex or at a supplier could impact the timing of customer shipments and/or Teradata's operating results. In addition, a significant change in the forecasts to any of these preferred suppliers could result in purchase obligations or components that may be in excess of demand. Postemployment and pension obligations are described in detail in "Note 8—Employee Benefit Plans" in the Notes to Consolidated Financial Statements.

Off-Balance Sheet Arrangements. We do not participate in transactions that generate relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or for other contractually narrow or limited purposes.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our financial statements are prepared in accordance with GAAP. In connection with the preparation of these financial statements, we are required to make assumptions, estimates and judgments that affect the reported amounts of assets, liabilities, revenues, expenses and the related disclosure of contingent liabilities. These assumptions, estimates and judgments are based on historical experience and assumptions that are believed to be reasonable at the time. However, because future events and their effects cannot be determined with certainty, the determination of estimates requires the exercise of judgment. Our critical accounting policies are those that require assumptions to be made about matters that are highly uncertain. Different estimates could have a material impact on our financial results. Judgments and uncertainties affecting the application of these policies and estimates may result in materially different amounts being reported under different conditions or circumstances. Our management periodically reviews these estimates and assumptions to ensure that our financial statements are presented fairly and are materially correct.

In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP and does not require significant management judgment in its application. There are also areas in which management's judgment in selecting among available alternatives would not produce a materially different result. The significant accounting policies and estimates that we believe are the most critical to aid in fully understanding and evaluating our reported financial results are discussed in the paragraphs below. Teradata's senior management has reviewed these critical accounting policies and related disclosures with the Audit Committee of Teradata's Board of Directors. For additional information regarding our accounting policies and other disclosures required by GAAP, see "Note 1—Description of Business, Basis of Presentation and Significant Accounting Policies" in the Notes to Consolidated Financial Statements.

Revenue Recognition

Revenue recognition for complex contractual arrangements requires judgment, including a review of specific contracts, past experience, creditworthiness of customers, international laws and other factors. Specifically, complex arrangements with nonstandard terms and conditions may require significant contract interpretation to determine the appropriate accounting. We must also apply judgment in determining all performance obligations in the contract and in determining the standalone selling price of each performance obligation, considering the price charged for each product when sold on a standalone basis and applicable renewal rates for services and subscriptions. Changes in judgments about these factors could impact the timing and amount of revenue recognized between periods.

We review the standalone selling price on a periodic basis and update it, when appropriate, to ensure that the practices employed reflect our recent pricing experience. We maintain internal controls over the establishment and updates of these estimates, which includes review and approval by management. For the year ended **December 31, 2023** **December 31, 2024** there was no material impact to revenue resulting from changes in the standalone selling price, nor do we expect a material impact from such changes in the near term. Refer to Notes 1 and 3 in the Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K for discussion of our revenue recognition policies.

Income Taxes

In accounting for income taxes, we recognize deferred tax assets and liabilities based on the differences between the financial statement carrying amounts and the tax basis of assets and liabilities. The deferred tax assets and liabilities are determined based on the enacted tax rates expected to apply in the periods in which the deferred tax assets or liabilities are expected to be settled or realized. The Company made an accounting policy election in 2018 related to the 2017 Tax Act to provide for the tax expense related to GILTI in the year the tax is incurred.

Effective January 1, 2018, the United States moved to a territorial system of international taxation, and as such will generally not subject future foreign earnings to United States taxation upon repatriation in future years. The Company considers a majority of its foreign earnings not indefinitely reinvested outside of the United States. However, these distributions may be subject to non-U.S. withholding taxes if profits are distributed from certain jurisdictions; accordingly, the Company has recorded **\$52** million of deferred foreign tax expense with respect to certain earnings that are not considered permanently reinvested. Deferred taxes have not been provided on earnings considered indefinitely reinvested.

We account for uncertainty in income taxes by prescribing thresholds and attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. We may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. We record any interest and/or penalties related to uncertain tax positions in the income tax expense line on our Consolidated Statements of Income. As of **December 31, 2023** **December 31, 2024**, the Company has a total of **\$40 million** **\$44 million** of unrecognized tax benefits, of which **\$19 million** **\$21 million** is included in the other liabilities section of the Company's consolidated balance sheet as a non-current liability and **\$21 million** **\$23 million** of uncertain tax positions relates to certain tax attributes generated by the Company which are netted against the underlying deferred tax assets recorded on the balance sheet.

We regularly review our deferred tax assets for recoverability and establish a valuation allowance if it is more likely than not that some portion or all of a deferred tax asset will not be realized. We have recorded **\$90 million** **\$101 million** in **2023** **2024** and **\$69 million** **\$90 million** in **2022** **2023** for valuation allowances, **\$69 million** **\$65 million** of which offset our California R&D tax credit carryforward, and **\$15 million** **\$19 million** of which relates to our US Foreign Tax Credit Carryforward, as the Company expects to continue to generate excess California R&D & Foreign tax credits into the foreseeable future. The remaining **\$17 million** relates to certain of our operating entities with cumulative 3-year net operating losses whereby the future realization of their net deferred tax assets may not be realized.

On January 1, 2020, we transferred certain of our intellectual property among our wholly-owned subsidiaries, which resulted in the recognition of deferred tax assets of \$157 million. The recognition of deferred tax assets from intra-entity transfers of intellectual property required us to make significant estimates and assumptions to determine the fair value of such intellectual property. Significant assumptions in valuing the intellectual property include, but are not limited to, internal revenue and expense forecasts, and the discount rate. The sustainability of our future tax benefits is dependent upon the acceptance of these valuation estimates and assumptions by the taxing authorities.

Stock-based Compensation

We issue service-based and performance-based restricted share units. We measure compensation cost for service-based restricted share unit awards at fair value and recognize compensation expense over the service period. Our performance-based restricted share units vest only if specific performance conditions are satisfied. The number of shares that will be earned pursuant to our performance-based restricted share unit awards will vary based on actual performance. No shares will vest if the threshold objectives are not met. In the event the objectives are exceeded, additional shares will vest up to a maximum payout. The cost of our performance-based restricted share awards is expensed over the performance period based upon management's estimate and analysis of the probability of meeting the performance criteria. Because the actual number of shares to be awarded is not known until the end of the performance period, the actual compensation expense related to our performance-based restricted share unit awards could differ from our current expectations. We account for forfeitures for both service-based

and performance-based restricted share units as they occur instead of estimating forfeitures at the time of grant and revising those estimates in subsequent periods if actual forfeitures differ from our estimates.

Goodwill and Acquired Intangible Assets

The Company reviews goodwill for impairment annually and whenever events or changes in circumstances indicate the carrying value of goodwill may not be recoverable. For **2023, 2024**, the Company performed a quantitative impairment test. In this test, the Company compared the fair value of each reporting unit to its carrying value. The Company typically determines the fair value of its reporting units using a weighting of fair values derived from the income and market approaches. Under the income approach, the Company calculates the fair value of a reporting unit based on the present value of estimated future cash flows. The market approach estimates fair value based on market multiples of revenue and earnings derived from comparable companies with similar operating and investment characteristics as the reporting unit. If the fair value of the reporting unit exceeds the carrying value of the net assets assigned to that unit, goodwill is not impaired. If the carrying value of the net assets assigned to the reporting unit exceeds the fair value of the reporting unit, then the Company records an impairment loss equal to the difference. In the fourth quarter of **2023, 2024**, the Company performed its annual impairment test of goodwill and determined that no impairment to the carrying value of goodwill was necessary.

Determining the fair value of goodwill and acquired intangibles is judgmental in nature and involves the use of significant estimates and assumptions. These estimates and assumptions include revenue growth rates and operating margins used to calculate projected future cash flows, discount rates and future economic and market conditions. The Company's estimates are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable. These valuations require the use of management's assumptions, which may not reflect unanticipated events and circumstances that may occur.

Pension and Postemployment Benefits

We measure pension and postemployment benefit costs and credits using actuarial valuations. Actuarial assumptions attempt to anticipate future events and are used in calculating the expense and liability relating to these plans. These factors include assumptions we make about interest rates, expected investment return on plan assets, total and involuntary turnover rates, and rates of future compensation increases. In addition, our actuarial consultants also use subjective factors such as withdrawal rates and mortality rates to develop our valuations. We review and update these assumptions on an annual basis at the beginning of each fiscal year. We are required to consider current market conditions, including changes in interest rates, in making these assumptions. The actuarial assumptions that we use may differ materially from actual results due to changing market and economic conditions,

higher or lower withdrawal rates, or longer or shorter life spans of participants. These differences may result in a significant impact to the measurement of our pension and postemployment benefit obligations and to the amount of pension and postemployment benefits expense we have recorded or may record. For example, as of **December 31, 2023 December 31, 2024**, a one-half percent increase/decrease in the discount rate would change the projected benefit obligation of our pension plans by approximately **\$7 million \$6 million**, and a one-half percent increase/decrease in our involuntary turnover assumption would change our postemployment benefit obligation by approximately \$5 million.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

A discussion of recently issued accounting pronouncements is described in "Note 1—Description of Business, Basis of Presentation and Significant Accounting Policies" in the Notes to Consolidated Financial Statements in this Annual Report, and we incorporate such discussion by reference.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company employs a foreign currency hedging strategy to limit potential losses in earnings or cash flows from adverse foreign currency exchange rate movements. Foreign currency exposures arise from transactions denominated in a currency other than the Company's functional currency and from foreign denominated revenue and profit translated into U.S. dollars. The Company operates in approximately 40 countries and is exposed to various foreign currencies in the Americas region (North America and Latin America), EMEA region (Europe, Middle East, and Africa) and APJ region (Asia Pacific and Japan). Exposures are hedged with foreign currency forward contracts with maturity dates of twelve months or less. The potential loss in fair value at **December 31, 2023 December 31, 2024**, for such contracts resulting from a hypothetical 10% adverse change in all foreign currency exchange rates is immaterial. Any loss would be mitigated by corresponding gains on the underlying exposures.

In June 2022, Teradata entered into a four-year interest rate swap to hedge approximately 90% of the floating interest rate of the total \$500 million Term Loan and a cross currency swap to hedge a portion of Euro currency exposure of its net investment in certain foreign subsidiaries as more fully described in "Note 12 - Debt" in the Notes to Consolidated Financial Statements in this Annual Report. The Company uses interest rate swaps to manage interest rate risks on future interest payments caused by interest rate changes on its variable rate term loan facility. The notional amount of the hedge will step-down according to the amortization schedule of the term loan. The fair value of these contracts and swaps are measured at the end of each reporting period using observable inputs other than quoted prices, specifically market spot and forward exchange rates. The fair value of interest rate swaps recorded in other assets at **December 31, 2023 December 31, 2024** was **\$8 million \$9 million**. A hypothetical 50 basis point increase/decrease in interest rates would result in an increase/decrease to the fair value of the hedge of approximately **\$6 million \$4 million**. The fair value of the net investment Euro currency hedge recorded in other **liabilities assets** at **December 31, 2023 December 31, 2024**,

2024 was \$8 million approximately \$1 million. A hypothetical 50 basis point increase/decrease in currency exchange rates would result in an increase/decrease to the fair value of the hedge of approximately \$2 million. approximately \$1 million.

For additional information regarding the Company's foreign currency hedging strategy and interest rate swaps, see "Note 9 - Derivative Instruments and Hedging Activities" in the Notes to Consolidated Financial Statements in this Annual Report.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Teradata Corporation

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Teradata Corporation and its subsidiaries (the "Company") as of December 31, 2023 December 31, 2024 and 2022, 2023, and the related consolidated statements of income, of comprehensive income, of changes in stockholders' equity and of cash flows for each of the three years in the period ended December 31, 2023 December 31, 2024, including the related notes and financial statement schedule listed in the index appearing under Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2023 December 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 December 31, 2024 and 2022, 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023 December 31, 2024 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023 December 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with

the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i)

relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition - Evaluation of Nonstandard Terms and Conditions with Customers

As described in Notes 1 and 3 to the consolidated financial statements, the Company has ~~\$1,833 million~~ \$1,750 million of total revenue for the year ended ~~December 31, 2023~~ December 31, 2024, of which a significant portion is generated from revenue with contracts which contain multiple performance obligations. When the Company enters into contracts with multiple performance obligations, management allocates the contract's transaction price to each performance obligation using the relative standalone selling price of each distinct good or service in the contract. As disclosed by management, revenue recognition for complex contractual arrangements requires judgment, including a review of specific contracts and other factors. Specifically, complex arrangements with nonstandard terms and conditions may require significant contract interpretation to determine the appropriate accounting, including the determination whether promised goods or services are capable of being distinct and distinct within the context of the contract. If these criteria are not met, the promised goods or services are combined with other goods or services and accounted for as a combined performance obligation.

The principal considerations for our determination that performing procedures relating to revenue recognition, specifically related to the evaluation of nonstandard terms and conditions with customers, is a critical audit matter are the significant judgment by management in evaluating the impact of nonstandard terms and conditions with customers on revenue recognition and determining the appropriate revenue recognition. This in turn led to significant auditor judgment, subjectivity, and effort in performing procedures to evaluate the impact of nonstandard terms and conditions on revenue recognition.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process, including controls over the evaluation of the impact of nonstandard terms and conditions with customers on revenue recognition. These procedures also included, among others (i) evaluating and testing management's process for determining whether the criteria for revenue recognition have been met based on the specific terms and performance under the arrangement, and (ii) examining revenue arrangements on a test basis, which included evaluating the impact of nonstandard terms and conditions with customers on revenue recognition.

/s/ PricewaterhouseCoopers LLP

Atlanta, Georgia

February ~~23, 2024~~ 21, 2025

We have served as the Company's auditor since 2007.

TERADATA CORPORATION
Consolidated Statements of Income
In millions, except per share amounts

	For the Years Ended December 31		For the Years Ended December 31		
	2023	2022	2021	2024	2023
Revenue					
Subscription software licenses					
Subscription software licenses					
Subscription software licenses					
Services and other					
Total recurring					
Perpetual software licenses, hardware and other					
Consulting services					
Total revenue					

Cost of revenue
Subscription software licenses
Subscription software licenses
Subscription software licenses
Services and other
Total recurring
Perpetual software licenses, hardware and other
Consulting services
Total cost of revenue
Gross profit
Operating expenses
Selling, general and administrative expenses
Selling, general and administrative expenses
Selling, general and administrative expenses
Research and development expenses
Total operating expenses
Income from operations
Other expense, net
Interest expense
Interest expense
Interest expense
Interest income
Other expense
Total other expense, net
Income before income taxes
Income tax expense
Net income
Net income per weighted average common share
Basic
Basic
Basic
Diluted
Weighted average common shares outstanding
Basic
Basic
Basic
Diluted

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

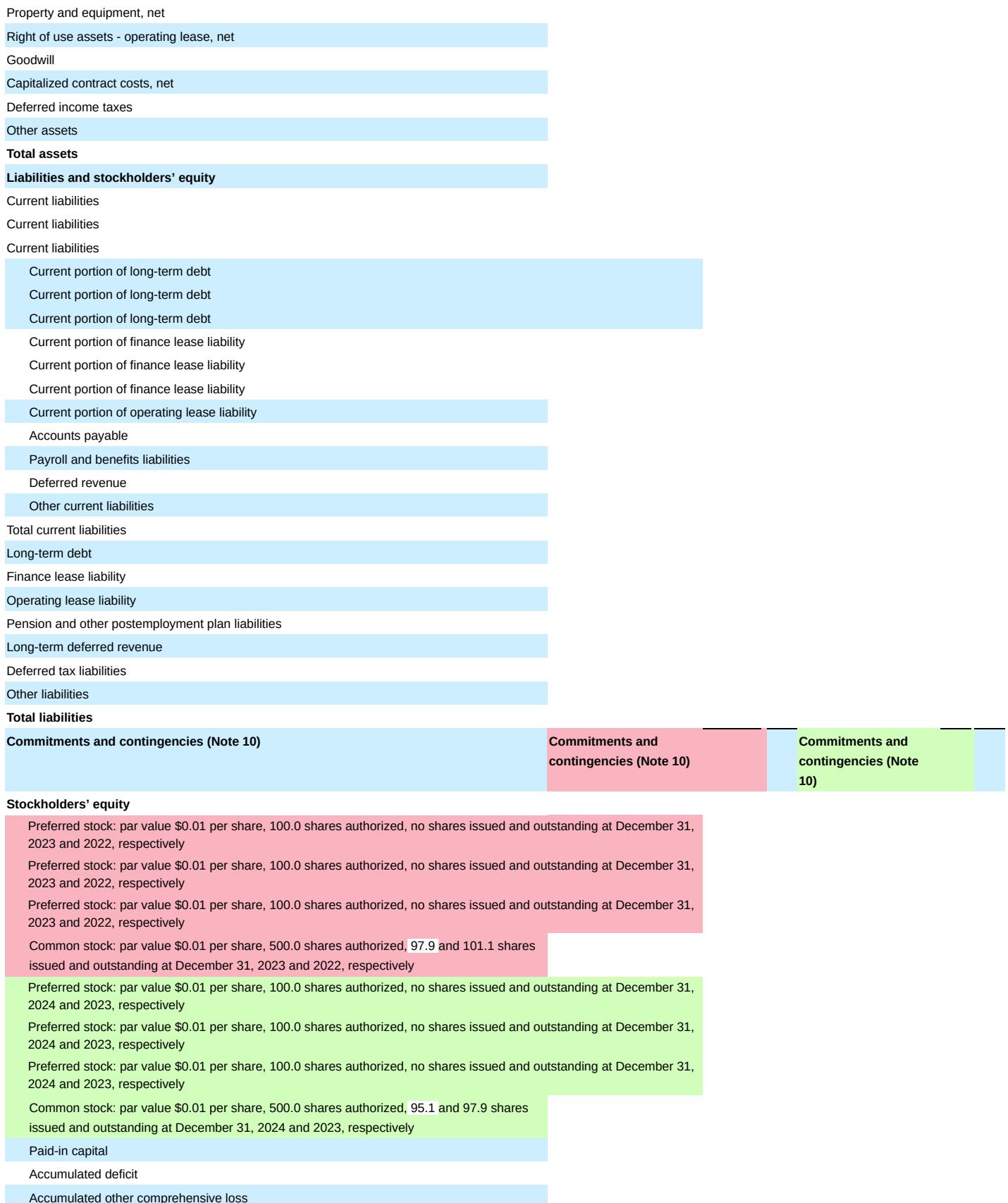
TERADATA CORPORATION
Consolidated Statements of Comprehensive Income
In millions

	For the Years Ended December 31		For the Years Ended December 31		2023	2022
	2023	2022	2021	2024		
Net income						
Other comprehensive income (loss):						
Foreign currency translation adjustments						
Foreign currency translation adjustments						
Foreign currency translation adjustments						

Unrealized loss on cross-currency net investment hedge, before tax
Unrealized loss on cross-currency net investment hedge, tax portion
Unrealized gain (loss) on cross-currency net investment hedge, before tax
Unrealized gain (loss) on cross-currency net investment hedge, tax portion
Total currency translation adjustments
Derivatives:
Unrealized (loss) gain on derivatives, before tax
Unrealized gain (loss) on derivatives, before tax
Unrealized (loss) gain on derivatives, before tax
Unrealized gain (loss) on derivatives, before tax
Unrealized (loss) gain on derivatives, before tax
Unrealized (loss) gain on derivatives, tax portion
Unrealized (loss) gain on derivatives, net of tax
Unrealized gain (loss) on derivatives, before tax
Unrealized gain (loss) on derivatives, tax portion
Unrealized gain (loss) on derivatives, net of tax
Defined benefit plans:
Reclassification of loss to net income
Reclassification of loss to net income
Reclassification of loss to net income
Reclassification of loss to net income, before tax
Reclassification of loss to net income, before tax
Reclassification of loss to net income, before tax
Defined benefit plan adjustment, before tax
Defined benefit plan adjustment, tax portion
Defined benefit plan adjustment, net of tax
Defined benefit plans, tax portion
Defined benefit plans, net of tax
Other comprehensive (loss) income
Comprehensive income

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

	TERADATA CORPORATION			At December 31	
	Consolidated Balance Sheets				
	In millions, except per share amounts			2023	2022
Assets					
Current assets					
Current assets					
Current assets					
Cash and cash equivalents					
Cash and cash equivalents					
Cash and cash equivalents					
Accounts receivable, net					
Inventories					
Other current assets					
Total current assets					



Total stockholders' equity

Total liabilities and stockholders' equity

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

TERADATA CORPORATION
Consolidated Statements of Cash Flows

In millions

	For the Years Ended December			For the Years Ended December		
	31	2022	2021	31	2024	2023
Operating activities						
Net income						
Net income						
Net income						
Adjustments to reconcile net income to net cash provided by operating activities:						
Depreciation and amortization						
Depreciation and amortization						
Depreciation and amortization						
Stock-based compensation expense						
Deferred income taxes						
Deferred income taxes						
Deferred income taxes						
Loss on Blue Chip Swap						
Changes in assets and liabilities:						
Changes in assets and liabilities:						
Changes in assets and liabilities:						
Receivables						
Receivables						
Receivables						
Inventories						
Account payables and accrued expenses						
Deferred revenue						
Other assets and liabilities						
Net cash provided by operating activities						
Investing activities						
Expenditures for property and equipment						
Expenditures for property and equipment						
Expenditures for property and equipment						
Additions to capitalized software						
Business acquisitions, other investing activities and proceeds on Blue Chip Swap, net of purchases						
Business acquisitions, other investing activities and proceeds on Blue Chip Swap, net of purchases						
Business acquisitions, other investing activities and proceeds on Blue Chip Swap, net of purchases						
Net cash used in investing activities						
Financing activities						
Repurchases of common stock						
Repurchases of common stock						
Repurchases of common stock						

Proceeds from long-term borrowings	
Repayments of long-term borrowings	
Payments of finance leases	
Payments of finance leases	
Payments of finance leases	
Other financing activities, net	
Net cash used in financing activities	
Effect of exchange rate changes on cash and cash equivalents	
(Decrease) increase in cash, cash equivalents and restricted cash	
Decrease in cash, cash equivalents and restricted cash	
Cash, cash equivalents and restricted cash at beginning of year	
Cash, cash equivalents and restricted cash at end of year	
Reconciliation of cash, cash equivalents and restricted cash to the Consolidated Balance Sheets	
Cash and cash equivalents	
Cash and cash equivalents	
Cash and cash equivalents	
Restricted cash	
Total cash, cash equivalents and restricted cash	
Supplemental data	
Supplemental data	
Supplemental data	
Supplemental cash flow disclosure:	
Supplemental cash flow disclosure:	
Supplemental cash flow disclosure:	
Assets acquired by finance lease	
Assets acquired by finance lease	
Assets acquired by finance lease	
Assets acquired by operating lease	
Annual variable incentive payout settled in equity	
Cash paid during the year for:	
Cash paid during the year for:	
Cash paid during the year for:	
Income taxes, net	
Income taxes, net	
Income taxes, net	
Interest	

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

TERADATA CORPORATION										
Consolidated Statements of Changes in Stockholders' Equity										
In millions										
	Common Stock	Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive (Loss) income	Common Stock	Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive (Loss) income		
	Shares	Amount	Capital	Deficit)	(Loss) income	Total	Shares	Amount	Capital	Total
December 31, 2020										
Net income										

Employee stock
compensation, employee
stock purchase programs and
option exercises, net of tax
Repurchases of common
stock, retired
Pension and postemployment
benefit plans, net of tax
Unrealized gain on
derivatives, net of tax
Currency translation
adjustment

December 31, 2021

Net income
Employee stock
compensation, employee
stock purchase programs and
option exercises, net of tax
Repurchases of common
stock, retired
Pension and postemployment
benefit plans, net of tax
Unrealized gain on
derivatives, net of tax
Currency translation
adjustment

December 31, 2022

Net income
Employee stock
compensation, employee
stock purchase programs and
option exercises, net of tax
Repurchases of common
stock, retired
Pension and postemployment
benefit plans, net of tax
Unrealized loss on
derivatives, net of tax
Currency translation
adjustment

December 31, 2023

Net income
Employee stock
compensation, employee
stock purchase programs and
option exercises, net of tax
Repurchases of common
stock, retired
Pension and postemployment
benefit plans, net of tax
Unrealized gain on
derivatives, net of tax
Currency translation
adjustment

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Description of Business, Basis of Presentation and Significant Accounting Policies

Description of the Business. Teradata Corporation ("we," "us," "Teradata," or the "Company") is focused on helping organizations improve business performance, enrich customer experiences, and integrate data across the enterprise. As such, we strive to innovate and deliver trusted solutions for complex data and analytics challenges. That's why we built our comprehensive open and connected cloud analytics and data platform for artificial intelligence ("AI"). Our Teradata Vantage platform is designed to help enterprises solve business problems and deliver business breakthroughs with its capabilities to provide harmonized data, trusted AI, and faster innovation.

Basis of Presentation. The financial statements are presented on a consolidated basis and include the accounts of the Company and its wholly-owned subsidiaries in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Recurring revenue consists of our on-premises and cloud subscriptions, which have varying term lengths from one month to five years. Recurring revenue is intended to depict the revenue recognition model for these subscription transactions. The recurrence of these revenue streams in future periods depends on several factors, including contractual periods and customers' renewal decisions. Perpetual software licenses, hardware and other revenue consists of hardware and perpetual software licenses recognized upfront and revenue related to third party products. Consulting services revenue consists of consulting, implementation and installation services.

Use of Estimates. The preparation of financial statements in conformity with GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the period reported. On an ongoing basis, management evaluates these estimates and judgments, including those related to allowances for doubtful accounts, the valuation of inventory to net realizable value, impairments of goodwill and other intangibles, stock-based compensation, leases, pension and other postemployment benefits, and income taxes and any changes will be accounted for on a prospective basis. Actual results could differ from those estimates.

Revenue Recognition

The Company adopted Financial Accounting Standards Board ("FASB") Standards Update No. 2014-09, *Revenue from Contracts with Customers* ("Topic 606") as of January 1, 2018 for all contracts not completed as of the date of adoption. The core principle of Topic 606 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. To achieve that core principle, the Company performs the following five steps:

1. identify the contract with a customer,
2. identify the performance obligations in the contract,
3. determine the transaction price,
4. allocate the transaction price to the performance obligations in the contract, and
5. recognize revenue when (or as) the Company satisfies a performance obligation.

The Company only applies the above five-step model to contracts when it is probable that the Company will collect the consideration it is entitled to in exchange for goods or services it transfers to the customer. The Company applies judgment in determining the customer's ability and intention to pay, which is based on a variety of factors including the customer's historical payment experience, published credit, and financial information pertaining to the customer.

Revenue is measured based on consideration specified in a contract with a customer, and excludes any sales, value add, and other taxes the Company collects concurrent with revenue-producing activities. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a good or service to a customer. Estimates of variable consideration are included in revenue to the extent that it is probable that a significant reversal of cumulative revenue will not occur once the uncertainty is resolved. The Company uses the expected value method or the most likely amount method depending on the nature of the variable consideration. Our estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of our anticipated performance and all information (historical, current and forecasted) that is reasonably available to us. If actual results in the future vary from the Company's estimates, the Company adjusts these estimates in the period such variances become known. Typically, the amount of variable consideration is not material.

For contracts with multiple performance obligations, the Company allocates the contract's transaction price to each performance obligation using the relative standalone selling price of each distinct good or service in the contract. The Company must apply judgment to determine whether promised goods or services are capable of being distinct and distinct within the context of the contract. If these criteria are not met, the promised goods or services are combined with other goods or services and accounted for as a combined performance obligation. Revenue is then recognized either at a point in time or over time depending on our evaluation of when the customer obtains control of the promised goods or services. This evaluation requires significant judgment and the decision to combine a group of contracts or separate the combined or single contract into multiple performance obligations could change the amount of revenue recorded in a given period. In addition, the Company has developed assumptions that require judgment to determine the standalone selling price for each performance obligation identified in the contract. The Company determines the standalone selling price for a good or service by considering multiple factors including, geographies, market conditions,

product life cycles, competitive landscape, internal costs, gross margin objectives, purchase volumes and pricing practices. The Company reviews the standalone selling price for each of its performance obligations on a periodic basis and updates it, when appropriate, to ensure that the practices employed reflect the Company's recent pricing experience. The Company maintains internal controls over the establishment and updates of these estimates, which includes review and approval by the Company's management.

Teradata delivers its platform and services primarily through direct sales channels, as well as through other independent software vendors and distributors and value-added resellers. Standard payment terms may vary based on the country in which the contract is executed, but are generally between 30 days and 90 days. The following is a description of the principal activities and performance obligations from which the Company generates its revenue:

- **Subscription software licenses, services and other** - The Company sells on-premises and cloud subscriptions to its customers through its subscription licenses, cloud and hardware rental offerings. Teradata's on-premises subscription licenses include a right-to-use license and revenue is recognized upfront at a point in time unless the customer has a contractual right to cancel, where revenue is recognized period-to-period based on the cancellation terms. Subscription licenses are reported within the subscription software licenses caption on the Consolidated Statements of Income. The subscription software license support and unspecified software license upgrade rights on a when-and-if-available basis that are included in the subscription are reported within the recurring services and other caption and recognized ratably over the contract term. Cloud arrangements include a right-to-access software license on third party hosted hardware such as the public cloud. Revenue is recognized ratably, or as consumed, over the contract term and included within the recurring services and other caption. Cloud arrangements typically include a minimum fixed amount that is recognized ratably over the contract term and may include an elastic amount for usage above the minimum, which is recognized monthly based on actual utilization. For the Company's hardware rental offering, the Company owns the hardware and typically finances the hardware to more closely align the use of cash with the expected cash inflows from contracts with customers. The revenue for these arrangements is generally recognized straight-line over the term of the contract and is included within the recurring services and other caption. Hardware rentals are generally accounted for as operating leases and considered outside the scope of Topic 606.
- **Perpetual maintenance and software upgrade rights** - Revenue for maintenance and unspecified software upgrade rights on a when-and-if-available basis are recognized straight-line over the term of the contract and included within the recurring services and other caption.
- **Perpetual software licenses, hardware and other** - Revenue for software is generally recognized when the customer has the ability to use and benefit from its right to use the license. Hardware is typically recognized upon delivery once title and risk of loss have been transferred (when control has passed). Other revenue includes the sale of **all** third-party related products.
- **Consulting services** - The Company accounts for individual services as separate performance obligations if a service is separately identifiable from other items in a combined arrangement and if a customer can benefit from it on its own or with other resources that are readily available to the customer. Revenue for consulting, managed services, implementation and installation services is recognized as services are provided by measuring progress toward the complete satisfaction of the Company's obligation. Progress for services that are contracted for at a fixed price is generally measured based on hours incurred as a portion of total estimated hours. Progress for services that are contracted for on a time and materials basis is generally based on hours expended. These input methods (e.g. hours incurred or expended) of revenue recognition are considered a faithful depiction of our efforts to satisfy services contracts and therefore reflect the transfer of services to a customer under such contracts.

Significant Accounting Policies and Practical Expedients

The following are the Company's significant accounting policies not already disclosed elsewhere and practical expedients relating to revenue from contracts with customers:

- Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a customer, are excluded from revenue.
- Shipping and handling costs associated with outbound freight after control over a product has transferred to a customer are accounted for as fulfillment cost and are included in cost of revenues.
- The Company does not adjust for the effects of a significant financing component if the period between performance and customer payment is one year or less.
- The Company expenses the costs to obtain a contract as incurred when the expected amortization period is one year or less.

Shipping and Handling. Product shipping and handling are included in cost in the Consolidated Statements of Income.

Cash and Cash Equivalents. All short-term, highly-liquid investments having original maturities of three months or less are considered to be cash equivalents.

Allowance for Doubtful Accounts. Teradata establishes provisions for doubtful accounts using expected credit losses methodology and specific provisions for known issues.

Inventories. Inventories are stated at the lower of cost or market. Cost of service parts is determined using the average cost method. Finished goods inventory is determined using actual cost.

Long-Lived Assets

Property and Equipment. Property and equipment, leasehold improvements and rental equipment are stated at cost less accumulated depreciation. Depreciation is computed over the estimated useful lives of the related assets primarily on a straight-line basis. The Company's estimate of depreciation expense incorporates management assumptions regarding the useful economic lives and residual values of its assets. Equipment is generally depreciated over 3 to 5 years and buildings over 25 to 45 years. Leasehold improvements are depreciated over the life of the lease or the asset, whichever is shorter. Customer rental equipment is typically depreciated over the associated customer rental period, which is typically 3 years. Total depreciation expense on the Company's property and equipment for December 31 was as follows:

In millions	In millions	2023	2022	In millions	2024	2023	2022
Depreciation expense							

Capitalized Software. Direct development costs associated with internal-use software are capitalized and amortized over the estimated useful lives of the resulting software. The costs are capitalized when both the preliminary project stage is completed and it is probable that computer software being developed will be completed and placed in service. Teradata typically amortizes capitalized internal-use software on a straight-line basis over four years beginning when the asset is substantially ready for use.

Costs incurred for the development of analytic database software that will be sold, leased or otherwise marketed are expensed as incurred based on the frequency and agile nature of development. The Company uses agile development methodologies to help respond to new technologies and trends and rapidly changing customer needs. Agile development methodologies are characterized by a more dynamic development process with more frequent and iterative revisions to a product release features and functions as the software is being developed. Due to the shorter development cycle and focus on rapid production associated with agile development, the Company did not capitalize any amounts for external-use software development costs in 2024, 2023 2022 and 2021 2022 due to the relatively short duration between the completion of the working model and the point at which a product is ready for general release.

The following table identifies the activity relating to capitalized internal-use software for the following periods:

In millions							
In millions							
In millions							
Beginning balance at January 1							
Beginning balance at January 1							
Beginning balance at January 1							
Capitalized							
Capitalized							
Capitalized							
Amortization							
Amortization							
Amortization							
Ending balance at December 31							
Ending balance at December 31							
Ending balance at December 31							

The aggregate amortization expense (actual and estimated) for internal-use software for the following periods is:

In millions	Actual		For the years ended (estimated)			Actual		For the years ended (estimated)						
	In millions	2023	2024	2025	2026	2027	2028	In millions	2024	2025	2026	2027	2028	2029
Internal-use software amortization expense														

Valuation of Long-Lived Assets. Long-lived assets such as property and equipment, acquired intangible assets and internal capitalized software are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. An impairment is calculated based on the present value of future cash flows and an impairment loss would be recognized when estimated future undiscounted cash flows expected to result from the use of the asset and its eventual disposition are less than the carrying amount. No material impairment was recognized during 2024, 2023 2022 and 2021, 2022.

Cloud computing arrangements. Implementation costs incurred in our hosting arrangements that are service contracts are recorded as other long-term assets on the consolidated balance sheets. Implementation costs include activities such as integrating, configuring and customizing the related software. Capitalization of these costs ceases once the project is substantially complete and the software is ready for its intended purpose. Costs incurred for post-configuration training, maintenance and minor modifications or enhancements are expensed as incurred. The capitalized cloud computing implementation costs are amortized on the

straight-line basis over the fixed, non-cancellable term of the associated hosting arrangement plus any reasonably certain renewal periods. We apply the same impairment model to these assets as we use to evaluate internally-developed software for impairment.

Goodwill. Goodwill represents the excess of the purchase price in a business combination over the fair value of net tangible and intangible assets acquired. Goodwill amounts are not amortized, but rather are tested for impairment annually or upon occurrence of an event or change in circumstances that would more likely than not reduce the fair value of a reporting unit below its carrying amount. See Note 5 for additional information.

Research and Development Costs. Research and development costs are expensed as incurred. Research and development costs primarily include labor-related costs, contractor fees, and overhead expenses directly related to research and development support.

Pension and Postemployment Benefits. The Company accounts for its pension benefit and its non-U.S. postemployment benefit obligations using actuarial models. The measurement of plan obligations was made as of **December 31, 2023**.

December 31, 2024. Liabilities are computed using the projected unit credit method. The objective under this method is to expense each participant's benefits under the plan as they accrue, taking into consideration salary increases and the plan's benefit allocation formula. Thus, the total pension or postemployment benefit to which each participant is expected to become entitled is broken down into units, each associated with a year of past or future credited service.

The Company recognizes the funded status of its pension and non-U.S. and Japan postemployment plan obligations in its consolidated balance sheet and records, in other comprehensive income, certain gains and losses that arise during the period, but are deferred under pension and postemployment accounting rules. See Note 8 for additional information.

Foreign Currency. Assets and liabilities of non-U.S. subsidiaries that operate in a local currency environment are translated into U.S. dollars at period-end exchange rates. Income and expense accounts are translated at daily exchange rates prevailing during the period. Adjustments arising from the translation are included in accumulated other comprehensive income, a separate component of stockholders' equity. Gains and losses resulting from foreign currency transactions are included in determining net income.

Income Taxes. Income tax expense is provided based on income before income taxes in the various jurisdictions in which the Company conducts its business. Deferred income taxes reflect the impact of temporary differences between assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes. These deferred taxes are determined based on the enacted tax rates expected to apply in the periods in which the deferred assets or liabilities are expected to be settled or realized. The Company made an accounting policy election in 2018 related to the 2017 Tax Act to provide for the tax expense related to global intangible low-taxed income ("GILTI") in the year the tax is incurred. Teradata recognizes tax benefits from uncertain tax positions only if it is more likely than not the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The Company records valuation allowances related to its deferred income tax assets when it is more likely than not that some portion or all the deferred income tax assets will not be realized. See Note 6 for additional information.

Stock-based Compensation. Stock-based payments to employees, including restricted shares and restricted share units, are recognized in the financial statements based on their fair value. See Note 7 for additional information.

Earnings Per Share. Basic earnings per share is calculated by dividing net income by the weighted-average number of shares outstanding during the reported period. The calculation of diluted earnings per share is similar to basic earnings per share, except that the weighted-average number of shares outstanding includes the dilution from potential shares added from stock options, restricted share awards and other stock awards. Refer to Note 7 for share information on the Company's stock compensation plans.

The components of basic and diluted earnings per share for the years ended December 31 are as follows:

In millions, except earnings per share

In millions, except earnings per share

In millions, except earnings per share

Net income attributable to common stockholders

Weighted average outstanding shares of common stock

Dilutive effect of employee stock options, restricted shares and other stock awards

Common stock and common stock equivalents

Earnings per share:

Basic

Basic

2023 2022 2021 2024 2023 2022

Basic

Diluted

Options to purchase an immaterial number of shares in 2024 and 2023 and 0.3 million shares in 2022 and 0.2 million shares in 2021 of common stock, were not included in the computation of diluted earnings per share because their exercise prices were greater than the average market price of the common shares and, therefore, the effect would have been anti-dilutive.

Recently Adopted Accounting Pronouncements

Beginning with our 2024 annual reporting, we adopted Accounting Standards Update (ASU) No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures (ASU 2023-07) that was issued by the Financial Accounting Standards Board (FASB). This standard requires disclosure of significant segment expenses and other segment items by reportable segment on an annual and interim basis. Upon adoption, the guidance was applied retrospectively to all prior periods presented in the financial statements. For additional information, see Note 14 — Segment, Other Supplemental Information and Concentrations.

Recently Issued Accounting Pronouncements

In November 2023, the FASB issued ASU No. 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." This standard requires disclosure of significant segment expenses and other segment items by reportable segment. This ASU becomes effective for annual periods beginning in 2024 and interim periods in 2025. We are assessing the impact of this ASU and upon adoption expect that any impact would be limited to additional segment expense disclosures in the footnotes to our Consolidated Financial Statements.

In December 2023, the FASB issued ASU No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." This standard enhances disclosures related to income taxes, including the rate reconciliation and information on income taxes paid. This ASU becomes effective January 1, 2025. We are assessing the impact of this ASU and upon adoption may be required to include certain additional disclosures in the footnotes to our Consolidated Financial Statements.

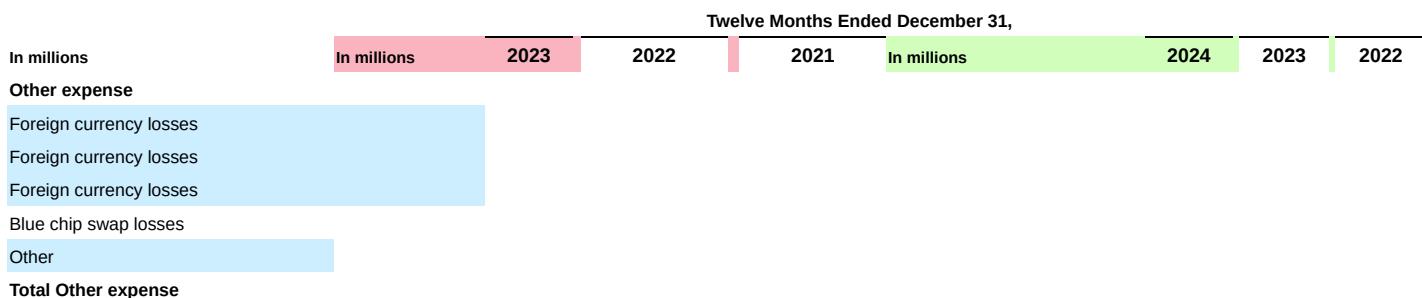
In November 2024, the FASB issued ASU No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses (ASU 2024-03). The new guidance requires disaggregated information about certain income statement expense line items on an annual and interim basis. This guidance will be effective for annual periods beginning the year ended December 31, 2027 and for interim periods thereafter. The new standard permits early adoption and can be applied prospectively or retrospectively. We are evaluating the effect that this guidance will have on our Consolidated Financial Statements.

Note 2 Supplemental Financial Information

In millions	At December 31		At December 31	
	In millions	2023	In millions	2024
Accounts receivable				
Trade				
Trade				
Trade				
Other				
Accounts receivable, gross				
Less: allowance for doubtful accounts				
Total accounts receivable, net				
Inventories				
Finished goods				
Finished goods				
Finished goods				
Service parts				
Total inventories				
Other current assets				
Income tax receivable				
Income tax receivable				



*Prior year results have been updated to conform to the current year presentation.



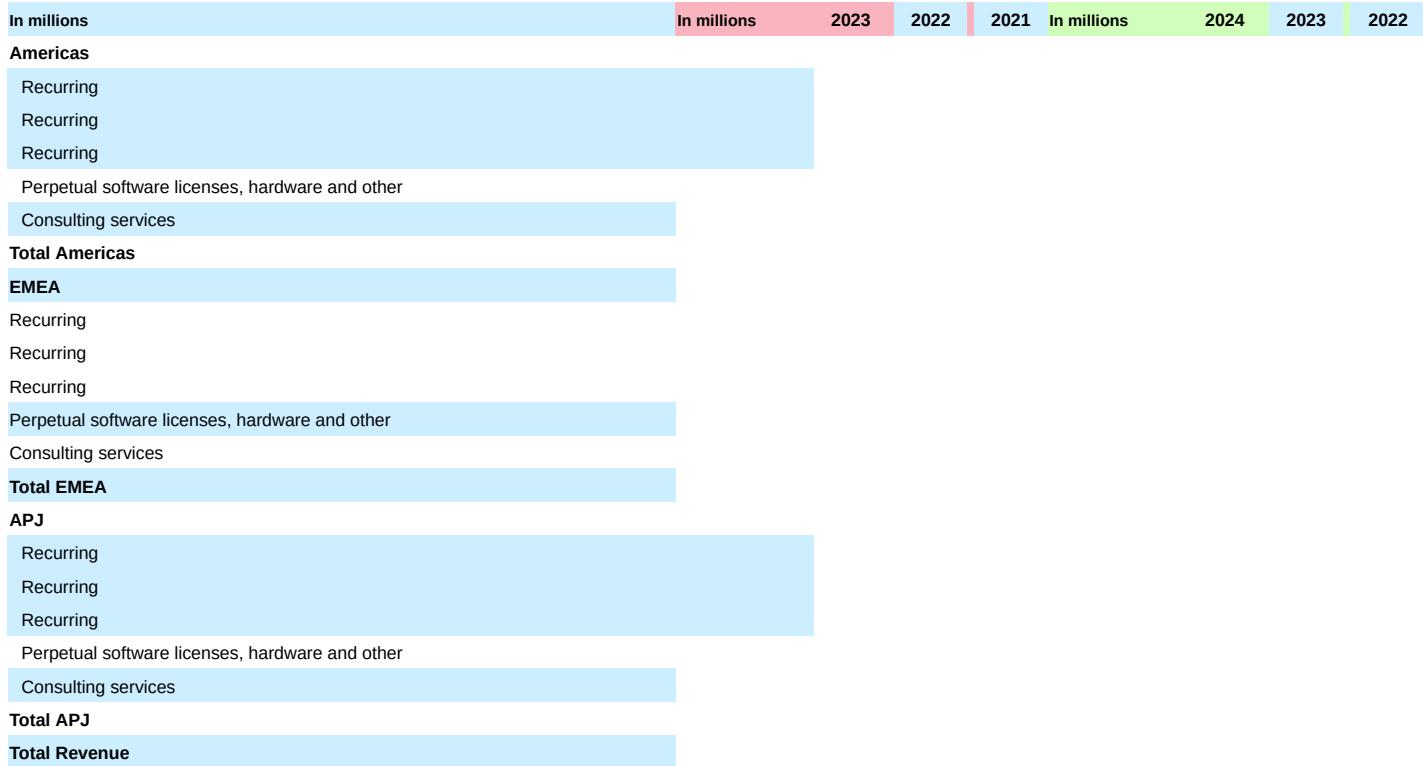
Argentina Blue Chip Swap Transaction

The Central Bank of Argentina maintains currency controls that limit Teradata's ability to access U.S. dollars in Argentina and remit cash from its Argentine operations. There is a foreign exchange mechanism known as Blue Chip Swaps, which effectively results in a parallel U.S. dollar exchange rate. This parallel rate, which cannot be used as the basis to remeasure Teradata's net monetary assets in U.S. dollars under U.S. GAAP, was approximately 168% GAAP, has been higher than Argentina's official exchange rate, at when the Company completed its swaps, since September 30, 2023. During October of 2023, Teradata 2024, we entered into Blue Chip Swap transactions, in order to remit cash from its our Argentine operations that resulted in a pre-tax loss on investment of \$4 million for the twelve months ended December 31, 2024 and a pre-tax loss on investment of \$13 million during the fourth quarter of 2023.

Note 3 Revenue from Contracts with Customers

Disaggregation of Revenue from Contracts with Customers

The following table presents a disaggregation of revenue for the years ended December 31:



Contract Balances

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, contract assets, and customer advances and deposits (deferred revenue or contract liabilities) on the consolidated balance sheet. Accounts receivable include amounts due from customers that are unconditional. Contract assets relate to the Company's rights to consideration for goods delivered or services completed and recognized as revenue but billing and the right to receive payment is conditional upon the completion of other performance obligations. Contract assets are included in other current assets on the balance sheet and are transferred to accounts receivable when the rights become unconditional. Deferred revenue consists of advance payments and billings in excess of revenue recognized. Deferred revenue is classified as either current or noncurrent based on the timing of when the Company expects to recognize revenue. These assets and liabilities are reported on a contract-by-contract basis at the end of each reporting period. The following table provides information about receivables, contract assets and deferred revenue from contracts with customers:

In millions	In millions	December 31, 2023	December 31, 2022	In millions	December 31, 2024	December 31, 2023
Accounts receivable, net						
Contract assets						
Current deferred revenue						
Long-term deferred revenue						

Revenue recognized during the year ended **December 31, 2023** **December 31, 2024** from amounts included in deferred revenue at the beginning of the period was approximately **\$490 million** **\$551 million**.

Transaction Price Allocated to Unsatisfied Obligations

The following table includes estimated revenue expected to be recognized in the future related to the Company's unsatisfied (or partially satisfied) obligations at **December 31, 2023** **December 31, 2024**:

In millions	In millions	December 31, 2023	Year 1	Year 2 and Thereafter	In millions	December 31, 2024	Year 1	Year 2 and Thereafter
Remaining unsatisfied obligations								
Remaining unsatisfied obligations								
Remaining unsatisfied obligations								

The amounts above represent the price of firm orders for which work has not been performed or goods have not been delivered and exclude unexercised contract options outside the stated contractual term that do not represent material rights to the customer. Although the Company believes that the contract value in the above table is firm, approximately **\$1,442 million** **\$1,237 million** of the amount includes customer-only general cancellation for convenience terms that the Company is contractually obligated to perform unless the customer notifies the Company otherwise. The Company expects to recognize revenue of approximately **\$646 million** **\$620 million** in the next year from contracts that are non-cancelable. The Company believes the inclusion of this information is important to understanding the obligations that the Company is contractually required to perform and provides useful information regarding remaining obligations related to these executed contracts.

Note 4 Contract Costs

The Company capitalizes sales commissions and other contract costs that are incremental direct costs of obtaining customer contracts if the expected amortization period of the asset is greater than one year. These costs are recorded in Capitalized contract costs on the Company's balance sheet. The capitalized amounts are calculated based on the sales commissions for individual multi-term contracts. The judgments made in determining the amount of costs incurred include whether the commissions are in fact incremental and would not have occurred absent the customer contract. Costs to obtain a contract are amortized as selling, general and administrative expenses on a straight-line basis over the expected period of benefit, which is typically four years. These costs are periodically reviewed for impairment. The following table identifies the activity relating to capitalized contract costs:

In millions	In millions	December 31, 2022	Capitalized	Amortization	December 31, 2023	In millions	December 31, 2023	Capitalized	Amortization	December 31, 2024
Capitalized contract costs										
In millions	In millions	December 31, 2021	Capitalized	Amortization	December 31, 2022	In millions	December 31, 2022	Capitalized	Amortization	December 31, 2023
Capitalized contract costs										

Note 5 Goodwill and Acquired Intangible Assets

The following table identifies the activity relating to goodwill by **our new operating segment**: **segments**:

In millions	In millions	Balance December 31, 2022	Currency Translation	Balance December 31, 2023	Balance December 31, 2023	Segment re-allocation	Currency Translation	Balance December 31, 2024
In millions	In millions		Additions	Adjustments				
Goodwill								
Americas								
Americas								
Americas								
EMEA								
APJ								
Product Sales								
Consulting Services								
Total goodwill								

During 2023, On August 5, 2024, Teradata announced that it realigned its sales function and initiated global restructuring to optimize operations. Due to these organizational changes, Teradata now manages its business under two segments, which are also the Company recorded additional goodwill Company's new operating segments: (1) Product Sales and (2) Consulting Services. Teradata's Product Sales segment represents the results for the immaterial acquisition of Stemma Technologies that occurred during Recurring Revenue and Perpetual Software Licenses, Hardware

and Other line items and the period. Consulting Services segment represents the Consulting Services line item, each as disclosed in the Company's financial statements and in the tables in this Form 10-K.

In the fourth quarter of 2023, the Company performed its annual impairment test, utilizing the quantitative method, and determined that no impairment to the carrying value of goodwill was necessary as each reporting unit's fair value was above its carrying value. The Company reviewed its three reporting units in its 2023 goodwill impairment

assessment, as each of the geographic operating segments were considered separate reporting units for purposes of testing.

Acquired intangible assets were specifically identified when acquired and are deemed to have finite lives. The gross carrying amount and accumulated amortization for Teradata's acquired intangible assets were as follows:

In millions	December 31, 2023		
	Amortization Life (in Years)	Gross Carrying Amount	Accumulated Amortization Amount
Acquired intangible assets			
Intellectual property/developed technology	5	\$ 14	\$ (2)

During 2023, the Company recorded intangibles for intellectual property related to the immaterial acquisition of Stemma Technologies that occurred during the period.

In millions	December 31, 2024		
	Amortization Life (in Years)	Gross Carrying Amount	Accumulated Amortization Amount
Acquired intangible assets			
Intellectual property/developed technology	5	\$ 14	\$ (5)

The aggregate amortization expense (actual and estimated) for acquired intangible assets for the following periods is:

In millions	Actual	Actual	For the years ended (estimated)	Actual	In millions	For the years ended (estimated)		
	In millions	2023	2024	2025	2026	2027	2028	2029
Amortization expense								

Note 6 Income Taxes

For the years ended December 31, income before income taxes consisted of the following:

In millions	In millions	2023	2022	In millions	2024	2023	2022
Income before income taxes							

United States

United States
United States
Foreign

Total income before income taxes

For the years ended December 31, income tax expense consisted of the following:

In millions	In millions	2023	2022	2021	In millions	2024	2023	2022
Income tax expense								
Current								
Current								
Current								
Federal								
Federal								
Federal								
State and local								
Foreign								
Deferred								
Federal								
Federal								
Federal								
State and local								
Foreign								
Total income tax expense								
Effective income tax rate	Effective income tax rate	47.0 %	50.7 %	23.4 %	Effective income tax rate	30.5 %	47.0 %	50.7 %

The following table presents the principal components of the difference between the effective tax rate and the United States federal statutory income tax rate for the years ended December 31:

	2023	2022	2021		2023	2022	2021
	2024	2023	2022		2024	2023	2022
Income tax expense at the U.S. federal tax rate	Income tax expense at the U.S. federal tax rate	21.0 %	21.0 %	21.0 %	Income tax expense at the U.S. federal tax rate	21.0 %	21.0 %
Foreign income tax differential	Foreign income tax differential	1.5 %	13.0 %	2.8 %	Foreign income tax differential	(3.2)%	1.5 %
U.S. tax on foreign earnings	U.S. tax on foreign earnings	(1.7)%	2.8 %	0.3 %	U.S. tax on foreign earnings	(0.7)%	2.8 %
State and local income taxes	State and local income taxes	(3.2)%	(4.2)%	(1.3)%	State and local income taxes	(1.3)%	(4.2)%
U.S. permanent book/tax differences	U.S. permanent book/tax differences	3.7 %	4.8 %	(2.3)%	U.S. permanent book/tax differences	1.8 %	4.8 %
U.S. research and development tax credits	U.S. research and development tax credits	(6.1)%	(10.4)%	(2.6)%	U.S. research and development tax credits	(4.2)%	(10.4)%
Change in valuation allowance	Change in valuation allowance	18.6 %	18.7 %	3.2 %	Change in valuation allowance	10.7 %	18.7 %
Argentina hyperinflationary adjustment	Argentina hyperinflationary adjustment	13.1 %	— %	— %	Argentina hyperinflationary adjustment	— %	— %
Tax impact of stock compensation							
Tax impact of stock compensation							
Tax impact of stock compensation		1.7 %	3.6 %	0.8 %		4.3 %	3.6 %
Tax Impact of uncertain tax positions							
Tax impact of uncertain tax positions							
Tax Impact of uncertain tax positions							
Tax impact of uncertain tax positions							
Tax Impact of uncertain tax positions							
Tax Impact of uncertain tax positions							
Tax Impact of uncertain tax positions							
Tax Impact of uncertain tax positions							
Tax Impact of uncertain tax positions							
Tax Impact of uncertain tax positions							
Tax Impact of uncertain tax positions							
Tax Impact of uncertain tax positions							
Other, net	Other, net	(0.8)%	(0.1)%	(0.5)%	Other, net	— %	(0.8)%
Effective income tax rate	Effective income tax rate	47.0 %	50.7 %	23.4 %	Effective income tax rate	30.5 %	47.0 %

The 2024 effective tax rate included a net \$3 million of discrete tax expense, a majority of which related to additional tax expense from stock-based compensation vesting.

The 2023 effective tax rate included a net \$18 million of discrete tax expense, of which \$15 million of tax expense related to the foreign currency exchange translation impact on deferred tax and tax payable balances for Teradata's Argentina operations due to hyperinflation in Argentina and \$10 million of tax expense related to a valuation allowance recorded against deferred tax assets for Argentina and other reorganization and transformation activities. These were partially offset by \$4 million tax benefit related to the reversal of a FIN 48 tax reserve due to the expiration of statute of limitations and \$3 million of incremental tax benefit related to stock-based compensation.

The 2022 effective tax rate included a net \$1 million of discrete tax benefit, of which \$2 million of tax benefit related to the reversal of a capital FIN 48 tax reserve due to the expiration of statute of limitations and \$4 million incremental tax benefit related to stock-based compensation. These tax benefits were partially offset by \$5 million of discrete tax expenses related to valuation allowances recorded against deferred tax assets and current receivables in Russia that are not expected to be realized as a result of the discontinuation of the Company's business in Russia.

The 2021 effective tax rate included a net \$8 million of discrete tax benefit, of which \$3 million of tax benefit was related to true-up adjustments to reconcile the Company's 2020 U.S. tax return versus the preliminary estimate as booked in its tax provision for the year ended December 31, 2020 and \$2 million of tax benefit related to a reduction in the Transition Tax based on the Company's amended 2017 tax return. In addition, the Company recognized \$4 million of incremental tax benefit related to stock-based compensation. These tax benefits were partially offset by \$1 million of discrete tax expense related to adjustments to the Company's accrual for unrecognized tax benefits in accordance with FIN 48.

Deferred income tax assets and liabilities included in the balance sheets at December 31 were as follows:

In millions	In millions	2023	2022	In millions	2024	2023
Deferred income tax assets						
Employee pensions and other liabilities						
Employee pensions and other liabilities						
Employee pensions and other liabilities						
Other balance sheet reserves and allowances						
Operating lease liabilities						
Tax loss and credit carryforwards						
Deferred revenue						
Intangibles and capitalized software						
Total deferred income tax assets						
Valuation allowance						
Net deferred income tax assets						
Deferred income tax liabilities						
Right of use assets - operating lease						
Right of use assets - operating lease						
Right of use assets - operating lease						
Property and equipment						
Other						
Other						
Other						
Total deferred income tax liabilities						
Total net deferred income tax assets						

As of December 31, 2023 December 31, 2024, Teradata has had NOL and tax credit carryforwards totaling \$112 \$115 million (tax effected and before any valuation allowance offset and application of recognition criteria for uncertain tax positions). Of the total tax carryforwards, \$148 million are NOLs in the United States and certain foreign jurisdictions, a small portion of which will begin to expire in 2024 2025, which have a \$7 million valuation allowance offset; \$1519 million are United States foreign tax credit carryforwards which expire in 2029, which have a \$1519 million valuation allowance offset; and \$8388 million are California R&D tax credits that have an indefinite carryforward period, which have a \$6165 million valuation allowance offset and \$2123 million of FIN 48 reserve recorded.

The Company considers a majority of its foreign earnings to not be indefinitely reinvested outside of the United States, and any distributions of profits from non-U.S. subsidiaries are not expected to cause a significant United States tax impact in the future. However, these distributions may be subject to non-U.S. withholding taxes if profits are distributed from certain jurisdictions. The Company has recorded \$52 million of deferred foreign withholding tax expense with respect to certain earnings which are not considered permanently reinvested as they would be taxable upon remittance. Deferred taxes have not been provided on earnings considered indefinitely reinvested.

The Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The Company reflects any interest and penalties recorded in connection with its uncertain tax positions as a component of income tax expense.

As of **December 31, 2023** **December 31, 2024**, the Company's uncertain tax positions totaled approximately **\$40 million** **\$44 million**, of which **\$19 million** **\$21 million** is reflected in the other liabilities section of the Company's balance sheet as a non-current liability and **\$21 million** **\$23 million** of uncertain tax positions relates to certain tax attributes generated by the Company, which are netted against the underlying deferred tax assets recorded on the balance sheet. The entire balance of **\$40 million** **\$44 million** in uncertain tax positions would cause a decrease in the effective income tax rate upon recognition. Teradata has recorded \$3 million of interest accruals related to its uncertain tax liabilities as of **December 31, 2023** **December 31, 2024**.

Below is a roll-forward of the Company's liability related to uncertain tax positions at December 31:

In millions	In millions	2023	2022	In millions	2024	2023
Balance at January 1						
Gross increases for prior period tax positions						
Gross increases for prior period tax positions						
Gross increases for prior period tax positions						
Gross increases for current period tax positions						
Decreases due to the lapse of applicable statute of limitations						
Decreases relating to settlements with taxing authorities						
Balance at December 31						
Balance at December 31						
Balance at December 31						

The Company and its subsidiaries file income tax returns in the United States and various state jurisdictions, as well as numerous foreign jurisdictions. As of **December 31, 2023** **December 31, 2024**, the Company has ongoing tax audits related to its 2020 and 2015 U.S. Federal income tax return, as well as in a limited number of state and foreign jurisdictions. However, no material adjustments have been proposed or made in any of these examinations to date, which would result in any incremental income tax expense in future periods to the Company. The Company's tax returns for years **2020-2023** **2021-2024** are still open for assessment by tax authorities in its major jurisdictions.

Note 7 Employee Stock-based Compensation Plans

The Company recorded stock-based compensation expense for the years ended December 31 as follows:

In millions	In millions	2023	2022	2021	In millions	2024	2023	2022
Restricted share units								
Restricted share units								
Restricted share units								
Employee stock purchase program								
Total stock-based compensation before income taxes								
Tax benefit								
Total stock-based compensation, net of tax								

The Teradata Corporation 2012 Stock Incentive Plan (the "2012 SIP"), as amended, and the Teradata 2023 Stock Incentive Plan (the "2023 SIP"), as amended, provide for the grant of several different forms of stock-based compensation. The 2023 SIP was adopted and approved by stockholders in May 2023 and no further awards may be made under the 2012 SIP after that time. Awards granted under the 2012 Plan prior to stockholder approval of the 2023 Plan will remain outstanding in accordance with their terms. A total of **8.75** **7.2** million shares were authorized to be issued under the 2023 SIP. In May 2020, the Teradata Board of Directors adopted the Teradata New Employee Stock Inducement Plan (the "NESIP"), effective June 1, 2020. Pursuant to the NESIP, the Company may grant equity incentive compensation as a material inducement for certain individuals to commence employment with Teradata within the meaning of Rule 303A.08 of the NYSE Listed Company Manual. A total of 2.2 million shares are reserved for grant under the NESIP, the Teradata Incentive Stock Purchase Plan, and new CEO award, subject to adjustment as provided in the NESIP. The NESIP terminated on June 1, 2023.

New shares of the Company's common stock are issued as a result of the vesting of restricted share units, upon stock option exercises, and at the time of grant for restricted shares, for awards under all plans.

As of **December 31, 2023** **December 31, 2024**, the Company's primary types of stock-based compensation were restricted share units and the employee stock purchase program (the "ESPP").

Stock Options

No stock options were granted in 2024, 2023, 2022, or 2021, 2022.

Restricted Shares and Restricted Share Units

The 2023 SIP provides for the issuance of restricted shares, as well as restricted share units. These grants consist of both service-based and performance-based awards. Service-based awards typically vest over a three-year period beginning on the effective date of grant. These grants are not subject to future performance measures. The cost of these awards, determined to be the fair market value at the date of grant, is expensed ratably over the vesting period. Performance-based grants are subject to future performance measurements over a one-to three-year period. All

performance-based shares that are earned in respect of an award will become vested at the end of the performance

and/or service period provided the employee is continuously employed by the Company and applicable performance measures and other vesting conditions are met. The fair value of each performance-based award is determined on the grant date, based on the Company's stock price, and assumes that performance targets will be achieved. Over the performance period, the number of shares of stock that will be issued is adjusted upward or downward based upon management's assessment of the probability of achievement of performance targets. The ultimate number of shares issued and the related compensation cost recognized as expense will be based on a comparison of the final achievement of performance metrics to the specified targets. For substantially all restricted share grants, at the date of grant, the recipient has all rights of a stockholder, subject to certain restrictions on transferability and risk of forfeiture. A recipient of restricted share units does not have the rights of a stockholder and is subject to restrictions on transferability and risk of forfeiture. For both restricted shares and restricted share units, any potential dividend rights would be subject to the same vesting requirements as the underlying equity award. As a result, such rights are considered a contingent transfer of value and consequently these equity awards are not considered participating securities.

We did not issue restricted shares in 2024, 2023, 2022, or 2021, 2022. The following table reports restricted share unit activity during the year ended December 31, 2023 December 31, 2024:

Shares in thousands	Shares in thousands	Number of Shares	Weighted-Average Grant Date Fair Value per Share	Shares in thousands	Number of Shares	Weighted-Average Grant Date Fair Value per Share
Unvested shares at January 1, 2023						
Unvested shares at January 1, 2024						
Granted						
Vested						
Forfeited/canceled						
Unvested shares at December 31, 2023						
Unvested shares at December 31, 2024						

The following table summarizes the weighted-average fair value of restricted share units granted for Teradata equity awards and the total fair value of shares vested.

	2023	2022	2021
	2024	2023	2022
Weighted-average fair value of restricted share units granted			
Total fair value of shares vested (in millions)			

As of December 31, 2023 December 31, 2024, there was \$165 million \$141 million of unrecognized compensation cost related to unvested restricted share unit grants. The unrecognized compensation cost is expected to be recognized over a remaining weighted-average period of 1.00.9 years.

The following table represents the composition of Teradata restricted share unit grants in 2023 2024:

Shares in thousands	Shares in thousands	Number of Shares	Weighted-Average Grant Date Fair Value	Shares in thousands	Number of Shares	Weighted-Average Grant Date Fair Value

Service-based restricted share units
Performance-based restricted share units
Total restricted share unit grants

Employee Stock Purchase Program

The Company's ESPP provides eligible employees of Teradata and its designated subsidiaries an opportunity to purchase the Company's common stock at a discount at the end of a 6-month purchase period. Additionally, the ESPP has a look-back feature whereby the purchase discount is based off the lower of the market prices at the beginning or end of each 6-month purchase period (September to February, and March to August). The ESPP discount is 15% of the relevant market price and is considered compensatory.

Employees may authorize payroll deductions of up to 10% of eligible compensation for common stock purchases. A total of 9.3 million shares were authorized to be issued under the ESPP, with approximately 2.6 million 2.2 million shares remaining under that authorization at December 31, 2023 December 31, 2024. The shares of Teradata common stock purchased by a participant on an exercise date (the last day of each month), for all purposes, are deemed to have been issued and sold at the close of business on such exercise date. Prior to that time, none of the rights or privileges of a stockholder exists with respect to such shares.

Employee purchases and aggregate cost were as follows at December 31:

In millions	In millions	2023	2022	2021	In millions	2024	2023	2022
Employee stock purchases								
Aggregate cost								

Note 8 Employee Benefit Plans

Pension and Postemployment Plans. Teradata currently sponsors defined benefit pension plans for certain of its international employees. For those international pension plans for which the Company holds asset balances, those assets are primarily invested in common/collective trust funds (which include publicly traded common stocks, corporate and government debt securities, real estate indirect investments, cash or cash equivalents) and insurance contracts.

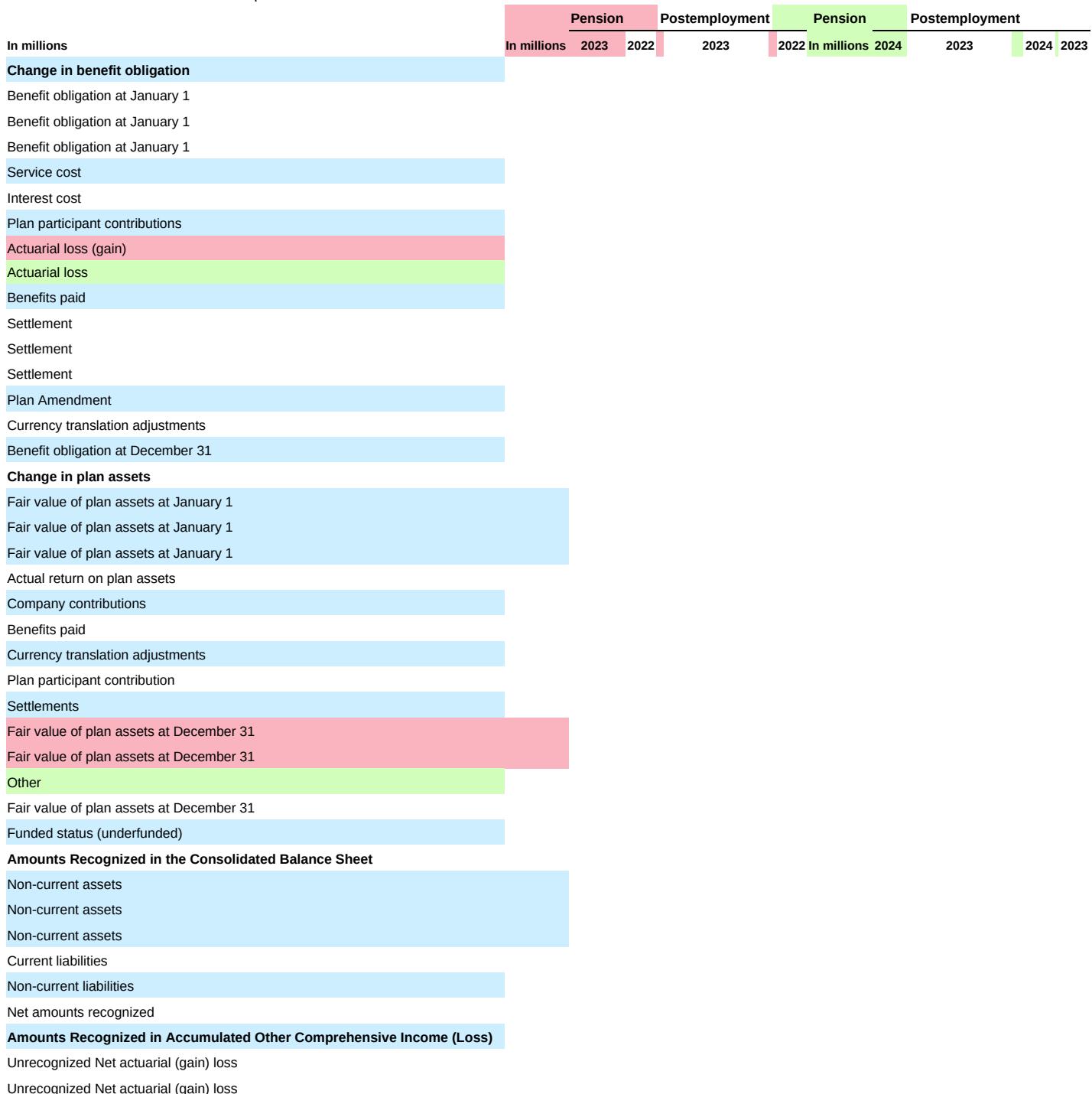
Postemployment obligations relate to benefits provided to involuntarily terminated employees and certain inactive employees after employment but before retirement. These benefits are paid in accordance with various foreign statutory laws and regulations, and Teradata's established postemployment benefit practices and policies. Postemployment benefits may include disability benefits, supplemental unemployment benefits, severance, workers' compensation benefits, continuation of health care benefits and life insurance coverage, and are funded on a pay-as-you-go basis.

Pension and postemployment benefit costs for the years ended December 31 were as follows:

	2023	2022	2021	2024		2023	2022	2021	2020	2019	2018
In millions	In millions	Pension	Postemployment	Pension	In millions	Pension	Postemployment	Pension	Postemployment	Pension	Postemployment
Service cost											
Interest cost											
Expected return on plan assets											
Settlement charge											
Curtailment gain											
Curtailment gain											
Curtailment gain											
Amortization of actuarial loss											
Amortization of actuarial loss											
Amortization of actuarial loss											
Amortization of prior service cost											
Total costs											

Total costs
Total costs

The underfunded amount of pension and postemployment obligations is recorded as a liability in the Company's consolidated balance sheet. The following tables present the changes in benefit obligations, plan assets, funded status and the reconciliation of the funded status to amounts recognized in the consolidated balance sheets and in accumulated other comprehensive income at December 31:



Unrecognized Net actuarial (gain) loss

Unrecognized Prior service cost

Total

The following table presents the accumulated pension benefit obligation at December 31:

In millions	In millions	2023	2022	In millions	2024	2023
Accumulated pension benefit obligation						

The following table presents pension plans with accumulated benefit obligations in excess of plan assets at December 31:

In millions	In millions	2023	2022	In millions	2024	2023
Projected benefit obligation						
Accumulated benefit obligation						
Fair value of plan assets						

The following table presents the pre-tax net changes in projected benefit obligations recognized in other comprehensive income:

In millions	Pension		Postemployment	
	2023	2022	2023	2022
Actuarial loss (gain) arising during the year	\$ 4	\$ (23)	\$ 13	\$ (12)
Amortization of loss included in net periodic benefit cost	—	(1)	(7)	(8)
Prior service cost arising during the year	—	—	—	2
Foreign currency exchange	—	(1)	—	—
Total recognized in other comprehensive income (loss)	\$ 4	\$ (25)	\$ 6	\$ (18)

In millions	Pension		Postemployment	
	2024	2023	2024	2023
Actuarial (gain) loss arising during the year	\$ (2)	\$ 4	\$ 12	\$ 13
Amortization of loss included in net periodic benefit cost	—	—	(9)	(7)
Recognition of loss due to settlement	(1)	—	—	—
Total recognized in other comprehensive (income) loss	\$ (3)	\$ 4	\$ 3	\$ 6

The weighted-average rates and assumptions used to determine benefit obligations at December 31, and net periodic benefit cost for the years ended December 31, were as follows:

	Pension Benefit Obligations		Pension Benefit Cost		Pension Benefit Obligations		Pension Benefit Cost		
	2023	2022	2023	2022	2021	2024	2023	2024	
Discount rate	Discount rate	3.0%	3.3%	3.1%	1.3%	0.9%	Discount rate	3.2%	3.0%
Rate of compensation increase	Rate of compensation increase	3.2%	3.1%	3.0%	2.9%	3.4%	Rate of compensation increase	3.2%	3.1%
Expected return on plan assets	Expected return on plan assets	N/A	N/A	3.9%	3.1%	3.4%	Expected return on plan assets	N/A	4.0%
Interest crediting rate assumption	Interest crediting rate assumption	1.6%	1.5%	0.9%	Interest crediting rate assumption	1.6%	Interest crediting rate assumption	1.6%	1.5%
	Postemployment Benefit Obligations		Postemployment Benefit Cost		Postemployment Benefit Obligations		Postemployment Benefit Cost		

	2023	2022	2023	2022	2021	2024	2023	2024
Discount rate	Discount rate	4.6%	3.8%	2.0%	1.6%	Discount rate	4.6%	4.6%
Rate of compensation increase	Rate of compensation increase	3.0%		3.0% increase	4.3%			3.0%
Involuntary turnover rate	Involuntary turnover rate	4.5%	4.0%	3.5%	Involuntary turnover rate	5.0%	4.5%	

The Company determines the expected return on assets based on individual plan asset allocations, historical capital market returns, and long-term interest rate assumptions, with input from its actuaries, investment managers, and independent investment advisors. The company emphasizes long-term expectations in its evaluation of return factors, discounting or ignoring short-term market fluctuations. Expected asset returns are reviewed annually, but are generally modified only when asset allocation strategies change or long-term economic trends are identified.

International discount rates were determined by examining interest rate levels and trends within each country, particularly yields on high-quality long-term corporate bonds, relative to our future expected cash flows. The discount rate used for countries with individually insignificant benefit obligation at year-end was derived by matching the plans' expected future cash flows to the corresponding yields from the Citigroup Pension Liability Index. This yield curve has been constructed to represent the available yields on high-quality fixed-income investments across a broad range of future maturities.

Gains and losses have resulted from changes in actuarial assumptions and from differences between assumed and actual experience, including, among other items, changes in discount rates and differences between actual and assumed asset returns. These gains and losses (except those differences being amortized to the market-related value) are only amortized to the extent that they exceed 10% of the higher of the market-related value of plan assets or the projected benefit obligation of each respective plan. Amortization of deferred gains and losses are recognized in the Consolidated Statements of Income as a component of Other expense.

Plan Assets. The weighted-average asset allocations at December 31, by asset category are as follows:

	Actual Asset Allocation as of December 31		Allocation	Target Asset		Actual Asset Allocation as of December 31		Target Asset
	2023	2022		2024	2023	Allocation		
	Equity securities	Debt securities	Insurance (annuity) contracts	Real estate	Other			
Equity securities	Equity securities	33%	31%	32%	Equity securities	33%	33%	34%
Debt securities	Debt securities	47%	51%	49%	Debt securities	56%	47%	55%
Insurance (annuity) contracts	Insurance (annuity) contracts	13%	16%	13%	Insurance (annuity) contracts	8%	13%	4%
Real estate	Real estate	6%	2%	4%	Real estate	3%	6%	4%
Other	Other	1%	—%	2%	Other	—%	1%	3%
Total	Total	100%	100%	Total	100%		100%	

Investment Strategy. Teradata employs several investment strategies across its various international pension plans. In some countries, particularly where Teradata does not have a large employee base, the Company may use insurance (annuity) contracts to satisfy its future pension payment obligations, whereby the Company makes pension plan contributions to an insurance company in exchange for which the pension plan benefits will be paid when the members reach a specified retirement age or on earlier exit of members from the plan. In other countries, the Company may employ local asset managers to manage investment portfolios according to the investment policies and guidelines established by the Company, and with consideration to individual plan liability structure and local market environment and risk tolerances. The Company's investment policies and guidelines primarily emphasize diversification across and within asset classes to maximize long-term returns subject to prudent levels of risk, with the overall objective of enabling the plans to meet their future obligations. The investment portfolios contain a diversified blend of equity and fixed-income investments. Furthermore, equity investments are diversified across domestic and international stocks, small and large capitalization stocks, and growth and value stocks. Fixed-income assets are diversified across government and corporate bonds. Where applicable, real estate investments are made through real estate securities, partnership interests or direct investment, and are diversified by property type and location.

Fair Value. Fair value measurements are established utilizing a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers are more fully described in Note 11.

The following is a description of the valuation methodologies used for pension assets as of December 31, 2023 December 31, 2024.

Common/collective trust funds (which include money market funds, equity funds, bond funds, real estate indirect investments, etc.): Valued at the net asset value ("NAV") of shares held by the pension plan at year end, as reported to the pension plan by the trustee, which represents the fair value of shares held by the pension

plan. Because the NAV of the shares held in the common/collective trust funds are derived by the value of the underlying investments, the Company has classified these underlying investments as Level 2 fair value measurements.

Insurance contracts: Valued by discounting the related future benefit payments using a current year-end market discount rate, which represents the fair value of the insurance contract. The Company has classified these contracts as Level 3 assets for fair value measurement purposes.

The following table sets forth by level, within the fair value hierarchy, the pension plan assets at fair value as of December 31, 2024:

In millions	December 31, 2024	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
		(Level 1)	(Level 2)	(Level 3)
Equity funds	\$ 17	\$ —	\$ 17	\$ —
Bond/fixed-income funds	26	—	26	—
Real estate indirect investments	3	—	3	—
Insurance contracts	2	—	—	2
Total assets at fair value	\$ 48	\$ —	\$ 46	\$ 2

The table below sets forth a summary of changes in the fair value of the pension plan level 3 assets for the year ended December 31, 2024:

In millions	Insurance Contracts
Balance as of January 1, 2024	\$ 8
Purchases, sales and settlements, net	(6)
Balance as of December 31, 2024	\$ 2

The following table sets forth by level, within the fair value hierarchy, the pension plan assets at fair value as of December 31, 2023:

In millions	In millions	In millions	Fair Value Measurements at Reporting Date Using		
			Quoted Prices in Active Markets for Identical Assets	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs
			Quoted Prices in Active Markets for Identical Assets	Quoted Prices in Active Markets for Identical Assets	Significant Unobservable Inputs
In millions	In millions	December 31, 2023	(Level 1)	(Level 2)	(Level 3)
Money market funds					
Money market funds					
Money market funds					
Equity funds					
Equity funds					
Equity funds					
Bond/fixed-income funds					

Bond/fixed-income funds
Bond/fixed-income funds
Real estate indirect investments
Real estate indirect investments
Real estate indirect investments
Insurance contracts
Insurance contracts
Insurance contracts
Total assets at fair value
Total assets at fair value
Total assets at fair value

The table below sets forth a summary of changes in the fair value of the pension plan level 3 assets for the year ended December 31, 2023:

In millions	Insurance Contracts
Balance as of January 1, 2023	\$ 7
Purchases, sales and settlements, net	1
Balance as of December 31, 2023	<u><u>\$ 8</u></u>

The following table sets forth by level, within the fair value hierarchy, the pension plan assets at fair value as of December 31, 2022:

In millions	December 31, 2022	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
		(Level 1)	(Level 2)	(Level 3)
Money market funds	\$ 2	\$ —	\$ 2	\$ —
Equity funds	17	—	17	—
Bond/fixed-income funds	27	—	27	—
Real estate indirect investments	3	—	3	—
Insurance contracts	7	—	—	7
Total assets at fair value	<u><u>\$ 56</u></u>	<u><u>\$ 49</u></u>	<u><u>\$ 7</u></u>	

The table below sets forth a summary of changes in the fair value of the pension plan level 3 assets for the year ended December 31, 2022:

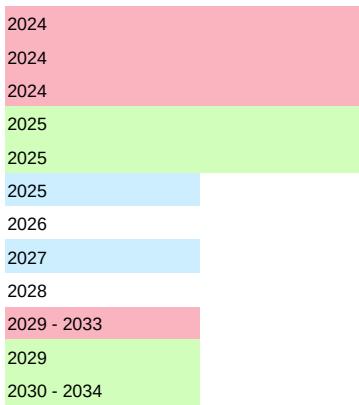
In millions	Insurance Contracts
Balance as of January 1, 2022	\$ 7
Purchases, sales and settlements, net	—
Balance as of December 31, 2022	<u><u>\$ 7</u></u>

Cash Flows Related to Employee Benefit Plans

Cash Contributions. In 2024, 2025, the Company expects to contribute approximately \$2 million to the international pension plans.

Estimated Future Benefit Payments. The Company expects to make the following benefit payments, estimated based on the assumptions used to measure the Company's benefit obligation at the end of the year, reflecting past and future service from its pension and postemployment plans:

In millions	Pension Benefits	Postemployment Benefits	In millions	Pension Benefits	Postemployment Benefits
Year					



Savings Plans. United States employees and many international employees participate in defined contribution savings plans. These plans generally provide either a specified percent of pay or a matching contribution on participating employees' voluntary elections. The Company's matching contributions typically are subject to a maximum percentage or level of compensation. Employee contributions can be made pre-tax, after-tax or a combination thereof. The following table identifies the expense for the United States and International subsidiary savings plans for the years ended December 31:

In millions	In millions	2023	2022	In millions	2024	2023	2022
U.S. savings plan							
International subsidiary savings plans							

Note 9 Derivative Instruments and Hedging Activities

As a portion of Teradata's operations is conducted outside the United States and in currencies other than the U.S. dollar, the Company is exposed to potential gains and losses from changes in foreign currency exchange rates. In an attempt to mitigate the impact of currency fluctuations, the Company uses foreign exchange forward contracts to hedge transactional exposures resulting predominantly from foreign currency denominated inter-company receivables and payables. The forward contracts are designated as fair value hedges of specified foreign currency denominated inter-company receivables and payables and generally mature in three months or less. The fair values of foreign exchange contracts are based on market spot and forward exchange rates and represent estimates of possible value that may not be realized in the future. Across its portfolio of contracts, Teradata has both long and short positions relative to the U.S. dollar. As a result, Teradata's net involvement is less than the total contract notional amount of the Company's foreign exchange forward contracts.

Gains and losses from foreign exchange forward contracts are fully recognized each period and reported along with the offsetting gain or loss of the related hedged item, either in cost of revenues or in other income (expense), depending on the nature of the related hedged item.

During June 2022, Teradata entered into a cross-currency swap designated as a net investment hedge, to hedge the Euro currency exposure of its net investment in certain foreign subsidiaries. This agreement is a contract to exchange fixed-rate payments in one currency for fixed-rate payments in another currency. Changes in the fair value of this swap are recorded in Accumulated Other Comprehensive Loss in the same manner as foreign currency translation adjustments. In assessing the effectiveness of this hedge, the Company used a method based on changes in spot rates to measure the impact of the foreign currency exchange rate fluctuations on both its foreign subsidiary net investment and the related swap.

The cross-currency swap contract has an expiration date of June 29, 2026. At maturity of the cross-currency swap contract, the Company will deliver the notional amount of €143 million and will receive \$150 million from the counterparty. The Company will receive monthly interest payments from the counterparty based on a fixed interest rate until maturity of the agreements.

In June 2022, Teradata refinanced its long-term debt and its associated interest rate swap ("Prior Interest Rate Swap"), which were due to mature in June 2023. As a result, Teradata terminated its five-year London Interbank

Offered Rate ("Libor") interest rate swap that had a \$500 million initial notional amount to hedge the floating interest rate of its Libor term loan. On June 28, 2022, Teradata 2023, and executed a five-year Secured Overnight Financing Rate

("SOFR") interest rate swap, to fix the interest rate on approximately 90% of the principal balance of the \$500 million term loan, with an initial notional amount of \$450 million, as more fully described in Note 12. The Company uses interest rate swaps to manage interest rate risks on future interest payments caused by interest rate changes on its variable rate term loan. The notional amount of the hedge steps down according to the amortization schedule of the term loan. The notional amount of the hedge was \$450.439 million as of December 31, 2023 December 31, 2024.

The Company performed an initial effectiveness assessment on the interest rate swap and the net investment hedge foreign currency swap, and the hedges were determined to be effective. The hedges are being evaluated qualitatively on a quarterly basis for effectiveness. Changes in fair value are recorded in Accumulated Other Comprehensive Loss and periodic settlements of the interest rate swap will be recorded in interest expense along with the interest on amounts outstanding under the term loan.

The following table identifies the contract notional amount of the Company's hedging instruments at December 31:

In millions	In millions	2023	2022	In millions	2024	2023
Contract notional amount of foreign exchange forward contracts						
Net contract notional amount of foreign exchange forward contracts						
Contract notional amount of foreign currency exchange (net investment hedge)						
Contract notional amount of interest rate swap						

All derivatives are recognized in the consolidated balance sheets at their fair value. The notional amounts represent agreed-upon amounts on which calculations of dollars to be exchanged are based and are an indication of the extent of Teradata's involvement in such instruments. These notional amounts do not represent amounts exchanged by the parties and, therefore, are not a measure of the instruments. Refer to Note 11 for disclosures related to the fair value of all derivative assets and liabilities.

The Company does not hold or issue derivative financial instruments for trading purposes, nor does it hold or issue leveraged derivative instruments. By using derivative financial instruments to hedge exposures to changes in foreign exchange and interest rates, the Company exposes itself to credit risk. The Company manages exposure to counterparty credit risk by entering into derivative financial instruments with highly rated institutions that can be expected to fully perform under the terms of the applicable contracts.

Note 10 Commitments and Contingencies

Legal Proceedings

In the ordinary course of business, the Company is subject to proceedings, lawsuits, governmental investigations, claims and other matters, including those that relate to the environment, health and safety, employee benefits, export compliance, intellectual property, tax matters and other regulatory compliance and general matters, including for Foreign Corrupt Practices Act ("FCPA") and shareholder matters. It is not currently a party to any litigation, nor is it aware of any pending or threatened litigation against it that the Company believes would materially affect its business, operating results, financial condition or cash flows, other than the following.

On June 19, 2018, the Company and certain of its subsidiaries filed a lawsuit (the "TD-SAP 1" suit) in the U.S. District Court for the Northern District of California against SAP SE, SAP America, Inc., and SAP Labs, LLC (collectively, "SAP"). In the TD-SAP 1 lawsuit, the Company alleged, among other things, that SAP misappropriated certain of the Company's trade secrets within the Company's enterprise data analytics and warehousing products and used such trade secrets to help develop, improve, introduce, and sell one or more competing products. The Company further alleged that SAP employed anticompetitive practices using its substantial market position in the enterprise resource planning applications market to pressure the Company's customers and prospective customers to use one or more of SAP's competing products and reduce or eliminate customers' and prospective customers' use of the Company's offerings. The Company sought an injunction barring SAP's alleged conduct, monetary damages, and other available legal and equitable relief. In July 2019, SAP filed patent infringement counterclaims against the Company based on five of SAP's U.S. patents. On August 31, 2020, the Company filed a second lawsuit against SAP (the "TD-SAP 2" suit) in the U.S. District Court for the Northern District of California, in which the Company alleged infringement by SAP of four of the Company's U.S. patents. On February 16, 2021, SAP filed additional patent infringement counterclaims against the Company in response. On

the same day, SAP also filed a lawsuit in Germany (the "TD-SAP 3" suit) for infringement of a single German patent. In November 2021, the district court dismissed the Company's antitrust claims and most of its trade secret

claims in the TD-SAP 1 suit. In December 2021, the Company appealed that decision to the U.S. Court of Appeals for the Federal Circuit in Washington, D.C. That Court ruled the appeal should be heard decided by the Ninth Circuit Court of Appeals; Appeals and transferred the appeal was transferred to the Ninth Circuit, and the court where a three-judge panel heard oral arguments on February 12, 2024. In the meantime, Soon after, the Company and SAP have entered into a partial settlement agreement that has resulted in full dismissal of all claims and counterclaims in the TD-SAP 2 suit in California and the TD-SAP 3 suit in Germany, as well as a stay of all claims and counterclaims remaining in the TD-SAP 1 suit pending resolution of the Company's appeal. On December 19, 2024, the Ninth Circuit panel ruled in the Company's favor, overturning the district court's summary judgment decision with respect both to the antitrust claims and the trade secret claims, and remanding to the district court for further proceedings. On January 23, 2025, SAP petitioned the Ninth Circuit for rehearing *en banc*. Currently, it is not possible to determine the likelihood of a loss or a reasonably estimated range of loss, if any, pertaining to any of SAP's remaining patent counterclaims in the TD-SAP 1 lawsuit.

On June 14, 2024, a putative securities class action lawsuit was filed against the Company and certain of its officers in the United States District Court for the Southern District of California (the "Court"), captioned *Ostrander v. Teradata Corporation*, No. 24-cv-01034 (S.D. Cal.). The complaint asserts claims for alleged

violations of federal securities laws related to statements concerning the Company's business and 2023 financial outlook for Total ARR and Public Cloud ARR. The plaintiff seeks to represent a class of certain persons who purchased or otherwise acquired the Company's stock during the period from February 13, 2023 to February 12, 2024 and seeks unspecified damages and other relief. On December 6, 2024, the lead plaintiff in the case filed an amended complaint, after which the Company filed a motion to dismiss on February 4, 2025. Briefing on the motion is expected to conclude later in 2025. The Company disputes the allegations in the amended complaint and intends to defend the case vigorously. The case is at an early stage, and the Company cannot reasonably estimate the amount of any potential financial loss or cost that could result from this lawsuit.

Other Contingencies. The Company provides its customers with certain indemnification rights. In general, the Company agrees to indemnify the customer if a third party asserts patent or other infringement on the part of the customer for its use of the Company's offerings. The Company has indemnification obligations under its charter and bylaws to its officers and directors, and has entered into indemnification agreements with the officers and directors of its subsidiaries. From time to time, the Company also enters into agreements in connection with its acquisition and divestiture activities that include indemnification obligations by the Company. The fair value of these indemnification obligations is typically not readily determinable due to the conditional nature of the Company's potential obligations and the specific facts and circumstances involved with each particular agreement. As such, the Company has generally not recorded a liability in connection with these indemnification arrangements. Historically, payments made by the Company under these types of agreements have not had a material effect on the Company's consolidated financial condition, results of operations or cash flows.

Concentrations of Risk. The Company is potentially subject to concentrations of credit risk on accounts receivable and financial instruments such as hedging instruments, and cash and cash equivalents. Credit risk includes the risk of nonperformance by counterparties. The maximum potential loss may exceed the amount recognized on the balance sheet. Exposure to credit risk is managed through credit approvals, credit limits, selecting major international financial institutions (as counterparties to hedging transactions) and monitoring procedures. Teradata's business often involves large transactions with customers, and if one or more of those customers were to default in its obligations under applicable contractual arrangements, the Company could be exposed to potentially significant losses. However, management believes that the reserves for potential losses were adequate at December 31, 2023 December 31, 2024 and December 31, 2022 December 31, 2023.

The Company is also potentially subject to concentrations of supplier risk. Our hardware components are assembled primarily by Flex Ltd. ("Flex"). Flex procures a wide variety of components used in the manufacturing process on behalf of the Company. Although many of these components are available from multiple sources, Teradata utilizes preferred supplier relationships to provide more consistent and optimal quality, cost and delivery. Typically, these preferred suppliers maintain alternative processes and/or facilities to ensure continuity of supply. Given the Company's strategy to outsource its manufacturing activities to Flex and to source certain components from single suppliers, a disruption in production at Flex or at a supplier could impact the timing of customer shipments and/or Teradata's operating results. In addition, a significant change in the forecasts to any of these preferred suppliers could result in purchase obligations for components that may be in excess of demand.

Note 11 Fair Value Measurements

Fair value measurements are established utilizing a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets for identical assets or liabilities; Level 2, defined as significant other observable inputs, such as quoted prices in active markets for similar assets or liabilities, or quoted prices in less-active markets for identical assets; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The Company's assets and liabilities measured at fair value on a recurring basis include money market funds, interest rate swaps and foreign currency exchange contracts. A portion of the Company's excess cash reserves are held in money market funds which generate interest income based on the prevailing market rates. Money market funds are included in cash and cash equivalents in the Company's balance sheet. Money market fund holdings are measured at fair value using quoted market prices and are classified within Level 1 of the valuation hierarchy.

When deemed appropriate, the Company minimizes its exposure to changes in foreign currency exchange rates using derivative financial instruments, specifically, foreign exchange forward contracts. Additionally, in June 2022, Teradata executed a five-year interest rate swap with a \$450 million initial notional amount to hedge the floating interest rate on its term-loan and a four-year cross-currency swap with initial notional amounts of €143 million/\$150 million, as a net investment hedge to hedge the Euro currency exposure of our net investment in certain foreign subsidiaries. The fair value of these contracts and swaps are measured at the end of each interim reporting period using observable inputs other than quoted prices, specifically market spot and forward exchange rates. As such, these derivative instruments are classified within Level 2 of the valuation hierarchy. Fair value of unrealized gains for open contracts are recorded in other assets and the fair value of unrealized losses are recorded in other liabilities in the Company's balance sheet. The fair value of foreign exchange forward contracts recorded in other assets and other liabilities at December 31, 2023 December 31, 2024 and 2022 2023 were not material. Realized gains and losses from the Company's fair value hedges net of corresponding gains or losses on the underlying exposures were immaterial for years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021 2022.

The Company's assets and liabilities measured at fair value on a recurring basis and subject to fair value disclosure requirements at December 31, 2023 December 31, 2024 and December 31, 2022 December 31, 2023 were as follows:

	Fair Value Measurements at Reporting Date Using			Fair Value Measurements at Reporting Date Using			
	Quoted Prices in Active Markets for Identical Assets	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	
In millions	In millions Total	(Level 1)	(Level 2)	In millions Total	(Level 1)	(Level 2)	(Level 3)
Assets							
Money Market Funds at December 31, 2023							
Money Market Funds at December 31, 2023							
Money Market Funds at December 31, 2023							
Money Market Funds at December 31, 2024							
Money Market Funds at December 31, 2024							
Money Market Funds at December 31, 2024							
Money Market Funds at December 31, 2022							
Money Market Funds at December 31, 2022							
Money Market Funds at December 31, 2022							
Money Market Funds at December 31, 2023*							
Money Market Funds at December 31, 2023*							
Money Market Funds at December 31, 2023*							
Foreign Currency Swap at December 31, 2024							
Foreign Currency Swap at December 31, 2024							
Foreign Currency Swap at December 31, 2024							
Interest Rate Swap at December 31, 2024							
Interest Rate Swap at December 31, 2024							
Interest Rate Swap at December 31, 2023							
Interest Rate Swap at December 31, 2023							
Interest Rate Swap at December 31, 2023							

Interest Rate Swap at
December 31, 2022

Liabilities

Liabilities

Liabilities

Foreign Currency Swap at
December 31, 2023

Foreign Currency Swap at
December 31, 2023

Foreign Currency Swap at
December 31, 2023

Foreign Currency
Swap at December
31, 2022

*Prior year results have been updated to conform to the current year presentation.

Note 12 Debt

On June 28, 2022, the Company entered into a Credit Agreement that provides for (i) a five-year unsecured term loan in an aggregate principal amount of \$500 million (the "Term Loan"), and (ii) a five-year unsecured revolving credit facility in an aggregate principal amount of up to \$400 million, including a \$50 million sublimit for the issuance of standby letters of credit and a \$50 million sublimit for swingline loans (the "Revolving Facility" and, collectively with the Term Loan, the "Credit Facility"). The Credit Facility replaces the Company's prior revolving credit agreement in the maximum principal of \$400 million and its prior term loan agreement in the initial principal amount of \$500 million, both of which were entered into in 2018 and due to mature in June 2023 (the "Prior Agreements"). In connection with the execution of the Credit Facility, the \$400 million term loan outstanding under the Prior Agreements was repaid in full.

All outstanding borrowings pursuant to the Revolving Facility are due and payable on June 28, 2027, however, the maturity date of the Revolving Facility may be extended by agreement of the parties for up to two additional one-year periods. The Term Loan is payable in quarterly installments, which commence on June 30, 2024, with 1.25% of the initial principal amount due on each of the first twelve payment dates, with all remaining principal due on June 28, 2027. Under the terms of the Credit Facility, Teradata from time to time and subject to certain conditions may increase the lending commitments under the Credit Facility in an aggregate principal amount up to an additional \$450 million, to the extent that existing or new lenders agree to provide such additional commitments. The outstanding principal amount of the Credit Facility bears interest at a floating rate based upon, at Teradata's option, a negotiated base rate or an adjusted term SOFR rate, plus in each case, a margin based on the Company's leverage ratio. As disclosed in Note 9, in June 2022, Teradata entered into an interest rate swap, where the notional amount of the hedge steps down according to the amortization schedule of the related term loan, to hedge approximately 90% (or \$450 million as of December 31, 2022) at inception of the floating interest rate of the total \$500 million Term Loan and a cross currency swap to hedge a portion of Euro currency exposure of its net investment in certain foreign subsidiaries.

The Credit Facility is unsecured but is guaranteed by certain of Teradata's material domestic subsidiaries and contains certain customary representations and warranties, default provisions, and affirmative and negative covenants, including, among others, covenants regarding the maintenance of a leverage ratio and covenants relating to financial reporting, compliance with laws, subsidiary indebtedness, liens, sale and leaseback transactions, mergers and other fundamental changes, and entry into certain restrictive agreements. Most of the covenants are subject to materiality, thresholds, and exceptions. On September 21, 2023, the Credit Agreement was amended to establish key performance indicators with respect to certain environmental, social, and governance ("ESG") targets, pursuant to which certain positive or negative adjustments would be made to various fees and applicable margin based on Teradata's performance against such ESG targets.

As of December 31, 2023 December 31, 2024 and 2022, 2023, the Company had no borrowings outstanding under the Credit Facility, leaving \$400 million in additional borrowing capacity available under the Credit Facility. The Company was in compliance with all covenants as of December 31, 2023 December 31, 2024 and 2022, 2023.

The term loan principal outstanding was \$500 million \$481 million at December 31, 2023 2024 and \$500 million at December 31, 2022 December 31, 2023. As disclosed in Note 9, Teradata entered into an interest rate swap to hedge the floating interest rate of the term loan. As a result of the swap, Teradata's fixed rate on approximately 90% of the term loan equals 3.25% excluding the applicable leverage-based margin as defined in the term loan agreement. As of December 31, 2023 December 31, 2024 and 2022, 2023, the all-in fixed rates are 4.44% 4.24% and 4.24% 4.44%, respectively. Deferred issuance costs are amortized over the five-year term of the Term Loan to interest expense. As of December 31, 2023 December 31, 2024 the remaining unamortized deferred issuance costs are approximately \$1 million.

Annual contractual maturities of outstanding principal on the Term Loan at December 31, 2023 December 31, 2024, are as follows:

In millions	In millions	Principal payments	In millions	Principal payments
2024				

2024
2024
2025
2025
2025
2026
2027
Total
Total
Total

The Term Loan is recognized on the Company's balance sheet at its unpaid principal balance, **net of deferred issuance costs**, and is not subject to fair value measurement. However, given that the loan carries a variable rate, the Company estimates that the unpaid principal balance of the Term Loan would approximate its fair value. If

measured at fair value in the financial statements, the Company's Term Loan would be classified as Level 2 in the fair value hierarchy.

Note 13 Leases

Lessee

The Company leases property and equipment under finance and operating leases. The Company's operating leases primarily consist of automobiles in certain countries and real estate, including office, storage and parking spaces. The duration of these leases range from **12 to 4 years, 8 years**. The Company's finance leases primarily consist of equipment financed for the purpose of delivering services to our customers. For leases with terms greater than 12 months, the Company recorded the related asset and obligation at the present value of lease payments over the term. Many of our leases include variable rental escalation clauses which are recognized when incurred. Some of our leases also include renewal options and/or termination options that are factored into the determination of lease payments and lease terms when it is reasonably certain that the Company will exercise these options. Lease agreements do not

contain any material residual value guarantees or material restrictive covenants. Leases with an initial term of 12 months or less are not recorded on the balance sheet. The Company recognizes lease expense for these leases on a straight-line basis over the lease term. For real estate leases beginning in 2019 and later, we account for lease components (e.g., fixed payments including rent, real estate taxes and insurance costs) separately from the non-lease components (e.g., common-area maintenance costs). For automobile leases we account for lease and non-lease components together.

When available, the Company uses the rate implicit in the lease to discount lease payments to present value. However, real estate leases do not typically provide a readily determinable implicit rate. Therefore, the Company must estimate the incremental borrowing rate to discount the lease payments based on information available at lease commencement. The incremental borrowing rate used in the calculation of the lease liability is based on the secured rate associated with financed lease obligations for each location of leased property.

The table below presents the lease-related assets and liabilities recorded on the balance sheet at December 31:

In millions, except weighted average calculations

In millions, except weighted average calculations

In millions, except weighted average calculations

Assets

Assets

Assets

Operating lease assets

Operating lease assets

Operating lease assets

Finance lease assets

Finance lease assets

Finance lease assets

Total lease assets

Total lease assets

Total lease assets
Liabilities
Liabilities
Liabilities
Current
Current
Current
Operating
Operating
Operating
Finance
Finance
Finance
Non current
Non current
Non current
Operating
Operating
Operating
Finance
Finance
Finance
Total lease liabilities
Total lease liabilities
Total lease liabilities
Weighted-average remaining lease term
Weighted-average remaining lease term
Weighted-average remaining lease term
Operating leases
Operating leases
Operating leases
Finance leases
Finance leases
Finance leases
Weighted-average discount rate
Weighted-average discount rate
Weighted-average discount rate
Operating leases ⁽¹⁾
Operating leases ⁽¹⁾
Operating leases ⁽¹⁾
Finance leases
Finance leases
Finance leases

⁽¹⁾ Upon adoption of the new lease standard, discount rates used for existing leases were established based on the Company's incremental borrowing rate at January 1, 2019. For new leases entered after January 1, 2019, the discount rate was determined based on the Company's incremental borrowing rate at lease commencement.

Lessee Costs

The table below presents certain information related to the lease costs for finance and operating leases recognized in the Company's consolidated statements of income for the years ended December 31:

In millions	2023	2022	2021
Finance lease cost			
Depreciation of leased assets	\$ 68	\$ 69	\$ 78
Interest of lease liabilities	7	5	6
Operating lease cost	7	12	17
Sub-lease income from real estate properties owned and leased	(5)	(5)	(5)
Total lease cost	\$ 77	\$ 81	\$ 96

In millions	2024	2023	2022
Finance lease cost			
Depreciation of leased assets	\$ 61	\$ 68	\$ 69
Interest of lease liabilities	7	7	5
Operating lease cost	5	7	12
Sub-lease income from real estate properties owned and leased	(5)	(5)	(5)
Total lease cost	\$ 68	\$ 77	\$ 81

Other Information

The table below presents supplemental cash flow information related to cash paid for amounts included in the measurement of lease liabilities for the year ended December 31:

In millions

In millions

In millions

Operating cash flows for operating leases

Operating cash flows for operating leases

Operating cash flows for operating leases

Operating cash flows for finance leases

Operating cash flows for finance leases

Operating cash flows for finance leases

Financing cash flows for finance leases

Financing cash flows for finance leases

Financing cash flows for finance leases

Undiscounted Cash Flows

The table below reconciles the undiscounted cash flows for each of the first five years and total of the remaining years to the finance lease liabilities and operating lease liabilities recorded on the balance sheet at **December 31, 2023** **December 31, 2024**:

In millions

In millions

In millions

2024

2024

2024

2025

2025

2025

2026

2026

2026

2027

2027

2027

2028
2028
2028
2029
2029
2029
Thereafter
Thereafter
Thereafter
Total minimum lease payments
Total minimum lease payments
Total minimum lease payments
Less: amount of lease payments representing interest
Less: amount of lease payments representing interest
Less: amount of lease payments representing interest
Present value of future minimum lease payments
Present value of future minimum lease payments
Present value of future minimum lease payments
Less: current obligations under leases
Less: current obligations under leases
Less: current obligations under leases
Long-term lease obligations
Long-term lease obligations
Long-term lease obligations

The table below provides the undiscounted cash flows for the Company's finance lease liabilities and operating lease obligations as of **December 31, 2022** **December 31, 2023**:

In millions
In millions
In millions
2023
2023
2023
2024
2024
2024
2025
2025
2025
2026
2026
2026
2027
2027
2027
2028
2028
2028

Thereafter
Thereafter
Thereafter
Total minimum lease payments
Total minimum lease payments
Total minimum lease payments
Less: amount of lease payments representing interest
Less: amount of lease payments representing interest
Less: amount of lease payments representing interest
Present value of future minimum lease payments
Present value of future minimum lease payments
Present value of future minimum lease payments
Less: current obligations under leases
Less: current obligations under leases
Less: current obligations under leases
Long-term lease obligations
Long-term lease obligations
Long-term lease obligations

Lessor

The Company receives rental revenue for leasing hardware offerings to its customers. For our hardware rental offering, the Company owns or leases the hardware and may or may not provide managed services. Leases sometimes include options to renew but typically do not include lessee purchase options. The revenue for these operating leases is generally recognized straight-line over the term of the contract and is included within the recurring revenue caption on the consolidated statements of income. Equipment used for this revenue is reported within Property and equipment, net on the consolidated balance sheet.

The following table includes rental revenue for the years ended December 31:

In millions	In millions	2023	2022	2021	In millions	2024	2023	2022
Rental revenue*								

*Rental revenue includes hardware maintenance.

The following table includes estimated rental revenue expected to be recognized in the future based on executed contracts at December 31, 2023 December 31, 2024:

In millions	In millions	Rental Revenue	In millions	Rental Revenue
2024				
2025				
2026-27				
2026				
2027-28				
Total				
Total				
Total				

Note 14 Segment, Other Supplemental Information and Concentrations

Teradata now manages its business under two segments, which are also the Company's new operating segments: (1) Product Sales and (2) Consulting Services. Teradata's Product Sales segment represents the results for the Recurring Revenue and Perpetual Software Licenses, Hardware and Other line items and the Consulting Services segment represents the Consulting Services. The prior year results have been updated to conform to the current year presentation. Prior to August 5, 2024, Teradata managed its business under three geographic regions, which are also the Company's operating segments: (1) Americas region (North America and Latin America); (2) EMEA region (Europe, Middle East and Africa) and (3) APJ region (Asia Pacific and Japan). For purposes of discussing results by segment, management excludes the impact of certain items, consistent with the manner by which management evaluates the performance of each segment. This format is useful to investors because it allows analysis and comparability of operating trends. It also includes the same information that is used by Teradata management to make decisions regarding the segments and to assess financial performance. The chief operating decision maker ("CODM"), who is our

President and Chief Executive Officer, evaluates the performance of the segments based on each segment by comparing segment revenue and multiple profit measures, including segment gross profit. For management reporting purposes assets are not allocated profit results to the segments. historical and previously forecasted financial information on a monthly and quarterly basis to allocate operating and capital resources. Our CODM monitors assets for the consolidated Company but does not use assets by segment when assessing performance or making operating segment resource allocations.

The following table presents segment revenue, segment cost of revenue and segment gross profit for the Company for the years ended December 31:

	In millions	2023	2022	2021	In millions	2024	2023	2022
Segment revenue								
Americas								
Americas								
Americas								
EMEA								
APJ								
Product Sales								
Product Sales								
Product Sales								
Consulting Services								
Total revenue								
Total revenue								
Total revenue								
Segment cost of revenue								
Product Sales (1)								
Product Sales (1)								
Product Sales (1)								
Consulting Services (2)								
Total segment cost of revenue								
Segment gross profit								
Americas								
Americas								
Americas								
EMEA								
APJ								
Product Sales								
Product Sales								
Product Sales								
Consulting Services								
Total segment gross profit								
Total segment gross profit								
Total segment gross profit								
Stock-based compensation expense								
Acquisition, integration and reorganization-related costs								
Total gross profit								
Total gross profit								
Total gross profit								
Selling, general and administrative expenses								
Research and development expenses								
Total income from operations								
Total income from operations								
Total income from operations								

(1) Cost of Product Sales includes product costs of \$223 million in 2024, \$193 million in 2023, and \$148 million in 2022 for Public Cloud fees and direct product and third-party software costs associated with the Company's perpetual product sales. Depreciation expense included in Cost of Product Sales was \$79 million in 2024,

\$88 million in 2023, and \$100 million in 2022. The remaining cost of Product Sales includes payroll and benefits costs, and corporate allocations including back-office information technology, real estate, and other support services.

(2) Cost of Consulting Services includes payroll and benefit costs of \$137 million in 2024, \$149 million in 2023, and \$154 million in 2022. The remaining cost of Consulting Services includes corporate allocations, including back-office information technology, real estate, and other support services.

Certain items, including stock-based compensation and reorganization-related costs, were excluded from segment gross profit to conform to the way the Company manages and reviews the results by segment.

The following table presents revenues by geographic area for the years ended December 31:

In millions	In millions	2023	2022	In millions	2024	2023	2022
United States							
Americas (excluding United States)							
EMEA							
APJ							
International							
Total revenue							
Total revenue							
Total revenue							

The following table presents property and equipment, net by geographic area at December 31:

In millions	In millions	2023	2022	In millions	2024	2023
United States						
Americas (excluding United States)						
EMEA						
APJ						
International						
Property and equipment, net						
Property and equipment, net						
Property and equipment, net						

Concentrations. No single customer accounts for more than 10% of the Company's revenue for any period presented. No country outside the United States accounts for more than 10% of the Company's revenue or property and equipment, net, for any period presented. As of December 31, 2023 December 31, 2024, the Company is not aware of any significant concentration of business transacted with a particular customer that could, if suddenly eliminated, have a material adverse effect on the Company's operations. The Company's hardware components are assembled primarily by Flex. In addition, the Company utilizes preferred supplier relationships to better ensure more consistent quality, cost, and delivery. There can be no assurances that a disruption in production at Flex or at a supplier would not have a material adverse effect on the Company's operations. In addition, a significant change in the forecasts to any of these preferred suppliers could result in purchase obligations or components that may be in excess of demand.

Note 15 Accumulated Other Comprehensive (Loss) Income

The following table provides information on changes in accumulated other comprehensive (loss) income, net of tax ("AOCI"), for the years ended December 31:

In millions	In millions	Derivatives	Defined benefit plans	Foreign currency translation adjustments	Total AOCI	In millions	Derivatives	Defined benefit plans	Foreign currency translation adjustments	Total AOCI
Balance as of December 31, 2020										
Other comprehensive income (loss) before reclassifications										
Amounts reclassified from AOCI										
Net other comprehensive income (loss)										

Balance as of December 31, 2021
Other comprehensive income (loss) before reclassifications
Amounts reclassified from AOCI
Net other comprehensive income (loss)
Balance as of December 31, 2022
Other comprehensive (loss) income before reclassifications
Amounts reclassified from AOCI
Net other comprehensive (loss) income
Balance as of December 31, 2023
Other comprehensive income (loss) before reclassifications
Amounts reclassified from AOCI
Net other comprehensive income (loss)
Balance as of December 31, 2024

The following table presents the impact and respective location of AOCI reclassifications in the Consolidated Statements of Income for the years ended December 31:

In millions

AOCI Component

AOCI Component

AOCI Component

Other expense

Other expense

Other expense

Tax portion

Tax portion

Tax portion

Total reclassifications

	Location	2023	2022	2021	Location	2024	2023	2022
Other expense								
Other expense								
Other expense								
Tax portion								
Tax portion								
Tax portion								
Total reclassifications								

Further information on the Company's defined benefit plans is included in Note 8.

Note 16 Reorganization and Business Transformation

On August 5, 2024, the Company announced that it realigned its sales function and initiated global restructuring and cost actions to optimize operations, reduce non-revenue generating expenses, and drive efficiencies for long-term growth and profitability (the "Restructuring"). The majority of the actions related to the Restructuring are expected to be completed by mid 2025, with remaining actions to be completed by the end of 2025.

The Company expects that the majority of the costs relating to the Restructuring will include one-time employee separation benefits, transition support, and other employee-related costs. The Company expects that it will incur total charges related to the Restructuring in the range of approximately \$20 to \$25 million. Cash expenditures related to these actions are estimated at approximately \$45 to \$50 million.

The Company recognized costs of \$14 million (\$9 million cash and \$5 million non-cash) in 2024 for employee severance and other employee-related costs associated with the Restructuring. In 2024, \$3 million of these costs were recorded in costs of revenue, \$7 million were recorded in selling, general and administrative expenses and \$4 million were recorded in research and development expenses. There was no impact to the segment gross profit.

Cash paid related to the plan listed above was \$14 million in 2024. Not included in the table below are approximately \$5 million in 2024 of cash payments for international employees which did not have a material impact on the Consolidated Statements of Income (Loss) as the Company accounts for its International postemployment benefits under Accounting Standards Codification 712, Compensation - Nonretirement Postemployment Benefits ("ASC 712"), which uses actuarial estimates to accrue for severance benefits over the course of employees' service period.

The estimate of the savings (and any reinvestment thereof), costs, charges, and cash expenditures that the Company expects to incur in connection with the Restructuring, and the timing thereof, are subject to a number of assumptions, including local law requirements in various jurisdictions, and actual amounts may differ materially from the estimates. In addition, the Company may incur other costs and charges not currently contemplated due to unanticipated events that may occur, including in connection with the implementation of the Restructuring.

The 2024 activity and the reserves related to the Restructuring are as follows:

In millions	Balance at		Expense accruals	Cash payments	Balance at	
	December 31, 2023	—			December 31, 2024	\$
Employee severance and other employee-related costs	\$ —		14	\$ (9)	\$ 5	

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Teradata maintains a system of disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act")) that are designed to provide reasonable assurance that information required to be disclosed in its reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including, as appropriate, the chief executive officer and the chief financial officer, to allow timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Based on their evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective to provide reasonable assurance as of **December 31, 2023** **December 31, 2024**.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Rule 13a-15(f) under the Exchange Act. Teradata's internal control over financial reporting is designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of Teradata's internal control over financial reporting as of the end of the period covered by this report. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in *Internal Control – Integrated Framework (2013)*. Based on its assessment and those criteria, management concluded that Teradata's internal control over financial reporting was effective as of **December 31, 2023** **December 31, 2024**.

Teradata's independent registered public accounting firm has issued their report on the effectiveness of Teradata's internal control over financial reporting as of **December 31, 2023** **December 31, 2024**, which appears in this Annual Report.

Changes in Internal Control over Financial Reporting

There We are in the process of implementing a new global cloud enterprise resource planning ("ERP") system which has occurred in phases throughout 2024. The ERP system is designed to improve and modernize the efficiency of certain financial and related transaction processes, accurately maintain Teradata's financial records, enhance operational functionality, and provide timely information to our management team related to the operation of the business. We expect that the new ERP system will enhance and modernize our overall system of internal controls over financial reporting through further automation and integration of business processes, although it is not being implemented in response to any identified deficiency in Teradata's internal controls over financial reporting. As such, the implementation of our ERP system will likely affect the processes that constitute our internal control over financial reporting and will require testing for controls effectiveness as the implementation progresses. Based on the implementation status as of the filing of this Annual Report on Form 10-K, we have concluded that the implementation of the ERP system thus far has not materially affected our internal control over financial reporting. However, as the ERP system implementation

is concluded, we will evaluate whether any process and/or controls changes in connection with the new ERP system necessitate changes in the design of and testing for effectiveness of internal controls over financial reporting.

Other than the ongoing ERP implementation, there have been no changes in our internal control over financial reporting that occurred during the last fiscal quarter ended **December 31, 2023** December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. OTHER INFORMATION

During the three months ended **December 31, 2023** December 31, 2024, other than the director and officers shown in the table below, no other director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Name (Title)	Action	Date	Trading Arrangement		
			Rule 10b5-1*	Non-Rule 10b5-1**	Total Shares to be Sold
Timothy C. K. Chou (Director) Stephen McMillan (Chief Executive Officer and director)	Adopt	11/30/2023 15/2024	x	Up to 6,356	80,000 12/31/2024 11/14/2025
Kathleen Cullen-Cote (Chief People Officer)	Adopt	11/13/2024	x	Up to 15,704	(1)

* Intended to satisfy the affirmative defense of Rule 10b5-1(c).

**Not intended to satisfy the affirmative defense of Rule 10b5-1(c).

(1) Ms. Cullen-Cote's Rule 10b5-1 trading arrangement includes the sale of 50% of (i) the net shares (not yet determinable) after shares are withheld to satisfy tax obligations upon the vesting of 19,498 restricted share units ("RSUs") and (ii) 11,910 net performance-based RSUs that were paid out to Ms. Cullen-Cote as a result of actual performance achieved at the end of the 2024 performance period.

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information required to be included in Part III Item 10 is set forth under the captions "Election of Directors," "Our Corporate Governance," and "Committees of the Board" in Teradata's Notice of Annual Meeting of Stockholders and Proxy Statement to be filed with the SEC within 120 days after the end of our fiscal **2023** 2024 year (the **2024** "2025 Proxy Statement") and is incorporated herein by reference. The information under the heading "Executive Officers of the Registrant" in Part I of this Annual Report on Form 10-K is also incorporated by reference in this section.

We have adopted an insider trading policy and related procedures and processes (the "Policy") applicable to our directors, officers, employees, and other covered persons, that we believe to be reasonably designed to promote compliance with insider trading laws, rules and regulations. Our Policy is filed as Exhibit 19 to this Annual Report on Form 10-K and the disclosure in the "Our Corporate Governance" section of the 2025 Proxy Statement describes our Policy in more detail and is incorporated herein by reference.

Item 11. EXECUTIVE COMPENSATION

Information required to be included in Part III Item 11 is set forth under the captions "Director Compensation," "Compensation Discussion and Analysis," "Compensation Tables," "Potential Payments Upon Termination or Change in Control," "Compensation and People Committee" and "Board Compensation" "Compensation and People Committee Report on Executive Compensation" in Teradata's **2024** 2025 Proxy Statement and incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information required to be included in Part III Item 12 is set forth under the caption "Stock Ownership" and the caption "Current Equity Compensation Plan Information" under Item 3 of in Teradata's 2024 2025 Proxy Statement and incorporated herein by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required to be included in Part III Item 13 is set forth under the captions "Related Person Transactions" and "Board Independence and Related Transactions" in Teradata's 2024 2025 Proxy Statement and incorporated herein by reference.

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information required to be included in Part III Item 14 is set forth under the caption "Fees Paid to Independent Registered Public Accounting Firm" in Teradata's 2024 2025 Proxy Statement and incorporated herein by reference.

PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Index

1. Financial Statements: The consolidated financial statements of the Company and the Report of Independent Registered Public Accounting Firm as set forth in Part II, Item 8 of this Annual Report:

Report of Independent Registered Public Accounting Firm (PCAOB ID 238)	44 45
Consolidated Statements of Income for the years ended December 31, 2023 4, 2022 3 and 2021 2	47
Consolidated Statements of Comprehensive Income for the years ended December 31, 2023 4, 2022 3 and 2021 2	48
Consolidated Balance Sheets at December 31, 2023 4 and 2022 3	49
Consolidated Statements of Cash Flows for the years ended December 31, 2023 4, 2022 3 and 2021 2	50
Consolidated Statements of Changes in Stockholders' Equity for the years ended December 31, 2023 4, 2022 3 and 2021 2	51
Notes to Consolidated Financial Statements	52

2. Financial Statement Schedule: Financial Statement Schedule II – Valuation and Qualifying Accounts is included in this Annual Report on page [90 91](#). All other schedules are not required under the related instructions or are not applicable.

Exhibits: See Index of Exhibits below for a listing of all exhibits to this Annual Report.

(b) Exhibits identified in parentheses below, on file with the SEC, are incorporated herein by reference as exhibits hereto.

Reference Number per Item	601 of Regulation S-K	Description
	<u>3.1</u>	Amended and Restated Certificate of Incorporation of Teradata Corporation as amended and restated on September 24, 2007 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K dated September 25, 2007 (SEC file number 001-33458)).
	<u>3.2</u>	Amended and Restated By-Laws of Teradata Corporation, as amended and restated on October 31, 2022 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K dated November 1, 2022).
	<u>4.1</u>	Common Stock Certificate of Teradata Corporation (incorporated by reference to Exhibit 4.1 to the Quarterly Report on Form 10-Q dated November 13, 2007 (SEC file number 001-33458)).
	<u>4.2</u>	Description of the Registrant's Securities (incorporated by reference to Exhibit 4.2 to the Annual Report on Form 10-K dated February 28, 2020), (filed herewith).
	<u>10.1</u>	Form of Technology Agreement (incorporated by reference to Exhibit 10.6 to the Registration Statement on Form 10).
	<u>10.2*</u>	Teradata Employee Stock Purchase Plan (Amended and Restated as of February 24, 2023). (incorporated by reference to Appendix B to Teradata Corporation's 2023 Proxy Statement on Schedule 14A dated March 22, 2023 (SEC File No. 001-33458)).

10.3*	Teradata Management Incentive Plan, as amended and restated on February 20, 2018 (incorporated by reference to Exhibit 10.3 to the Annual Report on Form 10-K dated February 23, 2018).
10.4*	Teradata Change in Control Severance Plan, as amended and restated on July 18, 2018 (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q dated November 5, 2018).
10.5*	Teradata Executive Severance Plan, effective as of February 1, 2017 (amended and restated as of May 8, 2023), (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q dated November 7, 2023).
10.6	Teradata Corporation Director Compensation Program, as amended and restated and effective on April 17, 2018 (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q dated August 6, 2018 (SEC file number 001-33458)).
10.7*	Amended and Restated Teradata Corporation 2007 Stock Incentive Plan, dated February 3, 2009 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K dated February 9, 2009 (SEC file number 001-33458)).
10.8*	Teradata 2012 Stock Incentive Plan (Amended and Restated as of March 1, 2021) (incorporated by reference from Appendix A to the Proxy Statement of Teradata Corporation filed with the SEC on March 18, 2021).
10.8.1* 10.8.1*	Form of Stock Option Agreement Under the Teradata 2012 Stock Incentive Plan, approved on November 28, 2016 (incorporated by reference to Exhibit 10.10.23 to the Annual Report on Form 10-K dated February 27, 2017).
10.8.2* 10.8.2*	Form of Director Restricted Share Unit Grant Statement under the Teradata 2012 Stock Incentive Plan, approved on April 26, 2016 (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K dated April 29, 2016).
10.8.3*	Form of Restricted Share Unit Agreement Under the Teradata 2012 Stock Incentive Plan, approved on February 4, 2019 (incorporated by reference to Exhibit 10.29 to the Annual Report, as amended, on Form 10-K/A dated March 1, 2019).
10.8.4*	Form of Restricted Share Unit Agreement For Non-U.S. Employees Under the Teradata 2012 Stock Incentive Plan, approved on February 4, 2019 (incorporated by reference to Exhibit 10.30 to the Annual Report, as amended, on Form 10-K/A dated March 1, 2019).
10.8.5*	Form of Restricted Share Unit Agreement Under the Teradata 2012 Stock Incentive Plan, approved on February 27, 2020 (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q dated May 11, 2020).
10.8.6*	Form of Restricted Share Unit Agreement for Non-U.S. Employees Under the Teradata 2012 Stock Incentive Plan, approved on February 27, 2020 (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q dated May 11, 2020).
10.8.7*	Form of Performance-Based Restricted Share Unit Agreement Under the Teradata 2012 Stock Incentive Plan, approved on February 27, 2020 (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q dated May 11, 2020).

10.8.8*	Form of Restricted Share Unit Agreement for Non-U.S. Employees Under the Teradata 2012 Stock Incentive Plan, approved on February 27, 2020 (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q dated May 11, 2020).
10.8.9*	Form of Restricted Share Unit Agreement Under the Teradata 2012 Stock Incentive Plan, approved on February 26, 2021 (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q dated May 7, 2021).
10.8.10*	Form of Restricted Share Unit Agreement for Non-U.S. Employees Under the Teradata 2012 Stock Incentive Plan, approved on February 26, 2021 (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q dated May 7, 2021).
10.8.11*	Form of Performance-Based Restricted Share Unit Agreement Under the Teradata 2012 Stock Incentive Plan, approved on February 26, 2021 (incorporated by reference to Exhibit 10.4 to the Quarterly Report on Form 10-Q dated May 7, 2021).
10.9*10.9*	Teradata 2023 Stock Incentive Plan (Amended and Restated as of May 14, 2024) Incorporated by reference to Appendix A to Teradata Corporation's 2023 2024 Proxy Statement on Schedule 14A dated March 22, 2023 March 26, 2024 (SEC File No. 001-33458).
10.9.1*	Form of Stock Option Agreement under the Teradata 2023 Stock Incentive Plan, approved on May 8, 2023 (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K dated May 12, 2023).
10.9.2*	Form of Stock Option Agreement for Non-U.S. Employees under the Teradata 2023 Stock Incentive Plan, approved on May 8, 2023 (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K dated May 12, 2023).
10.9.3*10.9.3*	Form of Restricted Share Unit Agreement under the Teradata 2023 Stock Incentive Plan, approved on May 8, 2023 (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K dated May 12, 2023).
10.9.4*10.9.4*	Form of Restricted Share Unit Agreement for Non-U.S. Employees under the Teradata 2023 Stock Incentive Plan, approved on May 8, 2023 (incorporated by reference to Exhibit 10.5 to the Current Report on Form 8-K dated May 12, 2023).
10.9.5*10.9.5*	Form of Performance-Based Restricted Share Unit Agreement under the Teradata 2023 Stock Incentive Plan, approved on May 8, 2023 (incorporated by reference to Exhibit 10.6 to the Current Report on Form 8-K dated May 12, 2023).
10.9.6*10.9.6*	Form of Director Restricted Share Unit Grant Statement under the Teradata 2023 Stock Incentive Plan, approved on May 8, 2023 (incorporated by reference to Exhibit 10.7 to the Current Report on Form 8-K dated May 12, 2023).
10.9.7*10.9.7*	Form of Restricted Share Unit Agreement (Cliff Vesting) under the Teradata 2023 Stock Incentive Plan, approved on June 29, 2023 (filed herewith) (incorporated by reference to Exhibit 10.9.7 to the Annual Report on Form 10-K dated February 23, 2024).
10.9.8*10.9.8*	Form of Restricted Share Unit Agreement for Non-U.S. Employees (Cliff Vesting) under the Teradata 2023 Stock Incentive Plan, approved on June 29, 2023 (filed herewith) (incorporated by reference to Exhibit 10.9.8 to the Annual Report on Form 10-K dated February 23, 2024).

10.10	10.10.1	Purchase and Manufacturing Services Agreement, effective April 27, 1998, by and between NCR Corporation and Solectron Corporation, now known as Flex Ltd. (filed as Exhibit 10.1 to NCR Corporation's Form 10-Q (SEC File No. 001-00395) for the fiscal quarter ended June 30, 1998 and incorporated herein by reference).
10.10.1	10.10.1	Amendment No. 1 to Purchase and Manufacturing Services Agreement, dated January 29, 2000, between NCR Corporation and Solectron Corporation, now known as Flex Ltd. (incorporated by reference to Exhibit 10.19 to the Registration Statement on Form 10).
10.11*	10.11*	Offer letter between Kathy Cullen-Cote and the Company dated June 21, 2019 (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q dated August 5, 2019).
10.11.1*	10.11.1*	Amendment to Offer Letter between Kathy Cullen-Cote and the Company dated July 30, 2021 (incorporated by reference to Exhibit 10.6 to the Quarterly Report on Form 10-Q dated August 6, 2021).
10.12*	10.12*	Offer letter from Teradata Corporation to Stephen McMillan dated May 5, 2020 (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q dated August 10, 2020).
10.12.1*	10.12.1*	Amendment to Offer Letter between Stephen McMillan and the Company dated April 29, 2022 (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q dated May 6, 2022).
10.12.2*	10.12.2*	Restricted Share Unit Agreement (Graded Vesting) Inducement Grant to new CEO, approved on May 5, 2020 (incorporated by reference to Exhibit 4.7 to the Registration Statement on Form S-8 dated June 2, 2020 (SEC file number 001-33458)).
10.12.3*	10.12.3*	Performance-Based Restricted Share Unit Agreement (2020-2022 Performance Period Award) Inducement Grant to new CEO, approved on May 5, 2020 (incorporated by reference to Exhibit 4.5 to the Registration Statement on Form S-8 dated June 2, 2020 (SEC file number 001-33458)).
10.12.4*	10.12.4*	Executive Severance Plan Participation Agreement to new CEO, approved on May 5, 2020 (incorporated by reference to Exhibit 10.5 to the Quarterly Report on Form 10-Q dated August 10, 2020).

[Offer Letter](#)
from
Teradata
Corporation
to Hillary
Ashton dated
August 25,
2020
(incorporated
by reference
to Exhibit
10.1 to the
Quarterly
Report on
Form 10-Q
dated
November 6,
2020).

[10.14.3*](#)

Offer letter
from
Teradata
Corporation
to Margaret
Treese dated
September
28 2020

10.15*
(incorporated
by reference
to Exhibit
10.18 to the
Annual
Report on
Form 10-K
dated
February 26,
2021).

10.15*
Teradata
New
Employee
Stock
Inducement
Plan
(incorporated
by reference
to Exhibit
10.3 to the
Current
Report on
Form 8-K
dated June
2, 2020
(SEC file
number 001-
33458)).

10.16*
Offer Letter
from
Teradata
Corporation
to Todd
Cione dated
December 4,
2020
(incorporated
by reference
to Exhibit
10.23 to the
Annual
Report on
Form 10-K
dated
February 26,
2021).

10.16.1*	Form of Restricted Share Unit Agreement (Special New Hire Grant) Under the Teradata New Employee Stock Inducement Plan to new Chief Revenue Officer (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q dated May 7, 2021).
10.17* 10.14*	Offer Letter from Teradata Corporation to Claire Bramley dated May 18, 2021 (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q dated August 6, 2021).
10.17.4.1*	Executive Severance Plan Participation Agreement to new CFO (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q dated August 6, 2021).
10.17.42* 2*	Restricted Share Unit Agreement (Graded Vesting New Hire Award) Award Inducement Grant to new CFO (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q dated August 6, 2021).
10.18.5*	Offer Letter from Teradata Corporation to Jacqueline Woods dated November 8, 2021 (incorporated by reference to Exhibit 10.20 to the Annual Report on Form 10-K dated February 25, 2022).
10.18.5.1*	Form of Restricted Share Unit Agreement (Graded (Graded Vesting New Hire Award) Award) Under the Teradata 2012 Stock Incentive Plan to new Chief Marketing Officer (incorporated by reference to Exhibit 10.20.1 to the Annual Report on Form 10-K dated February 25, 2022).
10.19.6	Offer Letter from Teradata Corporation to Michael Hutchinson dated December 22, 2021 (incorporated by reference to Exhibit 10.21 to the Annual Report on Form 10-K dated February 25, 2022).
10.17*	Offer Letter from Teradata Corporation to Richard Petley dated May 29, 2024 (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q dated August 6, 2024).
10.2 10.10.8*	Teradata Corporation Clawback Policy, effective as of October 2, 2023 (incorporated by reference to Exhibit 10.21 to the Annual Report on Form 10-K dated February 23, 2024).
10.19	Credit Agreement dated as of June 28, 2022 among Teradata Corporation, the lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent, as amended and restated effective as of September 21, 2023 (incorporated by reference to Exhibit 10.110.1 to the Quarterly Report on Form 10-Q dated November 7, 2023).
10.21.19	Teradata Corporation Clawback Insider Trading Policy effective as of October 2, 2023 (filed herewith).
21	Subsidiaries of Teradata Corporation Corporation (filed herewith).
23.1	Consent of Independent Registered Public Accounting Firm, Firm (filed herewith).
31.1	Certification pursuant to Rule 13a-14(a) dated February 23, 2024 5 (filed herewith).
31.2	Certification pursuant to Rule 13a-14(a) dated February 23, 2024 5 (filed herewith).
32	Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 dated February 23, 2024 5 (filed herewith).
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.

101.SCH Inline XBRL Taxonomy Extension Schema Document

101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document

101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Management contracts or compensatory plans, contracts or arrangements.

TERADATA CORPORATION

SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS (In millions)

Column A	Column A	Column B	Column C	Column D	Column E	Column A	Column B	Column C	
Description	Description	Balance at Beginning of Period	Provision/reversals	Charged to Costs & Expenses	Charged to Other Accounts	Deductions	Balance at End of Period	Balance at Beginning of Period	Provision/reversals
Allowance for doubtful accounts									
Year ended December 31, 2023									
Year ended December 31, 2023									
Year ended December 31, 2024									
Year ended December 31, 2024									
Year ended December 31, 2024									
Year ended December 31, 2023									
Year ended December 31, 2022									
Year ended December 31, 2021									
Deferred tax valuation allowance									
Year ended December 31, 2023									
Year ended December 31, 2023									
Year ended December 31, 2024									
Year ended December 31, 2024									

Year ended December

31, 2024

Year ended December

31, 2023

Year
ended
December
31, 2022

Year
ended
December
31, 2021

Item 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) 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.

TERADATA CORPORATION

Date: **February 23, 2024** **February 21, 2025**

By:

/s/ Claire Bramley

Claire Bramley

Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature	Title
/s/ Stephen McMillan Stephen McMillan	President and Chief Executive Officer and Director
/s/ Claire Bramley Claire Bramley	Chief Financial Officer (Principal Financial and Accounting Officer)
/s/ Michael P. Gianoni Michael P. Gianoni	Chairman of the Board
/s/ Lisa R. Bacus Lisa R. Bacus	Director
/s/ Timothy C.K. Chou Timothy C.K. Chou	Director
/s/ Daniel R. Fishback Daniel R. Fishback	Director
/s/ Todd E. McElhatton Todd E. McElhatton	Director
/s/ Kimberly K. Nelson Kimberly K. Nelson	Director
/s/ Joanne B. Olsen Joanne B. Olsen	Director
/s/ John G. Schwarz John G. Schwarz	Director

92 93

Exhibit 10.9.7 4.2

**Form of Restricted Share Unit Agreement
(Cliff Vesting)**
Under the Teradata 2023 Stock Incentive Plan DESCRIPTION OF SECURITIES

You have been awarded The following is a number summary of restricted share units (the "Share Units") under the Teradata 2023 Stock Incentive Plan (the "Plan"), as described on the restricted share unit information page on the website of Teradata's third-party Plan administrator, concerning our capital stock and does not purport to be complete. It is subject to the terms and conditions qualified in its entirety by reference to our amended and restated certificate of this Restricted Share Unit Agreement (this "Agreement") incorporation (the "Certificate of Incorporation") and the Plan. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed our amended and restated bylaws (the "Bylaws"), each of which are included exhibits to such terms in the Plan. this Annual Report on Form 10-K.

1. The Share Units will become vested on the [first/second/third] anniversary Authorized Shares of Capital Stock

Our authorized capital stock consists of 500,000,000 shares of common stock, par value \$0.01 per share, and 100,000,000 shares of preferred stock, par value \$0.01 per share.

Common Stock

Dividends

Subject to prior dividend rights of the Dateholders of Grant (the "Vesting Date") provided that you shares of preferred stock, if any, holders of shares of our common stock are continuously employed entitled to receive dividends when, as and if declared by Teradata or any of its affiliate companies (referred to collectively herein as "Teradata") until the Vesting Date.

2. If your employment with Teradata terminates prior to the Vesting Date due to (i) your death, or (ii) a disability for which you qualify for benefits under the Teradata Long-Term Disability Plan or another long-term disability plan sponsored by Teradata ("Disability"), then, upon such termination of employment, the Share Units will become fully vested.

If your employment with Teradata terminates prior to the Vesting Date due to your Retirement, then the Compensation and People Committee of the Teradata Board of Directors (the "Committee") or its delegate, may in its sole discretion choose to provide out of funds legally available for that all or any pro rata portion of the Share Units will become vested upon the terms, and subject to the conditions, established by the Committee, including the acceleration of up to one year of vesting for Share Units. For purposes of this Agreement, "Retirement" means termination by you of your employment with Teradata (for any reason other than termination by Teradata for Cause) at or after age 55.

If your employment with Teradata is terminated prior to the Vesting Date due to a reduction-in-force, then, upon such termination of employment, a pro rata portion of the Share Units will become fully vested. The pro rata portion of the Share Units that will become fully vested will be determined by multiplying (x) the number of unvested Share Units that would have vested on the Vesting Date had you remained employed with Teradata by (y) a fraction, the numerator of which is the number of full and partial months of employment you completed commencing with the Vesting Date that occurred immediately prior to your termination (or, if none, commencing on the Date of Grant), and the denominator of which is twelve (12) months (subject to such rounding conventions as may be implemented from time-to-time by the third party Plan administrator). For purposes of determining such pro rata vesting of your Share Units, your period of employment with Teradata shall not include any leave of absence, other than an approved leave of absence from which Teradata reasonably expects that you will return to perform services for Teradata. Teradata in its sole discretion determines when an employee's position is terminated due to a reduction-in-force. Voting Rights

Notwithstanding any provision in this Agreement to the contrary, in the event of a Change in Control, the applicable provisions of Section 20 of the Plan shall govern the treatment of your outstanding Share Units as provided therein.

To the extent that the Share Units are not vested pursuant to Sections 1 and 2 above, then except as may otherwise be provided in a severance plan maintained by Teradata and applicable to you, they shall be forfeited automatically without further action or notice, if you cease to be employed by Teradata prior to the Vesting Date other than as provided pursuant to this Section 2.

3. Except as may be otherwise provided in this Agreement, when vested, the Share Units will be paid to you within 30 days after the Vesting Date (or such earlier date as the Share Units may become vested pursuant to Section 2 above) in Shares (such that one Share Unit equals one Share).

4. By accepting this award, unless disclosure is required or permitted by Applicable Law, you agree to keep this Agreement confidential and not to disclose its contents to anyone except your attorney, your immediate family, or your financial consultant, provided such persons agree in advance to keep such information confidential and not disclose it to others. The Share Units will be forfeited if you violate the terms and conditions of this Section 4. Notwithstanding the foregoing, nothing contained in this Agreement or any other Teradata agreement, policy,

practice, procedure, directive or instruction shall prohibit you from reporting possible violations of federal, state or local laws or regulations to any federal, state or local governmental agency or commission (a "Government Agency"), from making other disclosures that are protected under the whistleblower provisions of federal, state or local laws or regulations or from exercising any rights you may have under Section 7 of the National Labor Relations Act. You do not need prior authorization of any kind to make any such reports or disclosures and you are not required to notify Teradata that you have made such reports or disclosures. Nothing in this Agreement limits any right you may have to receive a whistleblower award or bounty for information provided to any Government Agency.

5. The Share Units may not be sold, transferred, pledged, assigned or otherwise alienated, except by beneficiary designation, will or by the laws of descent and distribution upon your death. As soon as practicable after the date that the Share Units become vested, Teradata will instruct its transfer agent and/or its third-party Plan administrator to record on your account the number of Shares underlying the number of Share Units to be paid to you in Shares and such Shares will be freely transferable.

6. Any cash dividends declared on the Shares underlying unvested Share Units shall not be paid currently but shall be converted into additional Share Units. Any Share Units resulting from such conversion (the "Dividend Units") will be considered Share Units for purposes of this Agreement and will be subject to all of the terms, conditions and restrictions set forth herein, including the applicable vesting schedule. As of each date that Teradata would otherwise pay the declared dividend on the Shares underlying unvested Share Units (the "Dividend Payment Date") in the absence of the reinvestment requirements of this Section 6, the number of Dividend Units will be determined by dividing the amount of dividends otherwise attributable to the unvested Share Units but not paid on the Dividend Payment Date by the Fair Market Value of Teradata's common stock on the Dividend Payment Date.

7. Teradata has the right to deduct or cause to be deducted, or collect or cause to be collected, with respect to the taxation of any Share Units, the issuance or sale of Shares, and the receipt of dividends or dividend equivalents, if any, or otherwise in relation to your participation in the Plan, any federal, state, local, foreign or

other taxes, social contributions, required deductions, or other payments required by the laws of the United States or any other country to be withheld or paid with respect to the Share Units or related to or resulting from your participation in the Plan ("Tax-Related Items"), and you or your legal representative or beneficiary will be required to pay any such amounts. By accepting this award, you consent and direct that, if you are paid through Teradata's United States payroll system at the time the Share Units are settled, Teradata's stock plan administrator will withhold or sell the number of Shares underlying the Share Units as Teradata, in its sole discretion, deems necessary to satisfy such Tax-Related Items; provided, however, that if Teradata is required to withhold any taxes prior to settlement of the Share Units, then you agree that Teradata may satisfy those withholding obligations by withholding cash from your compensation otherwise due to you or by any other action as it may deem necessary to satisfy the withholding obligation. In no event shall the fair market value of the Shares **Each share** of common stock is entitled to be surrendered pursuant to this Section 7 to satisfy applicable withholding taxes (as determined by Teradata) exceed the minimum amount of taxes required to be withheld or such other amount that will not result in a negative accounting impact. If you are paid through a non-United States Teradata payroll system, you agree that Teradata may satisfy any Tax-Related Items by withholding cash from your compensation otherwise due to you or by any other action as it may deem necessary to satisfy the Tax-Related Items. Regardless of any action Teradata or your employer (the "Employer") takes with regards to any Tax-Related Items, you acknowledge that the ultimate liability for one vote on all Tax-Related Items is and remains your responsibility and may exceed the amount actually withheld by Teradata or the Employer. You also agree that you solely are responsible for filing all relevant documentation that may be required of you in relation to this award or any Tax-Related Items, such as but not limited to personal income tax returns or reporting statements in relation to the grant or vesting of this award or the subsequent sale of Shares acquired pursuant to such award and the receipt of any dividends or dividend equivalents.

8. The Share Units shall be subject to Section 19(a) of the Plan in the event that your employment is terminated by Teradata for Cause. This means that, upon termination of your employment for Cause, (a) your Share Units (whether or not vested) will be forfeited automatically and without further action or notice, and (b) to the extent demanded by the Committee in its sole discretion and permitted by Applicable Law, you shall (i) return to Teradata all Shares that you have not disposed of that have been acquired pursuant to this Agreement during the two (2) years prior to the date of your termination of employment, and (ii) with respect to any Shares acquired pursuant to this Agreement during the two (2) years prior to the date of your termination of employment and that you have disposed of, pay to Teradata in cash the Fair Market Value of such Shares, determined as of the date acquired.

9. As a recipient of this equity award, you recognize that you have access to highly confidential, proprietary and non-public information of Teradata and its customers, including strategic plans, customer lists, research and development plans, and other information not made available to the general public and from which Teradata derives value. For purposes of this Agreement, this information is defined as "Trade Secret Information."

To protect Teradata's investment in Trade Secret Information, and in exchange for the Share Units, you agree that the following restrictions will apply during your employment with Teradata and, to the extent permitted by Applicable Law, for a period of twelve (12) months after the date that you cease to be employed by Teradata for any reason (the "Termination Date") (or if Applicable Law mandates a maximum time that is shorter than twelve months, then for a period of time equal to that shorter maximum period):

(a) You will not, without the prior written consent of the Chief Executive Officer of Teradata, render services directly or indirectly to, or become employed by, any Competing Organization of Teradata (as defined in this Section 9 below) to the extent such services or employment involves the development, manufacture, marketing, sale, advertising or servicing of any product, process, system or service which is the same or similar to, or competes with, a product, process, system or service manufactured, sold, marketed, serviced or otherwise provided by Teradata to its customers and upon which you worked or in which you participated during the last twelve (12) months of your Teradata employment. (This restriction is specifically intended to protect the value of and Teradata's investment in Trade Secret Information to which you had access as an employee of Teradata). **NOTWITHSTANDING THE FOREGOING, THE RESTRICTION SET FORTH IN THIS SECTION 9(a) SHALL NOT APPLY IF YOU ARE EMPLOYED BY TERADATA IN CALIFORNIA, NORTH DAKOTA, OKLAHOMA AND THE DISTRICT OF COLUMBIA.**

(b) You will not, without the prior written consent of the Chief Executive Officer of Teradata, directly or indirectly recruit, hire, solicit or induce, or attempt to induce, any exempt employee of Teradata to terminate his or her employment with or otherwise cease his or her relationship with Teradata. (This restriction is specifically intended to protect the value of the information you obtained while a Teradata employee regarding the skills, experience and knowledge of Teradata employees, which is Trade Secret Information, and Teradata's investment in developing these employees). **NOTWITHSTANDING THE FOREGOING, THE RESTRICTION SET FORTH IN THIS SECTION 9(b) SHALL NOT APPLY IF YOU ARE EMPLOYED BY TERADATA IN CALIFORNIA, NORTH DAKOTA, OKLAHOMA AND THE DISTRICT OF COLUMBIA.**

(c) You will not, without the prior written consent of the Chief Executive Officer of Teradata, solicit the business of any firm or company with which you worked during the preceding twelve (12) months of employment at Teradata, if such firm or company was a customer of Teradata, by using Teradata Trade Secret Information. (This restriction is specifically intended to protect the value of the identity of Teradata customers, their needs, interests, strategic plans, etc., all of which is Trade Secret Information you acquired as a Teradata employee with access to such information).

If you breach the terms of this Section 9, you agree that in addition to any liability you may have for damages arising from such breach, your Share Units (whether or not vested) will be forfeited automatically and without further action or notice, and, to the extent permitted by Applicable Law, with respect to any Shares acquired pursuant to this Agreement during the twelve (12) months prior to the Termination Date, you agree to pay to Teradata in cash the Fair Market Value of such Shares, determined as of the date acquired.

As used in this Section 9, "Competing Organization" means a person or organization which is engaged in or about to become engaged in research on or development, production, marketing, leasing, selling or servicing of a product, process, system or service which is the same or similar to and competes with a product, process, system or service manufactured, sold, serviced or otherwise provided by Teradata to its customers and is therefore a competitor of Teradata.

10. By accepting this award, you agree that, where permitted by local law, any controversy or claim arising out of or related to this Agreement or your employment relationship with Teradata shall be resolved by first exhausting Teradata's internal dispute resolution process and policy in place when the dispute arose, and then by arbitration pursuant the Mutual Agreement to Arbitrate All Employment Related Claims attached hereto as Exhibit A.

Notwithstanding the preceding subparagraph, you acknowledge that if you breach Section 9, Teradata will sustain irreparable injury and will not have an adequate remedy at law. As a result, you agree that in the event of your breach of Section 9 Teradata may, in addition to any other remedies available to it, bring an action in a court of competent jurisdiction for equitable relief to preserve the status quo pending appointment of an arbitrator and completion of an arbitration.

11. You may designate one or more beneficiaries to receive all or part of any Share Units to be distributed in case of your death, and you may change or revoke such designation at any time. In the event of your death, any Share Units distributable hereunder that are subject to such a designation will be distributed to such beneficiary or beneficiaries in accordance with this Agreement. Any other Share Units not designated by you will be distributable to your estate. If there is any question as to the legal right of any beneficiary to receive a distribution hereunder, the Share Units in question may be transferred to your estate, in which event Teradata will have no further liability to anyone with respect to such Share Units.

12. The provisions of this Agreement are severable. If any provision of this Agreement is held to be unenforceable or invalid by a court or other tribunal of competent jurisdiction (including an arbitration tribunal), it shall be severed and shall not affect any other part of this Agreement, which will be enforced as permitted by law.

13. Subject to Section 21 of the Plan, the terms of this award of Share Units as evidenced by this Agreement may be amended by the Teradata Board of Directors or the Committee at any time.

14. The number of Share Units and the number and kind of Shares covered by this Agreement shall be subject to adjustment as provided in Section 15 of the Plan.

15. In the event of a conflict between the terms and conditions of this Agreement and the terms and conditions of the Plan, the terms and conditions of the Plan shall prevail, except that with respect to matters involving choice of law the terms and conditions of Section 10 of this Agreement shall prevail.

16. You shall not possess any incidents of ownership (including, without limitation, dividend and voting rights) in the Shares underlying the Share Units until such Shares have been delivered to you in accordance with this Agreement. The obligations of Teradata under this Agreement will be merely that of an unfunded and unsecured promise of Teradata to deliver Shares in the future following vesting of the Share Units, and your rights will be no greater than those of an unsecured general creditor. No assets of Teradata will be held or set aside as security for the obligations of Teradata under this Agreement.

17. The intent of the parties is that payments under this Agreement be exempt from, or comply with, Section 409A of the Code, and this Agreement shall be interpreted, administered and governed in accordance with such intent. In particular, solely to the extent necessary to comply with Section 409A of the Code: (x) a "termination of employment" or words of similar effect shall be deemed to mean a "separation from service" within the meaning of Section 409A of the Code, and (y) payment of any nonqualified deferred compensation submitted to a "specified employee" (as determined under applicable Teradata policy) shall be made no earlier than the first business day that is more than six months after the date of separation from service. Further, notwithstanding anything to the contrary contained in this Agreement, the Committee shall have the right, at any time in its sole discretion, to accelerate the time stockholders. In an uncontested election of a payment under this Agreement to a time otherwise permitted under Section 409A of the Code, individuals nominated in accordance with the requirements, restrictions and limitations procedures set forth in our Bylaws are elected if the number of Treasury Regulation Section 1.409A-3(j), to votes cast for the extent applicable.

18. Nothing contained in this Agreement shall confer upon you any right with respect to continuance nominee's election exceeds the number of employment by Teradata, nor limit or affect in any manner votes cast against the right of Teradata to terminate your employment or adjust your compensation.

19. By accepting any benefit under this Agreement, you and each person claiming under or through you shall be conclusively deemed to have indicated their acceptance and ratification of, and consent to, all of nominee's election. In a contested election, the terms and conditions of this Agreement and the Plan and any action taken under this Agreement or the Plan by the Committee, the Board of Directors or Teradata, in any case directors nominated in accordance with the terms and conditions of this Agreement.

20. Teradata may, procedures set forth in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by Teradata or a third party designated by Teradata. If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control.

21. You hereby explicitly and unambiguously acknowledge and consent to the collection, use and transfer, in electronic or other form, of your Personal Data (as defined below) and any other Share Unit grant materials by and among, as applicable, Teradata, the Employer or third parties as may be selected by Teradata, for the exclusive purpose of implementing, administering and managing your participation in the Plan, enforcing the terms of and exercising their rights under this agreement to which it is a party and that relate directly or indirectly to you, and as necessary to comply with its obligations under Applicable Laws, rules and regulations with respect to your participation in the Plan. You further acknowledge and agree that such collection, storage, processing, use and transfer our Bylaws are for legitimate purposes and are necessary for the operation of the Plan. You understand that refusal or withdrawal of consent will affect your ability to participate

in the Plan; without providing consent, you will not be able to participate in the Plan or realize benefits (if any) from the Share Units or any other awards under the Plan.

You understand and acknowledge that Teradata and the Employer or designated third parties may receive, hold, process and transfer certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, employment history, any Shares or directorships held in Teradata, details of all Share Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor ("Personal Data").

You understand that Personal Data may be transferred to any Subsidiary or affiliate or third parties assisting Teradata with the implementation, administration and management of the Plan, or to a successor in interest to the stock, assets or business of Teradata. You understand the recipients of the Data may be located in your country, in the United States, or elsewhere and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than your country. In particular, the Company may transfer Personal Data to the broker or stock plan administrator assisting with the Plan, to its legal counsel and tax and accounting advisor, and to the Employer and its payroll provider.

You should also refer to the Teradata Corporation Global Privacy Policy (which is available to you separately and may be updated from time to time) for more information regarding the collection, use, storage, and transfer of your Personal Data.

EXHIBIT A

Teradata Corporation

Mutual Agreement to Arbitrate All Employment Related Claims

Teradata Corporation, including its divisions, subsidiaries and related companies (collectively, "Teradata"), believes most employment-related disputes are best resolved through open and honest communication and, when necessary, through the company's Internal Dispute Resolution Policy (the "IDR Policy"), outlined in detail at CMP 706. If a dispute cannot be resolved informally, and given our desire to establish a speedy, impartial and cost-effective way to resolve disputes, the final stage of the IDR Policy provides the unresolved matter will be submitted to final and binding arbitration. This is Teradata's and my mutual Arbitration Agreement ("Agreement").

This Agreement to arbitrate includes every possible claim, dispute, or cause of action, in law or equity, arising out of or relating in any way to my employment with Teradata or the termination of my employment, to the maximum extent permitted by law, whether asserted during my employment with Teradata or after it has ended, including claims that I or my heirs, successors, administrators, and assigns may have against Teradata or against any of its current and former officers, directors, employees, representatives, contractors, owners, shareholders, or agents in their capacity as such, and all successors and assigns of any of them, or claims that Teradata may have against me (collectively, "Claims").

Claims subject to this Agreement include, but are not limited to, claims pursuant to any federal, state or local law or statute including (without limitation) the Age Discrimination in Employment Act, Title VII of the Civil Rights Act of 1964, the Americans With Disabilities Act of 1990, the Family and Medical Leave Act, the Fair Labor Standards Act, the federal Equal Pay Act, the Worker Adjustment and Retraining Notification Act, the Uniform Service Employment and Reemployment Rights Act, the Genetic Information Nondiscrimination Act, the California Fair Employment and Housing Act, the California Labor Code, the California Equal Pay Act, and the California Family Rights Act, all as amended; Claims for wages, overtime, or other compensation due; Claims involving meal and rest breaks; Claims for benefits (except where an employee benefit plan specifies that its claim procedure shall culminate in an arbitration procedure different from this one); Claims for breach of contract or other promise (oral or written, express or implied); Claims for any form of illegal discrimination or harassment under state or federal law; Claims for wrongful termination or discharge (constructive or actual); Claims for violation of any public policy; Claims for improper, unfair, and/or retaliatory treatment or dismissal; and all tort Claims. Claims not covered by this Agreement are claims for workers' compensation benefits, unemployment compensation benefits, claims governed by ERISA or other claims that, as a matter of law, the parties cannot agree to arbitrate. I understand that while I still have a right to file a charge with a state or federal agency, I will submit the final resolution of any Claim to an arbitrator instead of a court or jury. **Teradata and I acknowledge that, by entering into this Agreement, we both waive the right to resolve any Claims through a trial by jury, in exchange for the benefits of a speedy and less expensive dispute resolution procedure.**

Teradata and I agree that we will resolve our disputes on an individual basis only. Except for representative claims under California's Private Attorneys General Act ("PAGA"), which cannot be waived under applicable law and which are therefore excluded from this Agreement, Teradata and I expressly intend and agree that: (a) class action and representative action procedures are hereby waived and shall not be asserted, nor will they apply, in any arbitration pursuant to this Agreement; (b) we will not assert class action or representative action claims in arbitration or otherwise; and (c) we shall submit only our own, individual Claims in arbitration, including but not limited to an individual Claim under PAGA. The arbitrator may not consolidate more than one person's Claims and may not otherwise preside over any form of a representative or class proceeding. This Agreement also prevents me from participating in a class action (existing or future) that is brought by any other party.

The arbitration shall be governed by the Federal Arbitration Act. The hearing will be conducted by the American Arbitration Association (the "AAA") under the AAA's then applicable employment arbitration rules (except as those rules are modified by this Agreement) and presided over elected by a sole arbitrator. The AAA rules are available online at <https://www.adr.org/Rules>. To file a claim, I will only be required to pay the equivalent plurality of the fee to file a complaint shares present in a court of local jurisdiction. Teradata will pay any remaining fees that are specific to arbitration, including the arbitrator's fees and expenses. However, Teradata and I will each pay our own attorneys' fees and our own standard litigation costs. If we cannot mutually agree on an arbitrator, the arbitrator will be selected according

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to the AAA's rules and procedures. The arbitrator shall have the exclusive authority to rule on any challenge to his or her own jurisdiction or to the validity, enforceability, or formation of any portion of this Agreement to arbitrate.

The arbitration hearing will be held in or near the city where I worked with Teradata, or as otherwise mutually agreed to by me and Teradata. To prepare for the hearing, both Teradata and I have the right to take the sworn deposition statements of two individuals and, in addition, any expert witness expected to testify at the hearing. All documents to be used as exhibits and a list of all potential witnesses will be exchanged at least two weeks in advance of the hearing. No other discovery will be permitted unless the arbitrator finds there is a compelling need to do so and this need outweighs our desire for a quick and inexpensive resolution of the dispute. The arbitrator may consider and grant prehearing dispositive motions as he/she deems appropriate. The arbitrator will make a decision using the substantive law of the state where the claim arose or federal law where applicable. The arbitrator shall: (a) have the same full authority to order relief as would a court or a jury (including but not limited to an award of attorneys' fees or costs under any applicable statute or written agreement); and (b) issue a written arbitration decision including the arbitrator's essential findings and conclusions and a statement of the award. The arbitrator's award may be entered and enforced by any court with jurisdiction.

This Agreement is not an employment contract and does not alter the terms of my at-will employment relationship with Teradata. Our mutual willingness to submit all disputes to arbitration is consideration for this Agreement. As additional consideration, I understand Teradata requires me to sign this Agreement as a condition of the compensation and benefits provided to me now and during my employment with Teradata.

This is the entire Agreement between Teradata and me relating to arbitration and supersedes any other written or oral agreement relating to arbitration, except for the IDR Policy which remains in full force and effect (however, in the event this Agreement and the IDR Policy conflict, this Agreement shall govern). This Agreement to arbitrate shall survive termination of my employment at Teradata. I have had a full opportunity to review this Agreement and I understand and agree to its terms. This Agreement can only be revoked or modified by a writing signed by both me and an officer of Teradata. If any portion of this Agreement is held to be void or unenforceable under any federal, state, or local law, the rest of the Agreement will remain in full force and effect.

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Exhibit 10.9.8

Form of Restricted Share Unit Agreement

For Non-U.S. Employees

(Cliff Vesting)

Under the Teradata 2023 Stock Incentive Plan

You have been awarded a number of restricted share units (the "Share Units") under the Teradata 2023 Stock Incentive Plan (the "Plan"), as described on the restricted share unit information page on the website of Teradata's third-party Plan administrator, subject to the terms and conditions of this Restricted Share Unit Agreement (this "Agreement") and the Plan. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

1. The Share Units will become vested on the [first/second/third] anniversary of the Date of Grant of this award (the "Vesting Date") provided that you are continuously employed by Teradata or any of its affiliate companies (referred to collectively herein as "Teradata") until the Vesting Date.
2. If your employment with Teradata terminates prior to the Vesting Date due to (i) your death, or (ii) a disability for which you qualify for benefits under the Teradata Long-Term Disability Plan or another long-term disability plan sponsored by Teradata ("Disability"), then, upon such termination of employment, the Share Units will become fully vested.

If your employment with Teradata terminates prior to the Vesting Date due to your Retirement, then the Compensation and People Committee of the Teradata Board of Directors (the "Committee") or its delegate, may in its sole discretion choose to provide that all or any pro rata portion of the Share Units will become vested upon the terms, and subject to the conditions, established by the Committee, including the acceleration of up to one year of vesting for Share Units. For purposes of this Agreement, "Retirement" means termination by you of your employment with Teradata (for any reason other than termination by Teradata for Cause) at or after age 55 or as otherwise provided under Applicable Law.

If your employment with Teradata is terminated prior to the Vesting Date due to a reduction-in-force, then, upon such termination of employment, a pro rata portion of the Share Units will become fully vested. The pro rata portion of the Share Units that will become fully vested will be determined by multiplying (x) the number of unvested Share Units that would have vested on the Vesting Date had you remained employed with Teradata by (y) a fraction, the numerator of which is the number of full and partial months of employment you completed commencing with the Vesting Date that occurred immediately prior to your termination (or, if none, commencing on the Date of Grant), and the denominator of which is twelve (12) months (subject to such rounding conventions as may be implemented from time-to-time by the third party Plan administrator). For purposes of determining such pro rata vesting of your Share Units, your period of employment with Teradata

shall not include any leave of absence, other than an approved leave of absence from which Teradata reasonably expects that you will return to perform services for Teradata. Teradata in its sole discretion determines when an employee's position is terminated due to a reduction-in-force.

Notwithstanding any provision in this Agreement to the contrary, in the event of a Change in Control, the applicable provisions of Section 20 of the Plan shall govern the treatment of your outstanding Share Units as provided therein.

To the extent that the Share Units are not vested pursuant to Sections 1 and 2 above, then except as may otherwise be provided in a severance plan maintained by Teradata and applicable to you, they shall be forfeited automatically without further action or notice, if you cease to be employed by Teradata prior to the Vesting Date other than as provided pursuant to this Section 2.

3. Except as may be otherwise provided in this Agreement, when vested, the Share Units will be paid to you within 30 days after the Vesting Date (or such earlier date as the Share Units may become vested pursuant to Section 2 above) in Shares (such that one Share Unit equals one Share).

4. By accepting this award, unless disclosure is required or permitted by Applicable Law, you agree to keep this Agreement confidential and not to disclose its contents to anyone except your attorney, your immediate

family, or your financial consultant, provided such persons agree in advance to keep such information confidential and not disclose it to others. The Share Units will be forfeited if you violate the terms and conditions of this Section 4. Notwithstanding the foregoing, nothing contained in this Agreement or any other Teradata agreement, policy, practice, procedure, directive or instruction shall prohibit you from reporting possible violations of federal, state or local laws or regulations to any federal, state or local governmental agency or commission (a "Government Agency"), from making other disclosures that are protected under the whistleblower provisions of federal, state or local laws or regulations or from exercising any rights you may have under Section 7 of the National Labor Relations Act. You do not need prior authorization of any kind to make any such reports or disclosures and you are not required to notify Teradata that you have made such reports or disclosures. Nothing in this Agreement limits any right you may have to receive a whistleblower award or bounty for information provided to any Government Agency.

5. The Share Units may not be sold, transferred, pledged, assigned or otherwise alienated, except by will person or by the laws of descent proxy and distribution upon your death. As soon as practicable after the date that the Share Units become vested, Teradata will instruct its transfer agent and/or its third party Plan administrator entitled to record on your account the number of Shares underlying the number of Share Units to be paid to you in Shares and such Shares will be freely transferable. vote.

6. Any cash dividends declared on the Shares underlying unvested Share Units shall not be paid currently but shall be converted into additional Share Units. Any Share Units resulting from such conversion (the "Dividend Units") will be considered Share Units. There is no provision for purposes of this Agreement and will be subject to all of the terms, conditions and restrictions set forth herein, including the applicable vesting schedule. As of each date that Teradata would otherwise pay the declared dividend on the Shares underlying unvested Share Units (the "Dividend Payment Date") in the absence of the reinvestment requirements of this Section 6, the number of Dividend Units will be determined by dividing the amount of dividends otherwise attributable to the unvested Share Units but not paid on the Dividend Payment Date by the Fair Market Value of Teradata's common stock on the Dividend Payment Date.

7. Regardless of any action Teradata or your employer who is a Teradata affiliate (the "Employer") takes with respect to any or all income tax or withholdings, payroll tax, payment on account, social contributions, required deductions, other payments, or other tax-related items related to your participation in the Plan and legally applicable to you or deemed by Teradata or the Employer to be an appropriate charge to you even if technically due by Teradata or the Employer ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items is and remains your responsibility and may exceed the amount actually withheld by Teradata or the Employer. You also agree that you solely are responsible for filing all relevant documentation that may be required of you in relation to this award or any Tax-Related Items, such as but not limited to personal income tax returns or reporting statements in relation to the grant or vesting of this award, the holding of Shares or any bank or brokerage account, or the subsequent sale of Shares acquired pursuant to such award and the receipt of any dividends or Dividend Units. You further acknowledge that Teradata and/or the Employer: (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Share Unit grant, including the grant, vesting or settlement of the Share Units, the issuance of Shares upon settlement of the Share Units, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends and/or Dividend Units; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Share Units to reduce or eliminate your liability for such Tax-Related Items or to achieve any particular tax result. You also understand Applicable Laws may require varying Share Unit or Share valuation methods for purposes of calculating Tax-Related Items, and Teradata assumes no responsibility or liability in relation to any such valuation or for any calculation or reporting of income or Tax-Related Items that may be required of you under Applicable Law. Further, if you have become subject to Tax-Related Items in more than one jurisdiction, you acknowledge that Teradata and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, you shall pay or make adequate arrangements satisfactory to Teradata or the Employer, to satisfy all Tax-Related Items. In this regard, you authorize Teradata and/or the Employer, or their respective agents, at their discretion and pursuant to such procedures as Teradata may specify from time to time, to satisfy the obligations cumulative voting with regard to all Tax-Related Items by one or a combination the election of the following: directors.

Certain supermajority vote requirements apply to stockholder voting, as described below.

- a. withholding from any wages or other cash compensation paid to you by Teradata and/or the Employer;
 - b. withholding otherwise deliverable Shares to be issued upon vesting/settlement of the Share Units; or
 - c. withholding from the proceeds of the sale of Shares acquired upon vesting/settlement of the Share Units either through a voluntary sale or through a mandatory sale arranged by Teradata (on your behalf pursuant to this authorization).

To avoid negative accounting treatment, Teradata may withhold or account for Tax-Related Items by considering applicable minimum and maximum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you shall be deemed to have been issued the full number of Shares subject to the Vested Share Units, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of your participation in the Plan. You shall pay to Teradata and/or the Employer any amount of Tax-Related Items that Teradata and/or the Employer may be required to withhold as a result of your participation in the Plan that cannot be satisfied by the means previously described. Teradata may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if you fail to comply with your obligations in connection with the Tax-Related Items as described in this Section 7.

8. You understand and agree that any cross-border cash remittance made in relation to this award, including the transfer of proceeds received upon the sale of Shares, must be made through a locally authorized financial institution or registered foreign exchange agency and may require you to provide to such financial institution or agency certain information regarding the transaction. Moreover, you understand and agree that Teradata is neither responsible for any foreign exchange fluctuation between your local currency and the United States Dollar (or the selection by Teradata or the Employer in its sole discretion of an applicable foreign currency exchange rate) that may affect the value of this award (or the calculation of income or any Tax-Related Items thereunder) nor liable for any decrease in the value of Shares or this award. In addition, the ownership of Shares or assets and holding of bank or brokerage account abroad may subject you to reporting requirements imposed by tax, banking, and/or other authorities in your country, and you understand and agree that you solely are responsible for complying with such requirements.
9. The Share Units shall be subject to Section 19(a) of the Plan in the event that your employment is terminated by Teradata for Cause. This means that, upon termination of your employment for Cause, (a) your Share Units (whether or not vested) will be forfeited automatically and without further action or notice, and (b) to the extent demanded by the Committee in its sole discretion and permitted by Applicable Law, you shall (i) return to Teradata all Shares that you have not disposed of that have been acquired pursuant to this Agreement during the two (2) years prior to the date of your termination of employment, and (ii) with respect to any Shares acquired pursuant to this Agreement during the two (2) years prior to the date of your termination of employment and that you have disposed of, pay to Teradata in cash the Fair Market Value of such Shares, determined as of the date acquired.
10. As a recipient of this equity award, you recognize that you have access to highly confidential, proprietary and non-public information of Teradata and its customers, including strategic plans, customer lists, research and development plans, and other information not made available to the general public and from which Teradata derives value. For purposes of this Agreement, this information is defined as "Trade Secret Information."

To protect Teradata's investment in Trade Secret Information, and in exchange for the Share Units, you agree that the following restrictions will apply during your employment with Teradata and, to the extent permitted by Applicable Law, for a period of twelve (12) months after the date that you cease to be employed by Teradata for any reason (the "Termination Date") (or if Applicable Law mandates a maximum time that is shorter than twelve months, then for a period of time equal to that shorter maximum period):

(a) You will not, without the prior written consent of the Chief Executive Officer of Teradata, render services directly or indirectly to, or become employed by, any Competing Organization of Teradata (as defined in this Section 10 below) to the extent such services or employment involves the development, manufacture, marketing, sale, advertising or servicing of any product, process, system or service which is the same or similar to,

or competes with, a product, process, system or service manufactured, sold, marketed, serviced or otherwise provided by Teradata to its customers and upon which you worked or in which you participated during the last twelve (12) months of your Teradata employment. (This restriction is specifically intended to protect the value of and Teradata's investment in Trade Secret Information to which you had access as an employee of Teradata). **NOTWITHSTANDING THE FOREGOING, THE RESTRICTION SET FORTH IN THIS SECTION 10(a) SHALL NOT APPLY IF YOU ARE EMPLOYED BY TERADATA IN CALIFORNIA, NORTH DAKOTA, OKLAHOMA AND THE DISTRICT OF COLUMBIA.**

(b) You will not, without the prior written consent of the Chief Executive Officer of Teradata, directly or indirectly recruit, hire, solicit or induce, or attempt to induce, any exempt employee of Teradata to terminate his or her employment with or otherwise cease his or her relationship with Teradata. (This restriction is specifically intended to protect the value of the information you obtained while a Teradata employee regarding the skills, experience and knowledge of Teradata employees, which is Trade Secret Information, and Teradata's investment in developing these employees). **NOTWITHSTANDING THE FOREGOING, THE RESTRICTION SET FORTH IN THIS SECTION 10(b) SHALL NOT APPLY IF YOU ARE EMPLOYED BY TERADATA IN CALIFORNIA, NORTH DAKOTA, OKLAHOMA AND THE DISTRICT OF COLUMBIA.**

(c) You will not, without the prior written consent of the Chief Executive Officer of Teradata, solicit the business of any firm or company with which you worked during the preceding twelve (12) months of employment at Teradata, if such firm or company was a customer of Teradata, by using Teradata Trade Secret Information. (This restriction is specifically intended to protect the value of the identity of Teradata customers, their needs, interests, strategic plans, etc., all of which is Trade Secret Information you acquired as a Teradata employee with access to such information).

If you breach the terms of this Section 10, you agree that in addition to any liability you may have for damages arising from such breach, your Share Units (whether or not vested) will be forfeited automatically and without further action or notice, and, to the extent permitted by Applicable Law, with respect to any Shares acquired pursuant to this Agreement during the twelve (12) months prior to the Termination Date, you agree to pay to Teradata in cash the Fair Market Value of such Shares, determined as of the date acquired.

As used in this Section 10, "Competing Organization" means a person or organization which is engaged in or about to become engaged in research on or development, production, marketing, leasing, selling or servicing of a product, process, system or service which is the same or similar to and competes with a product, process, system or service manufactured, sold, serviced or otherwise provided by Teradata to its customers and is therefore a competitor of Teradata.

11. In accepting the grant, you acknowledge that: (a) the Plan is established voluntarily by Teradata, it is discretionary in nature and it may be modified, suspended or terminated by Teradata at any time; (b) the grant of the Share Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Share Units, or benefits in lieu of Share Units, even if Share Units have been granted repeatedly in the past; (c) all decisions with respect to future Share Unit grants, if any, will be at the sole discretion of Teradata; (d) your participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate your employment relationship at any time, subject to Applicable Laws; (e) your participation in the Plan is voluntary; (f) the Share Unit grant and the Shares subject to the Share Units are not intended to replace any pension rights or compensation; (g) the Share Unit grant is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to Teradata and is outside the scope of your employment contract, if any; (h) the Share Units are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way, to past services for Teradata; (i) the Share Unit grant, this Agreement, and your participation in the Plan will not be interpreted to form an employment contract or relationship with any Teradata entity other than an Employer as provided under an employment contract with such entity; (j) the future value of the underlying Shares is unknown and cannot be predicted with certainty; (k) in consideration of the grant of the Share Unit, no claim or entitlement to compensation or damages shall arise from forfeiture of the Share Unit resulting from termination of your employment by Teradata (for any reason whatsoever and whether or not in breach of

local labor laws) and you irrevocably release Teradata from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting the award, you shall be deemed irrevocably to have waived your entitlement to pursue such claim; (l) in the event of involuntary termination of your employment (whether or not in breach of local labor laws), your right to receive Share Units and vest in Share Units under the Plan, if any, will terminate effective as of the date that you are no longer actively employed and will not be extended by any notice period, whether contractual or mandated under local law (e.g., active employment would not include any period of "garden leave" or similar period pursuant to local law), unless otherwise determined by the Committee in its sole discretion; the Committee shall have the exclusive discretion to determine when you are no longer actively employed for purposes of your Share Unit grant; (m) Teradata is not providing any tax, legal or financial advice, nor is Teradata making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares; and (n) you are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

12. You hereby explicitly and unambiguously acknowledge and consent to the collection, use and transfer, in electronic or other form, of your Personal Data (as defined below) and any other Share Unit grant materials by and among, as applicable, Teradata, the Employer or third parties as may be selected by Teradata, for the exclusive purpose of implementing, administering and managing your participation in the Plan, enforcing the terms of and exercising their rights under this agreement to which it is a party and that relate directly or indirectly to you, and as necessary to comply with its obligations under applicable laws, rules and regulations with respect to your participation in the Plan. You further acknowledge and agree that such collection, storage, processing, use and transfer are for legitimate purposes and are necessary for the operation of the Plan. You understand that refusal or withdrawal of consent will affect your ability to participate in the Plan; without providing consent, you will not be able to participate in the Plan or realize benefits (if any) from the Share Units or any other awards under the Plan.

You understand and acknowledge that Teradata and the Employer or designated third parties may receive, hold, process and transfer certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, employment history, any Shares or directorships held in Teradata, details of all Share Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor ("Personal Data").

You understand that Personal Data may be transferred to any Subsidiary or affiliate or third parties assisting Teradata with the implementation, administration and management of the Plan, or to a successor in interest to the stock, assets or business of Teradata. You understand the recipients of the Data may be located in your country, in the United States, or elsewhere and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than your country. In particular, the Company may transfer Personal Data to the broker or stock plan administrator assisting with the Plan, to its legal counsel and tax and accounting advisor, and to the Employer and its payroll provider.

You should also refer to the Teradata Corporation Global Privacy Policy (which is available to you separately and may be updated from time to time) for more information regarding the collection, use, storage, and transfer of your Personal Data.

13. You understand and agree that you are responsible at all times for understanding and following Teradata's policies with respect to insider trading, as well as any insider restrictions imposed by local law.
14. The provisions of this Agreement are severable. If any provision of this Agreement is held to be unenforceable or invalid by a court or other tribunal of competent jurisdiction (including an arbitration tribunal), it shall be severed and shall not affect any other part of this Agreement, which will be enforced as permitted by law.
15. Subject to Section 21 of the Plan, the terms of this award of Share Units as evidenced by this Agreement may be amended by the Teradata Board of Directors or the Committee at any time.
16. The number of Share Units and the number and kind of Shares covered by this Agreement shall be subject to adjustment as provided in Section 15 of the Plan.
17. In the event of a conflict between the terms and conditions of this Agreement and the terms and conditions of the Plan, the terms and conditions of the Plan shall prevail.
18. You shall not possess any incidents of ownership (including, without limitation, dividend and voting rights) in the Shares underlying the Share Units until such Shares have been delivered to you in accordance with this Agreement. The obligations of Teradata under this Agreement will be merely that of an unfunded and unsecured promise of Teradata to deliver Shares in the future following vesting of the Share Units, and your rights will be no greater than those of an unsecured general creditor. No assets of Teradata will be held or set aside as security for the obligations of Teradata under this Agreement.
19. The intent of the parties is that payments under this Agreement be exempt from, or comply with, Section 409A of the Code, and this Agreement shall be interpreted, administered and governed in accordance with such intent. In particular, solely to the extent necessary to comply with Section 409A of the Code: (x) a "termination of employment" or words of similar effect shall be deemed to mean a "separation from service" within the meaning of Section 409A of the Code, and (y) payment of any nonqualified deferred compensation to a "specified employee" (as determined under applicable Teradata policy) shall be made no earlier than the first business day that is more than six months after the date of separation from service. Further, notwithstanding anything to the contrary contained in this Agreement, the Committee shall have the right, at any time in its sole discretion, to accelerate the time of a payment under this Agreement to a time otherwise permitted under Section 409A of the Code in accordance with the requirements, restrictions and limitations of Treasury Regulation Section 1.409A-3(j), to the extent applicable.
20. The Share Units and the provisions of this Agreement are governed by, and subject to, the laws of the State of Delaware, U.S.A. without reference to principles of conflicts of law, as provided in the Plan.

For purposes of litigating any dispute that arises under this grant or this Agreement, the parties hereby submit and consent to the exclusive jurisdiction of the State of Delaware and agree that such litigation shall be conducted only in the state or federal courts located in Delaware, and no other courts.

21. Teradata may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by Teradata or a third party designated by Teradata. If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control.
22. Notwithstanding any provision herein, your participation in the Plan shall be subject to any special terms and conditions as set forth in any appendix for your country (the "Appendix"). Moreover, if you relocate to one of the countries included in the Appendix, the special terms and conditions for such country will apply to you, to the extent Teradata determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Appendix constitutes part of this Agreement. In addition, you acknowledge that the Applicable Laws of the country in which you are residing or working at the time of grant, vesting and settlement of the Share Units or the ownership or sale of Shares received pursuant to the Share Units (including any rules or regulations governing securities, foreign exchange, tax, labor, or other matters) may subject you to additional procedural or regulatory requirements that you are and will be solely responsible for and must fulfill. Such requirements may be outlined in but are not limited to the Appendix.
23. By accepting any benefit under this Agreement, you and each person claiming under or through you shall be conclusively deemed to have indicated their acceptance and ratification of, and consent to, all of the terms and conditions of this Agreement and the Plan and any action taken under this Agreement or the Plan by the Committee, the Board of Directors or Teradata, in any case in accordance with the terms and conditions of this Agreement.
24. Teradata reserves the right to impose other requirements on your participation in the Plan, on the Share Units and any Shares acquired under the Plan, to the extent Teradata determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

APPENDIX

**Form of Restricted Share Unit Agreement
For Non-U.S. Employees
Under the Teradata 2023 Stock Incentive Plan**

This Appendix includes additional country-specific notices, disclaimers, terms and conditions that govern the Share Units granted to you under the Plan if you work or reside outside the U.S. and/or in one of the countries listed below. Such terms and conditions and disclosures may also apply, as from the date of grant, if you move to or otherwise are or become subject to applicable laws or company policies of a specified country. Certain capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan and/or the Agreement. This Appendix forms part of the Agreement and should be read in conjunction with the Agreement and the Plan.

This Appendix may also include information you should be aware of with respect to your participation in the Plan. The information is based on the securities, exchange control and other laws in effect as of February 2022; however, such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the Appendix as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time that your Share Units vest or you sell Shares acquired under the Plan. In addition, the information contained herein is general in nature and may not apply to your particular situation, and the Company is not in a position to assure you of any particular result. Accordingly, you are advised to seek appropriate professional legal and tax advice as to how the relevant laws in your country may apply to your situation. Finally, if you are a citizen or resident of a country other than the one in which you are currently working, the information contained herein may not be applicable to you.

Securities Law Notice: Unless otherwise noted, neither the Company nor the Shares are registered with any local stock exchange or under the control of any local securities regulator outside the U.S. This Agreement (of which this Appendix is a part), the Plan, and any other communications or materials that you may receive regarding participation in the Plan do not constitute advertising or an offering of securities outside the U.S. The issuance of securities described in any Plan-related documents is not intended for offering or public circulation in your jurisdiction.

**European Union
("EU")/European
Economic Area
("EEA"), Switzerland
and the United
Kingdom ("UK")**

Data Privacy. If you are a resident of the EU/EEA, Switzerland or the UK, the following provision applies and supplements Section 12 of the Agreement: *You understand and acknowledge that:*

- a. *The data controller is the Company; queries or requests regarding your Personal Data should be made in writing to the Company's representative relating to the Plan or Share Unit matters, who may be contacted at: Compensation.Global@Teradata.com;*
- b. *The legal basis for the processing of Personal Data is that the processing is necessary for the performance of a contract to which you are a party (namely, this Restricted Share Unit Agreement);*
- c. *Personal Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan;*
- d. *You may, at any time, access your Personal Data, request additional information about the storage and processing of Personal Data, require any necessary amendments to Personal Data without cost or exercise any other rights you may have in relation to your Personal Data under applicable law, including the right to make a complaint to an EU/EEA data protection regulator, or if you are in the UK, the UK Information Commissioner's Office.*

Argentina

Foreign Ownership and Exchange Control Information. US dollar transactions must be conducted through financial intermediaries authorized by the Argentine Central Bank. If you transfer proceeds from the sale of Shares or the receipt of any dividends paid on Shares acquired under the Plan into Argentina, depending on the amount, you may be required to provide certain documentary evidence regarding such sale proceeds or dividends to your local bank. Please note that foreign asset and foreign exchange requirements in Argentina change frequently, and it is your responsibility to comply with all applicable requirements. Please confirm with your local bank before any transfer of funds in or out of Argentina.

Settlement of Share Units. Notwithstanding any discretion in the Plan or anything to the contrary in the Agreement, the grant of Share Units does not provide any right for you to receive a cash payment, and the Share Units are payable in Shares only.

Securities Law Information and Offer Document. This disclosure has been prepared in connection with offers to employees in Australia under the Plan and the Agreement (copies of which are enclosed) (the "Offer"). This Offer is made under Part 7.12 Division 1A of the Corporations Act 2001 (Cth) (Corporations Act) and has been prepared to ensure any offer under the Plan satisfies the conditions for exemptions granted under the Corporations Act.

General Advice Only. Any advice given to you in connection with the Offer is general advice only. It does not take into account the objectives, financial situation and needs of any particular person. No financial product advice is provided in the documentation relating to the Plan and nothing in the documentation should be taken to constitute a recommendation or statement of opinion that is intended to influence you in making a decision to participate in the Plan. This means that you should consider obtaining your own financial product advice from an independent person who is licensed by the Australian Securities and Investments Commission ("ASIC") to give such advice.

Australian Dollar Equivalents. The Share Units are issued for no consideration, meaning you will not have to pay anything to receive the Share Units or the underlying Shares. However, the Australia dollar equivalent of the current market price of the underlying shares subject to your Share Units may be determined by reference to the daily exchange rate published by the Reserve Bank of Australia on the relevant date. Note that the exchange rate may fluctuate, and the Australian dollar equivalent of the market price will depend on the then-current U.S. dollar/Australian dollar exchange rate. Teradata will make available upon your request the Australian dollar equivalent of the current market price of the underlying Shares subject to your Share Units. You can get those details by contacting Teradata Global Compensation at cg230072@teradata.com.

Risks of Participation in the Plan. Participation in the Plan and acquiring Shares in Teradata Corporation carries inherent risks. These risks include the possibility of fluctuations (and decrease) in the price of shares in relation to company performance, as well as general market performance. You should carefully consider these risks in light of your investment objectives and personal circumstances.

Australia**Austria**

Exchange Control Information. If you hold securities in foreign deposits (including Shares obtained through the Plan) outside of Austria, you must submit a quarterly report to the Austrian National Bank using the form "*Wertpapiermeldung – Wertpapiere, nicht auf Depots bei inländischen Depotführern verwahrt.*" An exemption applies if the value of the securities (including Shares) that you hold outside of Austria does not exceed €5,000,000 or the equivalent at quarter-end. You should consult your personal advisor regarding any such reporting obligations and applicable thresholds.

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Belgium

Foreign Ownership Reporting. If you are a resident of Belgium, you will be required to submit an annual form declaring your accounts (including where shares acquired under an employee share plan are registered) held outside of Belgium to the National Bank of Belgium. The reporting is done once to the National Bank in the year following the year during which the account has been opened (except in case there is a modification) and should be completed prior to filing the annual Belgian income tax return. In addition, each year the holding of a foreign account must be confirmed in your annual Belgian income tax return.

Brazil

Exchange Control Information. If you are a resident of Brazil, you will be required to submit an annual declaration of assets, money and rights held outside of Brazil to the Central Bank of Brazil ("BACEN") if the aggregate value of such assets, money and rights (including any Share Units, capital gain, dividends or Dividend Units, or profit attributable to such assets) is equal to or greater than US \$1,000,000 or equivalent as of each December 31st. The reporting is done via an online form ("Declaração de Capitais Brasileiros no Exterior" or "DCBE") and usually should be completed in April in relation to the prior fiscal year. Quarterly reporting is also required if the assets, money and rights held abroad exceed US \$100,000,000 or equivalent at the end of each quarter. However, please confirm the annual and quarterly reporting deadlines with BACEN, as they are periodically updated, and noncompliance is potentially subject to certain penalties.

Canada

Securities Law Notice. The security represented by the Share Unit was issued pursuant to an exemption from the prospectus requirements of applicable securities legislation in Canada. You acknowledge that as long as the Company is not a reporting issuer in any jurisdiction in Canada, the Share Units and the underlying Shares will be subject to an indefinite hold period in Canada and subject to restrictions on their transfer in Canada. Subject to the terms and conditions of the Agreement and applicable securities laws, Participant is permitted to sell Shares acquired through the Plan through the designated broker appointed under the Plan, assuming the sale of such Shares takes place outside Canada via the stock exchange on which the Shares are traded.

Settlement of Share Units and Tax Treatment. Notwithstanding any discretion in the Plan or anything to the contrary in the Agreement, the grant of Share Units does not provide any right for you to receive a cash payment, and the Share Units are payable in Shares only. For the avoidance of doubt, for Canadian federal income tax purposes, the Share Units are intended to be treated as an agreement by the Company to sell or issue shares to you and, as such, subject to the rules in section 7 of the *Income Tax Act* (Canada). Under those rules, you will be considered to have received an employment benefit at the time of settlement of the vested Share Units equal to the full value of the Shares received, which amount will be taxed as employment income and will be subject to withholding at the source.

Foreign Ownership Reporting. If you are a Canadian resident, your ownership of certain foreign property (including shares of foreign corporations, such as Shares acquired under the Plan) in excess of \$100,000 may be subject to strict annual tax reporting obligations. Please refer to [CRA Form T1135](#) (Foreign Income Verification Statement) and consult your tax advisor for further details. It is your responsibility to comply with all applicable tax reporting requirements.

Chile

Securities Law Information. Neither the Company nor the Shares are registered with the Chilean Registry of Securities or under the control of the *Comisión para el Mercado Financiero de Chile* ("CMF"). This offer is being made as of the Date of Grant described in this Agreement and is subject to Norma de Carácter General Rule No. 336 ("NCG 336"). Pursuant to NCG 336, no public offering of Shares is being made, and the Company is under no obligation to provide any disclosure or other public information regarding the Shares in Chile or to the CMF. Note the Shares cannot be subject to public offering in Chile while they are not registered with the CMF.

Exchange Control Information. While there is uncertainty whether the acquisition of Common Shares under the Plan qualifies as an "investment" that would be subject to reporting under the foreign exchange regulations issued by the Central Bank of Chile, if the value of the Shares exceeds US \$10,000, you must complete Annex 1 of the Manual of Chapter XII of the Foreign Exchange Regulations and file it directly with the Central Bank within 10 days of the vesting/settlement of the Share Units. Further, if the Participant's aggregate investments held outside Chile exceeds US \$5,000,000 (including Shares received under the Plan), the Participant must report quarterly to the Central Bank. Annexes 3.1 and 3.2 of Chapter XII of the Foreign Exchange Regulations must be used to file this report.

Colombia

Exchange Control Information. Prior approval from a government authority is not required to hold foreign securities or to receive Share Units. However, for the transfer of proceeds from the sale of Shares or dividends paid on Shares back to Colombia, the local bank receiving the funds may require the International Investment Foreign Exchange Declaration (*Declaración de Cambios por Inversiones Internacionales*), formerly Form No. 4, concurrently with the receipt of funds, but this is part of the standard process managed by the bank.

Denmark

Employer Statement. If you are subject to the Danish Act on Exercise of Options or Subscription Liquidation Rights for Shares in Employment Relationships (the "Danish Act"), your participation in the Plan is also subject to the Danish Employer Statement, which contains the information stipulated in Section 3(1) of the Danish Act and is available to you in Danish and English on HReXpress or by contacting your local Global Compensation representative. By accepting your grant, you acknowledge that you have received and agree to the Danish Employer Statement.

France

Foreign Account Reporting. Residents of France with foreign account balances in excess of €1 million or its equivalent must report monthly to the Bank of France.

Consent to Receive Information in English. You confirm having read and understood the documents relating to this grant (the Plan and this Agreement) which were provided to you in the English language. You accept the terms of those documents accordingly. *Vous confirmez avoir lu et compris les documents relatifs à cette attribution (le Plan et ce Contrat) qui vous ont été communiqués en langue anglaise. Vous en acceptez les termes en connaissance de cause.*

Hong Kong

Securities Law Notice. Warning: The Share Units and Shares issued upon vesting do not constitute a public offering of securities under Hong Kong law and are available only to employees of the Company or its Subsidiaries and affiliates. The Agreement, including this Appendix, the Plan and other incidental communication materials have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong and have not been registered with or authorized by any regulatory authority in Hong Kong, including the Securities and Futures Commission. The Award is intended only for the personal use of each eligible employee of the Employer, the Company or any Subsidiary or affiliate and may not be distributed to any other person. If you are in any doubt about any of the contents of the Agreement, including this Appendix, or the Plan, you should obtain independent professional advice.

India

Repatriation Requirement. Unless the proceeds from the sale of Shares acquired by Participant under the Plan are otherwise reinvested in accordance with the Indian exchange control regulations, you are required to take all reasonable steps to immediately repatriate and surrender to an authorized person all foreign exchange received by you from such sale and in any case no later than 180 days from the date of such sale. Unless otherwise reinvested in accordance with the Indian exchange control regulations, any dividends received in relation to the Shares received under the Plan must also be repatriated to India within 180 days of receipt of such dividends. Furthermore, you shall in no case take any action (or refrain from taking any action) that has the effect of: (a) delaying the receipt by you of the whole or part of such foreign exchange; or (b) eliminating the foreign exchange in whole or in part to be receivable by you. You should keep the remittance certificate received from the bank where foreign currency is deposited in the event the Reserve Bank of India or the Company or your employer requests proof of repatriation.

Ireland

Director Notification Obligation. If you are a director or shadow director of the Company or related company, you may be subject to special reporting requirements with regard to the acquisition of Shares or rights over Shares (including acquisition of Shares by your spouse or children). Please contact your personal legal advisor for further details if you are a director or shadow director.

Settlement of Share Units. Notwithstanding any discretion in the Plan or the Agreement to the contrary, settlement of the Share Units shall be in shares and not, in whole or in part, in the form of cash.

V

Data Privacy Consent. This provision supplements Section 12 of the Agreement:

Pursuant to the GDPR (General Data Protection Regulation – EU No. 2016/679) and Legislative Decree No. 196/2003 and its subsequent amendments, the Controller of personal data processing is Teradata Corporation with registered offices at 17095 Via Dela Campo, San Diego, California 92127, USA, and its representative in Italy is Teradata Italia S.R.L. with registered offices at via Cusago 150/4, 20153 Milano, Italy. By accepting the Share Units, you agree to the following:

I understand that Data processing related to the purposes specified above shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Data are collected and with confidentiality and security provisions as set forth by applicable laws and regulations, with specific reference to the GDPR (General Data Protection Regulation - EU No. 2016/679) and to Legislative Decree No. 196/2003 and its subsequent amendments.

The processing activity, including the communication and transfer of my Data abroad, including outside of the European Union, as herein specified and pursuant to applicable laws and regulations, does not require my consent thereto as the processing is necessary for the performance of contractual obligations related to the implementation, administration and management of the Plan. I understand that the use of my Data will be minimized where it is not necessary for the implementation, administration and management of the Plan. I further understand that, pursuant to Sections 12 to 21 of the GDPR, I have the right to, including but not limited to, (i) access, (ii) delete, (iii) update, and (iv) ask for rectification of my Data, as well as to request, from the Controller, the (v) restriction of processing concerning my Data or to (vi) object to processing, as well as the right to (vii) "data portability". Furthermore, I am aware that my Data will not be used for direct marketing purposes.

Italy

Foreign Ownership Information. If you acquire Shares valued at more than ¥100,000,000 in a single transaction, you must file a Securities Acquisition Report with the Ministry of Finance ("MOF") through the Bank of Japan within 20 days of the acquisition of the Shares

Exit Tax. Please note that you may be subject to tax on your Share Units, even prior to vesting, if you relocate from Japan if you (1) hold financial assets with an aggregate value of ¥100,000,000 or more upon departure from Japan and (2) maintained a principle place of residence (*jussho*) or temporary place of abode (*kyosho*) in Japan for 5 years or more during the 10-year period immediately prior to departing Japan. You should discuss your tax treatment with your personal tax advisor.

Japan

Securities Law Notice. The offer of Teradata equity awards in Malaysia constitutes or relates to an 'excluded offer,' 'excluded invitation,' or 'excluded issue' pursuant to Section 229 and Section 230 of the CMSA, and as a consequence no prospectus is required to be registered with the Securities Commission of Malaysia. The award documents do not constitute and may not be used for the purpose of a public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Securities Commission in Malaysia under the CMS

Director Notification Obligation. If you are a director of the Company's Malaysian subsidiary or affiliate, you may be subject to special reporting requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian subsidiary or affiliate in writing when you receive or dispose of an interest (e.g., Share Units under the Plan or Shares) in the Company or any related company. Please contact your personal legal advisor for further details if you are a director

Data Privacy. The following provision supplements Section 12 of the Agreement: *Queries or requests regarding your Personal Data should be made in writing to the Company's representative relating to the Plan or Share Unit matters, who may be contacted at: Compensation.Global@Teradata.com*

Saya dengan ini secara eksplisit dan jelas bersetuju untuk pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau mana-mana cara, Data Peribadi saya (seperti yang ditakrifkan di bawah) dan apa-apa bahan geran Unit Saham oleh dan antara, mana-mana yang terpakai, Teradata atau pihak ketiga seperti yang dipilih oleh Teradata, untuk tujuan eksklusif bagi melaksanakan, mentadbir dan menguruskan penyertaan anda dalam Pelan tersebut, menguatkuasakan terma-terma and pengurusan hak-hak mereka di bawah Pelan ini atau mana-mana perjanjian dimana melibatkan pihak-pihak tersebut dengan pihak saya, samada secara langsung atau tidak, dan sepertimana yang perlu bagi mematuhi obligasi-obligasi di bawah mana-mana undang-undang, peraturan dan regulasi yang terpakai. Saya memahami dan bersetuju bahawa pengumpulan, penyimpanan, pemprosesan, penggunaan dan pemindahan Data Peribadi adalah bagi tujuan yang sah dan adalah perlu untuk operasi Pelan. Saya memahami bahawa keenggan atau tindakan menarik balik persetujuan akan mempengaruhi keupayaan saya untuk menyertai Pelan tersebut; tanpa memberi persetujuan, saya tidak akan dapat menyertai Pelan atau merealisasikan manfaat (jika ada) dari Unit-unit Saham atau sebarang anugerah lain di bawah Pelan tersebut.

Saya memahami bahawa Teradata atau pihak ketiga yang ditetapkan boleh menerima, memegang, memproses dan memindahkan maklumat peribadi tertentu tentang saya, termasuk, tetapi tidak terhad kepada, nama, alamat rumah dan nombor telefon, tarikh lahir, nombor insurans sosial atau nombor pengenalan lain, jantina, gaji, kewarganegaraan, jawatan kerja, latarbelakang kerja dan apa-apa Saham atau pegangan sebagai pengaruh dalam Teradata, dan butiran semua Unit Saham atau hak pembelian atau apa-apa hak lain terhadap Saham, yang diberikan, dibatalkan, dilaksanakan, diletak hak, tidak diletak hak atau tertunggak bagi pihak saya ("Data Peribadi")

Saya memahami bahawa Data Peribadi boleh dipindahkan ke mana-mana Subsidiari atau sekutu atau pihak ketiga yang membantu Teradata dengan pelaksanaan, pentadbiran dan pengurusan Pelan tersebut atau kepada pengganti hak kepada stok, asset-asset atau perniagaan Teradata. Saya memahami bahawa penerima-penerima Data mungkin terletak di negara saya, di Amerika Syarikat atau di tempat lain, dan bahawa penerima-penerima negara (contohnya, Amerika Syarikat) mungkin mempunyai undang-undang dan perlindungan privasi data yang berbeza dengan negara saya. Khususnya, Syarikat boleh memindahkan Data Peribadi kepada broker atau pentadbir pelan stok yang membantu dengan Pelan tersebut, kepada penasihat undang-undang dan penasihat cukai/perakaunan, dan kepada Majikan dan pembekal gajinya.

Saya juga memahami dan memaklumkan penerimaan bahawa saya juga harus merujuk kepada Dasar Privasi Global Teradata Corporation (yang sedia ada secara berasingan dan boleh dikemas kini dari masa ke semasa) untuk maklumat lanjut mengenai pengumpulan, penggunaan, penyimpanan dan pemindahan Data Peribadi saya.

Pertanyaan atau permintaan mengenai Data Peribadi saya hendaklah dibuat secara bertulis kepada wakil Syarikat berkenaan dengan perkara-perkara Pelan atau Unit Saham, yang boleh dihubungi di: Compensation.Global@Teradata.com.

Malaysia

Nature of Grant and Labor Law Acknowledgment. This provision supplements Section 11 of the Agreement

The invitation Teradata is making under the Plan is unilateral and discretionary and is not related to the salary and other contractual benefits granted to you by your employer; therefore, benefits derived from the Plan will not under any circumstance be considered as an integral part of your salary. Teradata reserves the absolute right to amend the Plan and discontinue it at any time without incurring any liability whatsoever. This invitation and, in your case, the acquisition of shares does not, in any way, establish a labor relationship between you and Teradata, as participation in the Plan is based on the commercial relationship between Teradata and your employer, nor does it establish any rights between you and your employer

Estas disposiciones complementan la Sección 11 del Acuerdo:

La invitación que Teradata hace en relación con el Plan es unilateral, discrecional y no se relaciona con el salario y otros beneficios que recibe actualmente de su actual empleador, por lo que cualquier beneficio derivado del Plan no será considerado bajo ninguna circunstancia como parte integral de su salario. Por lo anterior, Teradata se reserva el derecho absoluto para modificar o terminar el mismo, sin incurrir en responsabilidad alguna. Esta invitación y, en su caso, la adquisición de acciones, de ninguna manera establecen relación laboral alguna entre usted y Teradata, toda vez que la participación en el Plan es derivado de la relación comercial entre Teradata y su empleador, como tampoco establecen ningún derecho alguno entre usted y su empleador.

Mexico

Securities Law Notice. WARNING. You are being offered ordinary shares in Teradata Corporation ("Teradata"). Teradata Shares give you a stake in the ownership of Teradata.

If Teradata runs into financial difficulties and is wound up, shareholders will only be paid after all creditors and holders of preference shares (if any) have been paid. You may lose some or all of your investment.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors to make an informed decision. The usual rules do not apply to this offer because it is made under an employee share scheme. As a result, you may not be given all the information usually required. You will also have fewer other legal protections for this investment.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

Teradata shares are quoted on the New York Stock Exchange. This means you may be able to sell them on the New York Stock Exchange if there are interested buyers, subject to any applicable insider trading laws or other regulations and to any applicable holding period or other sale restriction. The price will depend on the demand for Teradata shares at the time.

In addition, you are directed to the Company's most recent annual report and published financial statements (including the auditor's report). In compliance with New Zealand securities law, you are hereby notified that the documents listed below are available for your review on the Company's external and internal sites at the web addresses listed below:

1. The Company's most recent Annual Report (Form 10-K) – <https://investor.teradata.com/financial-reports/sec-filings/default.aspx>
2. The Company's most recent published financial statements (including the auditor's report) – <https://investor.teradata.com/financial-reports/sec-filings/default.aspx>
3. The Plan – www.netbenefits.com
4. The Plan Prospectus – www.netbenefits.com
5. The Agreement (of which this Exhibit is a Part) – www.netbenefits.com

A copy of the above documents will be sent to you free of charge upon written request to Teradata Global Compensation at cg230072@teradata.com. You should read the materials provided carefully before making a decision whether to participate in the Plan.

When reading these materials, please note all references to the Share price are listed in US dollars. In addition, please consult your tax advisor for specific information concerning your personal tax situation with regard to Plan participation.

New Zealand

Pakistan

Settlement of Share Units and Sale of Shares. Due to local regulatory requirements, upon the vesting of the Share Units, you agree to the immediate sale of any Shares to be issued to you upon vesting and settlement of the Award in the event the Company elects to do so. You further agree that the Company is authorized to instruct its designated broker to assist with the mandatory sale of such Shares (on your behalf pursuant to this authorization) and you expressly authorize the Company's designated broker to complete the sale of such Shares. You acknowledge that the Company's designated broker is under no obligation to arrange for the sale of the Shares at any particular price. Upon the sale of the Shares, the Company agrees to pay you the cash proceeds from the sale of the Shares, less any brokerage fees or commissions and subject to any obligation to satisfy Tax-Related Items. You acknowledge that you are not aware of any material nonpublic information with respect to the Company or any securities of the Company as of the date of this Agreement.

Exchange Control Information. You are responsible for ensuring compliance with all exchange control laws in Pakistan in relation to your participation in the Plan. In particular, your ownership of foreign shares (including any Shares acquired under the Plan), must be registered with the State Bank of Pakistan by completing and submitting Form V-100 or other prescribed form as may be required. In addition, you are required immediately to repatriate to Pakistan the proceeds from the sale of Shares and any dividends paid on the Shares you acquire under the Plan. Under local law, such repatriation must be effectuated through authorized banking channels in Pakistan. You should consult your personal advisor prior to repatriation of the sale proceeds to ensure compliance with applicable exchange control regulations in Pakistan, as such regulations are subject to frequent change.

Philippines

Securities Law Notice. This offering is subject to exemption from the requirements of registration with the Philippines Securities and Exchange Commission under Section 10.1(k) of the Securities Regulation Code of the Philippines. **THE SECURITIES BEING OFFERED OR SOLD HEREIN HAVE NOT BEEN REGISTERED WITH THE PHILIPPINES SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES REGULATION CODE. ANY FUTURE OFFER OR SALE THEREOF IS SUBJECT TO REGISTRATION REQUIREMENTS UNDER THE CODE UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION.**

Poland

Exchange Control Information. If you hold more than PLN 7,000,000 in foreign securities (including Shares) at year-end, you are required to report quarterly to the National Bank of Poland regarding the number and value of such securities for the next 12 months. Such reports are filed on special forms available on the website of the National Bank of Poland. Additional forms are required if you hold 10% or more of the voting rights in a foreign entity.

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Singapore

Securities Law Notice. This Award of Share Units and Common Stock to be issued hereunder shall be made available only to an employee, director, consultant, or other "qualifying person" of the Company or its Subsidiary, in reliance on the prospectus exemption set out in Section 273(1)(i) read together with section 273(2) of the Securities and Futures Act (Chapter 289) of Singapore ("the SFA") and is not made with a view to the Common Stock so issued being subsequently offered for sale or sold to any other party in Singapore. You understand and acknowledge that this Agreement and/or any other document or material in connection with this offer and the Common Stock thereunder have not been and will not be lodged, registered or reviewed by the Monetary Authority of Singapore. Any and all Common Stocks to be issued hereunder shall therefore be subject to the general resale restriction under Section 257 of the SFA, and you undertake not to make any subsequent sale in Singapore, or any offer of sale in Singapore, of any of the shares of Common Stock (received upon exercise of this offer), unless that sale or offer in Singapore is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) other than Section 280 of the SF

Director Notification Obligation. If you are a director, associate director or shadow director of the Company's related entities in Singapore, you may be subject to special reporting requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore entity in writing when you receive an interest (e.g., Shares) in the Company, which should be done within 2 days of acquiring or disposing of any such interest. In addition, a notification of such interest should be made within 2 days of becoming a director. Please contact your personal legal advisor for further data

Exit Tax / Deemed Exercise Rule. If you have received the restricted Share Units in relation to your employment in Singapore, please note that if you are 1) a permanent resident of Singapore and leave Singapore permanently or are transferred out of Singapore; or 2) neither a Singapore citizen nor permanent resident and either cease employment in Singapore or leave Singapore for any period exceeding 3 months (unless it can be proven that you will not be leaving Singapore permanently), you will likely be taxed on the restricted Share Units on a "deemed exercise" basis, even if the restricted Share Units have not yet vested. You should discuss your tax treatment with your personal tax advisor.

Spain

Foreign Ownership Reporting. If you are a Spanish resident, your acquisition, purchase, and/or sale of foreign-listed stock may be subject to ongoing annual reporting obligations with the General Directorate of International Economy and Foreign Transactions (the "Directorate"), the Bank of Spain, and/or the tax authorities. These requirements change periodically, so you should consult your personal advisor to determine your specific reporting obligation

Currently, you must declare the acquisition of shares to the Directorate for statistical purposes. You must also declare the ownership of any shares each January while the shares are owned. The relevant forms are Form D6 and, depending on the amount of assets, Form D8.

In addition, if you perform transactions with non-Spanish residents or hold a balance of assets and liabilities with foreign parties higher than €1,000,000, you may be required to report such transactions and accounts to the Bank of Spain. The frequency (monthly, quarterly or annually) of the notification will vary depending on the total value of the transactions or the balance of assets and liabilities.

If you hold assets or rights outside of Spain (including Shares acquired under the Plan), you may also have to file Form 720 with the tax authorities, generally if the value of your foreign investments exceeds €50,000. Please note that reporting requirements are based on what you have previously disclosed and the increase in value and the total value of certain groups of foreign assets.

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Taiwan

Exchange Control Information. You may convert foreign currency (including proceeds from the sale of Shares) into NTD for inward remittance to Taiwan in amounts up to US \$5,000,000 per year. If this threshold is exceeded, you may be required to apply for an approval from the Central Bank of China ("CBC"). If the transaction amount is NT \$500,000 or more in a single transaction, it should be declared on a CBC-prescribed form, but this is typically a standard procedure managed by the local bank handling the transaction. If the transaction amount is US \$500,000 or more, you may be required to provide additional supporting documentation to the satisfaction of the remitting bank. Note the above monetary limits currently do not apply to the extent you retain USD in your foreign currency account at a bank in Taiwan. Please consult your personal advisor to ensure compliance with applicable exchange control laws in Taiwan.

United Kingdom

Settlement of Share Units. Notwithstanding any discretion in the Plan or the Agreement to the contrary, settlement of the Share Units shall be in shares only and not, in whole or in part, in the form of cash

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Teradata Corporation
Clawback Policy

This Clawback Policy (this "Policy") is effective as of October 2, 2023 (the "Effective Date") and was adopted by the Compensation and People Committee (the "Committee") of the Board of Directors (the "Board") of Teradata Corporation (the "Company"). Each Executive Officer (as defined below) subject to this Policy is required to sign and return to the Company the Acknowledgement Form attached hereto as Exhibit A pursuant to which such Executive Officer agrees to be bound by the terms and comply with this Policy.

Purpose and Policy Statement

The Company is committed to conducting business with integrity in accordance with high ethical standards and in compliance with all applicable laws, rules, and regulations. This includes the Company's commitment to comply with all laws, rules, and regulations applicable to the presentation of the Company's financial information to the public and to the recovery of Erroneously Awarded Incentive-Based Compensation (as defined below).

As a result, the Committee has adopted this Policy to provide that, in the event the Company is required to prepare a Restatement (as defined below), the Company will reasonably promptly recover the amount of any Erroneously Awarded Incentive-Based Compensation that was Received (as defined below) by an Executive Officer covered by this Policy.

In the event of any change in liquidation, dissolution or winding up of our company, after the satisfaction in any federal or state law, rule or regulation, or rule, regulation, policy or listing standard full of the SEC or liquidation preferences of holders of shares of preferred stock, if any, securities exchange on which holders of shares of our common stock are entitled to ratable distribution of the Company's securities are listed after the Effective Date, which requires the Company remaining assets available for distribution to recover compensation from an executive officer, the Company will seek recovery under this Policy to the extent required by such laws, rules, regulations, or listing standards, stockholders.

Administration Other Rights

The Committee has full power, authority, and sole and exclusive discretion to reasonably construe, interpret, and administer this Policy. The Committee will interpret this Policy consistent with redemption by operation of a sinking fund or otherwise. Holders of shares of our common stock are not entitled to preemptive rights.

Preferred Stock

Our Board, without further action by the holders of our common stock, may issue shares of our preferred stock. Our Board is vested with the NYSE Listed Company Manual authority to fix by resolution the designations, preferences and relative, participating, optional or other special rights, and such qualifications, limitations or restrictions thereof, including, without limitation, redemption rights, dividend rights, liquidation preferences and conversion or exchange rights of any NYSE guidance issued thereunder, class or series of preferred stock, and to fix the rules number of classes or series of preferred stock, the number of shares constituting any such class or series and regulations the voting powers for each class or series.

Anti-takeover Effects of Our Certificate of Incorporation, Bylaws and Delaware Law

Certain provisions of our Certificate of Incorporation and Bylaws and of Delaware law may have the effect of deterring hostile takeovers or delaying or preventing changes in control of our company (including, without limitation, changes to our board or management). These provisions, which are summarized below, are expected

to discourage coercive takeover practices and inadequate takeover bids. The provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our Board.

Board Classification

Our Certificate of Incorporation and Bylaws provide that our Board is divided into three classes. At each of our annual meetings of stockholders, the successors of the SEC, class of directors whose term expires at that meeting of stockholders will be elected for a three-year term, one class being elected each year by our stockholders.

Size of Board and Vacancies; Removal

Our Certificate of Incorporation and Bylaws provide that the number of directors on the Board shall be fixed exclusively by a resolution adopted by the affirmative vote of a majority of the entire Board, subject to the rights of the holders of preferred stock, if any. Subject to the terms of any one or more classes or series of preferred stock, any vacancy on the Board that results from an increase in the number of directors may be filled by a majority of the Board then in office, provided that a quorum is present, and any other applicable laws, rules, vacancy occurring on the Board may be filled by a majority of the Board then in office, even if less

than a quorum, or regulations governing by a sole remaining director. Subject to the mandatory recovery rights, if any, of compensation, as such laws, rules the holders of shares of preferred stock, any director or regulations the entire Board of Directors may change, only be interpreted or evolve removed from time to time. All determinations and decisions made office for cause by the Committee will be made in its reasonable discretion and will be final, conclusive, and binding on all affected individuals. Subject to any limitation at applicable law, the Committee may authorize and empower any officer or employee affirmative vote of the Company holders of at least eighty percent (80%) of the voting power of the Company's then outstanding capital stock entitled to take any and all actions necessary or appropriate to carry out vote generally in the purpose and intent election of this Policy (other than with respect to any recovery under this Policy involving such officer or employee). directors.

Incentive-Based Compensation that is Subject to Recovery Elimination of Stockholder Action by Written Consent

Pursuant Our Certificate of Incorporation and Bylaws expressly eliminate the right of our stockholders to this Policy, Incentive-Based Compensation that is subject to recovery is any Incentive-Based Compensation that is Received: act by written consent.

Stockholder Meetings

- a. on Under our Certificate of Incorporation and Bylaws, only our Chairman of the Board or after the Effective Date;
- b. after beginning service as an Executive Officer;
- c. by a person who served as an our Chief Executive Officer at any time during the performance period for that Incentive-Based Compensation (whether or not such may call special meetings of our stockholders. Our Chief Executive Officer is serving at the time the Erroneously Awarded Incentive-Based Compensation is required to be recovered);
- d. while call special meetings of our stockholders upon request of a majority of the Company has members of the Board of Directors or of a class of securities listed on the NYSE or another national securities exchange or a national securities association; and
- e. during the three completed fiscal years immediately preceding the date that the Company is required to prepare a Restatement, including any transition period that results from a change in the Company's fiscal year within or immediately following those three completed fiscal years.

For purposes of determining the relevant clawback period, the date that the Company is required to prepare a Restatement is the earlier to occur of: (i) the date the Company's Board, a duly authorized committee of the Board of Directors.

Requirements for Advance Notification of Stockholder Nominations and Proposals

Our Bylaws provide advance notice requirements and procedures for stockholders seeking to bring business before our annual meeting of stockholders, or to nominate candidates for election as directors at any meeting of stockholders. Our Bylaws also specify certain requirements regarding the officer form and content of a stockholder's notice. These provisions may preclude our stockholders from bringing matters before our annual meeting of stockholders or officers from making nominations for directors at our meetings of stockholders.

Requirements for Including Stockholder Nominees in our Proxy Statement

Our Bylaws also include notice requirements and procedures that qualifying stockholders (as defined in our Bylaws for such purposes) must follow to include their nominees for election to the Board of Directors in our proxy materials for our annual meeting of stockholders.

Supermajority Voting

Our Certificate of Incorporation provides that amendments to provisions in the Certificate of Incorporation relating to specified matters, including the general powers of the Company authorized Board, the number, classes and tenure of directors, filling vacancies on the Board, removal of directors, limitation of liability of directors, indemnification of directors and officers, special meetings of stockholders, stockholder action by written consent, and the supermajority amendment provision of the Certificate of Incorporation will require the affirmative vote of the holders of at least 80% of the voting power of the shares entitled to take such action if vote generally in the election of directors.

Our Certificate of Incorporation and Bylaws provide that amendments to the Bylaws may be made by either the affirmative vote of at least a majority of the entire Board action is not required, concludes, or reasonably should have concluded, by the affirmative vote of holders of at least two-thirds of outstanding shares of voting power of shares entitled to vote at an election of directors, except that unless approved by a majority of the Company entire Board, the affirmative vote of holders of at least 80% of the voting power of shares entitled to vote at an election of directors is required to prepare a Restatement or (ii) amend provisions of the date a court, regulator, or Bylaws relating to specified matters, including special meetings of stockholders, stockholder action by written consent, organization and conduct of stockholder meetings, advance notice requirements for business to be transacted at stockholder meetings, nomination of directors, the number, classes and tenure of directors, filling vacancies on the Board, resignations and removals of directors, indemnification of officers, directors and others, and the supermajority amendment provision of the Bylaws.

other legally authorized body directs the Company to prepare a Restatement. As such, the Company's obligation to recover Erroneously Awarded Incentive-Based Compensation is not dependent on if or when restated financial statements are filed with the SEC. Undesignated Preferred Stock

Executive Officers Covered by Policy

This Policy covers The authorization in our Certificate of Incorporation of undesigned preferred stock makes it possible for our Board to issue our preferred stock with voting or other rights or preferences that could impede the Company's current and former Executive Officers who Received Erroneously Awarded Incentive-Based Compensation. Recovery under this Policy with respect to an Executive Officer shall not require the finding success of any misconduct by attempt to change control of us. The provision in our Certificate of Incorporation authorizing such Executive Officer or such Executive Officer being found responsible for the accounting error leading to a Restatement or having contributed to it.

The term "Executive Officer" means the Company's current or former:

- a. president,
- b. principal financial officer,
- c. principal accounting officer (or if there is no such accounting officer, the controller),
- d. any vice-president of the Company in charge of a principal business unit, division or function (such as sales, administration or finance),
- e. any other officer who performs a policy-making function,
- f. any other person who performs similar policy-making functions for the Company, or
- g. executive officers of the Company's parents or subsidiaries if such individuals perform such policy-making functions for the Company.

Policy-making function is not intended to include policy-making functions that are not significant.

Restatement

A "Restatement" is an accounting restatement (i) due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or (ii) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

Incentive-Based Compensation

The term "Incentive-Based Compensation" means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure (as defined below). For clarity and the avoidance of doubt, Incentive-Based Compensation does not include the following:

- a. base salary (other than any base salary increase earned wholly or in part based on the attainment of a Financial Reporting Measure, which increase is subject to recovery as Incentive-Based Compensation hereunder);
- b. bonuses paid solely at the discretion of the Committee or Board that are not paid from a bonus pool that is determined by satisfying a performance goal based on a Financial Reporting Measure;
- c. bonuses paid solely upon satisfying one or more subjective standards (e.g. demonstrated leadership) and/or completion of a specified employment period;
- d. non-equity incentive plan awards earned solely upon satisfying one or more strategic measures (e.g., consummating a merger or divestiture), or operational measures (e.g., completion of a project); and
- e. equity awards for which the grant is not contingent upon achieving any performance goal based on a Financial Reporting Measure, and vesting is contingent solely upon completion of a specified employment period and/or attaining one or more performance goals that are not Financial Reporting Measures.

f.

Financial Reporting Measures

The term "Financial Reporting Measures" means measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures that are derived wholly or in part from such measures, including non-GAAP financial measures. Financial reporting measures include, without limitation, preferred stock price and total shareholder return. A financial reporting measure need not be presented within the Company's financial statements or included in an SEC filing to constitute a Financial Reporting Measure for this purpose.

When Incentive-Based Compensation is Received

Incentive-based compensation is deemed "Received" by an Executive Officer in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period.

Erroneously Awarded Incentive-Based Compensation

The term "Erroneously Awarded Incentive-Based Compensation" means that amount of Incentive-Based Compensation Received that exceeds the amount of Incentive-Based Compensation that otherwise would may have been Received had it been determined based on the restated amounts and must be computed without regard to any taxes paid.

For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Incentive-Based Compensation is not subject to mathematical recalculation directly from the information in a Restatement, the amount must be based on a reasonable estimate of the effect of the Restatement on the stock price deferring hostile takeovers or total shareholder return upon which the Incentive-Based Compensation was Received. The Company will maintain documentation delaying changes of the determination control of that reasonable estimate and provide such documentation to the NYSE, our management.

Authority and Obligation to Recover Erroneously Awarded Incentive-Based Compensation and Exceptions

In the event of a Restatement, the Company will reasonably promptly recover any Erroneously Awarded Incentive-Based Compensation Received in compliance with this Policy, except to the extent provided below and the Committee has made a determination that recovery would be impracticable.

1. The direct expense paid to a third party to assist in enforcing this Policy would exceed the amount of Erroneously Awarded Incentive-Based Compensation; provided that, the Company has made a reasonable attempt to recover the Erroneously Awarded Incentive-Based Compensation before concluding that recovery is impractical and has documented such reasonable attempt(s) to recover the Erroneously Awarded Incentive-Based Compensation and provided that documentation to the NYSE or
2. Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Section 401(a)(13) or 411(a) of the U.S. Internal Revenue Code and regulations thereunder.

Method of Recovery

The Committee will have broad discretion to determine the appropriate method for recovering Erroneously Awarded Incentive-Based Compensation hereunder, which may include, without limitation, any one or more of the following:

- a. requiring reimbursement of cash or equity Incentive-Based Compensation previously paid;
- b. seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer or other disposition of any equity-based awards;
- c. cancelling or rescinding some or all outstanding vested or unvested cash or equity-based awards, whether paid or unpaid;
- d. adjusting, withholding, forfeiture, or other set-off from unpaid compensation (such as base salary or commissions) or deferred compensation;
- e. cancelling or setting-off against planned future grants of equity-based awards; and/or
- f. any other method required or authorized by applicable law or contract.

If the Executive Officer fails to repay the Erroneously Awarded Incentive-Based Compensation owed under the Policy, the Company will take all appropriate action to recover such Erroneously Awarded Incentive-Based Compensation from such Executive Officer. The applicable Executive Officer will be required to reimburse the Company for any and all expenses reasonably incurred (including legal fees) by the Company in recovering such Erroneously Awarded Incentive-Based Compensation.

Policy Not Exclusive

Any recovery under this Policy is in addition to, and not in lieu of, any other remedies or rights of recovery, including any right of repayment, forfeiture, or right of offset, that may be available to the Company pursuant to the

terms of any other clawback or recovery policy or any similar policy in any employment agreement, incentive or equity compensation plan or award or other agreement and any other legal rights or remedies available to the Company, including termination of employment or taking legal action. Any employment agreement, equity award agreement, compensatory plan or any other agreement or arrangement with an Executive Officer shall be deemed to include, as a condition to the grant of any benefit thereunder, an agreement by the Executive Officer to abide by the terms of this Policy.

Notwithstanding the generality of the foregoing, to the extent any amounts are paid to the Company pursuant to Section 304 of the Sarbanes Oxley Act of 2002, such amounts shall be considered in determining any amounts recovered under this Policy.

No Indemnification Delaware Business Combination Statute

The Company will not indemnify or agree to indemnify any Executive Officer or former Executive Officer against the loss of Erroneously Awarded Incentive-Based Compensation or any claims relating to the Company's enforcement of "business combination" provisions of its rights under this Policy. The Company will not pay or agree to pay any insurance premium to cover the loss of Erroneously Awarded Incentive-Based Compensation.

Effective Date and Relationship to Prior Policy

This Policy is effective as of Section 203 of the Effective Date Delaware General Corporation Law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years following the date such person becomes an interested stockholder, unless the business combination or the transaction in which such person becomes an interested stockholder is approved in a prescribed manner. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. Generally, an "interested stockholder" is a person that, together with affiliates and associates, owns, or within three years prior to all Incentive-Based Compensation Received by Executive Officers on the determination of interested stockholder status did own, 15% or after the Effective Date. This Policy supersedes and replaces the Teradata Corporation Compensation Recovery Policy Adopted April 27, 2010 more of a corporation's voting stock. The existence of this provision may have an anti-takeover effect with respect to all Incentive-Based Compensation Received transactions not approved in advance by Executive Officers on or after our Board, and the Effective Date. anti-takeover effect includes discouraging attempts that might result in a premium over the market price for the shares of our common stock.

Required Disclosures Exclusive Forum Selection

The Company will file all disclosures with respect to our Bylaws provide that, unless we consent in writing to this Policy in accordance with the requirements selection of an alternative forum, to the federal securities laws, including the disclosure required to the fullest extent permitted by the applicable SEC filings and will provide all

required SEC and other disclosures regarding this Policy and in the event of a Restatement. law:

Amendment and Termination

The Committee may amend, modify or terminate this Policy in whole or in part at any time in its sole discretion and may adopt such rules and procedures that it deems necessary or appropriate to implement this Policy or to comply with the NYSE Listed Company Manual and any other applicable laws, rules and regulations.

Successors

This Policy shall be binding and enforceable against all Executive Officers and their beneficiaries, heirs, executors, administrators, or other legal representatives.

Governing Law

This Policy and all rights and obligations hereunder are governed by and construed in accordance with the internal laws of the State of Delaware, excluding any choice of law rules or principles that may direct the application of the laws of another jurisdiction. All actions arising out of or relating to this Policy shall be heard and determined exclusively in (A) the Court of Chancery of the State of Delaware (or, in the event that court lacks jurisdiction, the federal district court of the District of Delaware or if such court declines to exercise jurisdiction or if subject matter jurisdiction over other state courts of the matter that is State of Delaware) will be the subject of sole and exclusive forum for: (i) any such legal derivative action, suit or proceeding is vested exclusively in brought on our behalf, or (ii) any action, suit or proceeding asserting: (x) a claim of breach of a fiduciary duty owed by any current or former director, officer, other employee or stockholder of our company, (y) a claim arising pursuant to any provision of the Delaware General Corporation Law, our Certificate of Incorporation or our Bylaws, or (z) a claim against us governed by the internal affairs doctrine, and

(B) the U.S. federal district courts will be the U.S. District Court exclusive forum for actions arising under the District Securities Act of Delaware, 1933, as amended.

If any action covered by the exclusive forum provisions is brought in a court other than the courts in Delaware, each stockholder will be deemed to have consented to personal jurisdiction of the state and federal courts in Delaware in any action brought to enforce the exclusive jurisdiction provisions of our Bylaws and to having service of process made upon the stockholder by service upon the stockholder's counsel in the action in the non-Delaware jurisdiction, as agent. Any person purchasing or acquiring or holding any interest in our capital stock will be deemed to have notice of and consented to the exclusive forum provisions in our Bylaws.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare.

NYSE Listing

Our common stock is listed on the New York Stock Exchange under the ticker symbol "TDC."

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Exhibit 19

INSIDER TRADING POLICY

POLICY QUICK REFERENCE

- This Policy applies to all Teradata Corporation Associates;
- Associates must not trade in Teradata securities or the securities of other companies while in possession of material non-public information about Teradata or such other companies that was gained through the Associate's work with Teradata or other involvement with such other company;
- In addition, the following special rules apply:
 - Associates cannot "tip" others to trade in Teradata securities by sharing material non-public information about Teradata;
 - "Restricted insiders" (defined below) must not trade in Teradata securities during the "blackout periods" before and after Teradata's financial results are publicly disclosed or during any "event-specific blackout";
 - All Executive Leadership Team members and members of the Teradata Board of Directors must pre-clear any transaction in Teradata securities;
 - Teradata's Board of Directors and Executive Leadership Team members must not pledge Teradata securities as collateral for loans (including depositing such securities in margin accounts); and

- Associates may not trade in derivative securities of Teradata securities (e.g., puts and calls) or engage in hedging transactions (e.g., equity swaps) involving Teradata securities.

Exhibit A

TERADATA CORPORATION
CLAWBACK POLICY
ACKNOWLEDGEMENT FORM

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy¹ "Associates" means (i) all members of Teradata's Board of Directors, (ii) all members of the Executive Leadership Team, (iii) all employees of Teradata Corporation Clawback Policy and its subsidiaries, (iv) other persons determined by Teradata's Chief Legal Officer or the person in the Law team in the role that functions as the Company's chief corporate and governance counsel (the "Policy").

By signing this Acknowledgement Form, the undersigned acknowledges "Chief Corporate and agrees that the undersigned is and will continue Governance Counsel" to be subject to the this Policy, such as contractors or consultants who have access to material non-public information, and that the Policy will apply both during (v) family members, other members of a person's household, economic dependents, and after the undersigned's employment with Teradata Corporation and its direct and indirect subsidiaries. Further, entities controlled by signing below, the undersigned agrees to abide any Associate covered by the terms of the Policy, including, without limitation, by returning any Erroneously Awarded Incentive-Based Compensation (as defined in the Policy) to Teradata to the extent required by, and in a manner permitted by, the this Policy.

Signature _____

Name:

Date:



INSIDER TRADING POLICY

POLICY

Teradata Associates cannot engage in any of the following activities:

- trading in Teradata securities while in possession of material non-public information about Teradata (subject to the limited exceptions described below);
- recommending to any person the purchase or sale of Teradata securities while in possession of material non-public information about Teradata;
- disclosing material non-public information about Teradata to persons whose jobs do not require them to have that information;
- trading in derivative securities of Teradata (such as short sales, puts and calls) or otherwise engaging in transactions designed to hedge or offset any decrease in the market value of Teradata equity securities;
- speculative trading of Teradata securities (buying and selling shares on the open market within a six month period); or
- trading in securities of other companies, or tipping information about such companies, while in possession of material non-public information about those companies that was gained through the Associate's work with Teradata or other involvement with such other company.

In addition, there are other key restrictions that must be followed with respect to trading in Teradata securities, including:

- certain Associates who are designated "restricted insiders" must not trade in Teradata securities during the "blackout periods" before and after Teradata's financial results are publicly disclosed or during any "event-specific blackout";
- all Executive Leadership Team members and members of the Teradata Board of Directors must pre-clear all transactions in Teradata securities; and
- Board of Directors and Executive Leadership Team members must not pledge Teradata securities as collateral for loans (including depositing such securities in margin accounts).

Any violations of this Policy must be reported immediately to the Law Department or to Teradata's Ethics Helpline. Such violations may result in disciplinary action, including immediate termination of employment.

POLICY STATEMENTS

1. Trading in Teradata Securities

- a If an Associate has “**material non-public information**” about Teradata, the Associate cannot trade in Teradata “**securities**” (as such terms are defined below) until that information is publicly disclosed and the general public has had the opportunity to absorb the information.
- b “**Material non-public information**” is defined for purposes of this Policy as information about a company that (a) has not been widely disclosed (e.g., by a press release or Securities and Exchange Commission filing) and available to the public for at least one full trading day and (b) a reasonable investor is likely to consider relevant to his or her decision to buy, sell or hold a security of that company.



INSIDER TRADING POLICY

- Material non-public information can be positive or negative and may include any type of information that, if publicly disclosed, would likely have an effect on the market price of a security.
- There is no bright-line standard for assessing materiality; rather, materiality is based on an assessment of all of the facts and circumstances and is often evaluated by enforcement authorities with the benefit of hindsight.
- This definition requires Associates to use their best judgment to determine whether, based on the facts and circumstances, they have material non-public information. Examples of items that typically constitute material non-public information are included in the Policy Supplement.

When in doubt, an Associate should assume information is material non-public information. Associates can contact the Chief Legal Officer or Chief Corporate and Governance Counsel for advice.

- Associates may learn material non-public information because they have a “need to know” that information to perform their jobs. They may also indirectly learn material non-public information at work by “putting two-and-two together,” overhearing colleagues, etc. Regardless of how the information is learned, the same restrictions on trading apply.
- Information is not considered publicly disclosed if it is available only to Teradata employees, or if it is only available to a select group of analysts, brokers and institutional investors.
- Information is not considered publicly disclosed immediately after a press release or other public filing is made; as a general rule, at least one full trading day needs to pass after the dissemination of information before such information is considered public.

- The term Teradata “**securities**” includes shares of Teradata’s or its subsidiaries’ common stock, preferred stock, or any other class of stock. Notes, debentures or other types of debt securities, warrants, rights, restricted stock units, stock options, and other convertible securities are also considered Teradata securities, as are derivative securities that are not issued by Teradata, such as exchange traded put or call options, or swaps relating to Teradata securities.
- For purposes of this Policy, the term “**trading**” in Teradata securities includes any transactions in Teradata securities, such as purchases and sales on the open market or exercising options (other than paying the exercise price in cash to obtain the stock underlying that option and holding that stock).
- In general, making a bona fide gift is not considered “trading” under this Policy; however, caution should be exercised when an Associate has reason to believe that the recipient of the gift intends to sell the Teradata securities when the Associate or such recipient is aware of material non-public information about Teradata. In addition, any gifts by members of the Executive Leadership Team or the Board of Directors must be pre-approved by the Chief Corporate and Governance Counsel or Chief Legal Officer and generally cannot occur during blackout periods.
- This Policy applies to any family members who reside with the Associate (including a spouse, a child, a child away at college, stepchildren, grandchildren, parents, stepparents, grandparents, siblings and in-laws), anyone else who lives in the Associate’s household, and any family members who do not live in the household but whose transactions in Teradata securities are directed by the Associate or subject to the Associate’s influence or control, such as parents or children who consult with the Associate before they trade in securities (collectively referred to as “**Family Members**”). For purposes of this Policy and applicable securities laws, an Associate should treat all transactions in Teradata securities by Family Members as if the transactions were for the Associate’s own account.



INSIDER TRADING POLICY

- Transactions by any entities the Associate influences or controls, including any corporations, partnerships, or trusts (collectively referred to as “**Controlled Entities**”), and transactions by these Controlled Entities should be treated for the purposes of this Policy and applicable securities laws as if they were for the Associate’s own account.
- This Policy does not apply to transactions in mutual funds that are invested in Teradata securities.

- Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure), or small transactions, are not excepted from this Policy. The securities laws do not recognize any mitigating circumstances.

2. Trading by "Restricted Insiders"

Because certain Associates are more likely to have access to material non-public information about Teradata, they are considered "restricted insiders" under this Policy.

- These restricted insiders include:
 - members of Teradata's Board of Directors;
 - Executive Leadership Team members;
 - direct reports of Executive Leadership Team members, including executive assistants;
 - employees who are Directors and higher;
 - participants in the Sales Incentive Program;
 - employees in the Investor Relations, Corporate Business Development, Corporate Strategy, Corporate Secretary, Corporate Controller, Enterprise Risk and Audit, External Reporting, and Law functions; and
 - all other employees, consultants, contractors and advisors identified by the Chief Legal Officer and/or Chief Corporate and Governance Counsel as restricted insiders under this Policy.
- Associates will not be considered "restricted insiders" under this Policy once they no longer actively work for Teradata (even though they may still be on Teradata's payroll) or otherwise do not fall into the above categories. However, Associates may never trade in Teradata securities while they are in possession of material non-public information about Teradata, whether or not they are currently employed by Teradata or designated a restricted insider.

Blackout Periods

- Restricted insiders are subject to the general rule on trading and therefore cannot trade in Teradata securities if they have material non-public information. In addition, to avoid even the appearance of impropriety, restricted insiders are not permitted to trade in Teradata securities during any insider trading "blackout period." These periods begin at the close of trading on the 15th day of the third month of any fiscal calendar quarter (March 15, June 15, September 15, December 15) and end one full trading day after the public release of quarterly or annual financial information by Teradata.
- From time to time, an event may occur that is material to Teradata and is known by only a few Associates. So long as the event remains material and non-public, the persons designated by the Chief Legal Officer and/or Chief Corporate and Governance Counsel may not trade Teradata securities ("event-specific blackout"). You will be specifically notified if you are subject to an event-specific blackout by either the Chief Legal Officer and/or Chief Corporate and Governance Counsel. The existence of an event-specific blackout will not be announced to Teradata as a whole and should not be communicated to any other person. Even if you have not been designated as a person who should not trade



INSIDER TRADING POLICY

due to an event-specific blackout, you should not trade while aware of material non-public information. Exceptions will not be granted during an event-specific blackout.

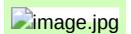
Pre-Clearance of Transactions

- Teradata's Executive Leadership Team members and members of the Board of Directors (including their family members, other members of such person's household, and entities controlled by such person) are further restricted under the Policy because they are required to pre-clear all of their transactions in Teradata securities with the Chief Corporate and Governance Counsel or Chief Legal Officer as required under **Teradata's Pre-Clearance Procedures**. Clearance of a transaction does not constitute a recommendation by Teradata or any of its employees or agents that Associates should engage in the subject transaction and will only be valid for the time period indicated in the clearance. The Chief Corporate and Governance Counsel or Chief Legal Officer are under no obligation to approve a transaction submitted for pre-clearance and may determine not to permit the transaction. If a person seeks pre-clearance and permission to engage in the transaction is denied, then such person will refrain from initiating any transaction in Teradata securities and will not inform any other person of the restriction.
- Executive Leadership Team members and members of the Board of Directors are also required to report transactions made pursuant to a pre-clearance to the Chief Corporate and Governance Counsel and Senior Corporate Paralegal not later than the end of the trading day on which the

transaction occurs, unless they are made through Fidelity, in which case such trades will automatically be reported.

3. Unauthorized Disclosure or "Tipping"

- Associates must not disclose material non-public information to others by "tipping" that information. Tipping means the improper disclosure of material non-public information about Teradata or another company to any person, including a relative, friend, or other third party – whether or not that person trades in any securities on the basis of such information.
- An Associate may be liable for communicating or tipping material non-public information to a third party (a "tippee"), and insider trading violations are not limited to trading or tipping by insiders. Persons other than insiders also can be liable for insider trading, including a tippee who trades on material nonpublic information tipped to them or individuals who trade on material nonpublic information that has been misappropriated. A tippee inherits an insider's duties and therefore are liable for trading on material non-public information illegally tipped to them by an insider. Similarly, just as insiders are liable for the insider trading of their tippees, so are tippees who pass the information along to others who trade. In other words, a tippee's liability for insider trading is no different from that of an insider.
- Associates must avoid tipping directly, or indirectly by implication – for example, a meaningful wink. Tipping can also include (a) instructing a third party to purchase or sell securities or derivative securities (defined below) on your behalf, or (b) advising or encouraging another person to trade in a security or derivative security while possessing material non-public information.
- To avoid tipping, Associates should comply with Teradata's policies with respect to the treatment of its confidential and proprietary information and disclose material non-public information only to those with a "need to know." Associates should be very careful not to discuss such information casually at work, at home or outside of the office.



INSIDER TRADING POLICY

4. Trading in Other Companies' Securities

Associates who learn material non-public information about another company through their work at Teradata are subject to the same restrictions against trading and tipping that apply to Teradata securities. For example, an Associate who learns that another company is being considered for a major contract or a joint venture may not use that information to trade in that company's securities, if that information is material and non-public. Associates should take all necessary and required actions to protect the confidentiality of any such information if learned while performing work for Teradata and use it only for Teradata purposes.

5. Trading in Derivative Securities or Engaging in Hedging Transactions Involving Teradata securities

- Some types of legal trading often appear to be based on the misuse of material non-public information. To avoid even an appearance of impropriety, Associates may not trade in derivative securities of Teradata or engage in hedging transactions involving Teradata securities.
- The term "derivative securities" includes publicly traded options, short sales, puts, calls, covered calls, straddles, strips, or similar derivative securities.
- The term "hedging transactions" includes pre-paid variable forwards, equity swaps, collars and exchange funds designed to hedge or offset any decrease in the market value of Teradata securities.

6. Margin Accounts and Pledging Teradata Securities

Teradata securities held in a margin account or pledged as collateral for a loan may be sold without the Associate owner's consent by the broker if the Associate fails to meet a margin call or by the lender in foreclosure if there is a default on the loan. A margin or foreclosure sale that occurs when an Associate is aware of material non-public information may, under some circumstances, result in unlawful insider trading. Because of this danger, (a) employees should exercise caution in holding Teradata securities in a margin account or pledging Teradata securities as collateral for a loan, and (b) Teradata's Executive Leadership Team and members of the Board of Directors are prohibited from pledging Teradata securities as collateral for a loan or as specific covered collateral for a margin purchase.

7. Short-Term and/or Speculative Trading

To avoid the appearance of improper trading, Associates should not engage in short-term and/or speculative trading of Teradata securities – that is, the purchase and sale of securities on the open market within a six-month period. Teradata's Executive Leadership Team and members of the Board of Directors may never engage in any short-term speculation of Teradata securities.

8. Short Sales

Short sales of Teradata securities (i.e., the sale of a security that the seller does not own) may evidence an expectation on the part of the seller that the securities will decline in value, and therefore have the potential to signal to the market that the seller lacks confidence in Teradata's prospects. In addition, short

sales may reduce a seller's incentive to seek to improve Teradata's performance. For these reasons, short sales of Teradata securities are prohibited. In addition, Section 16(c) of the Exchange Act prohibits Executive Leadership Team members and members of the Board of Directors from engaging in short sales.



INSIDER TRADING POLICY

9. Standing or Limit Orders

Standing and limit orders (except standing and limit orders under approved Rule 10b5-1 Plans) create heightened risks for insider trading violations similar to the use of margin accounts. There is no control over the timing of purchases or sales that result from standing instructions to a broker, and as a result the broker could execute a transaction when an Associate is in possession of material non-public information. Teradata therefore discourages placing standing or limit orders on Teradata securities. If a person subject to this Policy determines that they must use a standing order or limit order, the order should be limited to short duration.

10. Rule 10b5-1 Plans

Teradata permits its members of the Board of Directors, Executive Leadership Team, and certain other employees to adopt written trading plans that comply with Rule 10b5-1 of the Exchange Act ("Rule 10b5-1 Plan"). A Rule 10b5-1 Plan must be approved by the Chief Corporate and Governance Counsel or Chief Legal Officer and meet the requirements of Rule 10b5-1 of the Exchange Act and any guidelines issued by Teradata for such plans, including the Teradata 10b5-1 Trading Plan Program Guidelines.

11. Post-Termination Transactions

This Policy continues to apply to transactions in Teradata securities even after termination of an Associate's service to Teradata. If an individual is in possession of material non-public information when such individual's service terminates, that individual may not trade in Teradata securities until that information has become public or is no longer material. The pre-clearance procedures specified above, however, will cease to apply to transactions in Teradata securities upon the expiration of any blackout period, event-specific blackout, or other Teradata-imposed trading restrictions applicable at the time of the termination of service.

12. Policy Administration

The Chief Legal Officer and/or Chief Corporate and Governance Counsel are responsible for the administration of this Policy. All determinations and interpretations by the Chief Legal Officer and/or Chief Corporate and Governance Counsel shall be final.

13. Violations of Policy

Associates have an individual responsibility to comply with this Policy. Any action on the part of Teradata, the Chief Legal Officer, the Chief Corporate and Governance Counsel or any other employee or director pursuant to this Policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws. An individual may, from time to time, have to forego a proposed trade in Teradata securities even if the Associate planned to make the transaction before learning of material non-public information and even though the individual believes such individual may suffer an economic loss or forego anticipated profit by waiting. Personal financial emergency or other personal circumstances are not mitigating factors under securities laws and will not excuse an Associate's failure to comply with this Policy.

Supervisors who fail to take steps to prevent insider trading or tipping or who ignore it may also be liable under federal and state securities laws and subject to disciplinary action by Teradata.

Any violation of this Policy will subject an Associate to disciplinary action, which can include immediate termination by Teradata.

In addition, there are serious legal consequences to individuals who violate insider trading laws, including criminal and civil penalties, imprisonment, and disgorgement of any profits gained or losses avoided. An Associate may also be found liable for improper securities trading by any tippee to whom the



INSIDER TRADING POLICY

Associate has disclosed material non-public information, including if the Associate has made recommendations or expressed opinions about securities trading on the basis of such material non-public information.

Penalties for trading on or tipping material non-public information can extend significantly beyond any profits made or losses avoided, both for individuals engaging in such unlawful conduct and their employers. The SEC and United States Department of Justice have made the prosecution of insider trading violations a top priority. Enforcement remedies available to the government or private plaintiffs under the federal securities laws include:

- * administrative sanctions;
- * securities industry self-regulatory organization sanctions;
- * civil injunctions;
- * damage awards to private plaintiffs;
- * disgorgement of all profits;
- * civil fines for the violator of up to three times the amount of profit gained or loss avoided;
- * civil fines for the employer or other controlling person of a violator (i.e., where the violator is an employee or other controlled person) of up to the greater of specific amount provided by law and adjusted for inflation or three times the amount of profit gained or loss avoided by the violator;
- * criminal fines for individual violators of up to \$5,000,000 (\$25,000,000 for an entity); and
- * jail sentences of up to 20 years.

Insider trading violations are not limited to violations of the federal securities laws. Other federal and state civil or criminal laws, such as the laws prohibiting mail and wire fraud and the Racketeer Influenced and Corrupt Organizations Act, also may be violated in connection with insider trading.

The size of the transaction or the amount of profit received does not have to be significant to result in prosecution. Securities regulatory authorities, including the SEC, have the ability to monitor even the smallest trades, and the SEC performs routine market surveillance. Brokers and dealers are required by law to inform the SEC of any possible violations by people who may have material non-public information. The SEC aggressively investigates even small insider trading violations.

14. Legal Effect on Teradata.

This Policy is not intended to create obligations of Teradata or the Board of Directors beyond those established by applicable laws or regulations and will be interpreted as such.

15. Priority of Statutory or Regulatory Trading Restrictions

The trading prohibitions and restrictions set forth in this Policy will be superseded by any greater prohibitions or restrictions prescribed by U.S. federal, state, foreign or other applicable securities laws and regulations, or contractual restrictions on the sale of securities.



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16. Amendments

Teradata reserves the right to amend this Policy at any time, for any reason, subject to applicable laws, rules and regulations.

SPECIFIC APPLICATIONS FOR EMPLOYEE BENEFIT PLANS

1. Restricted Stock, Restricted Stock Unit, and Performance-Based Restricted Stock Unit Awards.

- This Policy does not apply to the vesting of restricted stock, restricted stock units, or performance-based restricted stock units issued under Teradata plans (collectively, "restricted equity") or the exercise of a tax withholding right pursuant to which you elect to have Teradata withhold shares of stock to satisfy tax withholding requirements upon the vesting of any such restricted equity.
- The Policy applies to any market sale of restricted equity after such shares have vested.

2. Stock Options

- An Associate may have an option grant vest and (i) exercise that option without regard to this Policy if the Associate pays the exercise price in cash to obtain the stock underlying that option and holds that stock or (ii) exercise a tax withholding right pursuant to which a person has elected to have Teradata withhold shares subject to an option to satisfy tax withholding requirements.
- This Policy covers the subsequent sale of stock received upon the exercise of a stock option.

- In addition, if an Associate conducts a "cashless exercise" to obtain the stock underlying the option (i.e., by selling some of the stock to pay for the purchase of the remaining stock, which is also referred to as a "sell to cover" or a "net exercise" transaction), such trade will be subject to this Policy.

3. Employee Stock Purchase Plan (ESPP)

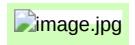
- This Policy does not apply to the ongoing acquisition of stock through the ESPP as long as such purchases are outside the control of the employee. For example, if an employee enrolls in the plan as of March, an ongoing purchase several months later -- if made at the same contribution level that the employee elected in March -- would not be subject to this Policy.
- However, this Policy applies without exception to the subsequent sale of any stock acquired through the ESPP.

4. Dividend Reinvestment Plan

- This Policy does not apply to purchases of Teradata securities under any Teradata dividend reinvestment plan resulting from your reinvestment of dividends paid on Teradata securities, if any.
- This Policy does apply, however, to voluntary purchases of Teradata securities resulting from additional contributions you choose to make to any Teradata dividend reinvestment plan, and to your election to participate in such plan or increase in your level of participation in the plan. This Policy also applies to your sale of any Company Securities purchased pursuant to the plan.

5. Other Similar Transactions

- This Policy does not apply to any other purchase of Teradata securities from Teradata or sales of Teradata securities to Teradata.



INSIDER TRADING POLICY

POLICY SUPPLEMENT

The following list includes examples of corporate events that may be material depending on the circumstances. It is not an exclusive list and there may be other types of events that could be considered material to Teradata. If unsure about whether information is material non-public information, Associates should contact the Chief Corporate and Governance Counsel for advice.

The following list includes examples of corporate events that may be material depending on the circumstances. It is not an exclusive list and there may be other types of events that could be considered material to Teradata. If unsure about whether information is material non-public information, Associates should contact the Chief Corporate and Governance Counsel for advice.

1. Proposed or Pending Major Corporate Transactions, including to the extent material:

- mergers, acquisitions, spin-offs or divestitures
- joint ventures or partnerships
- corporate restructuring
- minority investments

2. Unreleased Financial Information (Actual or Projected) about Teradata, or One or More of its Lines of Business or Regions

- any unreleased financial information (such as reported or non-GAAP revenue, EPS, operating income, cash flows, etc.), including any earnings announcements, forecasts, or corrections
- any revenue, earnings or order information indicating a trend
- data concerning the profitability of lines of business and/or products and services offered by Teradata

3. Acquisition or Loss of Major Contracts, including to the extent material

- customer contract awards or cancellations
- partner agreements or licenses
- supplier contracts or suppliers' ability to perform

4. Material Changes in Products or Services, including to the extent material

- introduction of new products or services
- discontinuance of old products or services
- inventions or product developments

5. Company-Wide Employment Issues, including to the extent material

- changes to Teradata executive officers or Board of Directors
- employee matters

- reductions in force, facility closings, geography consolidations or expansions, and/or business operation changes

6. Significant Changes in Financial Condition or Capital Structure

- stock splits
- new authorizations for the sale or purchase of Teradata securities or sales/purchases outside the ordinary course of business
- major financings, bank borrowings, or capital investment plans
- extraordinary items for accounting purposes such as write-offs and restructuring charges
- dividend actions (which includes decisions to pay/suspend a dividend)

7. Litigation or Legal Developments, including to the extent material

- lawsuits filed by or against Teradata
- settlements or other developments in litigation matters
- government investigations



INSIDER TRADING POLICY

8. Major Changes in Corporate Strategy, including to the extent material

- discontinuance or addition of lines of business and/or geographic areas
- research and development efforts
- marketing plans

9. Major Cybersecurity Vulnerabilities or Incident

- A significant cybersecurity vulnerability and/or incident, such as, identified material security vulnerability in available products, a data breach, or any other significant disruption in Teradata's operations or loss, potential loss, breach or unauthorized access of its property or assets, whether at its facilities or through its information technology infrastructure

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TERADATA CORPORATION
Subsidiaries of Teradata Corporation
 December 31, 2023 2024

Entity	Organized under the laws of
Teradata International, Inc.	Delaware
Teradata US, Inc.	Delaware
Teradata Operations, Inc.	Delaware
Teradata Government Systems LLC	Delaware
Teradata Taiwan LLC	Delaware
Teradata Argentina Holdings LLC	Delaware
Teradata Belgium Holdings LLC	Delaware
Teradata Bermuda Holdings LLC	Delaware
Teradata Brazil Holdings LLC	Delaware
Teradata Chile Holdings LLC	Delaware
Teradata Colombia Holdings LLC	Delaware
Teradata Egypt Holdings LLC	Delaware
Teradata India Holdings LLC	Delaware
Teradata Indonesia Holdings LLC	Delaware
Teradata International Services LLC	Delaware
Teradata Mexico Holdings LLC	Delaware
Teradata Netherlands Holdings LLC	Delaware
Teradata New Zealand Holdings LLC	Delaware
Teradata Philippines LLC	Delaware
TD Nameholder Corporation	Delaware
Teradata de Argentina S.R.L.	Argentina
Teradata Australia Pty Ltd	Australia
Teradata GmbH	Austria
Teradata Belgium SNC	Belgium
TRDT Brasil Tecnologia Ltda.	Brazil
Teradata Information Systems (Beijing) Limited	China
Teradata Canada ULC	Canada
Teradata Chile Tecnologías de Información Limitada	Chile
TDC Colombia Limitada	Colombia
Teradata Ceska republika spol. s r.o.	Czech Republic
Teradata Denmark ApS	Denmark
Teradata Egypt WLL	Egypt
Teradata Finland Oy	Finland
Teradata France S.A.S.	France
Teradata GmbH	Germany
Teradata (Hong Kong) Limited	Hong Kong
Teradata India Private Limited	India
PT. Tdata Indonesia	Indonesia
Teradata Ireland Limited	Ireland
Teradata International Sales Limited	Ireland
Teradata Italia S.r.l.	Italy
Teradata Japan Ltd.	Japan
Teradata Korea Co., Ltd.	Korea
TData Corporation (Malaysia) Sdn. Bhd.	Malaysia
Teradata de México, S. de R.L. de C.V.	Mexico

Teradata Netherlands B.V.	Netherlands
Teradata Global Holdings B.V.	Netherlands
Teradata International Sales Limited	Netherlands
Teradata (NZ) Corporation	New Zealand
Teradata Norge AS	Norway
Teradata Pakistan (Private) Limited	Pakistan
Teradata Global Consulting Pakistan (Private) Limited	Pakistan
Teradata Chile Tecnologías de Información Limitada – Sucursal Perú	Peru
Teradata Philippines, LLC, Manila Branch	Philippines
Teradata GCC (Philippines), Inc.	Philippines
Teradata Polska Sp. z o.o.	Poland
"Teradata" LLC	Russia
Teradata Saudi Arabia LLC	Saudi Arabia
Teradata International Sales Regional Headquarters Company	Saudi Arabia
Teradata (Singapore) Pte. Ltd.	Singapore
Teradata Iberia SL	Spain
Teradata Sweden AB	Sweden
Teradata (Schweiz) GmbH	Switzerland
Teradata Taiwan LLC, Taiwan branch	Taiwan
Teradata (Thailand) Co., Ltd.	Thailand
Teradata Bilisim Sistemleri Limited Sirketi	Turkey
Teradata Middle East and Africa (branch)	United Arab Emirates (UAE)
Teradata (UK) Limited	United Kingdom

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-279480, No. 333-271868, No. 333-271867, No. 333-264857, No. 333-255924, No. 333-238886, No. 333-231250, No. 333-224743, No. 333-211257, No. 333-181217, No. 333-146409, No. 333-146410) of Teradata Corporation of our report dated **February 23, 2024** **February 21, 2025** relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
 Atlanta, Georgia
 February 23 21, 2024 2025

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO SECURITIES EXCHANGE ACT RULE 13a-14

I, Stephen McMillan, certify that:

1. I have reviewed this annual report on Form 10-K of Teradata Corporation;
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;
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: February 23 2024

/s/ Stephen McMillian

Stephen McMillian

President and Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO SECURITIES EXCHANGE ACT RULE 13a-14

I, Claire Bramley, certify that:

1. I have reviewed this annual report on Form 10-K of Teradata Corporation;
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;

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: February 23 21, 2024 2025

/s/ Claire Bramley

Claire Bramley
Chief Financial Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Teradata Corporation, a Delaware corporation (the "Company"), on Form 10-K for the year ended December 31, 2023 December 31, 2024 as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company does hereby certify, pursuant to 18 U.S.C. § 1350 (section 906 of the Sarbanes-Oxley Act of 2002), that:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

The foregoing certification (i) is given to such officers' knowledge, based upon such officers' investigation as such officers reasonably deem appropriate; and (ii) is being furnished solely pursuant to 18 U.S.C. § 1350 (section 906 of the Sarbanes-Oxley Act of 2002) and is not being filed as part of the Report or as a separate disclosure document.

Date: February 23 21, 2024 2025

/s/ Stephen McMillan

Stephen McMillan
President and Chief Executive Officer

Date: **February 23, 2024** **February 21, 2025**

/s/ Claire Bramley

Claire Bramley
Chief Financial Officer

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