

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

FORM 10-Q

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

For the quarterly period ended March 31, 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: 001-35418



EPAM SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

22-3536104

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

41 University Drive

Suite 202

Newtown

Pennsylvania

18940

(Address of principal executive offices)

(Zip code)

267 - 759-9000

(Registrant's telephone number, including area code)

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

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on which Registered</u>
Common Stock, par value \$0.001 per share	EPAM	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

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

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

Large accelerated filer	<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. ☐

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 ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

<u>Title of Each Class</u>	<u>Outstanding as of April 30, 2024</u>
Common Stock, par value \$0.001 per share	57,974,371 shares

EPAM SYSTEMS, INC.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

EPAM SYSTEMS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except par value)

	As of March 31, 2024	As of December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 1,983,721	\$ 2,036,235
Trade receivables and contract assets, net of allowance of \$ 8,403 and \$ 11,864 , respectively	931,409	897,032
Short-term investments	61,625	60,739
Prepaid and other current assets	106,398	97,355
Total current assets	3,083,153	3,091,361
Property and equipment, net	222,244	235,053
Operating lease right-of-use assets, net	135,754	134,898
Intangible assets, net	80,756	71,118
Goodwill	595,220	562,459
Deferred tax assets	197,474	197,901
Other noncurrent assets	59,976	59,575
Total assets	\$ 4,374,577	\$ 4,352,365
Liabilities		
Current liabilities		
Accounts payable	\$ 27,247	\$ 31,992
Accrued compensation and benefits expenses	438,216	412,747
Accrued expenses and other current liabilities	122,900	124,823
Income taxes payable, current	33,962	38,812
Operating lease liabilities, current	36,205	36,558
Total current liabilities	658,530	644,932
Long-term debt	25,787	26,126
Operating lease liabilities, noncurrent	110,368	109,261
Other noncurrent liabilities	104,207	100,576
Total liabilities	898,892	880,895
Commitments and contingencies (Note 14)		
Equity		
Stockholders' equity		
Common stock, \$ 0.001 par value; 160,000 shares authorized; 57,933 shares issued and outstanding at March 31, 2024, and 57,787 shares issued and outstanding at December 31, 2023	58	58
Additional paid-in capital	1,039,647	1,008,766
Retained earnings	2,496,757	2,501,107
Accumulated other comprehensive loss	(61,352)	(39,040)
Total EPAM Systems, Inc. stockholders' equity	3,475,110	3,470,891
Noncontrolling interest in consolidated subsidiaries	575	579
Total equity	3,475,685	3,471,470
Total liabilities and equity	\$ 4,374,577	\$ 4,352,365

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

EPAM SYSTEMS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(In thousands, except per share data)

	Three Months Ended March 31,	
	2024	2023
Revenues	\$ 1,165,465	\$ 1,210,941
Operating expenses:		
Cost of revenues (exclusive of depreciation and amortization)	834,334	855,901
Selling, general and administrative expenses	198,453	211,887
Depreciation and amortization expense	22,146	22,782
Income from operations	110,532	120,371
Interest and other income, net	15,042	11,521
Foreign exchange loss	(1,919)	(4,608)
Income before provision for income taxes	123,655	127,284
Provision for income taxes	7,412	24,992
Net income	\$ 116,243	\$ 102,292
Net income per share:		
Basic	\$ 2.01	\$ 1.77
Diluted	\$ 1.97	\$ 1.73
Shares used in calculation of net income per share:		
Basic	57,837	57,702
Diluted	58,931	59,298

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

EPAM SYSTEMS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(In thousands)

	Three Months Ended	
	March 31,	
	2024	2023
Net income	\$ 116,243	\$ 102,292
Other comprehensive (loss)/income:		
Change in foreign currency translation adjustments, net of tax	(18,712)	13,227
Change in unrealized (loss)/gain on hedging instruments, net of tax	(3,782)	4,134
Defined benefit pension plans - actuarial gain, net of tax	182	—
Other comprehensive (loss)/income	(22,312)	17,361
Comprehensive income	\$ 93,931	\$ 119,653

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

EPAM SYSTEMS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)
(In thousands)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Loss	Non- controlling interest in consolidated subsidiaries	Total Equity
	Shares	Amount			Shares	Amount			
Balance, January 1, 2024	57,787	\$ 58	\$ 1,008,766	\$ 2,501,107	—	\$ —	\$ (39,040)	\$ 579	\$ 3,471,470
Restricted stock units vested	261	—	—	—	—	—	—	—	—
Equity withheld for employee taxes	(88)	—	(26,012)	—	—	—	—	—	(26,012)
Stock-based compensation expense	—	—	41,642	—	—	—	—	—	41,642
Exercise of stock options	369	—	15,251	—	—	—	—	—	15,251
Repurchase of common stock	(396)	—	—	(120,593)	—	—	—	—	(120,593)
Other comprehensive loss	—	—	—	—	—	—	(22,312)	(4)	(22,316)
Net income	—	—	—	116,243	—	—	—	—	116,243
Balance, March 31, 2024	57,933	\$ 58	\$ 1,039,647	\$ 2,496,757	—	\$ —	\$ (61,352)	\$ 575	\$ 3,475,685

	Common Stock		Additional Paid-in Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive (Loss)/Income	Non- controlling interest in consolidated subsidiaries	Total Equity
	Shares	Amount			Shares	Amount			
Balance, January 1, 2023	57,655	\$ 58	\$ 847,965	\$ 2,248,948	14	\$ (118)	\$ (95,321)	\$ 1,478	\$ 3,003,010
Restricted stock units vested	224	—	—	—	—	—	—	—	—
Equity withheld for employee taxes	(72)	—	(20,501)	—	—	—	—	—	(20,501)
Stock-based compensation expense	—	—	34,265	—	—	—	—	—	34,265
Exercise of stock options	71	—	2,525	—	—	—	—	—	2,525
Repurchase of common stock	(30)	—	—	(8,510)	—	—	—	—	(8,510)
Other comprehensive income	—	—	—	—	—	—	17,361	—	17,361
Net income	—	—	—	102,292	—	—	—	—	102,292
Balance, March 31, 2023	57,848	\$ 58	\$ 864,254	\$ 2,342,730	14	\$ (118)	\$ (77,960)	\$ 1,478	\$ 3,130,442

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

EPAM SYSTEMS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Three Months Ended March 31,	
	2024	2023
Cash flows from operating activities:		
Net income	\$ 116,243	\$ 102,292
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	22,146	22,782
Operating lease right-of-use assets amortization expense	9,434	10,043
Bad debt (recovery)/expense	(1,438)	182
Deferred taxes	1,866	823
Stock-based compensation expense	44,791	38,579
Unrealized gain on derivative instruments	—	(7,904)
Impairment charges	45	88
Other	10,484	(3,268)
Changes in assets and liabilities:		
Trade receivables and contract assets	(36,161)	(3,573)
Prepaid and other assets	(4,215)	(105)
Accounts payable	(5,483)	1,494
Accrued expenses and other liabilities	(1,749)	(58,463)
Operating lease liabilities	(9,943)	(10,672)
Income taxes payable	(16,100)	(4,964)
Net cash provided by operating activities	129,920	87,334
Cash flows from investing activities:		
Purchases of property and equipment	(6,749)	(7,913)
Purchases of short-term investments	(1,217)	—
Proceeds from short-term investments	310	—
Acquisition of business, net of cash acquired (Note 3)	(44,139)	—
Purchases of non-marketable securities	(200)	(1,906)
Other investing activities, net	1,005	(7,898)
Net cash used in investing activities	(50,990)	(17,717)
Cash flows from financing activities:		
Proceeds from issuance of stock under the employee incentive programs	14,611	2,488
Payments of withholding taxes related to net share settlements of restricted stock units	(2,790)	(3,153)
Proceeds from debt	—	172
Repayment of debt	(589)	(1,411)
Repurchase of common stock	(120,593)	(8,510)
Payment of contingent consideration for previously acquired business	(2,375)	(4,678)
Other financing activities, net	(345)	(226)
Net cash used in financing activities	(112,081)	(15,318)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(19,560)	14,070
Net (decrease)/increase in cash, cash equivalents and restricted cash	(52,711)	68,369
Cash, cash equivalents and restricted cash, beginning of period	2,043,108	1,683,636
Cash, cash equivalents and restricted cash, end of period	\$ 1,990,397	\$ 1,752,005

EPAM SYSTEMS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)
(Continued)

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the condensed consolidated balance sheets:

	As of March 31, 2024	As of December 31, 2023
Balance sheet classification		
Cash and cash equivalents	\$ 1,983,721	\$ 2,036,235
Restricted cash in Prepaid and other current assets	3,051	5,294
Restricted cash in Other noncurrent assets	3,625	1,579
Total restricted cash	6,676	6,873
Total cash, cash equivalents and restricted cash	\$ 1,990,397	\$ 2,043,108

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(In thousands, except per share data and as otherwise disclosed)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

EPAM Systems, Inc. (the “Company” or “EPAM”) is a leading digital transformation services and product engineering company, providing digital platform engineering and software development services to clients across six continents. In a business landscape that is constantly challenged by the pressures of digitization, EPAM focuses on building long-term partnerships with clients in various industries through delivery of innovative and scalable software solutions, integrated strategy, experience and technology consulting, and a continually evolving mix of advanced capabilities. The Company is incorporated in Delaware with headquarters in Newtown, Pennsylvania.

Basis of Presentation — The accompanying unaudited condensed consolidated financial statements of EPAM have been prepared in accordance with generally accepted accounting principles in the United States (“GAAP” or “U.S. GAAP”) and Article 10 of Regulation S-X under the Securities Exchange Act of 1934, as amended. The unaudited condensed consolidated financial statements include the financial statements of EPAM Systems, Inc. and its subsidiaries with all intercompany balances and transactions eliminated.

These unaudited condensed consolidated financial statements and accompanying notes should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto for the year ended December 31, 2023 included in its Annual Report on Form 10-K. The preparation of these condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in these condensed consolidated financial statements and accompanying notes. Actual results could differ from those estimates, and such differences may be material to the unaudited condensed consolidated financial statements. Operating results for the interim periods are not necessarily indicative of results that may be expected to occur for the entire year. In management's opinion, the accompanying unaudited condensed consolidated financial statements include all normal and recurring adjustments necessary for a fair presentation of the Company's financial position as of March 31, 2024 and the results of its operations and its cash flows for the periods presented.

Risks and Uncertainties — As a result of its global operations, the Company may be subject to certain inherent risks.

Concentration of Credit — Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of cash, cash equivalents, short-term investments and trade receivables. The Company maintains cash, cash equivalents and short-term investments with financial institutions. The Company believes its credit policies reflect normal industry terms and business risk and there is no expectation of non-performance by the counterparties.

The Company has cash in several countries, including Ukraine and Belarus, where the banking sector remains subject to periodic instability; banking and other financial systems generally do not meet the banking standards of more developed markets; and bank deposits made by corporate entities are not insured. As of March 31, 2024, the Company had \$ 57.0 million of cash and cash equivalents in banks in Ukraine and \$ 31.0 million of cash and cash equivalents in banks in Belarus. Cash in Ukraine and Belarus is used for the operational needs of the local entities and cash balances change with the expected operating needs of these entities. The Company regularly monitors cash held in these countries and, to the extent the cash held exceeds amounts required to support its operations in these countries, the Company distributes the excess funds into markets with more developed banking sectors to the extent it is possible to do so. In April 2024, Belarus instituted new restrictions on distributing dividends from Belarus to shareholders in certain countries, including the U.S. The restrictions are initially scheduled to remain in place until the end of 2025 and may prevent EPAM from distributing excess funds, if any, out of Belarus. The Company does not expect these new restrictions to have a material impact on its ability to meet its worldwide cash obligations during this period. The Company places its cash and cash equivalents with financial institutions considered stable in the region, limits the amount of credit exposure with any one financial institution and conducts ongoing evaluations of the credit worthiness of the financial institutions with which it does business. However, a banking crisis, bankruptcy or insolvency of banks that process or hold the Company's funds, or sanctions may result in the loss of deposits or adversely affect the Company's ability to complete banking transactions, which could adversely affect the Company's business and financial condition.

Trade receivables are generally dispersed across many clients operating in different industries; therefore, concentration of credit risk is limited. Historically, credit losses and write-offs of trade receivables have not been material to the consolidated financial statements. If the Company's clients enter bankruptcy protection or otherwise take steps to alleviate their financial distress, the Company's credit losses and write-offs of trade receivables could increase, which would negatively impact its results of operations.

Foreign currency risk — The Company's global operations are conducted predominantly in U.S. dollars. Other than U.S. dollars, the Company generates revenues in various currencies, principally, euros, British pounds, Swiss francs and Canadian dollars and incurs expenditures principally in euros, Polish zlotys, Indian rupees, British pounds, Swiss francs, Hungarian forints, Mexican pesos, Canadian dollars, Colombian pesos, Armenian drams and Chinese yuan renminbi. The Company's international operations expose it to risk of adverse fluctuations in foreign currency exchange rates through the remeasurement of foreign currency denominated assets and liabilities (both third-party and intercompany) and translation of earnings and cash flows into U.S. dollars. The Company has a hedging program whereby it enters into a series of foreign exchange forward contracts with durations of twelve months or less that are designated as cash flow hedges of forecasted Polish zloty, Indian rupee and Hungarian forint transactions. See Note 6 "Derivative Financial Instruments" for further information on the Company's hedging program.

Interest rate risk — The Company is exposed to market risk from changes in interest rates. Exposure to interest rate risk results primarily from variable rates related to cash and cash equivalent deposits, short-term investments and the Company's borrowings, mainly under the 2021 Credit Agreement, which is subject to a variety of rates depending on the type and timing of funds borrowed (See Note 8 "Debt"). The Company does not believe it is exposed to material direct risks associated with changes in interest rates related to these deposits, investments and borrowings.

Adoption of New Accounting Standards

There were no recently adopted accounting standards which had a material impact on the Company's consolidated financial statements.

Pending Accounting Standards

From time to time, new accounting pronouncements are issued by the FASB or other standards-setting bodies that the Company will adopt according to the various timetables the FASB specifies. Unless otherwise discussed below, the Company believes the impact of recently issued standards that are not yet effective will not have a material impact on its consolidated financial statements upon adoption.

During the three months ended March 31, 2024, there have been no material updates regarding pending accounting standards as reported in our Annual Report on Form 10-K for the year ended December 31, 2023.

2. IMPACT OF THE INVASION OF UKRAINE

On February 24, 2022, Russian forces attacked Ukraine and its people, and through the issuance date of these interim financial statements, there has been no resolution to this attack. As of March 31, 2024, the Company had \$ 60.8 million of Property and equipment, net in Ukraine consisting of a building classified as construction-in-progress located in Kyiv with a net book value of \$ 51.7 million, laptops with a net book value of \$ 4.5 million, most of which are in the possession of employees, various office furniture, equipment and supplies with a net book value of \$ 3.8 million, and leasehold improvements located throughout Ukraine with a net book value of \$ 0.8 million. Additionally, as of March 31, 2024, the Company had Operating lease right-of-use assets located throughout Ukraine with a net book value of \$ 5.5 million. Through the issuance date of these interim financial statements, the Company is not aware of any damage to its long-lived assets in Ukraine and the Company expects to continue to use these assets as part of its global delivery model.

On March 4, 2022, the Company announced a \$ 100.0 million humanitarian commitment to support its employees and their families in and displaced from Ukraine. This humanitarian commitment is in addition to donations from EPAM's clients and employees and the work of EPAM volunteers on the ground. During the three months ended March 31, 2024 and 2023, the Company expensed \$ 3.3 million and \$ 6.1 million, respectively, related to this commitment, which included special cash payments to support impacted employees, financial and medical support for impacted families, travel, meals and lodging expenses, and donations to third-party humanitarian organizations. Of the expensed amounts for the three months ended March 31, 2024 and 2023, \$ 0.7 million and \$ 2.5 million, respectively, is classified in Cost of revenues (exclusive of depreciation and amortization), and \$ 2.6 million and \$ 3.6 million, respectively, is classified in Selling, general and administrative expenses on the condensed consolidated financial statements. As of March 31, 2024, the Company has \$ 34.5 million remaining to be expensed under this humanitarian commitment.

Following the invasion, the Company executed its business continuity plans to assist relocating employees residing in Ukraine and the surrounding region, who were impacted by the war and geopolitical uncertainty, to other countries and to assign delivery personnel in locations outside of the region to serve in unbilled standby or backup capacities to ensure the continuity of delivery for its clients who have substantial delivery exposure to Ukraine or other delivery concerns resulting from the invasion and ongoing war. In addition to costs incurred as part of EPAM's humanitarian commitment to Ukraine, during the three months ended March 31, 2024, the Company incurred no expenses related to the standby resources and incurred expenses of \$ 0.7 million related to its geographic repositioning efforts, classified as Selling, general and administrative expenses. During the three months ended March 31, 2023, the Company incurred expenses of \$ 7.4 million related to the standby resources, classified as Cost of revenues (exclusive of depreciation and amortization) and \$ 0.2 million related to its geographic repositioning efforts, classified as Selling, general and administrative expenses.

3. ACQUISITIONS

2023 Acquisitions — During the year ended December 31, 2023, the Company completed two acquisitions with a total purchase price of \$ 42.6 million including contingent consideration with acquisition-date fair value of \$ 14.9 million. These acquisitions expanded EPAM's capabilities in software design and product development, as well as added \$ 13.9 million of intangible assets, consisting of customer relationships. Pro forma results of operations have not been presented because the effect of these acquisitions on the Company's condensed consolidated financial statements was not material.

2024 Acquisitions - During the three months ended March 31, 2024, the Company completed two acquisitions with a total purchase price of \$ 53.7 million including contingent consideration with acquisition-date fair value of \$ 7.3 million. These acquisitions expanded EPAM's geographical reach across Latin America and Europe, as well as added \$ 16.6 million of intangible assets, consisting mainly of customer relationships. Pro forma results of operations have not been presented because the effect of these acquisitions on the Company's condensed consolidated financial statements was not material.

4. GOODWILL

Goodwill by reportable segment was as follows:

	North America	Europe	Total
Balance as of January 1, 2024	\$ 241,860	\$ 320,599	\$ 562,459
2024 Acquisitions	24,466	12,847	37,313
2023 Acquisitions purchase accounting adjustments	805	—	805
Effect of net foreign currency exchange rate changes	(181)	(5,176)	(5,357)
Balance as of March 31, 2024	\$ 266,950	\$ 328,270	\$ 595,220

There were no accumulated impairment losses in the North America or Europe reportable segments as of March 31, 2024 or December 31, 2023.

5. FAIR VALUE MEASUREMENTS

The Company carries certain assets and liabilities at fair value on a recurring basis on its condensed consolidated balance sheets. The following tables present the fair values of the Company's financial assets and liabilities measured at fair value on a recurring basis as of March 31, 2024 and December 31, 2023:

	As of March 31, 2024			
	Balance	Level 1	Level 2	Level 3
Foreign exchange derivative assets	\$ 5,949	\$ —	\$ 5,949	\$ —
Total assets measured at fair value on a recurring basis	\$ 5,949	\$ —	\$ 5,949	\$ —
Foreign exchange derivative liabilities	\$ 699	\$ —	\$ 699	\$ —
Contingent consideration liabilities	28,882	—	—	28,882
Total liabilities measured at fair value on a recurring basis	\$ 29,581	\$ —	\$ 699	\$ 28,882

	As of December 31, 2023			
	Balance	Level 1	Level 2	Level 3
Foreign exchange derivative assets	\$ 10,416	\$ —	\$ 10,416	\$ —
Total assets measured at fair value on a recurring basis	\$ 10,416	\$ —	\$ 10,416	\$ —
Foreign exchange derivative liabilities	\$ 248	\$ —	\$ 248	\$ —
Contingent consideration liabilities	23,150	—	—	23,150
Total liabilities measured at fair value on a recurring basis	\$ 23,398	\$ —	\$ 248	\$ 23,150

The foreign exchange derivatives are valued using pricing models and discounted cash flow methodologies based on observable foreign exchange data at the measurement date. See Note 6 "Derivative Financial Instruments" in the condensed consolidated interim financial statements for additional information regarding derivative financial instruments.

The fair value of the contingent consideration was determined using a probability-weighted expected return method and is based on the expected future payments to be made to the sellers of the acquired businesses in accordance with the provisions outlined in the respective purchase agreements. Although there is significant judgment involved, the Company believes its estimates and assumptions are reasonable. In determining fair value, the Company considered a variety of factors, including future performance of the acquired businesses using financial projections developed by the Company and market risk assumptions that were derived for revenue growth and earnings before interest and taxes. The Company estimated future payments using the earnout formula and performance targets specified in the purchase agreements and adjusted those estimates to reflect the probability of their achievement. Those weighted-average estimated future payments were then discounted to present value using a rate based on the weighted-average cost of capital of guideline companies. The discount rates used to determine the fair value of contingent consideration for the 2024 Acquisitions ranged from a minimum of 12 % to a maximum of 20 %. The discount rate used to determine the fair value of contingent consideration for the 2023 Acquisitions was 16.0 %. Changes in financial projections, market risk assumptions, discount rates or probability assumptions related to achieving the various earnout criteria would result in a change in the fair value of the recorded contingent liabilities. Such changes, if any, are recorded within Interest and other income, net in the Company's condensed consolidated statement of income.

A reconciliation of the beginning and ending balances of Level 3 contingent consideration liabilities using significant unobservable inputs for the three months ended March 31, 2024 is as follows:

	Amount
Contingent consideration liabilities as of January 1, 2024	\$ 23,150
Acquisition date fair value of contingent consideration — 2024 Acquisitions	7,256
Changes in fair value of contingent consideration included in Interest and other income, net	1,050
Payment of contingent consideration for previously acquired businesses	(2,500)
Effect of foreign currency exchange rate changes, net	(74)
	28,882
Contingent consideration liabilities as of March 31, 2024	\$

Financial Assets and Liabilities Not Measured at Fair Value on a Recurring Basis

The following tables present the estimated fair values of the Company's financial assets and liabilities not measured at fair value on a recurring basis as of the dates indicated:

		Estimated Fair Value	Fair Value Hierarchy		
			Level 1	Level 2	Level 3
March 31, 2024					
Financial Assets:					
Cash equivalents:					
Money market funds	\$ 127,993	\$ 127,993	\$ 127,993	\$ —	\$ —
Time deposits	197,701	197,701	—	197,701	—
Total cash equivalents	\$ 325,694	\$ 325,694	\$ 127,993	\$ 197,701	\$ —
Time deposits included in Short-term investments	\$ 61,625	\$ 61,625	\$ —	\$ 61,625	\$ —
Financial Liabilities:					
Borrowings under the 2021 Credit Agreement	\$ 25,000	\$ 25,000	\$ —	\$ 25,000	\$ —
Deferred consideration for asset acquisition	\$ 45,820	\$ 45,820	\$ —	\$ 45,820	\$ —

		Estimated Fair Value	Fair Value Hierarchy		
			Level 1	Level 2	Level 3
December 31, 2023					
Financial Assets:					
Cash equivalents:					
Money market funds	\$ 168,120	\$ 168,120	\$ 168,120	\$ —	\$ —
Time deposits	105,210	105,210	—	105,210	—
Total cash equivalents	\$ 273,330	\$ 273,330	\$ 168,120	\$ 105,210	\$ —
Time deposits included in Short-term investments	\$ 60,739	\$ 60,739	\$ —	\$ 60,739	\$ —
Financial Liabilities:					
Borrowings under the 2021 Credit Agreement	\$ 25,000	\$ 25,000	\$ —	\$ 25,000	\$ —
Deferred consideration for asset acquisition	\$ 46,954	\$ 46,954	\$ —	\$ 46,954	\$ —

Non-Marketable Securities Without Readily Determinable Fair Values

The Company holds investments in equity securities that do not have readily determinable fair values. These investments are recorded at cost and are remeasured to fair value based on certain observable price changes or impairment events as they occur. The carrying amount of these investments was \$ 31.9 million and \$ 31.7 million as of March 31, 2024 and December 31, 2023, respectively, and is classified as Other noncurrent assets in the Company's condensed consolidated balance sheets.

6. DERIVATIVE FINANCIAL INSTRUMENTS

In the normal course of business, the Company uses derivative financial instruments to manage the risk of fluctuations in foreign currency exchange rates. The Company has a hedging program whereby it enters into a series of foreign exchange forward contracts with durations of twelve months or less that are designated as cash flow hedges of forecasted Polish zloty, Indian rupee and Hungarian forint transactions.

As of March 31, 2024, all of the Company's foreign exchange forward contracts were designated as hedges and there is no financial collateral (including cash collateral) required to be posted by the Company related to the foreign exchange forward contracts.

The fair value of derivative instruments on the Company's condensed consolidated balance sheets as of March 31, 2024 and December 31, 2023 were as follows:

	Balance Sheet Classification	As of March 31, 2024		As of December 31, 2023	
		Asset Derivatives	Liability Derivatives	Asset Derivatives	Liability Derivatives
Foreign exchange forward contracts - Designated as hedging instruments	Prepaid expenses and other current assets	5,949		10,416	
		\$		\$	
	Accrued expenses and other current liabilities		\$ 699		\$ 248

7. LEASES

The Company leases office space, corporate apartments, office equipment, and vehicles. Many of the Company's leases contain variable payments including changes in base rent and charges for common area maintenance or other miscellaneous expenses. Due to this variability, the cash flows associated with these variable payments are not included in the minimum lease payments used in determining the right-of-use assets and associated lease liabilities and are recognized in the period in which the obligation for such payments is incurred. The Company's leases have remaining lease terms ranging from 0.1 to 7.8 years. Certain lease agreements, mainly for office space, include options to extend or terminate the lease before the expiration date. The Company considers such options when determining the lease term when it is reasonably certain that the Company will exercise that option. The Company leases and subleases a portion of its office space to third parties. Lease income and sublease income were not material for the three months ended March 31, 2024 and 2023.

During the three months ended March 31, 2024 and 2023, the components of lease cost were as follows:

Income Statement Classification		Three Months Ended March 31,	
		2024	2023
Operating lease cost	Selling, general and administrative expenses	\$ 10,853	\$ 11,183
Variable lease cost	Selling, general and administrative expenses	2,629	3,648
Short-term lease cost	Selling, general and administrative expenses	959	2,656
Total lease cost		14,441	17,487
		\$	\$

Supplemental cash flow information related to leases for the three months ended March 31, 2024 and 2023 was as follows:

		Three Months Ended March 31,	
		2024	2023
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows used for operating leases		11,703	11,719
		\$	\$
Right-of-use assets obtained in exchange for lease obligations:			
Operating leases		\$ 7,653	\$ 3,349
Non-cash net increase due to lease modifications:			
Operating lease right-of-use assets		\$ 5,299	\$ 1,383
Operating lease liabilities		\$ 5,190	\$ 1,114

Weighted average remaining lease term and discount rate as of March 31, 2024 and 2023 were as follows:

	As of March 31, 2024		As of March 31, 2023	
Weighted average remaining lease term, in years:				
Operating leases	4.9		5.3	
Weighted average discount rate:				
Operating leases	4.3	%	3.3	%

As of March 31, 2024, operating lease liabilities will mature as follows:

Year ending December 31,	Lease Payments
2024 (excluding three months ended March 31, 2024)	\$ 31,706
2025	36,502
2026	31,054
2027	22,461
2028	18,596
Thereafter	20,637
Total lease payments	160,956
Less: imputed interest	(14,383)
Total	\$ 146,573

The Company had committed to payments of \$ 4.7 million related to operating lease agreements that had not yet commenced as of March 31, 2024. These operating leases will commence on various dates during 2024 with lease terms ranging from 0.8 to 5.0 years. The Company did not have any material finance lease agreements that had not yet commenced.

8. DEBT

Revolving Credit Facility — On October 21, 2021, the Company replaced its 2017 credit facility with a new unsecured credit agreement (the "2021 Credit Agreement") with PNC Bank, National Association; PNC Capital Markets LLC; Citibank N.A.; Wells Fargo Bank, National Association; Santander Bank, N.A.; and Raiffeisen Bank International AG (collectively the "Lenders"). The 2021 Credit Agreement provides for a revolving credit facility (the "2021 Revolving Facility") with a borrowing capacity of \$ 700.0 million, with the potential to increase the borrowing capacity up to \$ 1.000 billion if certain conditions are met. The 2021 Credit Agreement matures on October 21, 2026.

Borrowings under the 2021 Revolving Facility may be denominated in U.S. dollars or up to a maximum of \$ 150.0 million equivalent in British pounds sterling, Canadian dollars, euros or Swiss francs and other currencies as may be approved by the administrative agent and the Lenders. Borrowings under the 2021 Revolving Facility bear interest at either a base rate or Euro-rate plus a margin based on the Company's leverage ratio. The base rate is equal to the highest of (a) the Overnight Bank Funding Rate, plus 0.5 %, (b) the Prime Rate, or (c) the Daily Simple SOFR Rate, plus 1.0 %, so long as the Daily Simple SOFR Rate is offered, ascertainable and not unlawful. As of March 31, 2024, the Company's outstanding borrowings are subject to a SOFR-based interest rate, which resets regularly at issuance, based on lending terms.

The 2021 Credit Agreement includes customary business and financial covenants that may restrict the Company's ability to make or pay dividends (other than certain intercompany dividends) if a potential or an actual event of default has occurred or would be triggered. As of March 31, 2024, the Company was in compliance with all covenants contained in the 2021 Credit Agreement.

The following table presents the outstanding debt and borrowing capacity of the Company under the 2021 Credit Agreement:

	As of March 31, 2024		As of December 31, 2023
Outstanding debt	\$ 25,000		\$ 25,000
Interest rate	6.3 %		6.3 %
Available borrowing capacity	\$ 675,000		\$ 675,000
Maximum borrowing capacity	\$ 700,000		\$ 700,000

9. COST OPTIMIZATION PROGRAM

During the quarter ended September 30, 2023, the Company initiated a Cost Optimization Program to streamline operations and optimize corporate functions. This program is expected to include workforce reduction and closure of underutilized facilities.

The total costs related to the Cost Optimization Program are classified in Selling, general and administrative expenses in the condensed consolidated statements of income. The Company did not allocate these charges to individual segments as they are not considered by the chief operating decision maker during the review of segment results. Accordingly, such expenses are presented in our segment reporting as part of "Other unallocated expenses" (See Note 15 "Segment Information").

Activity in the Company's restructuring reserves was as follows:

	Balance at December 31, 2023	Charges	Payments Made	Balance at March 31, 2024
2023 Cost Optimization Program				
Employee separation costs	\$ 6,966	\$ 7,017	\$ (11,326)	\$ 2,657
Total	\$ 6,966	\$ 7,017	\$ (11,326)	\$ 2,657

The Company expects to complete all restructuring actions commenced during the year ended December 31, 2023 by the end of the first half of 2024 and to incur additional charges of approximately \$ 3.0 million related primarily to employee severance. The actual amount and timing of severance and other costs are dependent in part upon local country consultation processes and regulations and may differ from our current expectations and estimates.

10. REVENUES

Disaggregation of Revenues

The following tables present the disaggregation of the Company's revenues by client location, including a reconciliation of the disaggregated revenues with the reportable segments (Note 15 "Segment Information") for the periods indicated:

	Three Months Ended March 31, 2024		
	Reportable Segments		Consolidated Revenues
	North America	Europe	
Client Locations			
Americas	\$ 668,182	\$ 24,738	\$ 692,920
EMEA	35,824	413,423	449,247
APAC	723	22,575	23,298
CEE ⁽¹⁾	—	—	—
Revenues	\$ 704,729	\$ 460,736	\$ 1,165,465

⁽¹⁾As a result of the sale of the Company's remaining holdings in Russia to a third-party on July 26, 2023, revenues from the CEE region are no longer material. Starting in 2024, revenues from the CEE region are included in the EMEA region.

	Three Months Ended March 31, 2023		
	Reportable Segments		Consolidated Revenues
	North America	Europe	Russia
Client Locations			
Americas	\$ 683,553	\$ 25,954	\$ 295
EMEA	25,372	438,565	—
APAC	726	26,084	—
CEE	306	2,544	7,542
Revenues	\$ 709,957	\$ 493,147	\$ 7,837

The following tables present the disaggregation of the Company's revenues by industry vertical, including a reconciliation of the disaggregated revenues with the reportable segments (Note 15 "Segment Information") for the periods indicated:

	Three Months Ended March 31, 2024		
	Reportable Segments		Consolidated Revenues
	North America	Europe	
Industry Verticals			
Consumer Goods, Retail & Travel ⁽¹⁾	\$ 117,691	\$ 141,439	\$ 259,130
Financial Services	124,292	118,444	242,736
Software & Hi-Tech	133,194	40,238	173,432
Business Information & Media	106,692	63,626	170,318
Life Sciences & Healthcare	121,717	18,492	140,209
Emerging Verticals	101,143	78,497	179,640
Revenues	\$ 704,729	\$ 460,736	\$ 1,165,465

	Three Months Ended March 31, 2023			
	Reportable Segments			Consolidated Revenues
	North America	Europe	Russia	
Industry Verticals				
Consumer Goods, Retail & Travel ⁽¹⁾	\$ 123,659	\$ 153,055	\$ 1,646	\$ 278,360
Financial Services	143,850	123,608	3,207	270,665
Software & Hi-Tech	149,798	38,682	711	189,191
Business Information & Media	116,158	86,108	114	202,380
Life Sciences & Healthcare	96,597	14,526	135	111,258
Emerging Verticals	79,895	77,168	2,024	159,087
Revenues	\$ 709,957	\$ 493,147	\$ 7,837	\$ 1,210,941

⁽¹⁾ The Company renamed the Travel & Consumer vertical to Consumer Goods, Retail & Travel to better reflect the mix of clients included in this vertical. This constitutes a naming change only and no changes were made to amounts reported.

The following tables present the disaggregation of the Company's revenues by contract type including a reconciliation of the disaggregated revenues with the Company's reportable segments (Note 15 "Segment Information") for the periods indicated:

	Three Months Ended March 31, 2024		
	Reportable Segments		Consolidated Revenues
	North America	Europe	
Contract Types			
Time-and-material	\$ 605,696	\$ 375,830	\$ 981,526
Fixed-price	92,035	84,289	176,324
Licensing and other revenues	6,998	617	7,615
Revenues	\$ 704,729	\$ 460,736	\$ 1,165,465

Three Months Ended March 31, 2023				
	Reportable Segments			Consolidated Revenues
	North America	Europe	Russia	
Contract Types				
Time-and-material	\$ 644,628	\$ 425,598	\$ 4,753	\$ 1,074,979
Fixed-price	61,231	66,203	3,071	130,505
Licensing and other revenues	4,098	1,346	13	5,457
Revenues	\$ 709,957	\$ 493,147	\$ 7,837	\$ 1,210,941

Timing of Revenue Recognition

The following tables present the timing of revenue recognition reconciled with the Company's reportable segments (Note 15 "Segment Information") for the periods indicated:

Three Months Ended March 31, 2024				
	Reportable Segments			Consolidated Revenues
	North America	Europe		
Timing of Revenue Recognition				
Transferred over time	\$ 700,384	\$ 460,655		\$ 1,161,039
Transferred at a point of time	4,345	81		4,426
Revenues	\$ 704,729	\$ 460,736		\$ 1,165,465

Three Months Ended March 31, 2023				
	Reportable Segments			Consolidated Revenues
	North America	Europe	Russia	
Timing of Revenue Recognition				
Transferred over time	\$ 707,034	\$ 492,397	\$ 7,824	\$ 1,207,255
Transferred at a point of time	2,923	750	13	3,686
Revenues	\$ 709,957	\$ 493,147	\$ 7,837	\$ 1,210,941

During the three months ended March 31, 2024, the Company recognized \$ 13.1 million of revenues from performance obligations satisfied in previous periods compared to \$ 7.2 million during the three months ended March 31, 2023.

The following table includes the estimated revenues expected to be recognized in the future related to performance obligations that are partially or fully unsatisfied as of March 31, 2024. The Company applies a practical expedient and does not disclose the value of unsatisfied performance obligations for contracts (i) that have an original expected duration of one year or less and (ii) for which it recognizes revenues at the amount to which it has the right to invoice for services provided.

	Less than 1 year	1 Year	2 Years	3 Years	Total
Contract Type					
Fixed-price	\$ 18,228	\$ 777	\$ —	\$ —	\$ 19,005

The Company applies a practical expedient and does not disclose the amount of the transaction price allocated to the remaining performance obligations nor provide an explanation of when the Company expects to recognize that amount as revenue for certain variable consideration.

Contract Balances

The following table provides information on the classification of contract assets and liabilities in the condensed consolidated balance sheets:

	As of March 31, 2024	As of December 31, 2023
Contract assets included in Trade receivables and contract assets, net	\$ 31,117	\$ 24,309
Contract liabilities included in Accrued expenses and other current liabilities	\$ 34,390	\$ 27,988
Contract liabilities included in Other noncurrent liabilities	\$ 496	\$ 951

Contract assets comprise amounts where the Company's right to bill is contingent on something other than the passage of time such as achievement of contractual milestones. Contract assets have increased from December 31, 2023 primarily due to contracts where the Company's right to bill is contingent upon achievement of contractual milestones. Contract liabilities comprise amounts collected from the Company's clients for revenues not yet earned and such amounts are anticipated to be recorded as revenues when services are performed in subsequent periods. Contract liabilities have increased from December 31, 2023 primarily due to higher levels of advance collections.

During the three months ended March 31, 2024, the Company recognized \$ 12.1 million of revenues that were included in Accrued expenses and other current liabilities at December 31, 2023. During the three months ended March 31, 2023, the Company recognized \$ 19.2 million of revenues that were included in Accrued expenses and other current liabilities at December 31, 2022.

11. STOCKHOLDERS' EQUITY

Stock-Based Compensation

The following table summarizes the components of stock-based compensation expense recognized in the Company's condensed consolidated statements of income for the periods indicated:

	Three Months Ended March 31,	
	2024	2023
Cost of revenues (exclusive of depreciation and amortization)	\$ 22,357	\$ 16,011
Selling, general and administrative expenses	22,434	22,568
Total	\$ 44,791	\$ 38,579

Stock Options

Stock option activity under the Company's plans is set forth below:

	Number of Options	Weighted Average Exercise Price	Aggregate Intrinsic Value	Weighted Average Remaining Contractual Term (in years)
Options outstanding at January 1, 2024	1,629	\$ 125.88		
Options granted	79	\$ 298.85		
Options exercised	(370)	\$ 41.25		
Options forfeited	(2)	\$ 313.86		
Options expired	(1)	\$ 455.47		
Options outstanding at March 31, 2024	1,335	\$ 159.00	\$ 172,730	4.3
Options vested and exercisable as of March 31, 2024	1,080	\$ 124.97	\$ 171,999	3.2
Options expected to vest as of March 31, 2024	239	\$ 303.14	\$ 689	8.7

As of March 31, 2024, \$ 29.8 million of total remaining unrecognized stock-based compensation cost related to unvested stock options, net of estimated forfeitures, is expected to be recognized over the weighted-average remaining requisite service period of 2.4 years.

Restricted Stock and Restricted Stock Units

Service-Based Awards

The table below summarizes activity related to the Company's equity-classified and liability-classified service-based awards for the three months ended March 31, 2024:

	Equity-Classified Equity-Settled Restricted Stock Units		Liability-Classified Cash-Settled Restricted Stock Units	
	Number of Shares	Weighted Average Grant Date Fair Value Per Share	Number of Shares	Weighted Average Grant Date Fair Value Per Share
Unvested service-based awards outstanding at January 1, 2024		292.45		287.36
	1,074	\$	98	\$
Awards granted	488	298.16	34	298.89
Awards modified	1	366.27	(1)	114.30
Awards vested	(259)	281.75	(36)	270.45
Awards forfeited/cancelled	(17)	303.84	(1)	284.41
Unvested service-based awards outstanding at March 31, 2024	1,287	296.66	94	299.53

As of March 31, 2024, \$ 306.6 million of total remaining unrecognized stock-based compensation cost related to service-based equity-classified restricted stock units ("RSUs"), net of estimated forfeitures, is expected to be recognized over the weighted-average remaining requisite service period of 3.0 years.

As of March 31, 2024, \$ 22.2 million of total remaining unrecognized stock-based compensation cost related to service-based liability-classified cash-settled RSUs, net of estimated forfeitures, is expected to be recognized over the weighted-average remaining requisite service period of 2.9 years.

The liability associated with the service-based liability-classified RSUs as of March 31, 2024 and December 31, 2023, was \$ 4.3 million and \$ 8.7 million, respectively, and was classified as Accrued compensation and benefits expenses in the condensed consolidated balance sheets.

Performance-Based Awards

The table below summarizes activity related to the Company's equity-classified performance-based restricted stock unit awards ("PSUs") for the three months ended March 31, 2024:

	Equity-Classified Equity-Settled Restricted Stock Units	
	Number of Shares	Weighted Average Grant Date Fair Value Per Share
Unvested performance-based awards outstanding at January 1, 2024		441.87
	13	\$
Awards granted	32	336.55
Awards vested	(2)	593.58
Unvested performance-based awards outstanding at March 31, 2024	43	355.02

As of March 31, 2024, \$ 9.9 million of total remaining unrecognized stock-based compensation cost related to PSUs is expected to be recognized over the weighted-average remaining requisite service period of 1.2 years.

During the three months ended March 31, 2024, the Company granted to its named executive officers and certain other members of senior management PSUs that vest after 3 years, contingent on meeting certain financial performance targets, market conditions and continued service. The financial performance targets will be set by the Compensation Committee of the Board of Directors at the beginning of each year. For the portion of the awards subject to market conditions, fair value was determined using a Monte Carlo valuation model. The portion of the awards associated with financial performance in future years where the financial performance targets have not yet been determined are not considered granted for accounting purposes and there were 32 thousand of such awards as of March 31, 2024.

2021 Employee Stock Purchase Plan

The 2021 Employee Stock Purchase Plan ("ESPP") enables eligible employees to purchase shares of EPAM's common stock at a discount at the end of each designated offering period, which occurs every six months ending April 30th and October 31st. The purchase price is equal to 85 % of the fair market value of a share of EPAM's common stock on the first date of an offering or the date of purchase, whichever is lower. During the three months ended March 31, 2024 and 2023, no purchases of common stock have been made under the ESPP.

The Company recognizes compensation expense related to share issuances pursuant to the ESPP on a straight-line basis over the six-month offering period. For the three months ended March 31, 2024, the Company recognized \$ 2.7 million of stock-based compensation expense related to the ESPP. For the three months ended March 31, 2023, the Company recognized \$ 3.2 million of stock-based compensation expense related to the ESPP. As of March 31, 2024, total unrecognized stock-based compensation cost related to the ESPP was \$ 0.9 million, which is expected to be recognized over a period of 0.1 years.

Commitments for Future Equity Awards

In connection with the Company's acquisitions of businesses as discussed in Note 3 "Acquisitions," EPAM enters into agreements that contractually commit it to granting equity awards at future dates. The agreements are unique to each acquisition and terms vary, including specifying either the number of future awards to be issued or a monetary value that will be settled with equity awards valued at future stock prices.

As of March 31, 2024, the Company has commitments to grant up to \$ 15.1 million of equity awards with the number of awards to be determined based on future stock prices. Additionally, these awards contain performance criteria that will determine the number of future awards to be issued and there is a service-based vesting requirement after the grant date associated with these awards. As these awards are considered granted for accounting purposes, in determining the expense, the Company adjusts the expected settlement based on the probability of achievement of the performance criteria. Related to these awards, the amount of stock-based compensation expense recorded in the condensed consolidated statements of income for the three months ended March 31, 2024 was not material.

Share Repurchases

On February 13, 2023, the Board of Directors authorized a share repurchase program for up to \$ 500.0 million of the Company's outstanding common stock. EPAM may repurchase shares of its common stock on a discretionary basis from time to time through open market purchases, privately negotiated transactions or other means, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. The timing and total amount of stock repurchases will depend upon business, economic and market conditions, corporate and regulatory requirements, prevailing stock prices, and other considerations. The share repurchase program has a term of 24 months, may be suspended or discontinued at any time, and does not obligate the company to acquire any amount of common stock.

Share repurchase activity during the three months ended March 31, 2024 and 2023 was as follows:

	Three Months Ended March 31,	
	2024	2023
Number of shares of common stock repurchased	396	30
Total cost of repurchases	\$ 120,593	\$ 8,510

As of March 31, 2024, a remaining balance of \$ 214.5 million was available for purchases of the Company's common stock under the share repurchase program authorized by the Company's Board of Directors.

12. INCOME TAXES

In determining its interim provision for income taxes, the Company uses an estimated annual effective tax rate, which is based on expected annual profit before tax, statutory tax rates and tax planning opportunities available in the various jurisdictions in which the Company operates. Certain significant or unusual items are separately recognized in the quarter in which they occur and can be a source of variability in the effective tax rates from quarter to quarter.

The Company's worldwide effective tax rate for the three months ended March 31, 2024 and 2023 was 6.0 % and 19.6 %, respectively. The Company's effective tax rate benefited from excess tax benefits recorded upon vesting or exercise of stock-based awards of \$ 20.9 million and \$ 6.0 million during the three months ended March 31, 2024 and 2023, respectively. Additionally, during the three months ended March 31, 2024, the Company's effective tax rate benefited from the recognition of one-time benefits of \$ 2.3 million, resulting from the Company's decision to change the tax status and to classify certain of its foreign subsidiaries as disregarded entities for U.S. income tax purposes, and \$ 1.7 million resulting from the reversal of a reserve for an uncertain tax position.

13. EARNINGS PER SHARE

Basic earnings per share is computed by dividing net income available to common shareholders by the weighted-average number of shares of common stock outstanding during the period. For purposes of computing basic earnings per share, any unvested shares of restricted stock that have been issued by the Company and are contingently returnable to the Company are excluded from the weighted-average number of shares of common stock outstanding during the period. Diluted earnings per share is computed by dividing net income available to common shareholders by the weighted-average number of shares of common stock outstanding during the period increased to include the number of additional shares of common stock that would have been outstanding if the potentially dilutive securities had been issued. Potentially dilutive securities include outstanding stock options, unvested restricted stock, unvested equity-settled RSUs and the stock to be issued under the Company's ESPP. The dilutive effect of potentially dilutive securities is reflected in diluted earnings per share by application of the treasury stock method.

The following table sets forth the computation of basic and diluted earnings per share of common stock as follows:

	Three Months Ended March 31,	
	2024	2023
Numerator for basic and diluted earnings per share:		
Net income	\$ 116,243	\$ 102,292
Numerator for basic and diluted earnings per share	<u>\$ 116,243</u>	<u>\$ 102,292</u>
Denominator:		
Weighted average common shares for basic earnings per share	57,837	57,702
Net effect of dilutive stock options, restricted stock units, restricted stock awards and stock issuable under the ESPP	1,094	1,596
Weighted average common shares for diluted earnings per share	<u>58,931</u>	<u>59,298</u>
Net income per share:		
Basic	\$ 2.01	\$ 1.77
Diluted	\$ 1.97	\$ 1.73

The number of shares underlying equity-based awards that were excluded from the calculation of diluted earnings per share as their effect would be anti-dilutive was 363 thousand and 260 thousand during the three months ended March 31, 2024 and 2023, respectively.

14. COMMITMENTS AND CONTINGENCIES

Indemnification Obligations — In the normal course of business, the Company is a party to a variety of agreements under which it may be obligated to indemnify the other party for certain matters. These obligations typically arise in contracts where the Company customarily agrees to hold the other party harmless against losses arising from a breach of representations or covenants for certain matters, infringement of third-party intellectual property rights, data privacy violations, and certain tortious conduct in the course of providing services. The duration of these indemnifications varies, and in certain cases, is indefinite.

The Company is unable to reasonably estimate the maximum potential amount of future payments under these or similar agreements due to the unique facts and circumstances of each agreement and the fact that certain indemnifications provide for no limitation to the maximum potential future payments under the indemnification. Management is not aware of any such matters that would have a material effect on the condensed consolidated financial statements of the Company.

Litigation — From time to time, the Company is involved in litigation, claims or other contingencies arising in the ordinary course of business. The Company accrues a liability when a loss is considered probable and the amount can be reasonably estimated. When a material loss contingency is reasonably possible but not probable, the Company does not record a liability, but instead discloses the nature and the amount of the claim, and an estimate of the loss or range of loss, if such an estimate can be made. Legal fees are expensed as incurred. In the opinion of management, the outcome of any existing claims and legal or regulatory proceedings, if decided adversely, is not expected to have a material effect on the Company's business, financial condition, results of operations or cash flows.

Ukraine Humanitarian Commitment — On March 4, 2022, EPAM announced that it has established a \$ 100.0 million humanitarian commitment to support its employees in Ukraine and their families. See Note 2 "Impact of the Invasion of Ukraine" for more information regarding commitment to humanitarian aid for Ukraine.

Deferred Consideration — During the year ended December 31, 2022, the Company purchased software licenses for use in the regular course of business in exchange for an upfront payment and fixed, subsequent annual payments due over the next 4 years. This agreement was modified during the year ended December 31, 2023. As of March 31, 2024, the undiscounted deferred consideration amounts owed totaled approximately \$ 49.7 million and are expected to be paid as follows: \$ 16.6 million during the remainder of 2024, \$ 16.6 million in 2025, and \$ 16.5 million in 2026.

Contractual Commitment — On March 31, 2023, the Company entered into a 5 -year agreement for cloud services through which it committed to spending at least \$ 75.0 million over the term of the agreement. The Company has the ability to cancel the commitment whereby it would incur a cancellation penalty of 20 % of the remaining contractual commitment.

15. SEGMENT INFORMATION

The Company determines its business segments and reports segment information in accordance with how the Company's chief operating decision maker ("CODM") organizes the segments to evaluate performance, allocate resources and make business decisions. Segment results are based on the segment's revenues and operating profit, where segment operating profit is defined as income from operations before unallocated costs. Expenses included in segment operating profit consist principally of direct selling and delivery costs as well as an allocation of certain shared services expenses. Certain corporate expenses are not allocated to specific segments as these expenses are not controllable at the segment level. Such expenses include certain types of professional fees, certain taxes included in operating expenses, compensation to non-employee directors and certain other general and administrative expenses, including compensation of specific groups of non-production employees. In addition, the Company does not allocate amortization of intangible assets acquired through business combinations, goodwill and other asset impairment charges, stock-based compensation expenses, acquisition-related costs and certain other one-time charges and benefits. These unallocated amounts are combined with total segment operating profit to arrive at consolidated income from operations as reported below in the reconciliation of segment operating profit to consolidated income before provision for income taxes. Additionally, management has determined that it is not practical to allocate identifiable assets by segment since such assets are used interchangeably among the segments.

The Company manages its business primarily based on the managerial responsibility for its client base and market. As managerial responsibility for a particular client relationship generally correlates with the client's geographic location, there is a high degree of similarity between client locations and the geographic boundaries of the Company's reportable segments. In some cases, managerial responsibility for a particular client is assigned to a management team in another region and is usually based on the strength of the relationship between client executives and particular members of EPAM's senior management team. In such cases, the client's activity would be reported through the management team's reportable segment.

On July 26, 2023, the Company completed the sale of its remaining holdings in Russia to a third party. As a result of this sale, the Company no longer has operations associated with this segment.

Revenues from external clients and operating profit/(loss), before unallocated expenses, by reportable segment for the three months ended March 31, 2024 and 2023, were as follows:

	Three Months Ended March 31,	
	2024	2023
Segment revenues:		
North America	\$ 704,729	\$ 709,957
Europe	460,736	493,147
Russia	—	7,837
Total segment revenues	\$ 1,165,465	\$ 1,210,941
Segment operating profit/(loss):		
North America	\$ 120,664	\$ 122,831
Europe	60,519	59,904
Russia	—	(3,005)
Total segment operating profit	\$ 181,183	\$ 179,730

Intersegment transactions were excluded from the above on the basis that they are neither included in the measure of a segment's profit and loss results, nor considered by the CODM during the review of segment results.

There were no clients that accounted for more than 10% of total segment revenues during the three months ended March 31, 2024 and 2023.

Reconciliation of segment operating profit to consolidated income before provision for income taxes is presented below:

	Three Months Ended March 31,	
	2024	2023
Total segment operating profit:	\$ 181,183	\$ 179,730
Unallocated amounts:		
Stock-based compensation expense	(44,791)	(38,579)
Amortization of intangibles assets	(5,949)	(5,537)
Other acquisition-related expenses	(1,223)	(241)
Other unallocated expenses	(18,688)	(15,002)
Income from operations	110,532	120,371
Interest and other income, net	15,042	11,521
Foreign exchange loss	(1,919)	(4,608)
Income before provision for income taxes	\$ 123,655	\$ 127,284

Geographic Area Information

Long-lived assets presented in the table below include property and equipment, net of accumulated depreciation and amortization, and management has determined that it is not practical to allocate these assets by segment since such assets are used interchangeably among the segments. Physical locations and values of the Company's long-lived assets are presented below:

	As of March 31, 2024	As of December 31, 2023
Ukraine	\$ 60,825	\$ 62,653
Belarus	48,473	49,875
United States	40,601	42,510
Poland	13,920	15,057
India	12,006	12,735
Hungary	5,715	6,683
Other	40,704	45,540
Total	\$ 222,244	\$ 235,053

The table below presents information about the Company's revenues by client location for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,	
	2024	2023
United States	\$ 667,148	\$ 679,437
United Kingdom	135,901	155,327
Switzerland	98,444	89,861
Netherlands	51,670	59,100
Germany	50,462	42,735
Canada	22,620	27,832
Russia	—	5,873
Other locations	139,220	150,776
Total	\$ 1,165,465	\$ 1,210,941

16. ACCUMULATED OTHER COMPREHENSIVE LOSS

The following table summarizes the changes in the accumulated balances for each component of accumulated other comprehensive loss:

	Three Months Ended March 31,	
	2024	2023
Foreign currency translation		
Beginning balance	(43,601)	(101,780)
Foreign currency translation	(23,501)	16,300
Income tax benefit/ (expense)	4,789	(3,073)
Foreign currency translation, net of tax	(18,712)	13,227
Ending balance	(62,313)	(88,553)
Cash flow hedging instruments		
Beginning balance	7,819	8,306
Unrealized (loss)/ gain in fair value	(2,507)	7,895
Net gain reclassified into Cost of revenues (exclusive of depreciation and amortization)	(2,411)	(2,580)
Net loss reclassified into Foreign exchange loss	—	33
Income tax benefit/ (expense)	1,136	(1,214)
Cash flow hedging instruments, net of tax	(3,782)	4,134
Ending balance ⁽¹⁾	4,037	12,440
Defined benefit plans		
Beginning balance	(3,258)	(1,847)
Actuarial gains	182	—
Defined benefit plans, net of tax	182	—
Ending balance	(3,076)	(1,847)
	(61,352)	(77,960)
Accumulated other comprehensive loss		

- (1) As of March 31, 2024, the ending balance of net unrealized gain related to derivatives designated as cash flow hedges is expected to be reclassified into Cost of revenues (exclusive of depreciation and amortization) in the next twelve months.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with our Annual Report on Form 10-K for the year ended December 31, 2023 and the unaudited condensed consolidated financial statements and the related notes included elsewhere in this quarterly report. In addition to historical information, this discussion contains forward-looking statements that involve risks, uncertainties and assumptions that could cause actual results to differ materially from management's expectations. Factors that could cause such differences are discussed in the sections entitled "Forward-Looking Statements" in this item and in "Part I. Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023. We assume no obligation to update any of these forward-looking statements.

In this quarterly report, "EPAM," "EPAM Systems, Inc.," the "Company," "we," "us" and "our" refer to EPAM Systems, Inc. and its consolidated subsidiaries.

"EPAM" is a trademark of EPAM Systems, Inc. All other trademarks and service marks used herein are the property of their respective owners.

Executive Summary

We have used our software engineering expertise to become a leading global provider of digital engineering, cloud and AI-enabled transformation services, as well as a leading business and experience consulting partner for global enterprises and ambitious startups. We address our clients' transformation challenges by fusing EPAM Continuum's integrated strategy, experience and technology consulting with our 30+ years of engineering execution to speed our clients' time to market and drive greater value from their digital investments.

Through increased specialization in focused verticals and a continued emphasis on strategic partnerships, we are able to deliver technology transformation from start to finish, leveraging agile methodologies, proven client collaboration frameworks, engineering excellence tools, hybrid teams and our award-winning proprietary global delivery platform.

Our clients depend on us to solve their complex technical challenges and rely on our expertise in core engineering, advanced technologies, digital design and intelligent enterprise development. We combine our software engineering heritage with strategic business and innovation consulting, design thinking, and physical-digital capabilities to deliver end-to-end digital transformation services for our clients. We focus on building long-term partnerships with our clients in a market that is constantly challenged by the pressures of digitization through our innovative strategy and scalable software solutions, integrated advisory, business consulting and experience design, and a continually evolving mix of advanced capabilities.

Our global delivery model and centralized support functions, combined with the benefits of scale from the shared use of fixed-cost resources, enhance our productivity levels and enable us to better manage the efficiency of our global operations. As a result, we have created a delivery base whereby our applications, tools, methodologies and infrastructure allow us to seamlessly deliver services and solutions from our global delivery centers to our clients across the world. Our teams of consultants, designers, architects, engineers and trainers have the capabilities and skill sets to deliver business results.

Business Update Regarding the War in Ukraine

On February 24, 2022, Russian forces attacked Ukraine and its people and EPAM has repeatedly called for an immediate end to this unlawful and unconscionable attack. EPAM's highest priority is the safety and security of its employees and their families in Ukraine as well as in the broader region, and we have continued to support relocating our employees to lower risk locations, both in Ukraine and to other countries where we operate. The vast majority of our Ukraine employees are in safe locations and operating at levels of productivity consistent with those achieved prior to the attack. As of March 31, 2024, Ukraine continues to be our largest delivery location with the most delivery professionals. Furthermore, we have maintained our \$100 million humanitarian aid commitment to our people in Ukraine in addition to our other donations and volunteer efforts.

The impact of Russia's invasion of Ukraine on our operations, personnel, and physical assets in Ukraine has had, and, along with any escalation of the war that includes Belarus' territory or military, could continue to have a material adverse effect on our operations. Actions taken by other countries, including new and stricter sanctions by Canada, the United Kingdom, the European Union, the U.S. and other companies and organizations against officials, individuals, regions, and industries in Belarus, and Belarus' responses to those sanctions, including counter-sanctions and other actions, have had and could continue to have a material adverse effect on our operations. Clients have and may continue to seek altered terms, conditions, and delivery locations for the performance of services, delay planned work or seek services from alternate providers, or suspend, terminate, fail to renew, or reduce existing contracts or services, which could have a material adverse effect on our financial condition. Some of our clients have implemented steps to block internet communications with Ukraine and Belarus to protect against potential cyberattacks or other information security threats, which has caused a material adverse effect on our ability to deliver our services to these clients from those locations. Such material adverse effects disrupt our delivery of services, cause us to shift all or portions of our work occurring in the region to other countries, restrict our ability to engage in certain projects in the region and serve certain clients in or from the region, and could negatively impact our personnel, operations, financial results and business outlook. Our Board of Directors continues its oversight of our strategic, geopolitical, and cybersecurity risks and the risks related to our geographic expansion. Our Board has received updates from management during both regular and special meetings, while also providing oversight of the risks associated with Russia's invasion of Ukraine and other strategic areas of importance related to the war.

Moving Forward

We continue to execute our business continuity plans and adapt to developments as they occur to protect the safety of our people and address impacts on our delivery infrastructure, including reallocating work to other geographies within our global footprint. We have engaged both our personnel and our clients to meet their needs while mitigating delivery challenges. EPAM continues to operate productively in more than 55 countries and provides consistent high-quality delivery to our clients. Our global delivery centers have sufficient resources, including infrastructure and capital, to support ongoing operations. We continue to rapidly respond to the difficult conditions in Ukraine while maintaining a focus on our clients and long-term growth.

In previous years after the invasion, implementation and execution of our business continuity plans, relocation costs, our humanitarian commitment to our people in Ukraine, and the cost of our phased exit from Russia resulted in materially increased expenses and some of these expenses continued during this quarter and we expect some of those expenses will continue to occur in subsequent quarters for some time in the future.

We have no way to predict the progress or outcome of the war in Ukraine because the conflict and government reactions change quickly and are beyond our control. Prolonged military activities, broad-based sanctions and counter-sanctions, or escalation of the war that includes Belarus' territory or military could have a material adverse effect on our operations and financial condition. The information contained in this section is accurate as of the date hereof but may become outdated due to changing circumstances beyond our control or present awareness. For additional information on the various risks posed by the attack against Ukraine and the impact in the region as well as other risks to our business, please read "Part I. Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023 and "Part II. Item 1A. Risk Factors" in this quarterly report.

Year-to-Date 2024 Developments and Trends

Our business continues to be disrupted by the war in Ukraine which has created and continues to create uncertainties through March 31, 2024 and beyond. In addition, our business and operating results were negatively impacted in the first three months of 2024 by uneven demand for our services as our clients took action to reduce their spending on information technology services. For the first three months of 2024, our revenues were \$1.165 billion, a decrease of 3.8% from \$1.211 billion reported for the same period of 2023. Income from operations as a percentage of revenues decreased to 9.5% for the three months ended March 31, 2024 as compared to 9.9% for the three months ended March 31, 2023, largely driven by an increase in compensation costs including stock-based compensation expense as a percentage of revenues, partially offset by a decrease in expenses associated with the geographic repositioning of our workforce and humanitarian efforts for Ukraine.

Critical Accounting Policies

The discussion and analysis of our financial position and results of operations is based on our unaudited condensed consolidated financial statements which have been prepared in accordance with U.S. GAAP. The preparation of these condensed consolidated financial statements in accordance with U.S. GAAP requires us to make estimates and judgments that may affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On a recurring basis, we evaluate our estimates and judgments, including those related to revenue recognition and related allowances, impairments of long-lived assets including intangible assets, goodwill and right-of-use assets, income taxes including the valuation allowance for deferred tax assets, and stock-based compensation. Actual results may differ materially from these estimates under different assumptions and conditions. In addition, our reported financial condition and results of operations could vary due to a change in the application of a particular accounting standard.

During the three months ended March 31, 2024, there have been no material changes to our critical accounting policies as reported in our Annual Report on Form 10-K for the year ended December 31, 2023.

Results of Operations

The following table sets forth a summary of our consolidated results of operations for the periods indicated. This information should be read together with our unaudited condensed consolidated financial statements and related notes included elsewhere in this quarterly report. The operating results in any period are not necessarily indicative of the results that may be expected for any future period.

	Three Months Ended				
	March 31,				
	2024		2023		
	(in thousands, except percentages and per share data)				
Revenues	\$	1,165,465	100.0 %	\$ 1,210,941	100.0 %
Operating expenses:					
Cost of revenues (exclusive of depreciation and amortization) ⁽¹⁾		834,334	71.6 %	855,901	70.7 %
Selling, general and administrative expenses ⁽²⁾		198,453	17.0 %	211,887	17.5 %
Depreciation and amortization expense		22,146	1.9 %	22,782	1.9 %
Income from operations		110,532	9.5 %	120,371	9.9 %
Interest and other income, net		15,042	1.3 %	11,521	1.0 %
Foreign exchange loss		(1,919)	(0.2)%	(4,608)	(0.4)%
Income before provision for income taxes		123,655	10.6 %	127,284	10.5 %
Provision for income taxes		7,412	0.6 %	24,992	2.1 %
Net income	\$	116,243	10.0 %	\$ 102,292	8.4 %
Effective tax rate		6.0 %		19.6 %	
Diluted earnings per share	\$	1.97		\$ 1.73	

(1) Includes \$22,357 and \$16,011 of stock-based compensation expense for the three months ended March 31, 2024 and 2023, respectively.

(2) Includes \$22,434 and \$22,568 of stock-based compensation expense for the three months ended March 31, 2024 and 2023, respectively.

Consolidated Results Review

Revenues

During the three months ended March 31, 2024, our total revenues decreased by 3.8% to \$1.165 billion compared to the corresponding period in 2023. Revenues have been negatively impacted by reduced demand for our services as our clients took action to reduce spending and as a result of the sale of our remaining holdings in Russia in the third quarter of 2023, and positively impacted by fluctuations in foreign currency exchange rates which offset our revenue decline by 0.5% during the three months ended March 31, 2024 as compared to the same period last year.

Revenues by client location for the three months ended March 31, 2024 and 2023 were as follows:

	Three Months Ended							
	March 31,							
	2024				2023			
(in thousands, except percentages)								
Americas ⁽¹⁾	\$	692,920	59.5	%	\$	709,802	58.6	%
EMEA ⁽²⁾		449,247	38.5	%		463,937	38.3	%
APAC ⁽³⁾		23,298	2.0	%		26,810	2.2	%
CEE ⁽⁴⁾		—	—	%		10,392	0.9	%
Revenues	\$	1,165,465	100.0	%	\$	1,210,941	100.0	%

(1) Americas includes revenues from clients in North, Central and South America.

(2) EMEA includes revenues from clients in Western Europe and the Middle East.

(3) APAC includes revenues from clients in East Asia, Southeast Asia and Australia.

(4) CEE includes revenues from clients in Belarus, Georgia, Kazakhstan, Russia, Ukraine and Uzbekistan. As a result of the sale of the Company's remaining holdings in Russia to a third-party on July 26, 2023, revenues from the CEE region are no longer material. Beginning in 2024, revenues from the CEE region are included in the EMEA region.

During the three months ended March 31, 2024, the United States continued to be our largest client location. During the three months ended March 31, 2024, revenues in the United States decreased 1.8% to \$667.1 million from \$679.4 million in the first quarter of 2023, largely due to reduced spending at certain large accounts and generally slower growth in revenues across a range of clients in the region.

The top three revenue contributing client location countries in EMEA were the United Kingdom, Switzerland and the Netherlands, generating \$135.9 million, \$98.4 million and \$51.7 million in revenues, respectively, during the three months ended March 31, 2024. Revenues from clients in these three countries were \$155.3 million, \$89.9 million, and \$59.1 million, respectively, in the corresponding period last year. Revenues in the EMEA region were negatively impacted by reduced spending at certain large accounts and were positively impacted by the strengthening of the euro, the British pound and Swiss franc relative to the U.S. dollar during the three months ended March 31, 2024 as compared to the same period in the previous year.

During the three months ended March 31, 2024, revenues from clients in the APAC region comprised 2.0% of total revenues, a level consistent with the same period in the previous year.

Cost of Revenues (Exclusive of Depreciation and Amortization)

The principal components of our cost of revenues (exclusive of depreciation and amortization) are salaries, bonuses, fringe benefits, stock-based compensation, and project-related travel costs for our delivery professionals and fees for subcontractors who are assigned to client projects. Salaries and other compensation expenses of our delivery professionals are reported as cost of revenues regardless of whether the employees are actually performing services for clients during a given period. Our employees are a critical asset, necessary for our continued success and, therefore, we are continuously exploring new geographies, markets, and sources to locate talented personnel and present them with competitive compensation programs and educational opportunities.

During the three months ended March 31, 2024, cost of revenues (exclusive of depreciation and amortization) was \$834.3 million representing a decrease of 2.5% from \$855.9 million in the corresponding period of 2023. The decrease was primarily due to a decrease in compensation costs other than stock-based compensation expense largely attributable to the 9.2% decrease in the average number of production professionals which reflects the impact from the Cost Optimization Program initiated in the third quarter of 2023. See Note 9 "Cost Optimization Program" for more information regarding the Company's restructuring program. Other drivers that contributed to the year-over-year decrease were a decline in costs associated with our humanitarian efforts for Ukraine of \$1.8 million and our unbilled business continuity resources of \$7.4 million. The decreases were partially offset by higher expenses due to a \$6.3 million increase in stock-based compensation expense and the negative impact from the appreciation of foreign currencies in certain of our delivery locations.

Expressed as a percentage of revenues, cost of revenues (exclusive of depreciation and amortization) was 71.6% and 70.7% in the first quarter of 2024 and 2023, respectively. The year-over-year increase in the first quarter of 2024 as compared to the corresponding period of the prior year is primarily due to a \$6.3 million increase in stock-based compensation expense and the negative impact from the appreciation of foreign currencies in certain of our delivery locations.

Selling, General and Administrative Expenses

Selling, general and administrative expenses represent expenditures associated with promoting and selling our services and general and administrative functions of our business. These expenses include the costs of salaries, bonuses, fringe benefits, stock-based compensation, severance, bad debt, travel, legal and accounting services, insurance, facilities including operating leases, advertising, and other promotional activities. Additionally, selling, general and administrative expenses contain costs of relocating our employees and various one-time and unusual expenses such as impairment charges.

During the three months ended March 31, 2024, selling, general and administrative expenses were \$198.5 million representing a 6.3% decrease as compared to \$211.9 million in the corresponding period of 2023. The decrease in selling, general and administrative expenses was primarily driven by a \$9.2 million decrease in personnel-related costs resulting from a decrease in headcount which reflects the impact from the Cost Optimization Program initiated in the third quarter of 2023, partially offset by the impacts from salary increases and promotions for existing professionals. See Note 9 "Cost Optimization Program" for more information regarding the Company's restructuring program. Selling, general and administrative expenses during the quarter also benefited from a \$2.4 million reduction in facilities and infrastructure expenses and a \$1.6 million decrease in bad debt expense as compared to the corresponding period of the prior year.

Expressed as a percentage of revenues, selling, general and administrative expenses decreased by 0.5% to 17.0% for the three months ended March 31, 2024 as compared to the same period from the prior year, primarily driven by the decrease in personnel-related costs.

Depreciation and Amortization Expense

During the three months ended March 31, 2024, depreciation and amortization expense was \$22.1 million as compared to \$22.8 million in the corresponding period last year. The decrease in depreciation and amortization expense during the three months ended March 31, 2024 was primarily the result of lower depreciation on furniture, fixtures, other equipment and computer hardware, partially offset by increased depreciation on software licenses and increased amortization of acquired finite-lived intangible assets. Expressed as a percentage of revenues, depreciation and amortization expense remained consistent at 1.9% during both the three months ended March 31, 2024 and 2023.

Interest and Other Income, Net

Interest and other income, net includes interest earned on cash and cash equivalents and short-term investments, gains and losses from certain financial instruments, interest expense related to our borrowings, government grant income, and changes in the fair value of contingent consideration. Interest and other income, net increased from \$11.5 million during the three months ended March 31, 2023 to \$15.0 million during the three months ended March 31, 2024. This increase in Interest and other income, net during the three months ended March 31, 2024 as compared to the three months ended March 31, 2023 was largely driven by a \$7.1 million increase in interest income from our cash, cash equivalents and short-term investments, driven by improved interest rates, partially offset by a \$0.8 million increase in loss due to the change in fair value of contingent consideration and a \$2.8 million decrease in government grant income.

Foreign Exchange Loss

For discussion of the impact of foreign exchange fluctuations see "Item 3. Quantitative and Qualitative Disclosures About Market Risk."

Provision for Income Taxes

In determining its interim provision for income taxes, the Company uses an estimated annual effective tax rate, which is based on expected annual profit before tax, statutory tax rates and tax planning opportunities available in the various jurisdictions in which the Company operates. Certain significant or unusual items are separately recognized in the quarter in which they occur and can be a source of variability in the effective tax rates from quarter to quarter.

Determining the consolidated provision for income tax expense, deferred income tax assets and liabilities and any potential related valuation allowances involves judgment. We consider factors that may contribute, favorably or unfavorably, to the overall effective tax rate in the current year as well as the future. These factors include statutory tax rates and tax law changes in the countries where we operate and excess tax benefits upon vesting or exercise of equity awards as well as consideration of any significant or unusual items.

Our effective tax rate was 6.0% for the three months ended March 31, 2024 and 19.6% for the three months ended March 31, 2023. The decrease in the effective tax rate in the three months ended March 31, 2024, as compared to the corresponding period in the prior year, is primarily attributable to higher excess tax benefits recorded upon vesting or exercise of stock-based awards in the current period. Excess tax benefits recorded upon vesting or exercise of stock-based awards were \$20.9 million during the three months ended March 31, 2024 and \$6.0 million during the three months ended March 31, 2023. Additionally, during the three months ended March 31, 2024 the Company's effective tax rate benefited from the recognition of one-time benefits of \$2.3 million, resulting from our decision to change the tax status and to classify certain of its foreign subsidiaries as disregarded entities for U.S. income tax purposes, and \$1.7 million resulting from the reversal of a reserve for an uncertain tax position.

Results by Business Segment

Our operations have historically consisted of three reportable segments: North America, Europe, and Russia. On July 26, 2023, we completed the sale of our remaining holdings in Russia to a third party. As a result of this sale, we no longer have operations associated with the Russia segment. The segments represent components of EPAM for which separate financial information is available and used on a regular basis by our chief executive officer, who is also our chief operating decision maker ("CODM"), to determine how to allocate resources and evaluate performance. Our CODM makes business decisions based on segment revenues and operating profit. Segment operating profit is defined as income from operations before unallocated costs. Expenses included in segment operating profit consist principally of direct selling and delivery costs as well as an allocation of certain shared services expenses. Certain corporate expenses are not allocated to specific segments as these expenses are not controllable at the segment level. Such expenses include certain types of professional fees, certain taxes included in operating expenses, compensation to non-employee directors and certain other general and administrative expenses, including compensation of specific groups of non-production employees. In addition, the Company does not allocate stock-based compensation, amortization of intangible assets acquired through business combinations, goodwill and other asset impairment charges, acquisition-related costs and certain other one-time charges and benefits. These unallocated amounts are combined with total segment operating profit to arrive at consolidated income from operations.

We manage our business primarily based on the managerial responsibility for the client base and market. As managerial responsibility for a particular client relationship generally correlates with the client's geographic location, there is a high degree of similarity between client locations and the geographic boundaries of our reportable segments. In some cases, managerial responsibility for a particular client is assigned to a management team in another region and is usually based on the strength of the relationship between client executives and particular members of EPAM's senior management team. In such cases, the client's activity would be reported through the respective management team member's reportable segment. Our Europe segment includes our business in the APAC region, which is managed by the same management team.

Revenues from external clients and operating profit/(loss), before unallocated expenses, by reportable segment for the three months ended March 31, 2024 and 2023 were as follows:

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Segment revenues:		
North America	\$ 704,729	\$ 709,957
Europe	460,736	493,147
Russia	—	7,837
Total segment revenues	\$ 1,165,465	\$ 1,210,941
Segment operating profit/(loss):		
North America	\$ 120,664	\$ 122,831
Europe	60,519	59,904
Russia	—	(3,005)
Total segment operating profit	\$ 181,183	\$ 179,730

North America Segment

During the three months ended March 31, 2024, revenues for the North America segment decreased \$5.2 million, or 0.7%, compared to the same period last year and segment operating profit decreased \$2.2 million, or 1.8%, compared to the same period last year. During the three months ended March 31, 2024, revenues from our North America segment were 60.5% of total segment revenues, an increase from 58.6% reported in the corresponding period of 2023. As a percentage of North America segment revenues, the North America segment's operating profit margin decreased to 17.1% during the first quarter of 2024 from 17.3% in the first quarter of 2023, mainly impacted by the changes in foreign currency exchange rates.

The following table presents North America segment revenues by industry vertical for the periods indicated:

Industry Vertical	Three Months Ended		Change	
	March 31,			
	2024	2023	Dollars	Percentage
	(in thousands, except percentages)			
Software & Hi-Tech	\$ 133,194	\$ 149,798	\$ (16,604)	(11.1) %
Financial Services	124,292	143,850	(19,558)	(13.6) %
Life Sciences & Healthcare	121,717	96,597	25,120	26.0 %
Consumer Goods, Retail & Travel	117,691	123,659	(5,968)	(4.8) %
Business Information & Media	106,692	116,158	(9,466)	(8.1) %
Emerging Verticals	101,143	79,895	21,248	26.6 %
Revenues	\$ 704,729	\$ 709,957	\$ (5,228)	(0.7) %

During the three months ended March 31, 2024 compared to the same period in the prior year, Software & Hi-Tech remained the largest industry vertical in the North America segment, which was a result of the continued focus on engaging with our technology clients. However, a reduction in revenues from a former top 20 client and overall declines in the technology sector in the U.S. during 2023 impacted the revenues in this vertical. Financial Services declined 13.6% during the three months ended March 31, 2024 largely impacted by fluctuations in demand from a group of wealth management and insurance clients. Consumer Goods, Retail & Travel declined 4.8% during the three months ended March 31, 2024, primarily due to declines from clients in the retail industry, partially offset by growth from our travel clients. Business Information & Media declined 8.1% during the three months ended March 31, 2024, primarily due to decline in demand from clients in the information services and credit reporting sectors. Life Sciences & Healthcare grew 26.0% during the three months ended March 31, 2024, primarily due to increased demand from pharmaceutical and medical device companies as well as an addition of a new healthcare client in the past 12 months. Emerging Verticals grew 26.6% during the three months ended March 31, 2024 due to growth from various clients in industries such as energy, education, telecommunications, industrial materials and professional services.

Europe Segment

During the three months ended March 31, 2024, Europe's segment revenues were \$460.7 million, representing a decrease of \$32.4 million, or 6.6%, from the same period last year. Revenues were positively impacted by changes in foreign currency exchange rates during the first quarter of 2024 and had our Europe segment revenues been expressed in constant currency terms using the exchange rates in effect during the first quarter of 2023, we would have reported a revenue decline of 8.0%. Europe's segment revenues accounted for 39.5% and 40.7% of total segment revenues during the three months ended March 31, 2024 and 2023, respectively. During the first quarter of 2024, the segment's operating profit increased 1.0% to \$60.5 million compared to the first quarter of 2023. Expressed as a percentage of revenues, Europe's segment operating profit increased to 13.1% compared to 12.1% in the same period of the prior year. The increase was positively impacted by higher utilization during the first quarter of 2024 compared to the first quarter of 2023, partially offset by changes in foreign currency exchange rates.

The following table presents Europe segment revenues by industry vertical for the periods indicated:

Industry Vertical	Three Months Ended		Change	
	March 31,			
	2024	2023	Dollars	Percentage
	(in thousands, except percentages)			
Consumer Goods, Retail & Travel	\$ 141,439	\$ 153,055	\$ (11,616)	(7.6)%
Financial Services	118,444	123,608	(5,164)	(4.2)%
Business Information & Media	63,626	86,108	(22,482)	(26.1)%
Software & Hi-Tech	40,238	38,682	1,556	4.0 %
Life Sciences & Healthcare	18,492	14,526	3,966	27.3 %
Emerging Verticals	78,497	77,168	1,329	1.7 %
Revenues	\$ 460,736	\$ 493,147	\$ (32,411)	(6.6)%

During the three months ended March 31, 2024, compared to the same period in the prior year, Consumer Goods, Retail & Travel remained the largest industry vertical in the Europe segment. However, revenues in this vertical declined 7.6%, during the three months ended March 31, 2024 as compared to the corresponding period in 2023 primarily due to decreased demand from clients in the retail and consumer goods industries. During the three months ended March 31, 2024, revenues in Financial Services decreased 4.2% primarily driven by decreased revenues from commercial banking, investment banking and payment processing clients, partially offset by increased revenues from insurance clients as well as clients who provide other financial services. During the three months ended March 31, 2024, revenues in Business Information & Media decreased 26.1% primarily due to decreased demand from two clients who were historically included in our top 10 clients. For the three months ended March 31, 2024, the 4.0% increase in revenues in the Software & Hi-Tech vertical was largely attributable to the expansion of services provided to one of our top 10 clients. Revenues in Life Sciences & Healthcare increased 27.3% during the three months ended March 31, 2024 with growth experienced from clients in the pharmaceutical and healthcare sectors. Revenues in Emerging Verticals increased 1.7% during the three months ended March 31, 2024 with growth experienced from clients in the energy industry and a client that was previously reported under the Russia segment, partially offset by declines from clients in the professional services industry.

Russia Segment

On July 26, 2023, we completed the sale of our remaining holdings in Russia to a third party. As a result of this sale, we no longer have operations associated with this segment.

Effects of Inflation

Economies in many countries where we operate have periodically experienced high rates of inflation. Periods of higher inflation may affect various economic sectors in those countries and increase our cost of doing business there. We do not believe that inflation has had a material impact on our business, results of operations or financial condition to date. We continue to track the impact of inflation, particularly on wages, while attempting to minimize its effects through pricing and cost management strategies. A higher-than-normal rate of inflation in the future could adversely affect our operations and financial condition. For a discussion of our potential risks and uncertainties, including those related to inflation, see "Part I. Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023.

Liquidity and Capital Resources

Capital Resources

Our cash generated from operations has been our primary source of liquidity to fund operations, investments to support the growth of our business and share repurchases. As of March 31, 2024, our principal sources of liquidity were cash and cash equivalents totaling \$1.984 billion, short-term investments totaling \$61.6 million as well as \$675.0 million of available borrowings under our revolving credit facility. See Note 8 "Debt" of our condensed consolidated financial statements in "Part I. Item 1. Financial Statements (Unaudited)" for information regarding our debt.

Cash Flows

The following table summarizes our cash flows for the periods indicated:

	Three Months Ended	
	March 31,	
	2024	2023
	(in thousands)	
Condensed Consolidated Statements of Cash Flow Data:		
Net cash provided by operating activities	\$ 129,920	\$ 87,334
Net cash used in investing activities	(50,990)	(17,717)
Net cash used in financing activities	(112,081)	(15,318)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(19,560)	14,070
Net (decrease)/increase in cash, cash equivalents and restricted cash	(52,711)	68,369
Cash, cash equivalents and restricted cash, beginning of period	2,043,108	1,683,636
Cash, cash equivalents and restricted cash, end of period	\$ 1,990,397	\$ 1,752,005

Operating Activities

Our largest source of cash provided by operating activities is cash generated from our professional services that we provide to our clients. Our primary uses of cash from operating activities include compensation to our employees and related costs, payments for leased facilities, various general corporate expenditures and income tax payments. Since the invasion of Ukraine in 2022, our operating activities included using cash on humanitarian efforts for Ukraine and geographic repositioning of our workforce.

Cash provided by operating activities during the three months ended March 31, 2024 was primarily driven by the Company's cash collections from client contracts, which was partially offset by variable compensation payments and other operating outflows. The first three months of 2024 were positively impacted by lower payments for variable compensation as compared to the first three months of 2023 attributable to a lower level of financial performance for the year ended December 31, 2023 and were negatively impacted by an increase in days sales outstanding compared to a decrease in days sales outstanding during the first three months of 2023. Cash provided by operating activities in the corresponding period of 2023 was primarily driven by the Company's cash collections from client contracts, which were partially offset by variable compensation payments and EPAM's humanitarian efforts for Ukraine and geographic repositioning.

Investing Activities

Our primary uses of cash from investing activities consist of purchases of computer hardware, software and office equipment, as well as investments into office buildings and new businesses. We also use cash for short-term investments and time deposits, and receive cash upon maturity of these deposits. Most of our investments are typically short-term and cash equivalent in nature but we may invest in longer term deposits if the terms are favorable. The cash used in investing activities during the three months ended March 31, 2024 was primarily attributable to \$6.7 million used for capital expenditures and \$44.1 million used for the acquisitions of businesses, net of cash acquired. The cash used in investing activities during the same period in 2023 was primarily attributable to \$7.9 million used for capital expenditures and no cash was used for the acquisitions of businesses in the corresponding period of 2023.

Financing Activities

Cash used in financing activities mainly consists of repurchasing shares of EPAM common stock under a share repurchase program announced in 2023, payments of withholding taxes related to net share settlements of restricted stock units, repayments of debt, and settlements of the acquisition-date fair value of contingent consideration related to acquisitions of businesses. Cash provided by financing activities mainly consists of the proceeds from the purchases of shares under our ESPP and exercises of stock options issued under our long-term incentive plans as well as proceeds from debt. We typically do not rely on debt to supplement our cash flows. During the first three months of 2024 our main use of cash from financing activities consisted of \$120.6 million of payments to repurchase our common stock, compared to \$8.5 million in the corresponding period of 2023. These cash outflows were partially offset by cash received from the exercises of stock options issued under our long-term incentive plans of \$14.6 million in the first three months of 2024, compared to \$2.5 million received in the corresponding period of 2023.

Future Capital Requirements

We believe that our existing cash, cash equivalents and short-term investments, combined with our expected cash flow from operations, will be sufficient to meet our projected operating and capital expenditure requirements for at least the next twelve months and that we possess the financial flexibility to execute our strategic objectives, including the ability to make acquisitions and strategic investments in the foreseeable future. However, the invasion of Ukraine, other various geopolitical events, and the related measures to contain their impact have caused and may continue to cause material disruptions in financial markets and economies. These disruptions may increase our costs of capital, decrease returns on investment, and otherwise adversely affect our business, results of operations, financial condition and liquidity.

Our ability to generate cash is subject to our performance, general economic conditions, industry trends and other factors including the impact of the invasion of Ukraine, as described elsewhere in this Management's Discussion and Analysis of Financial Condition and Results of Operations. We may require additional cash resources due to changed business conditions or other future developments, including any investments or acquisitions we may decide to pursue. To the extent that existing cash, cash equivalents, short-term investments, and operating cash flows are insufficient to fund our future activities and requirements, we may need to raise additional funds through public or private equity or debt financing. If we issue equity securities in order to raise additional funds, substantial dilution to existing stockholders may occur. If we raise cash through the issuance of additional indebtedness, we may be subject to additional contractual restrictions on our business and there is no assurance that we would be able to raise additional funds on favorable terms or at all. Our ability to expand and grow our business in accordance with current plans and to meet our long-term capital requirements will depend on many factors, including the rate at which our cash flows increase or decrease and the availability of public and private debt and equity financing.

See Note 14 "Commitments and Contingencies" of our condensed consolidated financial statements in "Part I. Item 1. Financial Statements (Unaudited)" of this Quarterly Report and "Part II. Item 7. Future Capital Requirements" of our Annual Report on Form 10-K for the year ended December 31, 2023 for information regarding contractual obligations.

Off-Balance Sheet Commitments and Arrangements

We do not have any material obligations under guarantee contracts or other contractual arrangements other than as disclosed in Note 14 "Commitments and Contingencies" of our condensed consolidated financial statements in "Part I. Item 1. Financial Statements (Unaudited)." We have not entered into any transactions with unconsolidated entities where we have financial guarantees, subordinated retained interests, derivative instruments, or other contingent arrangements that expose us to material continuing risks, contingent liabilities, or any other obligation under a variable interest in an unconsolidated entity that provides financing, liquidity, market risk, or credit risk support to us, or engages in leasing, hedging, or research and development services with us.

Recent Accounting Pronouncements

See Note 1 "Organization and Summary of Significant Accounting Policies" to our unaudited condensed consolidated financial statements in "Part I. Item 1. Financial Statements (Unaudited)" for additional information.

Forward-Looking Statements

This quarterly report on Form 10-Q contains estimates and forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, principally in "Part I. Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Part II. Item 1A. Risk Factors." Our Annual Report on Form 10-K for the year ended December 31, 2023 also contains estimates and forward-looking statements, principally in "Part I. Item 1A. Risk Factors." Our estimates and forward-looking statements are mainly based on our current expectations and estimates of future events and trends, which affect or may affect our business and operations. Those future events and trends may relate to, among other things, developments relating to the war in Ukraine and escalation of the war in the surrounding region, political and civil unrest or military action in the geographies where we conduct business and operate, difficult conditions in global capital markets, foreign exchange markets and the broader economy, and the effect that these events may have on client demand, our revenues, operations, access to capital and profitability. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to several risks, uncertainties and assumptions as to future events that may not prove to be accurate and are made in light of information currently available to us. Important factors, in addition to the factors described in this quarterly report and in our Annual report, may materially and adversely affect our results. You should read this quarterly report, our Annual report and the documents that we have filed as exhibits hereto completely and with the understanding that our actual future results may be materially different from what we expect.

The words “may,” “will,” “should,” “could,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “intend,” “potential,” “might,” “would,” “continue” or the negative of these terms or other comparable terminology and similar words are intended to identify estimates and forward-looking statements. Estimates and forward-looking statements speak only as of the date they were made and, except to the extent required by law, we undertake no obligation to update, to revise or to review any estimate and/or forward-looking statement because of new information, future events or other factors. Estimates and forward-looking statements involve risks and uncertainties and are not guarantees of future performance. As a result of the risks and uncertainties described above, the estimates and forward-looking statements discussed in this quarterly report and our Annual Report on Form 10-K for the year ended December 31, 2023 might not occur and our future results, level of activity, performance or achievements may differ materially from those expressed in these forward-looking statements due to, including, but not limited to, the factors mentioned above, and the differences may be material and adverse. Because of these uncertainties, you should not place undue reliance on these forward-looking statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to certain market risks in the ordinary course of our business. These risks primarily result from changes in concentration of credit risks, foreign currency exchange rates and interest rates. In addition, our global operations are subject to risks related to differing economic conditions, civil unrest, political instability or uncertainty, military activities, broad-based sanctions, differing tax structures, and other regulations and restrictions.

Concentration of Credit and Other Credit Risks

Financial instruments that potentially subject us to significant concentrations of credit risk consist primarily of cash, cash equivalents, restricted cash, short-term investments and trade receivables.

We maintain our cash, cash equivalents and short-term investments with financial institutions. We believe that our credit policies reflect normal industry terms and business risk. We do not anticipate non-performance by the counterparties.

We have cash in several countries, including Ukraine and Belarus, where the banking sector remains subject to periodic instability; banking and other financial systems in these countries generally do not meet the banking standards of more developed markets, and bank deposits made by corporate entities are not insured. As of March 31, 2024, we had \$57.0 million of cash and cash equivalents in banks in Ukraine and \$31.0 million of cash and cash equivalents in banks in Belarus. Cash in Ukraine and Belarus is used for the operational needs of the local entities and cash balances change with the expected operating needs of these entities. We regularly monitor cash held in these countries and, to the extent the cash held exceeds amounts required to support our operations in these countries, we distribute the excess funds into markets with more developed banking sectors to the extent it is possible to do so. In April 2024, Belarus instituted new restrictions on distributing dividends from Belarus to shareholders in certain countries, including the U.S. The restrictions are initially scheduled to remain in place until the end of 2025 and may prevent EPAM from distributing excess funds, if any, out of Belarus. The Company does not expect these new restrictions to have a material impact on our ability to meet our worldwide cash obligations during this period. We place our cash and cash equivalents with financial institutions considered stable in the region, limit the amount of credit exposure with any one financial institution and conduct ongoing evaluations of the credit worthiness of the financial institutions with which we do business. However, a banking crisis, bankruptcy or insolvency of banks that process or hold our funds, or sanctions may result in the loss of our deposits or adversely affect our ability to complete banking transactions, which could adversely affect our business and financial condition.

Trade receivables are generally dispersed across many clients operating in different industries; therefore, concentration of credit risk is limited and we do not believe significant credit risk existed as of March 31, 2024. Though our results of operations depend on our ability to successfully collect payment from our clients for work performed, historically, credit losses and write-offs of trade receivables have not been material to our condensed consolidated financial statements. If our clients enter bankruptcy protection or otherwise take steps to alleviate their financial distress, our credit losses and write-offs of trade receivables could increase, which would negatively impact our results of operations.

Interest Rate Risk

We are exposed to market risk from changes in interest rates. Exposure to interest rate risk results primarily from variable rates related to cash and cash equivalent deposits, short-term investments, and our borrowings, mainly under our 2021 Credit Agreement, which is subject to a variety of rates depending on the currency and timing of funds borrowed. We do not believe we are exposed to material direct risks associated with changes in interest rates related to these deposits, investments and borrowings.

Foreign Exchange Risk

Our global operations are conducted predominantly in U.S. dollars. Other than U.S. dollars, we generate revenues principally in euros, British pounds, Swiss francs and Canadian dollars and incur expenditures principally in euros, Polish zlotys, Indian rupees, British pounds, Swiss francs, Hungarian forints, Mexican pesos, Canadian dollars, Colombian pesos, Armenian drams and Chinese yuan renminbi. As a result, exchange rate fluctuations in any of these currencies relative to the U.S. dollar could negatively impact our results of operations. During the three months ended March 31, 2024, approximately 32.9% of consolidated revenues and 62.7% of consolidated operating expenses were denominated in currencies other than the U.S. dollar.

To manage the risk of fluctuations in foreign currency exchange rates and hedge a portion of our forecasted foreign currency denominated operating expenses incurred in the normal course of business, we implemented a hedging program through which we enter into a series of foreign exchange forward contracts with durations of twelve months or less that are designated as cash flow hedges of forecasted Polish zloty, Indian rupee, and Hungarian forint transactions. As of March 31, 2024, all of EPAM's foreign exchange forward contracts, were designated as hedges and there is no financial collateral (including cash collateral) required to be posted related to the foreign exchange forward contracts.

During the three months ended March 31, 2024, foreign exchange loss was \$1.9 million compared to a loss of \$4.6 million reported in the corresponding period last year. Foreign exchange loss was primarily driven by the impact of fluctuations in foreign currencies on our assets and liabilities denominated in foreign currencies. Exchange rate movements can impact the reported value of our assets and liabilities denominated in currencies other than the U.S. dollar or where the currency of such items is different than the functional currency of the entity where these items were recorded.

Management supplements results reported in accordance with United States generally accepted accounting principles, referred to as GAAP, with non-GAAP financial measures. Management believes these measures help illustrate underlying trends in our business and uses the measures to establish budgets and operational goals, communicated internally and externally, for managing our business and evaluating its performance. When important to management's analysis, operating results are compared on the basis of "constant currency," which is a non-GAAP financial measure. This measure excludes the effect of foreign currency exchange rate fluctuations by translating the current period revenues and expenses into U.S. dollars at the weighted average exchange rates of the prior period of comparison.

During the first quarter of 2024, we reported a revenue decline of 3.8% compared to the first quarter of 2023. Had our consolidated revenues been expressed in constant currency terms using the exchange rates in effect during the first quarter of 2023, we would have reported a revenue decline of 4.3%. Our revenues denominated in the Swiss franc, British pound and euro experienced the most impact from the movements in foreign currencies. During the first quarter of 2024, we reported a decrease in income from operations of 8.2% compared to the first quarter of 2023. Had our consolidated results been expressed in constant currency terms using the exchange rates in effect during the first quarter of 2023, we would have reported an increase in income from operations of 3.1%. Income from operations was most significantly impacted by the movements of Polish zloty, Colombian peso, and Mexican peso exchange rates during the first quarter of 2024 compared to the same period in the prior year.

Item 4. Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Based on management's evaluation, with the participation of our Chief Executive Officer and Chief Financial Officer, as of the end of the period covered by this report, these officers have concluded that our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), are effective to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and is accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting during the quarter ended March 31, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are involved in litigation and claims arising out of our business and operations in the normal course of business. We are not currently a party to any material legal proceeding, nor are we aware of any material legal or governmental proceedings pending or contemplated to be brought against us.

Item 1A. Risk Factors

For a discussion of our potential risks and uncertainties, including our significant operations in Belarus and Ukraine and the material adverse effect the invasion of Ukraine by Russia has had and may have on our operations, business, and financial results, see the risk factors disclosed under the heading "Part I. Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023.

The risks and uncertainties that we face are not limited to those set forth in our Annual Report on Form 10-K. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business and the trading price of our common stock.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

On February 13, 2023, the Board of Directors authorized a repurchase program for up to \$500.0 million of our outstanding common stock. EPAM may repurchase shares of its common stock on a discretionary basis from time to time through open market purchases, privately negotiated transactions or other means, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. The share repurchase program has a term of 24 months, may be suspended or discontinued at any time, and does not obligate the company to acquire any amount of common stock.

The following table provides information about the purchases of shares of our common stock during the three months ended March 31, 2024:

Period	Total Number of Shares Purchased	Average Price Paid per Share ⁽¹⁾	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
(in thousands, except per share amounts)				
January 1 to January 31, 2024	—	\$ —	—	\$ 335,076
February 1 to February 29, 2024	115	\$ 301.70	115	\$ 300,195
March 1 to March 31, 2024	281	\$ 305.24	281	\$ 214,483
Total	396		396	

⁽¹⁾ Average price paid per share in the period includes commission.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

Insider Adoption or Termination of Trading Arrangements:

During the quarter ended March 31, 2024, none of our directors or officers informed us of the adoption or termination of a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement” as those terms are defined in Regulation S-K, Item 408.

Item 6. Exhibits

Exhibit Number	Description
3.2	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed July 5, 2023, SEC file No. 001-35418)
10.1*†	Form of Chief Executive Officer Non-Qualified Stock Option Agreement
10.2*†	Form of Global Non-Qualified Stock Option Agreement for Senior Managers
10.3*†	Form of Chief Executive Officer Restricted Stock Unit Award Agreement
10.4*†	Form of Global Restricted Stock Unit Award Agreement for Senior Managers
31.1*	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934
31.2*	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934
32.1*	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	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)
*	Exhibits filed herewith
†	Indicates management contracts or compensatory plans or arrangements

SIGNATURES

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

Date: May 9, 2024

EPAM SYSTEMS, INC.

By: /s/ Arkadiy Dobkin

Name: Arkadiy Dobkin

Title: Chairman, Chief Executive Officer and President
(principal executive officer)

By: /s/ Jason Peterson

Name: Jason Peterson

Title: Senior Vice President, Chief Financial Officer and Treasurer
(principal financial officer)

**EPAM SYSTEMS, INC.
2015 LONG TERM INCENTIVE PLAN**

**FORM OF CHIEF EXECUTIVE OFFICER
NON-QUALIFIED STOCK OPTION AGREEMENT**

1. **Grant of Option.** EPAM Systems, Inc., a Delaware corporation (the "Company"), hereby grants to «Optionee» ("Participant"), on «Date» (the "Grant Date"), an option (the "Option") to purchase «Number of shares underlying option» shares of Common Stock (the "Shares"), at an exercise price of \$«Fair Market Value of Share as of the Grant Date» per Share (the "Exercise Price") subject to the terms, definitions and provisions of the EPAM Systems, Inc. 2015 Long Term Incentive Plan (the "Plan") adopted by the Company, which is incorporated in this Agreement by reference, and the terms and conditions of this Agreement. The Option is intended to be a Non-Qualified Stock Option, and is not intended to be an Incentive Stock Option. Unless otherwise defined in this Agreement, the terms used in this Agreement shall have the meanings defined in the Plan.

2. **Vesting Schedule.** Subject to Section 5, this Option shall vest and become exercisable one-fourth on each of the first, second, third and fourth anniversaries of the Grant Date.

3. **Exercise of Option.** This Option shall be exercisable during its term in accordance with the Vesting Schedule set out in Section 2 as modified by Section 5, if applicable, as follows:

(a) **Right to Exercise.**

(i) This Option may not be exercised for a fraction of a share.

(ii) In no event may this Option be exercised after the tenth anniversary of the Grant Date (the "Expiration Date").

(b) **Method of Exercise.**

(i) The Participant (or his or her representative, devisee or heir, as applicable) may exercise any portion of the Option that has become exercisable as to all or any of the Shares then available for purchase by delivering to the Company written notice specifying the number of whole Shares to be purchased, together with payment in full of the Payment Amount (as defined in Section 4); provided that (x) any required regulatory filings, including, without limitation, any filings that may be required pursuant to the Hart-Scott-Rodino Act in connection with the exercise of any vested and exercisable portion of the Option have been timely filed and any required waiting period under the Hart-Scott-Rodino Act has expired or been terminated or (y) the exercise of the vested and exercisable portion of the Option does not require any such regulatory filings.

(ii) The Company is not obligated, and will have no liability for failure, to issue or deliver any Shares upon exercise of the Option unless such issuance or delivery would comply with the applicable securities laws, with such compliance determined by the Company in consultation with its legal counsel. Assuming such compliance, for income tax purposes such Shares shall be considered transferred to the Participant on the date on which the Option is exercised with respect to such Shares.

4. **Method of Payment.** Payment of the aggregate Exercise Price and any required withholding for Tax-Related Items (as defined in Section 8) (the "Payment Amount") shall be by any of the following, or a combination of the following, at the election of the Participant:

(a) cash or check;

(b) if permitted by the Committee, in its sole discretion, pursuant to such procedures as the Committee may require, by the Participant's (x) transferring to the Company, effective as of the exercise date, a number of vested Shares owned and designated by the Participant having an aggregate Fair Market Value as of the exercise date equal to the Payment Amount, (y) electing to have the Company retain a portion of the Shares purchased upon exercise of the Option having an aggregate Fair Market Value as of the exercise date equal to the Payment Amount;

(c) if the Common Stock is listed on an exchange or market, and if the Company is at such time permitting broker-assisted cashless exercises, delivery of a properly executed exercise notice together with irrevocable instructions to a broker participating in such cashless brokered exercise program to deliver promptly to the Company the Payment Amount and in any event in accordance with applicable law;

(d) by any other method as may be approved by the Committee.

5. **Termination of Service.** Following the Participant's Termination of Service, Participant (or his or her representative, devisee or heir, as applicable) may exercise the Option only as set forth in this Section 5.

(a) **Death or Disability.** In the event of the Participant's Termination of Service due to the Participant's death or Disability before the Participant has completed at least two (2) years of service with the Company or any Affiliate, 50% of the portion of the Participant's Option that is unvested as of the date of such termination (if any) shall become immediately vested (with any fractional portion of the Option that would otherwise vest as a result of such vesting acceleration event rounded up to the nearest whole Share), and the remaining unvested portion of the Option shall be forfeited without any payment to the Participant. In the event of the Participant's Termination of Service due to the Participant's death or Disability on or after the date on which the Participant has completed at least two (2) years of service with the Company or any Affiliate, 100% of any unvested portion of the Option shall become immediately vested. Any portion of the Participant's Option that is vested as of the date of the Participant's Termination of Service due to death or Disability shall remain exercisable until the earlier of (x) one year following such termination and (y) the Expiration Date, unless the Committee in its sole discretion determines that the Option should be exercisable to some greater extent or remain exercisable for some longer period (ending in no event later than the Expiration Date).

(b) **Retirement.** In the event of the Participant's Termination of Service due to Retirement (as defined below) after the first anniversary of the Grant Date, 100% of any unvested portion of the Option shall become immediately vested.

"Retirement" means the Participant's Termination of Service, other than for Cause, after all the following criteria are met:

(i) the Participant has attained at least age 60 and has completed at least five (5) years of service with the Company or an Affiliate; and

(ii) the sum of the Participant's age and years of service with the Company or any Affiliate as of the date of Termination of Service equals or exceeds seventy (70).

Any portion of the Participant's Option that is vested as of the date of the Participant's Termination of Service due to Retirement shall remain exercisable until the earlier of (x) one year following such termination and (y) the Expiration Date, unless the Committee in its sole discretion determines that the Option should be exercisable to some greater extent or remain exercisable for some longer period (ending in no event later than the Expiration Date). For the avoidance of doubt, in the event of the Participant's Termination of Service due to Retirement on or before the first anniversary of the Grant Date, any portion of the Option that is unvested shall be forfeited as of the date of such termination without any payment to the Participant.

(c) **For Cause.** In the event of the Participant's Termination of Service for Cause (as defined below), the entire unexercised portion of the Option, whether vested or unvested, shall be forfeited as of the date of such termination without any payment to the Participant.

"Cause" means the Company's good faith determination of the Participant's:

(i) willful material breach, or habitual neglect of, the Participant's duties or obligations in connection with the Participant's employment or service;

(ii) having engaged in willful misconduct, gross negligence or a breach of fiduciary duty, or his or her willful material breach of his or her duties to the Company or an Affiliate or under his or her Employment Agreement, if applicable, or of any of the Company policies;

(iii) having been convicted of, or having entered a plea bargain or settlement admitting guilt for, (x) a felony or (y) any other criminal offense involving moral turpitude, fraud or, in the course of the performance of the Participant's service to the Company or an Affiliate, material dishonesty;

(iv) unlawful use or possession of illegal drugs on the Company's premises or while performing the Participant's duties and responsibilities to the Company; or

(v) the commission of an act of fraud, embezzlement or material misappropriation, in each case, against the Company or any Affiliate;

provided that, in the case of clauses (i) and (ii) above, the Company shall provide the Participant with written notice specifying the circumstances alleged to constitute Cause, and, if possible, the Participant shall have 30 days following receipt of such notice to cure such circumstances.

(d) **For Any Other Reason.** In the event of the Participant's Termination of Service at any time under circumstances not described in Sections 5(a), 5(b) or 5(c) herein or Section 11(b) of the Plan, any unvested portion of the Option shall be forfeited as of the date of such termination without any payment to the Participant, and any vested portion of the Option shall remain exercisable until the earlier of (x) 90 days following such termination and (y) the Expiration Date, unless the Committee in its sole discretion determines that the Option should be exercisable to some greater extent or remain exercisable for some longer period (ending in no event later than the Expiration Date).

For purposes of Section 11(b) of the Plan, "Good Reason" means "Good Reason" as defined in the Participant's Employment Agreement, if any, or if not so defined, the occurrence of any of the following events, in each case without the Participant's consent:

- (i) a reduction in the Participant's base compensation and cash incentive opportunity, other than any such reduction that applies generally to similarly situated employees or executives of the Company;
- (ii) relocation of the geographic location of the Participant's principal place of employment or service by more than 50 miles from the Participant's principal place of employment or service; or
- (iii) a material reduction in the Participant's title, duties, responsibilities or authority;

provided that, in each case, (A) the Participant shall provide the Company with written notice specifying the circumstances alleged to constitute Good Reason within 90 days following the first occurrence of such circumstances, (B) if possible, the Company shall have 30 days following receipt of such notice to cure such circumstances, and (C) if the Company has not cured such circumstances within such 30-day period, the Participant shall terminate his or her employment or service not later than 60 days after the end of such 30-day period.

6. **Non-Transferability of Option.** This Option may not be transferred in any manner otherwise than (i) by will or by the laws of descent or distribution or (ii) pursuant to an award transfer program adopted by the Company and in accordance with such procedures as the Committee (in its discretion) may specify with respect to the administration and operation of such program. This Option may be exercised during the lifetime of the Participant only by him or her or a valid transferee (which shall include specifically any financial institution, or other entity approved by the Company). The terms of this Option shall be binding upon the executors, administrators, heirs, successors and assigns of the Participant and in order to effect a valid transfer, the transferee (which shall include specifically any financial institution, or other entity approved by the Company) shall execute an agreement reflecting such terms and conditions that the Committee deems necessary to facilitate such transfer.

7. **Responsibility for Taxes.**

(a) The Participant acknowledges that, regardless of any action taken by the Company or, if different, the Participant's employer (the "Employer"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax related items related to the Participant's participation in the Plan and legally applicable to the Participant ("Tax-Related Items"), is and remains the Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Participant further acknowledges that the Company 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 Option, including, but not limited to, the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company 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.

(b) In connection with any relevant taxable or tax withholding event, as applicable, the Participant agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(i) withholding from the Participant's wages or other cash compensation paid to the Participant by the Company and/or the Employer;

(ii) withholding from proceeds of the sale of Shares acquired at exercise of the Option either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization) without further consent; or

(iii) any other method of withholding determined by the Company and, to the extent required by applicable laws or the Plan, approved by the Committee.

(c) The Company or the Employer may withhold or account for Tax-Related Items by considering applicable withholding rates, including minimum or maximum applicable rates, in the jurisdictions applicable to the Participant. In the event that any excess amounts are withheld to satisfy the obligation for Tax-Related Items, the Participant may be entitled to a refund of any over-withheld amount in cash (with no entitlement to the Share equivalent), or if not refunded by the Company or the Employer, the Participant must seek a refund from the local tax authorities to the extent the Participant wishes to recover the over-withheld amount in the form of a refund. In the event of under-withholding, the Participant may be required to pay any additional Tax-Related Items directly to the applicable tax authority or to the Company and/or the Employer.

(d) Finally, the Participant agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if the Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

8. **Nature of Grant.** In accepting the Option, the Participant acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the Option is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted in the past;

(c) all decisions with respect to future Option or other grants, if any, will be at the sole discretion of the Company;

(d) the Option grant and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming or amending an employment or service contract with the company, the Employer or any Affiliate of the Company and shall not interfere with the ability of the

Company, the Employer or any Affiliate of the Company, as applicable, to terminate the Participant's employment or service relationship (if any);

(e) the Participant is voluntarily participating in the Plan;

(f) the Option and any Shares acquired under the Plan, and the income from and value of same, are not intended to replace any pension rights or compensation;

(g) the Option and any Shares acquired under the Plan, and the income from and value of same, are not part of normal or expected compensation for any purposes, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, leave pay, long-service awards, pension or retirement or welfare benefits or similar mandatory payments;

(h) the future value of the Shares underlying the Option is unknown, indeterminable, and cannot be predicted with certainty;

(i) if the underlying Shares do not increase in value, the Option will have no value;

(j) if the Participant exercises the Option and acquires Shares, the value of such Shares may increase or decrease in value, even below the Exercise Price;

(k) no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from the Participant's Termination of Service (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any) or the application of any clawback or compensation recovery policy as described in Section 12(i);

(l) unless otherwise agreed with the Company, the Option and any Shares acquired under the Plan and the income from and value of same, are not granted as consideration for, or in connection with, the service the Participant may provide as a director of an Affiliate;

(m) unless otherwise provided in the Plan or by the Company in its discretion, the Option and the benefits evidenced by this Agreement do not create any entitlement to have the Option or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company; and

(n) neither the Company, the Employer nor any Affiliate shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the Option or of any amounts due to the Participant pursuant to the exercise of the Option or the subsequent sale of any Shares acquired upon exercise.

9. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying Shares. The Participant understands and agrees that he or she should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

10. **Insider Trading/Market Abuse Laws.** The Participant may be subject to insider trading restrictions and/or market abuse laws based on the exchange on which the Shares are listed and in

applicable jurisdictions, including the United States, the Participant's country and the designated broker's country, which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (e.g., Options) or rights linked to the value of Shares (e.g., dividend equivalents) under the Plan during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws in applicable jurisdictions). Local insider trading laws may prohibit the cancellation or amendment of orders placed by the Participant before he or she possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party, which may include fellow employees and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant acknowledges that it is his or her responsibility to comply with any applicable restrictions, and the Participant should speak to his or her personal advisor on this matter.

11. **Data Privacy.** To the extent recognized by applicable law, the Participant hereby consents to the collection, use, transfer, or other processing of the Participant's personally identifiable information as described in this Agreement and any other Option grant materials ("Personal Data") in electronic or other form by and among, as applicable, the Company, its Affiliates, the Employer or other third parties as processors of the Personal Data, for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Company, with offices located at 41 University Drive, Newtown, Pennsylvania 18940, acts as the controller of this Personal Data, and processes this Personal Data for purposes of implementing, administering, and managing the Plan. The Company protects the Personal Data that it receives in the United States from the European Union via data transfer agreements based on the standard contractual clauses adopted by the European Commission. The Participant can obtain further information about these data transfer agreements by contacting AskDataPrivacy@epam.com.

The Participant understands that the Personal Data may include, but is not limited to, the Participant's name, home address and telephone number, e-mail address, date of birth, social insurance number, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Options or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor. Such Personal Data will be used by the Company for the exclusive purpose of implementing, administering and managing the Plan. The Company relies on the following legal grounds for processing of Personal Data (i) consent, as permitted by applicable law, (ii) performance of this Agreement with the Participant, (iii) the legitimate interests of the Company, its Affiliates, the Employer or other third parties (such as service providers, consultants, governmental bodies, or courts) where the legitimate interest could be in particular the implementation, administration and management of the Plan, and (iv) for compliance with legal obligations, in particular in the area of labor and employment law, social security and social protection law, data protection and privacy law, tax law, and corporate compliance laws.

The Participant understands that Personal Data will be transferred to UBS Financial Services Inc. or other third parties assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of his or her Personal Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. Where disclosing Personal Data to such third parties, the Company provides appropriate safeguards for protecting the transfer of Personal Data, such as establishing data contractual clauses with third parties based on the standard contractual clauses

adopted by the European Commission or relevant supervisory authority. The Participant may request a copy of, or information about, such safeguards by contacting AskDataPrivacy@epam.com.

The Participant may generally request a list with the names and addresses of any potential recipients of his or her Personal Data by contacting AskDataPrivacy@epam.com. The Participant understands that Personal Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. When the Company no longer needs to use the Participant's Personal Data for the purposes above or does not need to retain it for compliance with any legal or regulatory purpose, the Company will take reasonable steps to remove it from systems and/or records containing the Personal Data and/or take steps to properly anonymize it so that the Participant can no longer be identified from it.

Subject to applicable data protection and privacy law, the Participant understands that he or she may view Personal Data, request additional information about the storage and processing of Personal Data, require any necessary amendments to Personal Data or refuse or withdraw the consent herein, in any case without cost, by contacting in writing AskDataPrivacy@epam.com. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis.

In addition to the above, subject to applicable law, the Participant may have the right to (i) request erasure of Personal Data, (ii) request restriction of, or object to, certain uses or processing of Personal Data, (iii) request Personal Data portability, or (iv) lodge a complaint with a supervisory authority.

The Participant's provision of Personal Data is a contractual requirement. If the Participant does not provide the Personal Data and/or consent to the terms of this Section 12, or if the Participant later seeks to revoke his or her consent, his or her employment status or service with the Employer will not be affected; the only consequence of refusing or withdrawing the Participant's consent is that the Company may not be able to grant Options or other equity awards to the Participant or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan. Such a withdrawal will not affect the lawfulness of the collection, use, or otherwise processing of the Participant's Data prior to the consent withdrawal. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, or to exercise certain additional rights described above, the Participant understands that he or she may contact AskDataPrivacy@epam.com.

12. **Miscellaneous Provisions.**

(a) **Notices.** All notices, requests and other communications under this Agreement shall be in writing and shall be delivered in person (by courier or otherwise), mailed by certified or registered mail, return receipt requested, or sent by facsimile transmission, to the contact details below. The parties may use e-mail delivery, so long as the message is clearly marked, sent to the e-mail address(es) set forth below, and a delivery receipt and a read receipt are made part of the message. E-mail delivery will be deemed to occur when the sender receives confirmation that such message has been received and read by the recipient.

if to the Company, to:

EPAM Systems, Inc.
41 University Drive
Newtown, Pennsylvania 18940

Attention: General Counsel
Facsimile: 267-759-8989

if to the Participant, to:

the address, facsimile number or e-mail address that the Participant most recently provided to the Company, or to such other address, facsimile number or e-mail address as such party may hereafter specify for the purpose by notice to the other parties hereto.

(b) **Effect of Agreement.** The Participant acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof (and has had an opportunity to consult counsel regarding the Option terms), and hereby accepts this Option and agrees to be bound by its contractual terms as set forth herein and in the Plan. The Participant acknowledges and agrees that the grant of this Option constitutes additional consideration to the Participant for the Participant's continued and future compliance with any restrictive covenants in favor of the Company by which the Participant is otherwise bound. The Participant hereby agrees to accept as binding, conclusive and final all decisions and interpretations of the Committee regarding any questions relating to the Option. In the event of a conflict between the terms and provisions of the Plan and the terms and provisions of this Agreement, the Plan terms and provisions shall prevail. The Agreement, including the Plan, constitutes the entire agreement between the Participant and the Company on the subject matter hereof and supersedes all proposals, written or oral, and all other communications between the parties relating to such subject matter.

(c) **Amendment; Waiver.** No amendment or modification of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and the Participant, except that the Company may amend or modify this Agreement without the Participant's consent in accordance with the provisions of the Plan or as otherwise set forth in this Agreement. No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other or subsequent breach or condition whether of like or different nature. Any amendment or modification of or to any provision of this Agreement, or any waiver of any provision of this Agreement, shall be effective only in the specific instance and for the specific purpose for which made or given.

(d) **Successors and Assigns; No Third Party Beneficiaries.** This Agreement shall inure to the benefit of and be binding upon the Company and the Participant and their respective heirs, successors, legal representatives and permitted assigns. Nothing in this Agreement, expressed or implied, is intended to confer on any Person other than the Company and the Participant, and their respective heirs, successors, legal representatives and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

(e) **Severability.** If any provision of this Agreement shall be declared by any court or arbitrator of competent jurisdiction to be invalid, illegal or incapable of being enforced in whole or in part, the remaining conditions and provisions or portions thereof shall nevertheless remain in full force and effect and enforceable to the extent they are valid, legal and enforceable.

(f) **Governing Law; Dispute Resolution.** This Agreement is governed by the laws of the state of Delaware without application of the conflict of law provisions thereof. If any dispute arising out of or relating to this Agreement or the Plan, or the breach thereof, cannot be settled through

negotiation, the parties agree first to try in good faith to settle such dispute by mediation. If the parties fail to settle such dispute within 30 days after the commencement of such mediation, such dispute shall be settled by arbitration conducted in the state of Pennsylvania and judgment on the arbitral award rendered may be entered in any court having jurisdiction thereof.

(g) **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

(h) **Foreign Asset / Account Reporting Requirements, Exchange Controls and Tax Requirements.** The Participant's country may have certain foreign asset and/or account reporting requirements and exchange controls which may affect the Participant's ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including from any dividends received or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside his or her country. The Participant may be required to report such accounts, assets or transactions to the tax or other authorities in his or her country. The Participant also may be required to repatriate sale proceeds or other funds received as a result of his or her participation in the Plan to his or her country through a designated bank or broker and/or within a certain time after receipt. In addition, the Participant may be subject to tax payment and/or reporting obligations in connection with any income realized under the Plan and/or from the sale of Shares. The Participant acknowledges that it is his or her responsibility to be compliant with all such requirements, and that he or she should consult his or her personal legal and tax advisors, as applicable, to ensure his or her compliance.

(i) **Clawback.** The Option and/or the Shares acquired under the Plan shall be subject to clawback, recoupment, forfeiture or similar requirements (and such requirements shall be deemed incorporated by reference into this Agreement) to the extent required by any applicable laws (including, without limitation, Section 304 of the U.S. Sarbanes-Oxley Act and Section 954 of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act) and any clawback policy adopted by the Company.

(j) **Addendum.** Notwithstanding any provisions in this Agreement, the Option grant shall be subject to any special terms and conditions set forth in any Addendum to this Agreement for the Participant's country. Moreover, if the Participant relocates to one of the countries included in the Addendum, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Addendum constitutes part of this Agreement.

(k) **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the Option and on any Shares purchased upon exercise of the Option, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

EPAM SYSTEMS, INC.

By: _____
Name:
Title:

The Participant's signature on this line both (1) acknowledges the Participant's receipt of the Agreement and agreement to its terms, and (2) indicates the Participant's consent to the processing of Personal Data as described in Section 12.

Participant

EPAM SYSTEMS, INC.
2015 LONG TERM INCENTIVE PLAN

GLOBAL NON-QUALIFIED STOCK OPTION AGREEMENT

FOR SENIOR MANAGERS

1. **Grant of Option.** EPAM Systems, Inc., a Delaware corporation (the "Company"), hereby grants to «Optionee» ("Participant"), on «Date» (the "Grant Date"), an option (the "Option") to purchase «Number of shares underlying option» shares of Common Stock (the "Shares"), at an exercise price of \$«Fair Market Value of Share as of the Grant Date» per Share (the "Exercise Price") subject to the terms, definitions and provisions of the EPAM Systems, Inc. 2015 Long Term Incentive Plan (the "Plan") adopted by the Company, which is incorporated in this Agreement by reference, this Agreement and the Addendum. The Option is intended to be a Non-Qualified Stock Option, and is not intended to be an Incentive Stock Option. Unless otherwise defined in this Agreement, the terms used in this Agreement shall have the meanings defined in the Plan.

2. **Vesting Schedule.** Subject to Section 5, this Option shall vest and become exercisable one-fourth on each of the first, second, third and fourth anniversaries of the Vesting Start Date as communicated by the Company to the Participant.

3. **Exercise of Option.** This Option shall be exercisable during its term in accordance with the Vesting Schedule set out in Section 2 as modified by Section 5, if applicable, as follows:

(a) **Right to Exercise.**

(i) This Option may not be exercised for a fraction of a share.

(ii) In no event may this Option be exercised after the tenth anniversary of the Grant Date (the "Expiration Date").

(b) **Method of Exercise.**

(i) The Participant (or his or her representative, devisee or heir, as applicable) may exercise any portion of the Option that has become exercisable as to all or any of the Shares then available for purchase by delivering to the Company written notice specifying the number of whole Shares to be purchased, together with payment in full of the Payment Amount (as defined in Section 4).

(ii) The Company is not obligated, and will have no liability for failure, to issue or deliver any Shares upon exercise of the Option unless such issuance or delivery would comply with applicable securities laws, with such compliance determined by the Company in consultation with its legal counsel. Assuming such compliance, for tax purposes such Shares shall be considered transferred to the Participant on the date on which the Option is exercised with respect to such Shares.

(iii) If any vested and exercisable portion of the Option is unexercised as of the Expiration Date, the Shares underlying such portion of the Option less the number of Shares having an aggregate Fair Market Value as of the Expiration Date equal to the Payment Amount shall be delivered to

the Participant as soon as practicable after the Expiration Date, *provided* that the Option shall not be so exercised if the Exercise Price equals or exceeds the Fair Market Value of a Share on the Expiration Date.

4. **Method of Payment.** Payment of the aggregate Exercise Price and any required withholding for Tax-Related Items (as defined in Section 8) (the "Payment Amount") shall be by any of the following, or a combination of the following, at the election of the Participant:

(a) cash or check;

(b) cancellation of indebtedness;

(c) if the Common Stock is listed on an exchange or market, and if the Company is at such time permitting broker-assisted cashless exercises, delivery of a properly executed exercise notice together with irrevocable instructions to a broker participating in such cashless brokered exercise program to deliver promptly to the Company the Payment Amount and in any event in accordance with applicable law;

(d) by any other method as may be approved by the Committee.

5. **Termination of Service.** Following the Participant's Termination of Service, Participant (or his or her representative, devisee or heir, as applicable) may exercise the Option only as set forth in this Section 5.

(a) **Death or Disability.** In the event of the Participant's Termination of Service due to the Participant's death or Disability before the Participant has completed at least two (2) years of service with the Company or any Affiliate, 50% of the portion of the Participant's Option that is unvested as of the date of such termination (if any) shall become immediately vested (with any fractional portion of the Option that would otherwise vest as a result of such vesting acceleration event rounded up to the nearest whole Share), and the remaining unvested portion of the Option shall be forfeited without any payment to the Participant. In the event of the Participant's Termination of Service due to the Participant's death or Disability on or after the date on which the Participant has completed at least two (2) years of service with the Company or any Affiliate, 100% of any unvested portion of the Option shall become immediately vested. Any portion of the Participant's Option that is vested as of the date of the Participant's Termination of Service due to death or Disability shall remain exercisable until the earlier of (x) one year following such termination and (y) the Expiration Date, unless the Committee in its sole discretion determines that the Option should be exercisable to some greater extent or remain exercisable for some longer period (ending in no event later than the Expiration Date).

(b) **Retirement.** In the event of the Participant's Termination of Service due to Retirement (as defined below) after the first anniversary of the Grant Date, 100% of any unvested portion of the Option shall become immediately vested.

"Retirement" means the Participant's Termination of Service, other than for Cause, after all the following criteria are met:

(i) the Participant has attained at least age 60 and has completed at least five (5) years of service with the Company or an Affiliate; and

(ii) the sum of the Participant's age and years of service with the Company or any Affiliate as of the date of Termination of Service equals or exceeds seventy (70).

Any portion of the Participant's Option that is vested as of the date of the Participant's Termination of Service due to Retirement shall remain exercisable until the earlier of (x) one year following such termination and (y) the Expiration Date, unless the Committee in its sole discretion determines that the Option should be exercisable to some greater extent or remain exercisable for some longer period (ending in no event later than the Expiration Date). For the avoidance of doubt, in the event of the Participant's Termination of Service due to Retirement on or before the first anniversary of the Grant Date, any portion of the Option that is unvested shall be forfeited as of the date of such termination without any payment to the Participant.

(c) **For Cause.** In the event of the Participant's Termination of Service for Cause (as defined below), the entire unexercised portion of the Option, whether vested or unvested, shall be forfeited as of the date of such termination without any payment to the Participant.

"Cause" means the Company's good faith determination of the Participant's:

(i) willful material breach, or habitual neglect of, the Participant's duties or obligations in connection with the Participant's employment or service;

(ii) having engaged in willful misconduct, gross negligence or a breach of fiduciary duty, or his or her willful material breach of his or her duties to the Company or an Affiliate or under his or her Employment Agreement, if applicable, or of any of the Company policies;

(iii) having been convicted of, or having entered a plea bargain or settlement admitting guilt for, (x) a felony or (y) any other criminal offense involving moral turpitude, fraud or, in the course of the performance of the Participant's service to the Company or an Affiliate, material dishonesty;

(iv) unlawful use or possession of illegal drugs on the premises of the Company or an Affiliate or while performing the Participant's duties and responsibilities to the Company or an Affiliate; or

(v) the commission of an act of fraud, embezzlement or material misappropriation, in each case, against the Company or any Affiliate;

provided that, in the case of clauses (i) and (ii) above, the Company shall provide the Participant with written notice specifying the circumstances alleged to constitute Cause, and, if possible, the Participant shall have 30 days following receipt of such notice to cure such circumstances.

(d) **For Any Other Reason.** In the event of the Participant's Termination of Service at any time under circumstances not described in Sections 5(a), 5(b) or 5(c) herein or Section 11(b) of the Plan, any unvested portion of the Option shall be forfeited as of the date of such termination without any payment to the Participant, and any vested portion of the Option shall remain exercisable until the earlier of (x) 90 days following such termination and (y) the Expiration Date, unless the Committee in its sole discretion determines that the Option should be exercisable to some greater extent or remain exercisable for some longer period (ending in no event later than the Expiration Date).

For purposes of Section 11(b) of the Plan, "Good Reason" means "Good Reason" as defined in the Participant's Employment Agreement, if any, or if not so defined, the occurrence of any of the following events, in each case without the Participant's consent:

- (i) a reduction in the Participant's base compensation and cash incentive opportunity, other than any such reduction that applies generally to similarly situated employees or executives of the Company or an Affiliate;
- (ii) relocation of the geographic location of the Participant's principal place of employment or service by more than 50 miles from the Participant's principal place of employment or service; or
- (iii) a material reduction in the Participant's title, duties, responsibilities or authority;

provided that, in each case, (A) the Participant shall provide the Company with written notice specifying the circumstances alleged to constitute Good Reason within 90 days following the first occurrence of such circumstances, (B) if possible, the Company shall have 30 days following receipt of such notice to cure such circumstances, and (C) if the Company or its Affiliate has not cured such circumstances within such 30-day period, the Participant shall terminate his or her employment or service not later than 60 days after the end of such 30-day period.

6. **Non-Transferability of Option.** This Option may not be transferred in any manner otherwise than (i) by will or by the laws of descent or distribution or (ii) pursuant to an award transfer program adopted by the Company and in accordance with such procedures as the Committee (in its discretion) may specify with respect to the administration and operation of such program. This Option may be exercised during the lifetime of the Participant only by him or her or a valid transferee (which shall include specifically any financial institution, or other entity approved by the Company). The terms of this Option shall be binding upon the executors, administrators, heirs, successors and assigns of the Participant and in order to effect a valid transfer, the transferee (which shall include specifically any financial institution, or other entity approved by the Company) shall execute an agreement reflecting such terms and conditions that the Committee deems necessary to facilitate such transfer.

7. **Reserved.**

8. **Responsibility for Taxes.**

(a) The Participant acknowledges that, regardless of any action taken by the Company or, if different, the Participant's employer (the "Employer"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax related items related to the Participant's participation in the Plan and legally applicable to the Participant ("Tax-Related Items"), is and remains the Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Participant further acknowledges that the Company 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 Option, including, but not limited to, the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is subject to Tax-Related Items in more than one

jurisdiction, the Participant acknowledges that the Company 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.

(b) In connection with any relevant taxable or tax withholding event, as applicable, the Participant agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(i) withholding from the Participant's wages or other cash compensation paid to the Participant by the Company and/or the Employer;

(ii) withholding from proceeds of the sale of Shares acquired at exercise of the Option either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization) without further consent; or

(iii) any other method of withholding determined by the Company and, to the extent required by applicable laws or the Plan, approved by the Committee.

(c) The Company or the Employer may withhold or account for Tax-Related Items by considering applicable withholding rates, including minimum or maximum applicable rates, in the jurisdictions applicable to the Participant. In the event that any excess amounts are withheld to satisfy the obligation for Tax-Related Items, the Participant may be entitled to a refund of any over-withheld amount in cash (with no entitlement to the Share equivalent), or if not refunded by the Company or the Employer, the Participant must seek a refund from the local tax authorities to the extent the Participant wishes to recover the over-withheld amount in the form of a refund. In the event of under-withholding, the Participant may be required to pay any additional Tax-Related Items directly to the applicable tax authority or to the Company and/or the Employer.

(d) Finally, the Participant agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if the Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

9. **Nature of Grant.** In accepting the Option, the Participant acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the Option is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted in the past;

(c) all decisions with respect to future Option or other grants, if any, will be at the sole discretion of the Company;

(d) the Option grant and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming or amending an employment or service contract with the company, the Employer or any Affiliate of the Company and shall not interfere with the ability of the Company, the Employer or any Affiliate of the Company, as applicable, to terminate the Participant's employment or service relationship (if any);

(e) the Participant is voluntarily participating in the Plan;

(f) the Option and any Shares acquired under the Plan, and the income from and value of same, are not intended to replace any pension rights or compensation;

(g) the Option and any Shares acquired under the Plan, and the income from and value of same, are not part of normal or expected compensation for any purposes, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, leave pay, long-service awards, pension or retirement or welfare benefits or similar mandatory payments;

(h) the future value of the Shares underlying the Option is unknown, indeterminable, and cannot be predicted with certainty;

(i) if the underlying Shares do not increase in value, the Option will have no value;

(j) if the Participant exercises the Option and acquires Shares, the value of such Shares may increase or decrease in value, even below the Exercise Price;

(k) no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from the Participant's Termination of Service (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any) or the application of any clawback or compensation recovery policy as described in Section 13(j);

(l) unless otherwise agreed with the Company, the Option and any Shares acquired under the Plan and the income from and value of same, are not granted as consideration for, or in connection with, the service the Participant may provide as a director of an Affiliate;

(m) unless otherwise provided in the Plan or by the Company in its discretion, the Option and the benefits evidenced by this Agreement do not create any entitlement to have the Option or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company; and

(n) neither the Company, the Employer nor any Affiliate shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the Option or of any amounts due to the Participant pursuant to the exercise of the Option or the subsequent sale of any Shares acquired upon exercise.

10. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying Shares. The Participant understands and

agrees that he or she should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

11. **Insider Trading/Market Abuse Laws.** The Participant may be subject to insider trading restrictions and/or market abuse laws based on the exchange on which the Shares are listed and in applicable jurisdictions, including the United States, the Participant's country and the designated broker's country, which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (e.g., Options) or rights linked to the value of Shares (e.g., dividend equivalents) under the Plan during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws in applicable jurisdictions). Local insider trading laws may prohibit the cancellation or amendment of orders placed by the Participant before he or she possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party, which may include fellow employees and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant acknowledges that it is his or her responsibility to comply with any applicable restrictions, and the Participant should speak to his or her personal advisor on this matter.

12. **Data Privacy.** *To the extent recognized by applicable law, the Participant hereby consents to the collection, use, transfer, or other processing of the Participant's personally identifiable information as described in this Agreement and any other Option grant materials ("Personal Data") in electronic or other form by and among, as applicable, the Company, its Affiliates, the Employer or other third parties as processors of the Personal Data, for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Company, with offices located at 41 University Drive, Newtown, Pennsylvania 18940, acts as the controller of this Personal Data, and processes this Personal Data for purposes of implementing, administering, and managing the Plan. The Company protects the Personal Data that it receives in the United States from the European Union via data transfer agreements based on the standard contractual clauses adopted by the European Commission. The Participant can obtain further information about these data transfer agreements by contacting AskDataPrivacy@epam.com.*

The Participant understands that the Personal Data may include, but is not limited to, the Participant's name, home address and telephone number, e-mail address, date of birth, social insurance number, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Options or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor. Such Personal Data will be used by the Company for the exclusive purpose of implementing, administering and managing the Plan. The Company relies on the following legal grounds for processing of Personal Data (i) consent, as permitted by applicable law, (ii) performance of this Agreement with the Participant, (iii) the legitimate interests of the Company, its Affiliates, the Employer or other third parties (such as service providers, consultants, governmental bodies, or courts) where the legitimate interest could be in particular the implementation, administration and management of the Plan, and (iv) for compliance with legal obligations, in particular in the area of labor and employment law, social security and social protection law, data protection and privacy law, tax law, and corporate compliance laws.

The Participant understands that Personal Data will be transferred to UBS Financial Services Inc. or other third parties assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of his or her Personal Data

may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. Where disclosing Personal Data to such third parties, the Company provides appropriate safeguards for protecting the transfer of Personal Data, such as establishing data contractual clauses with third parties based on the standard contractual clauses adopted by the European Commission or relevant supervisory authority. The Participant may request a copy of, or information about, such safeguards by contacting AskDataPrivacy@epam.com.

The Participant may generally request a list with the names and addresses of any potential recipients of his or her Personal Data by contacting AskDataPrivacy@epam.com. The Participant understands that Personal Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. When the Company no longer needs to use the Participant's Personal Data for the purposes above or does not need to retain it for compliance with any legal or regulatory purpose, the Company will take reasonable steps to remove it from systems and/or records containing the Personal Data and/or take steps to properly anonymize it so that the Participant can no longer be identified from it.

Subject to applicable data protection and privacy law, the Participant understands that he or she may view Personal Data, request additional information about the storage and processing of Personal Data, require any necessary amendments to Personal Data or refuse or withdraw the consent herein, in any case without cost, by contacting in writing AskDataPrivacy@epam.com. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis.

In addition to the above, subject to applicable law, the Participant may have the right to (i) request erasure of Personal Data, (ii) request restriction of, or object to, certain uses or processing of Personal Data, (iii) request Personal Data portability, or (iv) lodge a complaint with a supervisory authority.

The Participant's provision of Personal Data is a contractual requirement. If the Participant does not provide the Personal Data and/or consent to the terms of this Section 12, or if the Participant later seeks to revoke his or her consent, his or her employment status or service with the Employer will not be affected; the only consequence of refusing or withdrawing the Participant's consent is that the Company may not be able to grant Options or other equity awards to the Participant or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan. Such a withdrawal will not affect the lawfulness of the collection, use, or otherwise processing of the Participant's Data prior to the consent withdrawal. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, or to exercise certain additional rights described above, the Participant understands that he or she may contact AskDataPrivacy@epam.com.

13. Miscellaneous Provisions.

(a) **Notices.** All notices, requests and other communications under this Agreement shall be in writing and shall be delivered in person (by courier or otherwise), mailed by certified or registered mail, return receipt requested, or sent by facsimile transmission, to the contact details below. The parties may use e-mail delivery, so long as the message is clearly marked, sent to the e-mail address(es) set forth below, and a delivery receipt and a read receipt are made part of the message. E-mail delivery will be deemed to occur when the sender receives confirmation that such message has been received and read by the recipient.

if to the Company, to:

EPAM Systems, Inc.
41 University Drive
Newtown, Pennsylvania 18940
Attention: General Counsel
Facsimile: 267-759-8989

if to the Participant, to:

the address, facsimile number or e-mail address that the Participant most recently provided to the Company, or to such other address, facsimile number or e-mail address as such party may hereafter specify for the purpose by notice to the other parties hereto.

(b) **Effect of Agreement.** The Participant acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof (and has had an opportunity to consult counsel regarding the Option terms), and hereby accepts this Option and agrees to be bound by its contractual terms as set forth herein and in the Plan. The Participant acknowledges and agrees that the grant of this Option constitutes additional consideration to the Participant for the Participant's continued and future compliance with any restrictive covenants in favor of the Company by which the Participant is otherwise bound. The Participant hereby agrees to accept as binding, conclusive and final all decisions and interpretations of the Committee regarding any questions relating to the Option. In the event of a conflict between the terms and provisions of the Plan and the terms and provisions of this Agreement, the Plan terms and provisions shall prevail. The Agreement, including the Plan, constitutes the entire agreement between the Participant and the Company on the subject matter hereof and supersedes all proposals, written or oral, and all other communications between the parties relating to such subject matter.

(c) **Amendment; Waiver.** No amendment or modification of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and the Participant, except that the Company may amend or modify this Agreement without the Participant's consent in accordance with the provisions of the Plan or as otherwise set forth in this Agreement. No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other or subsequent breach or condition whether of like or different nature. Any amendment or modification of or to any provision of this Agreement, or any waiver of any provision of this Agreement, shall be effective only in the specific instance and for the specific purpose for which made or given.

(d) **Successors and Assigns; No Third Party Beneficiaries.** This Agreement shall inure to the benefit of and be binding upon the Company and the Participant and their respective heirs, successors, legal representatives and permitted assigns. Nothing in this Agreement, expressed or implied, is intended to confer on any Person other than the Company and the Participant, and their respective heirs, successors, legal representatives and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

(e) **Severability.** If any provision of this Agreement shall be declared by any court or arbitrator of competent jurisdiction to be invalid, illegal or incapable of being enforced in whole or in

part, the remaining conditions and provisions or portions thereof shall nevertheless remain in full force and effect and enforceable to the extent they are valid, legal and enforceable.

(f) **Governing Law; Dispute Resolution.** This Agreement is governed by the laws of the state of Delaware without application of the conflict of law provisions thereof. If any dispute arising out of or relating to this Agreement or the Plan, or the breach thereof, cannot be settled through negotiation, the parties agree first to try in good faith to settle such dispute by mediation. If the parties fail to settle such dispute within 30 days after the commencement of such mediation, such dispute shall be settled by arbitration conducted in the state of Pennsylvania and judgment on the arbitral award rendered may be entered in any court having jurisdiction thereof.

(g) **Language.** By accepting the Option, the Participant acknowledges and represents that the Participant is proficient in the English language or has consulted with an advisor who is sufficiently proficient in English, as to allow the Participant to understand the terms of the Agreement and any other documents related to the Plan. If the Participant has received the Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise required by applicable laws.

(h) **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

(i) **Foreign Asset / Account Reporting Requirements, Exchange Controls and Tax Requirements.** The Participant's country may have certain foreign asset and/or account reporting requirements and exchange controls which may affect the Participant's ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including from any dividends received or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside his or her country. The Participant may be required to report such accounts, assets or transactions to the tax or other authorities in his or her country. The Participant also may be required to repatriate sale proceeds or other funds received as a result of his or her participation in the Plan to his or her country through a designated bank or broker and/or within a certain time after receipt. In addition, the Participant may be subject to tax payment and/or reporting obligations in connection with any income realized under the Plan and/or from the sale of Shares. The Participant acknowledges that it is his or her responsibility to be compliant with all such requirements, and that he or she should consult his or her personal legal and tax advisors, as applicable, to ensure his or her compliance.

(j) **Clawback.** The Option and/or the Shares acquired under the Plan shall be subject to clawback, recoupment, forfeiture or similar requirements (and such requirements shall be deemed incorporated by reference into this Agreement) to the extent required by any applicable laws (including, without limitation, Section 304 of the U.S. Sarbanes-Oxley Act and Section 954 of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act) and any clawback policy adopted by the Company.

(k) **Addendum.** Notwithstanding any provisions in this Agreement, the Option grant shall be subject to any special terms and conditions set forth in any Addendum to this Agreement for the Participant's country. Moreover, if the Participant relocates to one of the countries included in the

Addendum, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Addendum constitutes part of this Agreement.

(l) **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the Option and on any Shares purchased upon exercise of the Option, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

EPAM SYSTEMS, INC.

By: _____
Name:
Title:

The Participant's signature on this line both (1) acknowledges the Participant's receipt of the Agreement and agreement to its terms, and (2) indicates the Participant's consent to the processing of Personal Data as described in Section 12.

Participant

ADDENDUM
EPAM SYSTEMS, INC.
2015 LONG TERM INCENTIVE PLAN
GLOBAL NON-QUALIFIED STOCK OPTION AGREEMENT
FOR SENIOR MANAGERS

Terms and Conditions

This Addendum includes additional terms and conditions that govern the Option granted to the Participant under the Plan if the Participant resides in one of the countries listed below. These terms and conditions are in addition to, or if so indicated, in place of the terms and conditions in the Agreement. If the Participant is a citizen or resident (or is considered as such for local law purposes) of a country other than the country in which Participant is currently residing and/or working, or if Participant relocates to another country after the Grant Date, the Company shall, in its discretion, determine to what extent these country-specific terms and conditions contained herein shall be applicable to the Participant. Certain capitalized terms used but not defined in this Addendum have the meanings set forth in the Plan and/or the Agreement.

Notifications

This Addendum also includes information regarding exchange controls and certain other issues of which the Participant should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of March 2024. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information in this Addendum as the only source of information relating to the consequences of the Participant's participation in the Plan because the information may be out of date at the time that the Participant exercises the Option or sells Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation, and the Company is not in a position to assure the Participant of a particular result. Accordingly, the Participant should seek appropriate professional advice as to how the relevant laws in the Participant's country may apply to his or her situation.

Finally, if the Participant is a citizen or resident of a country other than the one in which he or she is currently working or residing (or is considered as such for local law purposes), or transferred employment and/or residency after the Grant Date, the notifications contained herein may not be applicable to the Participant.

ARMENIA

There are no country specific provisions.

BELARUS

Notifications

Exchange Control Information. Belarusian citizens or permanent residents may be required to repatriate any funds received in connection with the Options (e.g., proceeds from the sale of Shares acquired under the Plan) to Belarus. The Participant is responsible for ensuring compliance with all exchange control laws in Belarus in connection with his or her participation in the Plan.

BELGIUM

Terms and Conditions

Tax Notification. The Option must be accepted in writing either (i) within 60 days of the offer (for tax at offer) or (ii) after 60 days of the offer (for tax at exercise). The Participant will receive a separate offer letter and undertaking form in addition to the Agreement. The Participant should refer to the offer letter for a more detailed description of the tax implications of choosing to accept the Option. The Participant should consult with his or her personal tax advisor regarding completion of the additional forms.

Notifications

Foreign Asset/Account Reporting Information. Belgian residents are required to report any securities (e.g., Shares acquired under the Plan) held and bank accounts (including brokerage accounts) opened and maintained outside of Belgium on their annual tax return. In a separate report, the resident is required to provide the National Bank of Belgium with the account details of any such foreign accounts (including the account number, bank name and country in which such account was opened). This report, as well as information on how to complete it, can be found on the website of the National Bank of Belgium, www.nbb.be, under the *Kredietcentrales / Centrales des crédits* caption.

Annual Securities Accounts Tax. An annual securities tax may be payable if the total value of securities held in a Belgian or foreign securities account (e.g., Shares acquired under the Plan) exceeds €1,000,000 threshold on four reference dates within the relevant reporting period (i.e., March 31, June 30, September 30 and December 31). In such case, the tax will be due on the value of the qualifying securities held in such account. The Participant should consult with his or her personal tax advisor regarding the new tax.

BULGARIA

Notifications

Exchange Control Information. If funds are remitted abroad to pay the Exercise Price of the Options, a declaration of the purpose of the remittance must be provided by the Participant to the local bank that is transferring the funds. If the funds are remitted to a bank outside the European Union and the amount exceeds BGN 30,000, documentation evidencing the underlying transaction (for instance a copy of the Agreement) must be provided.

Foreign Asset/Account Reporting Information. The Participant will be required to file statistical forms with the Bulgarian national Bank annually regarding his or her receivables in bank accounts abroad as well as securities held abroad (e.g., Shares acquired under the Plan) if the total sum of all such receivables and securities equals or exceeds BGN 50,000 as of the previous calendar year-end. The reports are due

by March 31. The Participant should contact his or her bank in Bulgaria for additional information regarding these requirements.

CANADA

Terms and Conditions

Method of Payment. Notwithstanding Section 6(d) of the Plan, the Participant is not permitted to pay the Payment Amount with previously-owned shares of Common Stock or with Shares to be issued upon exercise of this Option.

Termination of Service. This provision supplements Section 5 of the Agreement:

For purposes of the Option, the Participant's Termination of Service (for any reason whatsoever, whether or not later found to be invalid, unlawful or in breach of employment laws in the jurisdiction where the Participant is employed or providing services or the terms of the Participant's employment or service agreement, if any), will be measured by the date that is the earliest of (i) the date on which the Participant's employment with the Employer is terminated, or (ii) the date the Participant receives written notice of termination from the Employer, regardless of any period during which notice, pay in lieu of notice or related payments or damages are provided or required to be provided under local law. For greater certainty, the Participant will not earn or be entitled to any pro-rated vesting or exercisability for that portion of time before the date on which the Participant's right to vest or exercise terminates, nor will the Participant be entitled to any compensation for lost vesting. Notwithstanding the foregoing, if applicable employment standards legislation explicitly requires continued vesting during a statutory notice period, the Participant's right to vest in the Option, if any, will terminate effective upon the expiry of the minimum statutory notice period, but the Participant will not earn or be entitled to pro-rated vesting or exercisability if the vesting date falls after the end of the statutory notice period, nor will the Participant be entitled to any compensation for lost vesting.

If Participant resides in Québec, the following provisions apply:

Authorization to Release Necessary Personal Information. This provision supplements Section 12 of the Agreement:

The Participant hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Participant further authorizes the Company and any Affiliate and the administrator of the Plan to disclose and discuss the Plan with their advisors. The Participant further authorizes the Employer to record such information and to keep such information in the Participant's employee file. The Participant acknowledges that the Participant's personal information, including any sensitive personal information, may be transferred or disclosed outside the province of Quebec, including to the U.S. If applicable, the Participant also acknowledges that the Company, the Employer, any Affiliate and UBS Financial Services Inc. may use technology for profiling purposes and to make automated decisions that may have an impact on the Participant or the administration of the Plan.

French Language Documents. A French translation of this Agreement and certain other documents related to the Option will be made available to the Participant as soon as reasonably practicable. Notwithstanding anything to the contrary in the Agreement, and unless the Participant indicates otherwise, the French translation of this Agreement and the Plan will govern the Participant's participation in the Plan.

Notifications

Securities Law Notification. The Participant is permitted to sell Shares acquired under the Plan through the designated broker appointed under the Plan, if any, provided the resale of Shares acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the Shares are listed. The Stock is currently listed on the New York Stock Exchange in the United States of America.

Foreign Asset/Account Reporting Information. Specified foreign property, including Shares and rights to receive Shares (e.g., Options), must be reported annually on a Form T1135 (Foreign Income Verification Statement) if the total cost of the specified foreign property exceeds C\$100,000 at any time during the year. Thus, the Options must be reported - generally at a nil cost - if the C\$100,000 cost threshold is exceeded because of other specified foreign property. When Shares are acquired, their cost generally is the adjusted cost base ("ACB") of the Shares. The ACB would ordinarily equal the fair market value of the Shares at the time of acquisition, but if other Shares are also owned, this ACB may have to be averaged with the ACB of the other Shares. Participants should consult a personal legal advisor to ensure compliance with applicable reporting obligations.

CHINA

Terms and Conditions

The following provisions apply only to Participants who are subject to exchange control restrictions or regulations in the People's Republic of China ("China"), as determined by the Company in its sole discretion.

Vesting Schedule and Exercisability of Option. Notwithstanding anything to the contrary in the Plan or the Agreement, the Option will not vest and nor be exercisable unless and until the Company determines, in its sole discretion, that all necessary exchange control or other approvals from the PRC State Administration of Foreign Exchange ("SAFE") or its relevant branch have been received and remain effective ("SAFE Approval"). In the event that SAFE Approval has not been obtained prior to any scheduled vesting date set forth in Section 2 of the Agreement, the Option will not vest until the seventh day of the month following the month in which SAFE Approval is obtained (the "Actual Vesting Date"). If the Participant experiences a Termination of Service prior to the Actual Vesting Date, the Participant shall not be entitled to vest in any portion of the Option and the Option shall be forfeited without any liability to the Company, the Employer or any Affiliate of the Company.

Method of Payment. The following provision supplements Section 4 of the Agreement:

Due to regulatory requirements, the Participant understands that the Participant will be restricted to the cashless sell-all method of exercise. To complete a cashless sell-all exercise, the Participant understands that the Participant needs to instruct his or her broker to: (i) sell all of the Shares issued upon exercise; (ii) use the proceeds to pay the Exercise Price, brokerage fees and any applicable Tax-Related Items; and the remaining proceeds will be remitted to the Participant in accordance with any applicable exchange control laws and regulations including, but not limited to, the restrictions set forth in these Country-Specific Terms for China below under "Exchange Control Requirements." The Participant agrees to sign any agreement, form and/or consent that may reasonably be requested by the Company (or the Company's designated broker) to effectuate the cashless exercise of the Options. The Participant will not be permitted to hold Shares after exercise. Depending on the development of local laws or the Participant's country of residence, the Company reserves the right to modify the methods of exercising

the Option and, in its sole discretion, to permit cash exercise, cashless sell-to cover exercise or any other method of exercise and payment of Tax-Related Items permitted under the Plan.

Treatment of Options Upon Termination of Service. Due to exchange control regulations in China, the Participant understands and agrees that the Company may require the exercise of the Options immediately following the Participant's Termination of Service, or within such other period as determined by the Company or required by SAFE or its local counterpart, but in no event shall such period be later than the period provided in Section 5 of the Agreement. This includes any portion of the Options that vest upon the Participant's Termination of Service.

Exchange Control Requirements. The Participant understands and agrees that, to facilitate compliance with exchange control requirements, the Participant is required to immediately repatriate to China the Share sale proceeds from the cashless exercise of Options. The Participant further understands that such repatriation of the sale proceeds will be effectuated through a special exchange control account established by the Company or its Affiliates, and the Participant hereby consents and agrees that the proceeds may be transferred to such special account prior to being delivered to the Participant. The Company may deliver the proceeds to the Participant in United States dollars or local currency at the Company's discretion. If the proceeds are paid in United States dollars, the Participant understands that he or she will be required to set up a United States dollar bank account in China so that the proceeds may be deposited into this account. If the proceeds are converted to local currency, there may be delays in delivering the proceeds to the Participant and due to fluctuations in the Share trading price and/or the United States dollar/PRC exchange rate between the sale/payment date and (if later) when the proceeds can be converted into local currency, the proceeds that the Participant receives may be more or less than the market value of the Shares on the sale/payment date (which is the amount relevant to determining the Participant's tax liability). The Participant agrees to bear the risk of any currency fluctuation between the sale/payment date and the date of conversion of the proceeds into local currency. The Company is under no obligation to secure any particular exchange conversion rate.

The Participant further agrees to comply with any other requirements that may be imposed by the Company in the future to facilitate compliance with exchange control requirements in China.

COLOMBIA

Terms and Conditions

Labor Law Acknowledgement. The following provision supplements Section 9 of the Agreement:

By accepting the Option, the Participant acknowledges, understands and agrees that pursuant to Article 15 of Law 50/1990 (Article 128 of the Colombian Labor Code), the Option and any payments the Participant receives pursuant to the Option do not constitute a component of "salary" for any legal purpose. Therefore, the Option and related benefits will not be included or considered for purposes of calculating any and all labor benefits, such as fringe benefits, vacation pay, termination or other indemnities, payroll taxes, social insurance contributions, or any other outstanding labor-related amounts that may be payable.

Notifications

Securities Law Notification. The Shares are not and will not be registered in the Colombian registry of publicly traded securities (*Registro Vacional de Valores y Emisores*) and, therefore, the Shares may not

be offered to the public in Colombia. Nothing in this document should be construed as the making of a public offer of securities in Colombia.

Exchange Control Information. The Participant is responsible for complying with any and all Colombian foreign exchange restrictions, approvals and reporting requirements in connection with the Option and any Shares acquired or funds received under the Plan. This may include reporting obligations to the Central Bank (*Banco de la República*). If applicable, the Participant will be required to register his or her investment in Shares with the Central Bank, regardless of the value of the investment. The Participant should consult with his or her personal legal advisor to ensure compliance with the applicable requirements.

Foreign Asset/Account Reporting Information. The Participant may be required to file an annual informative return with the Colombian Tax Office detailing any assets held abroad. If the individual value of any of these assets exceeds a certain threshold, the Participant must describe each asset and indicate the jurisdiction in which it is located, its nature and its value.

CROATIA

Notifications

Exchange Control Information. The Participant may be required to report foreign investments (including Shares acquired under the Plan) and foreign accounts to the Croatian National Bank for statistical purposes. The Participant should consult his or her personal legal advisor to ensure compliance with the applicable requirements.

CZECH REPUBLIC

Notifications

Exchange Control Information. The Czech National Bank ("**CNB**") may require the Participant to fulfill certain notification duties in relation to the Option and the opening and maintenance of a foreign account. In addition, the Participant may need to report the following even in the absence of a request from the CNB: foreign direct investments with a value of CZK 2,500,000 or more in the aggregate or other foreign financial assets with a value of CZK 2,000,000,000 or more. Because exchange control regulations may change without notice, the Participant should consult his or her personal legal advisor prior to the exercise of the Option and sale of Shares to ensure compliance with current regulations. It is the Participant's responsibility to comply with applicable Czech exchange control laws.

FRANCE

Terms and Conditions

Type of Award. The Option is not granted as a "French-qualified" award and is not intended to qualify for the specific tax and social security treatment applicable to shares granted for no consideration under Sections L. 225-177 to L. 225-186 and Sections L. 22-10-56 to L. 22-10-58 of the French Commercial Code, as amended.

Consent to Receive Information in English. By accepting the Option, the Participant confirms having read and understood the documents related to the Option (the Plan and the Agreement) which were provided in the English language. The Participant accepts the terms of these documents accordingly.

Consentement Relatif à l'Utilisation de la Langue Anglaise. En acceptant l'Option, le Participant confirme avoir lu et compris les documents relatifs à cette Option (le Plan et le Contrat) qui ont été remis en langue anglaise. Le Participant accepte les termes de ces documents en conséquence.

Notifications

Exchange Control Information. If the Participant transfers more than €10,000 in Shares or cash into or out of France without the use of a financial intermediary, the Participant must declare the transfer to the French tax and customs authorities.

GEORGIA

Terms and Conditions

Language Consent. By accepting the grant of the Option, the Participant acknowledges that he or she is proficient in reading and understanding English and fully understands the terms of the documents related to the grant (the Agreement and the Plan), which were provided in the English language. The Participant accepts the terms of those documents accordingly.

თანხმობა ენასთან დაკავშირებით. საფონდო ვარიანტი მიწიჭებაზე თანხმობის განცხადებით, *მონაწილე* ადასტურებს რომ მას თავისუფლად ესმის ინგლისური ენა და რომ მისთვის სრულად არის გასაგები ამგვარ მიწიჭებასთან დაკავშირებული დოკუმენტაციის (*ხელშეკრულებისა და გეგმის*) პირობები, რომელიც მისთვის მიწოდებული იქნა ინგლისურ ენაზე. შესაბამისად, *მონაწილე* თანხმობას აცხადებს ამ დოკუმენტებით გათვალისწინებულ პირობებზე.

GERMANY

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 (including transactions made in connection with the sale of Shares under the Plan) must be reported to the German Federal Bank (*Bundesbank*). If the Participant receives a payment in excess of this amount (including if the Participant acquires Shares with a value in excess of this amount or sells Shares via a foreign broker, bank or service provider and receives proceeds in excess of this amount), the Participant must report the payment and/or the value of the Shares received, either electronically using the "General Statistics Reporting Portal" ("*Allgemeines Meldeportal Statistik*") can be accessed via Bundesbank's website at www.bundesbank.de, or via such other method (e.g., by email or telephone) as is permitted by Bundesbank. The report must be submitted monthly or within other such timing as is permitted or required by Bundesbank. The Participant is responsible for making this report, if applicable, and should consult a personal legal advisor to ensure compliance with applicable reporting obligations.

Foreign Asset/Account Reporting Information. If the Participant's acquisition of Shares under the Plan leads to a qualified participation at any point during the calendar year, the Participant will need to report

the acquisition when the Participant files his or her tax return for the relevant year. A qualified participation is attained if (i) the Participant holds at least 1% of the Company and the value of the Shares acquired exceeds EUR 150,000 or (ii) the Participant holds Company Shares exceeding 10% of the Company's total common stock.

HONG KONG

Terms and Conditions

Exercise of Option. The purchase of Shares at exercise is made as a personal investment. If, for any reason, the Participant exercises the Option within six (6) months of the Grant Date, the Participant agrees that he or she will not sell or otherwise dispose of any such Shares prior to the six-month anniversary of the Grant Date.

Notifications

Securities Law Notification. WARNING: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. The Participant is advised to exercise caution in relation to the offer. If the Participant is in any doubt about any of the contents of this document, the Participant should obtain independent professional advice. Neither the grant of the Options nor the issuance of Shares upon exercise constitutes a public offering of securities under Hong Kong law and is available only to employees of the Company and its Affiliates. The Plan, the Agreement and other incidental communication materials distributed in connection with the Options (i) 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 (ii) are intended only for the personal use of each eligible employee of the Company or its Affiliates and may not be distributed to any other person.

HUNGARY

Terms and Conditions

Method of Payment. The following provision supplements Section 4 of the Agreement:

Due to regulatory requirements, the Participant understands that the Participant may be restricted to the cashless sell-all method of exercise. To complete a cashless sell-all exercise, the Participant understands that the Participant needs to instruct his or her broker to: (i) sell all of the Shares issued upon exercise; (ii) use the proceeds to pay the Exercise Price, brokerage fees and any applicable Tax-Related Items; and (iii) remit the balance in cash to the Participant. The Participant will not be permitted to hold Shares after exercise. Depending on the development of local laws or the Participant's country of residence, the Company reserves the right to modify the methods of exercising the Option and, in its sole discretion, to permit cash exercise, cashless sell-to cover exercise or any other method of exercise and payment of Tax-Related Items permitted under the Plan.

INDIA

Terms and Conditions

Method of Payment. The following provision supplements Section 4 of the Agreement:

Due to regulatory requirements, the Participant may pay the Exercise Price by (a) cash or check made payable to the Company; or (b) pursuant to a broker-assisted cashless exercise procedure, as set forth in Section 4(c) of the Agreement, as modified by this Addendum. Under this procedure (also called a same-day sale exercise), the Participant (or any other person or persons exercising the Option) shall concurrently provide irrevocable instructions (i) to a brokerage firm (reasonably satisfactory to the Company for purposes of administering such procedure in accordance with the Company's pre-clearance/pre-notification policies) to effect the immediate sale of all of the purchased Shares so that such brokerage firm can remit to the Company, on the settlement date, sufficient funds out of the resulting sale proceeds to cover the aggregate Exercise Price payable for all the purchased Shares plus all applicable Tax-Related Items, brokers' fees or commissions and (ii) to the Company to deliver the purchased Shares directly to such brokerage firm on such settlement date. The Company reserves the right to provide the Participant with additional methods of exercise depending on the development of local law.

Issuance of Shares. Due to regulatory requirements in India, the Company may require, in its sole discretion, that any Shares acquired pursuant to the Option be sold, either immediately after issuance or within a specified period following the Participant's Termination of Service. In this regard, the Participant agrees that the Company is authorized to instruct its designated broker to assist with any such mandatory sale of Shares (on the Participant's behalf pursuant to this authorization), and the Participant expressly authorizes the designated broker to complete the sale of such Shares. The Participant also agrees to sign any agreements, forms and/or consents that may be reasonably requested by the Company (or the designated broker) to effectuate the sale of the Shares and shall otherwise cooperate with the Company with respect to such matters, provided that the Participant shall not be permitted to exercise any influence over how, when or whether the sales occur. The Participant acknowledges that the designated broker is under no obligation to arrange for the sale of the Shares at any particular price. Due to fluctuations in the Share price and/or applicable exchange rates between the date the Shares are delivered to the Participant and (if later) the date on which the Shares are sold, the amount of proceeds ultimately distributed to the Participant may be more or less than the market value of the Shares on the Vesting Date or the date the shares are delivered to the Participant.

Upon the sale of the Shares, the cash proceeds from the sale of shares (less any applicable Tax-Related Items, brokerage fees or commissions) will be delivered to the Participant in accordance with applicable laws and regulations, as determined by the Company in its sole discretion.

Tax Collection at Source. If the Participant remits funds from India to pay the Exercise Price, the Participant may be subject to Tax Collection at Source ("TCS") if the Participant's annual remittances out of India exceed a certain amount (currently INR 700,000). The Participant may be required to provide a declaration to the bank remitting the funds to determine if the TCS limit has been reached. If deemed necessary to comply with applicable laws, the Company may require the Participant to pay for the Shares purchased on exercise, and any Tax-Related Items through a broker-assisted cashless exercise procedure, as set forth in Section 4(c) of the Agreement, as modified by this Addendum in the Method of Payment section above. The Company reserves the right to prescribe alternative methods of exercise of the Option depending on the development of local laws.

Notifications

Exchange Control Information. The Participant understands that he or she must repatriate any proceeds from the sale of Shares acquired under the Plan or the receipt of dividends paid on such Shares to India within such time prescribed under applicable Indian exchange control laws as may be amended from time to time. The Participant will receive a foreign inward remittance certificate ("FIRC") from the bank

where he or she deposits the foreign currency. The Participant should maintain the FIRC as evidence of the repatriation of the proceeds in the event the Reserve Bank of India or the Employer requests proof of repatriation. The Participant is also responsible for complying with any other exchange control laws in India that may apply to the Options or the Shares acquired under the Plan.

Foreign Asset/Account Reporting Information. The Participant is required to declare any foreign bank accounts and any foreign financial assets (including Shares acquired under the Plan) in Participant's annual tax return. Increased penalties for failing to report these assets/accounts have been implemented. The Participant should consult with his or her personal tax advisor to determine the Participant's reporting requirements.

IRELAND

There are no country specific provisions.

ISRAEL

Terms and Conditions

Method of Payment. The following provision supplements Section 4 of the Agreement:

To facilitate compliance with local tax requirements, the Participant understands that the Participant will be restricted to the cashless sell-all method of exercise. To complete a cashless sell-all exercise, the Participant understands that the Participant needs to instruct his or her broker to: (i) sell all of the Shares issued upon exercise; (ii) use the proceeds to pay the Exercise Price, brokerage fees and any applicable Tax-Related Items; and the remaining proceeds will be remitted to the Participant in accordance with any applicable tax laws and regulations. The Participant agrees to sign any agreement, form and/or consent that may reasonably be requested by the Company (or the Company's designated broker) to effectuate the cashless exercise of the Options. The Participant will not be permitted to hold Shares after exercise. The Company reserves the right to modify the methods of exercising the Option and, in its sole discretion, to permit cash exercise, cashless sell-to cover exercise or any other method of exercise and payment of Tax-Related Items permitted under the Plan.

ITALY

Terms and Conditions

Method of Payment. The following provision supplements Section 4 of the Agreement:

Due to regulatory requirements, the Participant understands that the Participant will be restricted to the cashless sell-all method of exercise. To complete a cashless sell-all exercise, the Participant understands that the Participant needs to instruct his or her broker to: (i) sell all of the Shares issued upon exercise; (ii) use the proceeds to pay the Exercise Price, brokerage fees and any applicable Tax-Related Items; and (iii) remit the balance in cash to the Participant. The Participant will not be permitted to hold Shares after exercise. Depending on the development of local laws or the Participant's country of residence, the Company reserves the right to modify the methods of exercising the Option and, in its sole discretion, to permit cash exercise, cashless sell-to cover exercise or any other method of exercise and payment of Tax-Related Items permitted under the Plan.

Plan Document Acknowledgement. The Participant acknowledges that the Participant has read and specifically and expressly approves the following Sections of the Agreement: Section 5 (Termination of Service); Section 8 (Responsibility for Taxes); Section 9 (Nature of Grant); Section 12 (Data Privacy); Section 13(g) (Language); Section 13(h) (Electronic Delivery and Acceptance); Section 13(k) (Addendum); and Section 13(l) (Imposition of Other Requirements).

Notifications

Foreign Asset/Account Reporting Information. Italian residents who, at any time during the fiscal year, hold foreign financial assets (including cash and Shares) which may generate income taxable in Italy are required to report these assets on their annual tax returns (UNICO Form, RW Schedule) for the year during which the assets are held, or on a special form if no tax return is due. These reporting obligations also will apply to Italian residents who are the beneficial owners of foreign financial assets under Italian money laundering provisions.

JAPAN

Notifications

Exchange Control Information. If the Participant acquires Shares valued at more than ¥100,000,000 in a single transaction, he or she must file a Securities Acquisition Report with the Ministry of Finance through the Bank of Japan within 20 days after the acquisition of the Shares.

Foreign Asset/Account Reporting Information. If the Participant is a resident of Japan, the Participant will be required to report details of any assets (including any Shares acquired under the Plan) held outside of Japan as of December 31st of each year, to the extent such assets have a total net fair market value exceeding ¥50,000,000. Such report will be due by March 15th of the following year. The Participant should consult with his or her personal tax advisor as to whether the reporting obligation applies to the and whether he or she will be required to report details of any outstanding Options or Shares held by Participant in the report.

KAZAKHSTAN

Notifications

Securities Law Notification. This offer is addressed only to certain eligible employees in the form of the Shares to be issued by the Company, which as of the date hereof are listed on the New York Stock Exchange. Neither the Plan nor this Agreement has been approved, nor do they need to be approved, by the National Bank of Kazakhstan. This offer is intended only for the original recipient and is not for general circulation in the Republic of Kazakhstan.

Exchange Control Information. The Participant acknowledges that if the Participant is a resident of Kazakhstan, the Participant will be required to notify and file standard-form reports with the National Bank of Kazakhstan if the value of the Shares that the Participant purchases under the Plan exceeds a certain threshold.

Please note that exchange control regulations in Kazakhstan are subject to change. The Participant should consult with his or her personal legal advisor regarding any exchange control obligations that Participant may have prior to exercising the Option or receiving proceeds from the sale of Shares acquired under the

Plan. The Participant is responsible for ensuring compliance with all exchange control laws in Kazakhstan.

KOREA

Notifications

Exchange Control Information. To remit funds out of Korea to exercise the Option by a cash-exercise method, the Participant must obtain a confirmation of the remittance by a foreign exchange bank in Korea. This is an automatic procedure (*i.e.*, the bank does not need to approve the remittance and the process should not take more than a single day). The Participant likely will need to present the bank processing the transaction supporting documentation evidencing the nature of the remittance.

Foreign Asset/Account Reporting Information. The Participant must declare all foreign financial accounts (e.g., non-Korean bank accounts, brokerage accounts holding Shares) in countries that have not entered into an "intergovernmental agreement for automatic exchange of tax information" with Korea to the Korean tax authority and file a report with respect to such accounts if the value of such accounts exceeds KRW 500 million (or an equivalent amount in foreign currency) on any month-end date during a calendar year.

LITHUANIA

There are no country specific provisions.

MALAYSIA

Notifications

Director Notification Obligation. If the Participant is a director of a Malaysian Affiliate, he or she is subject to certain notification requirements, under the Malaysian Companies Act 1965. Among these requirements is an obligation to notify the Malaysian Affiliate in writing when the Participant receives or disposes of an interest (*e.g.*, Options or Shares) in the Company or any related company. This notification must be made within 14 days of receiving or disposing of any interest in the Company or any related company.

MALTA

Notifications

Securities Law Notification. The Plan, the Agreement, including this Addendum, and all other materials the Participant may receive regarding participation in the Plan do not constitute advertising of securities in Malta and are deemed accepted by the Participant upon receipt of the Participant's electronic or written acceptance in the United States. The issuance of the Shares under the plan has not and will not be registered in Malta and, therefore, the Shares described in any plan documents may not be offered or placed in public circulation in Malta.

MEXICO

Terms and Conditions

Labor Law Acknowledgement. The following provision applies if the Participant resides in Mexico and receives an Option from the Company:

- (i) The Participant's participation in the Plan does not constitute an acquired right;
- (ii) The Plan and the Participant's participation in it are offered by the Company on a wholly discretionary basis;
- (iii) The Participant's participation in the Plan is voluntary;
- (iv) The Company and its Affiliates are not responsible for any decrease in the value of any Shares acquired under the Plan;
- (v) By accepting the Option, the Participant acknowledges that the Company, with registered offices in the U.S.A., is solely responsible for the administration of the Plan. The Participant further acknowledges that his or her participation in the Plan, the grant of the Option and any acquisition of Shares under the Plan do not constitute an employment relationship between the Participant and the Company because the Participant is participating in the Plan on a wholly commercial basis. Based on the foregoing, Participant expressly acknowledges that the Plan and the benefits that he or she may derive from participation in the Plan do not establish any rights between the Participant and the Employer and do not form part of the employment conditions and/or benefits provided by the Employer, and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of the Participant's employment;
- (vi) The Participant further understands that his or her participation in the Plan is the result of a unilateral and discretionary decision of the Company and, therefore, the Company reserves the absolute right to amend and/or discontinue the Participant's participation in the Plan at any time, without any liability to the Participant; and
- (vii) Finally, the Participant hereby declares that he or she does not reserve to him- or herself any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and that he or she therefore grants a full and broad release to the Company, its subsidiaries, parents, Affiliates, branches, representation offices, shareholders, officers, agents or legal representatives, with respect to any claim that may arise.

Términos y Condiciones

Reconocimiento del Derecho Laboral. Las siguientes disposiciones aplican en caso de que el Participante sea residente en México y reciba una Opción de la Compañía:

- (i) La participación del Participante en el Plan no constituye un derecho adquirido;

(ii) *El Plan y la participación del Participante en él es ofrecido por la Compañía de manera completamente discrecional;*

(iii) *La participación del Participante en el Plan es voluntaria;*

(iv) *La Compañía y sus Afiliadas no son responsables por ninguna disminución en el valor de las acciones de adquiridas en términos del Plan;*

(v) *Al aceptar el otorgamiento, el Participante reconoce que la Compañía, con oficinas registradas en E.U.A., es la única responsable de la administración del Plan. Además, el Participante reconoce que su participación en el Plan, la concesión de Opciones y cualquier adquisición de Acciones bajo el Plan no constituyen una relación laboral entre el Participante y la Compañía, en virtud de que el Participante está participando en el Plan en una base exclusivamente comercial. Por lo anterior, el Participante expresamente reconoce que el Plan y los beneficios que puedan derivarse de su participación no establecen ningún derecho entre el Participante y su empleador y que no forman parte de las condiciones de trabajo y/o beneficios otorgados por su empleador, y cualquier modificación del Plan o la terminación no constituirá un cambio o modificación en los términos y condiciones del empleo del Participante;*

(vi) *Además, el Participante comprende que su participación en el Plan es el resultado de una decisión discrecional y unilateral de la Compañía, por lo que la Compañía se reserva el derecho absoluto de modificar y/o suspender la participación del Participante en el Plan en cualquier momento, sin responsabilidad alguna frente al Participante; y*

(vii) *Finalmente, el Participante manifiesta que no se reserva acción o derecho alguno que origine una demanda en contra de la Compañía, por cualquier indemnización o daño relacionado con las disposiciones del Plan o de los beneficios otorgados en el mismo, y en consecuencia el Participante libera de la manera más amplia y total de responsabilidad a la Compañía, sus subsidiarias, empresas matriz, Afiliadas, sucursales, oficinas de representación, sus accionistas, directores, agentes y representantes legales de cualquier demanda que pudiera surgir.*

Notifications

Securities Law Notification. The Option and the Shares offered under the Plan have not been registered with the National Register of Securities maintained by the Mexican National Banking and Securities Commission and cannot be offered or sold publicly in Mexico. In addition, the Plan, the Agreement and any other document relating to the Option may not be publicly distributed in Mexico. These materials are addressed to the Participant only because of the Participant's existing relationship with the Company and these materials should not be reproduced or copied in any form. The offer contained in these materials does not constitute a public offering of securities but rather constitutes a private placement of securities addressed specifically to individuals who are present employees of an Affiliate of the Company in Mexico made in accordance with the provisions of the Mexican Securities Market Law, and any rights under such offering shall not be assigned or transferred.

MONTENEGRO

Notifications

Securities Law Information. The grant of the Option and the issuance of any Shares are not subject to the regulations concerning public offers and private placements under the Law on Capital Markets.

NETHERLANDS

There are no country specific provisions.

NEW ZEALAND

Securities Law Notification. *Warning:* This is an offer of rights to receive Shares underlying the Option upon exercise. The Option gives the Participant a stake in the ownership of the Company.

If the Company runs into financial difficulties and is wound up, the Participant will be paid only after all creditors have been paid. A Participant may lose some or all of his or her 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, the Participant may not be given all the information usually required. The Participant will also have fewer other legal protections for this investment.

The Participant should ask questions, read all documents carefully, and seek independent financial advice before committing himself or herself.

The Shares are quoted or approved for trading on the New York Stock Exchange. This means that if the Participant exercises the Option and Shares are issued to the Participant, the Participant can sell his or her investment on the New York Stock Exchange if there are buyers for it. If the Participant sells his or her investment, the price he or she receives may vary depending on factors such as the financial condition of the Company. The Participant may receive less than the full amount that he or she paid for it, if anything.

For a copy of the Company's most recent financial statements (and, where applicable, a copy of the auditor's report on those financial statements) and information on risk factors impacting the Company's business that may affect the value of the Shares, the Participant should refer to the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities and Exchange Commission and are available online at www.sec.gov, as well as on the Company's "Investors" website at <http://investors.epam.com>.

For more details on the terms and conditions of the Option, the Participant should refer to this Agreement, the Plan and the Plan prospectus which are available in the Participant's UBS account at <http://www.ubs.com/onesource/epam> and free of charge on request via AskLongTermIncentive@epam.com.

POLAND

Notifications

Exchange Control Information. If the Participant maintains bank or brokerage accounts holding cash and foreign securities (including Shares) outside of Poland, the Participant will be required to report information to the National bank of Poland on transactions and balances in such accounts if the value of such cash and securities exceeds PLN 7 million. If required, such reports must be filed on a quarterly basis on special forms available on the website of the National Bank of Poland. The Participant should

consult with his or her personal legal advisor to determine whether he or she will be required to submit reports to the National Bank of Poland.

Further, the Participant acknowledges that any transfer of funds in excess of €15,000 (or PLN15,000, if such transfer of funds is connected with business activity of an entrepreneur) into or out of Poland must be effected through a bank account in Poland. The Participant understands that the Participant is required to store all documents connected with any foreign exchange transactions that the Participant engages in for a period of five years as measured from the end of the year in which such transaction occurred.

ROMANIA

Terms and Conditions

Language Consent. By accepting the grant of Option, the Participant acknowledges that he or she is proficient in reading and understanding English and fully understands the terms of the documents related to the grant (the Agreement and the Plan), which were provided in the English language. The Participant accepts the terms of those documents accordingly.

Consimțământ cu Privire la Limba. Prin acceptarea acordării Opțiunii, Participantul confirmă ca acesta sau aceasta are un nivel adecvat de cunoaștere în ce privește citirea și înțelegerea limbii engleze, a citit și confirmă ca a înțeles pe deplin termenii documentelor referitoare la acordare (Acordul și Planul), care au fost furnizate în limba engleză. Participantul acceptă termenii acestor documente în consecință.

Notifications

Exchange Control Information. If the Participant deposits the proceeds from the sale of Shares acquired under this Plan in a bank account in Romania, the Participant may be required to provide the Romanian bank with appropriate documentation explaining the source of the funds. The Participant should consult his or her personal legal advisor to ensure compliance with applicable requirements.

SERBIA

Notifications

Securities Law Notification. The grant of the Option and the issuance of any Shares are not subject to the regulations concerning public offers and private placements under the Law on Capital Markets.

Exchange Control Information. Pursuant to the Law on Foreign Exchange Transactions, the Participant is permitted to acquire Shares under the Plan, but a report may need to be made of the acquisition of such Shares, the value of the Shares at exercise and, on a quarterly basis, any changes in the value of the Shares. As the exchange control regulations in Serbia may change without notice, the Participant should consult with a personal legal advisor with respect to all applicable reporting obligations.

SINGAPORE

Terms and Conditions

Restrictions on Sale and Transferability. The Participant hereby agrees that any Shares acquired pursuant to the Options will not be offered for sale in Singapore prior to the six-month anniversary of the

Grant Date, unless such sale or offer is made pursuant to the exemptions under Part XIII Division 1 Subdivision (4) (other than section 280) of the Securities and Futures Act (Chap. 289, 2006 Ed.) ("SFA") or pursuant to, and in accordance with the conditions of, any other applicable provision(s) of the SFA.

Notifications

Securities Law Notification. The Option is being granted pursuant to the "Qualifying Person" exemption" under section 273(1)(f) of the SFA and is not made with a view to the underlying Shares being subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore.

Director Notification. If the Participant is a director, associate director or shadow director of a Singapore Affiliate, the Singapore Companies Act requires the Participant (regardless of whether the Participant is a Singapore resident or employed in Singapore) to notify the Singapore Affiliate in writing of any interest (e.g., Options, Shares, etc.) that the Participant holds in the Company (or any related company) within two business days of (i) acquiring or disposing of such interest, (ii) any change in a previously-disclosed interest (e.g., upon exercise of the Option or sale of Shares), or (iii) becoming a director, associate director or shadow director, if the Participant holds such an interest at that time.

SLOVAKIA

There are no country specific provisions.

SPAIN

Terms and Conditions

Labor Law Acknowledgment. This provision supplements Section 9 of the Agreement:

In accepting the Option, the Participant acknowledges that he or she consents to participation in the Plan and has received a copy of the Plan.

The Participant understands and agrees that, as a condition of the grant of the Option, the Participant's Termination of Service for any reason (including for the reasons listed below) will automatically result in the forfeiture of any unvested Option as of the date of such termination without any payment to the Participant.

In particular, the Participant understands and agrees that the Option will be cancelled without entitlement to the Shares or to any amount as indemnification in the event of the Participant's Termination of Service by reason of, including, but not limited to: resignation, death, disability, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause (*i.e.*, subject to a "*despido improcedente*"), individual or collective layoff on objective grounds, whether adjudged to be with cause or adjudged or recognized to be without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer, and under Article 10.3 of Royal Decree 1382/1985.

Furthermore, the Participant understands that the Company has unilaterally, gratuitously and in its sole discretion decided to grant Option under the Plan to individuals who may be employees of the Company or its Affiliates throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or its Affiliate on an ongoing basis. Consequently, the Participant understands that Options are granted on the assumption and condition that the Option and the Shares issued upon exercise of the Option shall not

become a part of any employment contract (either with the Company or any Affiliate) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, the Participant understands that the grant of the Option would not be made to the Participant but for the assumptions and conditions referred to above; thus, the Participant acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any grant of Option shall be null and void.

Notifications

Securities Law Notification. No “offer of securities to the public,” as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the grant of the Option. The Agreement has not been, nor will it be, registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

Exchange Control Information. The Participant may be required to electronically declare to the Bank of Spain any foreign accounts (including brokerage accounts held abroad), any foreign instruments (including Shares acquired under the Plan), and any transactions with non-Spanish residents (including any payments of Shares made pursuant to the Plan), depending on the balances in such accounts together with the value of such instruments as of December 31 of the relevant year, or the volume of transactions with non-Spanish residents during the relevant year.

The Participant should consult with his or her personal tax and legal advisors to ensure that the Participant is properly complying with his or her exchange control obligations.

Foreign Asset/Account Reporting Information. To the extent that the Participant holds assets (e.g., cash or Shares held in a bank or brokerage account) outside of Spain with a value in excess of €50,000 per type of asset (e.g., Shares, cash, etc.) as of December 31 each year, the Participant is required to report information on such assets on the Participant's tax return for such year. After such assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported assets increases by more than €20,000 or if the Participant transfers or disposes of any previously-reported assets. The reporting must be completed by March 31. Failure to comply with this reporting requirement may result in penalties. Accordingly, the Participant should consult with his or her personal tax and legal advisors to ensure that the Participant is properly complying with his or her reporting obligations.

SWEDEN

Terms and Conditions

Responsibility for Taxes. The following provision supplements Section 8 of the Agreement:

Without limiting the Company's or the Employer's authority to satisfy their withholding obligations for Tax-Related Items as set forth in the Agreement, by accepting the Option, the Participant authorizes the Company to sell Shares otherwise deliverable to the Participant upon exercise of the Option to satisfy Tax-Related Items, regardless of whether the Company and/or the Employer have an obligation to withhold such Tax-Related Items.

SWITZERLAND

Notifications

Securities Law Notification. Neither this document nor any other materials relating to the offer of the Options (i) constitutes a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial

Services ("FinSA"), (ii) may be publicly distributed or otherwise made publicly available in Switzerland to any person other than an employee of the Company or one of its Affiliates, or (iii) has been or will be filed with, approved or supervised by any Swiss reviewing body according to article 51 of FinSA or any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority ("FINMA").

UKRAINE

Terms and Conditions

Method of Payment. The following provision supplements Section 4 of the Agreement:

Due to regulatory requirements, the Participant understands that the Participant will be restricted to the cashless sell-all method of exercise. To complete a cashless sell-all exercise, the Participant understands that the participant needs to instruct his or her broker to: (i) sell all of the Shares issued upon exercise; (ii) use the proceeds to pay the Exercise Price, brokerage fees and any applicable tax-related items; and (iii) remit the balance in cash to the Participant. The Participant will not be permitted to hold Shares after exercise. Depending on the development of local laws or the Participant's country of residence, the Company reserves the right to modify the methods of exercising the Option and, in its sole discretion, to permit cash exercise, cashless sell-to cover exercise or any other method of exercise and payment of Tax-Related Items permitted under the Plan.

Notifications

Exchange Control Information. The Participant is responsible for complying with all applicable exchange control regulations in Ukraine. The Participant should consult with his or her personal legal advisor to ensure compliance with the applicable requirements.

UNITED ARAB EMIRATES

Notifications

Securities Law Notification. The Options granted under the Plan are being offered only to eligible employees of the Company and are in the nature of providing equity incentives to eligible employees of the Company. Any documents related to the Options, including the Plan, the Agreement and any other grant documents ("Award Documents"), are intended for distribution only to such eligible employees and must not be delivered to, or relied on by, any other person.

The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any Award Documents or any other incidental communication materials distributed in connection with the Options. Further, neither the Ministry of Economy nor the Dubai Department of Economic Development has approved the Award Documents or taken steps to verify the information set out in them, and thus, is not responsible for their content.

Participants should, as prospective stockholders, conduct their own due diligence on the securities. If the Participant does not understand the contents of the Award Documents, he or she should consult an authorized financial advisor.

UNITED KINGDOM

Terms and Conditions

Option is Not HMRC Approved Option. This Option is granted outside of any Company HM Revenue and Customs (HMRC) approved option plan and is not eligible for special tax treatment.

Responsibility for Taxes. The following provisions supplement Section 8 of the Agreement:

Without limitation to Section 8 of the Agreement, the Participant agrees that the Participant is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items as and when requested by the Company or the Employer or by HMRC (or any other tax authority or any other relevant authority). The Participant also agrees to indemnify and keep indemnified the Company and the Employer against any taxes that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Participant's behalf.

Notwithstanding the foregoing, if the Participant is a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act), the terms of the immediately foregoing provision will not apply. In such case, if the amount of any income tax due is not collected from or paid by the Participant within ninety (90) days of the end of the U.K. tax year in which an event giving rise to the indemnification described above occurs, the amount of any uncollected income tax may constitute a benefit to the Participant on which additional income tax and National Insurance contributions ("NICs") may be payable. The Participant understands that he or she will be responsible for paying and reporting any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company or the Employer, as applicable, for the value of any employee NICs due on this additional benefit, which the Company or the Employer, as applicable, may recover from the Participant at any time thereafter by any of the means set forth in Section 8 of the Agreement.

UZBEKISTAN

There are no country specific provisions.

EPAM SYSTEMS, INC.

2015 LONG-TERM INCENTIVE PLAN

FORM OF CHIEF EXECUTIVE OFFICERRESTRICTED STOCK UNIT AWARD AGREEMENT

1. **Grant of RSUs.** EPAM Systems, Inc., a Delaware corporation (the "Company"), hereby grants to «Grantee» (the "Participant"), on «Date» (the "Grant Date"), «Number of Shares underlying award» restricted share units (the "RSUs"), subject to the terms, definitions and provisions of the EPAM Systems, Inc. 2015 Long-Term Incentive Plan (the "Plan") adopted by the Company, which is incorporated in this Agreement by reference, and the terms and conditions of this Agreement. Each RSU shall represent the right to receive one Share upon the vesting of such RSU in accordance with this Agreement. Unless otherwise defined in this Agreement, the terms used in this Agreement shall have the meanings defined in the Plan.

2. **Vesting Schedule and Distribution.** Subject to Section 5 and the proviso in the following sentence, the RSUs shall vest and become non-forfeitable one-fourth on each of the first, second, third and fourth anniversaries of the Grant Date. Subject to the provisions of this Agreement (including, for the avoidance of any doubt, Section 12(m)), upon the vesting of any of the RSUs, including pursuant to Section 5, the Company shall distribute to the Participant, as soon as practicable after the date of such vesting date or event, one Share for each such RSU, subject to any delay required to (x) complete any required regulatory filings, including, without limitation, any filings that may be required pursuant to the Hart Scott Rodino Act in connection with the vesting and settlement of the RSUs and/or (y) satisfy any required waiting period under the Hart Scott Rodino Act, provided that the RSUs shall be settled in any event within 60 days following the vesting date or event.

3. **Voting Rights.** The Participant shall have no voting rights with respect to the RSUs unless and until the Participant becomes the record owner of the Shares underlying the RSUs.

4. **Dividend Equivalents.** The Participant shall not be eligible to receive dividend equivalents with respect to the RSUs unless and until the Participant becomes the record owner of the Shares underlying the RSUs.

5. **Termination of Service.** Following the Participant's Termination of Service, the RSUs shall vest and settle or be forfeited as set forth in this Section 5.

(a) **Death or Disability.** In the event of the Participant's Termination of Service due to the Participant's death or Disability before the Participant has completed at least two (2) years of service with the Company or any Affiliate, a number of whole RSUs equal to 50% of the number of the Participant's RSUs that are unvested as of the date of such termination (if any) shall become immediately vested (with any fractional RSUs that would otherwise vest as a result of such vesting acceleration event rounded up to the nearest whole Share), and the remaining RSUs that are unvested RSUs as of such time shall be forfeited without any payment to the Participant. In the event of the Participant's Termination of Service due to the Participant's death or Disability on or

after the date on which the Participant has completed at least two (2) years of service with the Company or any Affiliate, 100% of any RSUs that are unvested as of such time shall become immediately vested.

(b) **Retirement.** In the event of the Participant's Termination of Service due to Retirement (as defined below) after the first anniversary of the Grant Date, 100% of any RSUs that are unvested as of such time shall become immediately vested.

"**Retirement**" means the Participant's Termination of Service, other than for Cause, after all the following criteria are met:

(i) the Participant has attained at least age 60 and has completed at least five (5) years of service with the Company or an Affiliate; and

(ii) the sum of the Participant's age and years of service with the Company or any Affiliate as of the date of the Termination of Service equals or exceeds seventy (70).

For the avoidance of doubt, in the event of the Participant's Termination of Service due to Retirement on or before the first anniversary of the Grant Date, any RSUs that are unvested shall be forfeited as of the date of such termination without any payment to the Participant.

(c) **For Cause.** In the event of the Participant's Termination of Service for Cause (as defined below), any unvested RSUs shall be forfeited as of the date of such termination without any payment to the Participant.

"**Cause**" means the Company's good faith determination of the Participant's:

(i) willful material breach, or habitual neglect of, the Participant's duties or obligations in connection with the Participant's employment or service;

(ii) having engaged in willful misconduct, gross negligence or a breach of fiduciary duty, or his or her willful material breach of his or her duties to the Company or under his or her Employment Agreement, if applicable, or of any Company policies;

(iii) having been convicted of, or having entered a plea bargain or settlement admitting guilt for, (x) a felony or (y) any other criminal offense involving moral turpitude, fraud or, in the course of the performance of the Participant's service to the Company, material dishonesty;

(iv) unlawful use or possession of illegal drugs on the Company's premises or while performing the Participant's duties and responsibilities to the Company; or

(v) the commission of an act of fraud, embezzlement or material misappropriation, in each case, against the Company or any Affiliate;

provided that, in the case of clauses (i) and (ii) above, the Company shall provide the Participant with written notice specifying the circumstances alleged to constitute Cause, and, if possible, the Participant shall have 30 days following receipt of such notice to cure such circumstances.

(c) **For Any Other Reason.** In the event of the Participant's Termination of Service at any time under circumstances not described in Sections 5(a), 5(b) or 5(c) herein or in Section 11(b) of the Plan, any unvested RSUs shall be forfeited as of the date of such termination without any payment to the Participant.

For purposes of Section 11(b) of the Plan, "**Good Reason**" means "**Good Reason**" as defined in the Participant's Employment Agreement, if any, or if not so defined, the occurrence of any of the following events, in each case without the Participant's consent:

- (i) a reduction in the Participant's base compensation and cash incentive opportunity, other than any such reduction that applies generally to similarly situated employees or executives of the Company;
- (ii) relocation of the geographic location of the Participant's principal place of employment or service by more than 50 miles from the Participant's principal place of employment or service; or
- (iii) a material reduction in the Participant's title, duties, responsibilities or authority;

provided that, in each case, (A) the Participant shall provide the Company with written notice specifying the circumstances alleged to constitute Good Reason within 90 days following the first occurrence of such circumstances, (B) if possible, the Company shall have 30 days following receipt of such notice to cure such circumstances, and (C) if the Company has not cured such circumstances within such 30-day period, the Participant shall terminate his or her employment or service not later than 60 days after the end of such 30-day period.

6. **Non-Transferability Until Distribution.** The RSUs shall not be assigned, sold, transferred or otherwise be subject to alienation by the Participant. Upon the distribution of Shares underlying RSUs in accordance with Section 2, such Shares shall be fully assignable, saleable and transferable by the Participant. Any assignment, sale, transfer or other alienation with respect to the Shares issuable upon the vesting of the RSUs shall be in accordance with applicable securities laws.

7. **Responsibility for Taxes.**

(a) The Participant acknowledges that, regardless of any action taken by the Company or, if different, the Participant's employer (the "**Employer**") the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant's participation in the Plan and legally applicable to the Participant ("**Tax-Related Items**") is and remains the Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Participant further acknowledges that the Company 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 RSUs, including, but not limited to, the grant, vesting or settlement of the RSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company 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.

(b) In connection with any relevant taxable or tax withholding event, as applicable, the Participant agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, by the Participant's acceptance of the RSUs, the Participant authorizes the Company or its agent to satisfy any applicable withholding obligations or rights with regards to all Tax-Related Items (other than U.S. Federal Insurance Contribution Act taxes or other Tax-Related Items that become payable in a year prior to the year in which Shares are issued upon settlement of the RSUs) by withholding in Shares to be issued upon settlement of the RSUs, or if settled in cash, by withholding a portion of the cash payment amount otherwise payable upon settlement of the RSUs. In the event withholding in Shares is prohibited by a legal, contractual or regulatory restriction, is problematic under applicable tax or securities law or will result in materially adverse accounting consequences, the Participant authorizes the Company and/or the Employer, or their respective agents, to satisfy the obligations with regard to all Tax-Related Items by:

- (i) requiring the Participant to pay to the Company or the Employer any amount of the Tax-Related Items; and/or
- (ii) withholding any amount of the Tax-Related Items from the Participant's wages or other compensation paid to the Participant;
- (iii) withholding from proceeds of the sale of Shares acquired upon settlement of the RSU either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization without further consent); or
- (iv) any other method of withholding determined by the Company and, to the extent required by applicable laws or the Plan, approved by the Committee.

(c) The Company or the Employer may withhold or account for Tax-Related Items by considering applicable withholding rates, including minimum or maximum applicable rates, in the jurisdictions relevant to the Participant. In the event that any excess amounts are withheld to satisfy the obligation for Tax-Related Items, the Participant may be entitled to receive a refund of any over-withheld amount (with no entitlement to the Share equivalent), or if not refunded by the Company or the Employer, the Participant must seek a refund from the local tax authorities to the extent the Participant wishes to recover the over-withheld amount in the form of a refund. In the event of under-withholding, the Participant may be required to pay any additional Tax-Related Items directly to the applicable tax-authority or to the Company and/or the Employer. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Participant is deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

(d) Finally, the Participant agrees to pay to the Company or the Employer, including through withholding from the Participant's wages or other cash compensation paid to the Participant by the Company and/or the Employer, any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a

result of the Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares, the cash equivalent or the proceeds of the sale of Shares if the Participant fails to comply with the Participant's obligations in connection with the Tax-Related Items.

8. **Nature of Grant**. In accepting the grant, the Participant acknowledges, understands and agrees that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
- (b) the grant of the RSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted in the past;
- (c) all decisions with respect to future RSU or other grants, if any, will be at the sole discretion of the Company;
- (d) the RSU grant and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming or amending an employment or service contract with the Company, the Employer or any Affiliate of the Company and shall not interfere with the ability of the Company, the Employer or any Affiliate of the Company, as applicable, to terminate the Participant's employment or service relationship (if any);
- (e) the Participant is voluntarily participating in the Plan;
- (f) the RSUs, the cash payment or Shares subject to the RSUs, and the income from and value of same, are not intended to replace any pension rights or compensation;
- (g) the RSUs, the cash payment or Shares subject to the RSUs, and the income from and value of same, are not part of normal or expected compensation for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, leave pay, long-service awards, pension or retirement or welfare benefits or similar mandatory payments;
- (h) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;
- (i) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from the Participant's Termination of Service (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any) or the application of any clawback of compensation recovery policy as described in Section 12(j) of this Agreement;

(j) unless otherwise agreed with the Company, the RSUs and any cash payment or Shares acquired under the Plan and the income from and value of same, are not granted as consideration for, or in connection with, the service the Participant may provide as a director of an Affiliate;

(k) unless otherwise provided in the Plan or by the Company in its discretion, the RSUs and the benefits evidenced by this Agreement do not create any entitlement to have the RSUs or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares of the Company; and

(l) neither the Company, the Employer nor any Affiliate of the Company shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to the Participant pursuant to the settlement of the RSUs or the subsequent sale of any Shares acquired upon settlement.

9. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying Shares. The Participant understands and agrees that he or she should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

10. **Insider Trading/Market Abuse Laws.** The Participant may be subject to insider trading restrictions and/or market abuse laws based on the exchange on which the Shares are listed and in applicable jurisdictions, including the United States, the Participant's country and the designated broker's country, which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (e.g., RSUs) or rights linked to the value of Shares (e.g., dividend equivalents) under the Plan during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws in applicable jurisdictions). Local insider trading laws may prohibit the cancellation or amendment of orders placed by the Participant before he or she possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party, which may include fellow employees and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant acknowledges that it is his or her responsibility to comply with any applicable restrictions, and the Participant should speak to his or her personal advisor on this matter.

11. **Data Privacy.** To the extent recognized by applicable law, the Participant hereby consents to the collection, use, transfer, or other processing of the Participant's personally identifiable information as described in this Agreement and any other RSU grant materials ("Personal Data") in electronic or other form by and among, as applicable, the Company, its Affiliates, the Employer or other third parties as processors of the Personal Data, for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Company, with offices located at 41

University Drive, Newtown, Pennsylvania 18940, acts as the controller of this Personal Data, and processes this Personal Data for purposes of implementing, administering, and managing the Plan. The Company protects the Personal Data that it receives in the United States from the European Union via data transfer agreements based on the standard contractual clauses adopted by the European Commission. The Participant can obtain further information about these data transfer agreements by contacting AskDataPrivacy@epam.com.

The Participant understands that the Personal Data may include, but is not limited to, the Participant's name, home address and telephone number, e-mail address, date of birth, social insurance number, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all RSUs or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor. Such Personal Data will be used by the Company for the exclusive purpose of implementing, administering and managing the Plan. The Company relies on the following legal grounds for processing of Personal Data (i) consent, as permitted by applicable law, (ii) performance of this Agreement with the Participant, (iii) the legitimate interests of the Company, its Affiliates, the Employer or other third parties (such as service providers, consultants, governmental bodies, or courts) where the legitimate interest could be in particular the implementation, administration and management of the Plan, and (iv) for compliance with legal obligations, in particular in the area of labor and employment law, social security and social protection law, data protection and privacy law, tax law, and corporate compliance laws.

The Participant understands that Personal Data will be transferred to UBS Financial Services Inc. or other third parties assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of his or her Personal Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. Where disclosing Personal Data to such third parties, the Company provides appropriate safeguards for protecting the transfer of Personal Data, such as establishing data contractual clauses with third parties based on the standard contractual clauses adopted by the European Commission or relevant supervisory authority. The Participant may request a copy of, or information about, such safeguards by contacting AskDataPrivacy@epam.com.

The Participant may generally request a list with the names and addresses of any potential recipients of his or her Personal Data by contacting AskDataPrivacy@epam.com. The Participant understands that Personal Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. When the Company no longer needs to use the Participant's Personal Data for the purposes above or does not need to retain it for compliance with any legal or regulatory purpose, the Company will take reasonable steps to remove it from systems and/or records containing the Personal Data and/or take steps to properly anonymize it so that the Participant can no longer be identified from it.

Subject to applicable data protection and privacy law, the Participant understands that he or she may view Personal Data, request additional information about the storage

and processing of Personal Data, require any necessary amendments to Personal Data or refuse or withdraw the consent herein, in any case without cost, by contacting in writing AskDataPrivacy@epam.com. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis.

In addition to the above, subject to applicable law, the Participant may have the right to (i) request erasure of Personal Data, (ii) request restriction of, or object to, certain uses or processing of Personal Data, (iii) request Personal Data portability, or (iv) lodge a complaint with a supervisory authority.

The Participant's provision of Personal Data is a contractual requirement. If the Participant does not provide the Personal Data and/or consent to the terms of this Section 11, or if the Participant later seeks to revoke his or her consent, his or her employment status or service with the Employer will not be affected; the only consequence of refusing or withdrawing the Participant's consent is that the Company may not be able to grant the Participant RSUs or other equity awards or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan. Such a withdrawal will not affect the lawfulness of the collection, use, or otherwise processing of the Participant's

Data prior to the consent withdrawal. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, or to exercise certain additional rights described above, the Participant understands that he or she may contact AskDataPrivacy@epam.com.

12. **Miscellaneous Provisions.**

(a) **Notices.** All notices, requests and other communications under this Agreement shall be in writing and shall be delivered in person (by courier or otherwise), mailed by certified or registered mail, return receipt requested, or sent by facsimile transmission to the contact details below. The parties may use e-mail delivery, so long as the message is clearly marked, sent to the e-mail address(es) set forth below, and a delivery receipt and a read receipt are made part of the message. E-mail delivery will be deemed to occur when the sender receives confirmation that such message has been received and read by the recipient:

if to the Company, to:

EPAM Systems, Inc.
41 University Drive
Newtown, Pennsylvania 18940
Attention: General Counsel
Facsimile: 267-759-8989

if to the Participant, to:

the address, facsimile number or e-mail address that the Participant most recently provided to the Company, or to such other address, facsimile

number or e-mail address as such party may hereafter specify for the purpose by notice to the other parties hereto.

(b) **Effect of Agreement.** The Participant acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof (and has had an opportunity to consult counsel regarding the terms of the RSUs), and hereby accepts the RSUs and agrees to be bound by its contractual terms as set forth herein and in the Plan. The Participant acknowledges and agrees that the grant of the RSUs constitutes additional consideration to the Participant for the Participant's continued and future compliance with any restrictive covenants in favor of the Company by which the Participant is otherwise bound. The Participant hereby agrees to accept as binding, conclusive and final all decisions and interpretations of the Committee regarding any questions relating to the RSUs. In the event of a conflict between the terms and provisions of the Plan and the terms and provisions of this Agreement, the Plan terms and provisions shall prevail. The Agreement, including the Plan, constitutes the entire agreement between the Participant and the Company on the subject matter hereof and supersedes all proposals, written or oral, and all other communications between the parties relating to such subject matter.

(c) **Amendment; Waiver.** No amendment or modification of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and the Participant, except that the Company may amend or modify this Agreement without the Participant's consent in accordance with the provisions of the Plan or as otherwise set forth in this Agreement. No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other or subsequent breach or condition whether of like or different nature. Any amendment or modification of or to any provision of this Agreement, or any waiver of any provision of this Agreement, shall be effective only in the specific instance and for the specific purpose for which made or given.

(d) **Successors and Assigns; No Third Party Beneficiaries.** This Agreement shall inure to the benefit of and be binding upon the Company and the Participant and their respective heirs, successors, legal representatives and permitted assigns. Nothing in this Agreement, expressed or implied, is intended to confer on any Person other than the Company and the Participant, and their respective heirs, successors, legal representatives and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

(e) **Severability.** If any provision of this Agreement shall be declared by any court or arbitrator of competent jurisdiction to be invalid, illegal or incapable of being enforced in whole or in part, the remaining conditions and provisions or portions thereof shall nevertheless remain in full force and effect and enforceable to the extent they are valid, legal and enforceable.

(f) **Governing Law; Dispute Resolution.** This Agreement is governed by the laws of the state of Delaware without application of the conflict of law provisions thereof. If any dispute arising out of or relating to this Agreement or the Plan, or the breach thereof, cannot be settled through negotiation, the parties agree first to try in good faith to settle such dispute by mediation. If the parties fail to settle such dispute within 30

days after the commencement of such mediation, such dispute shall be settled by arbitration conducted in the state of Pennsylvania and judgment on the arbitral award rendered may be entered in any court having jurisdiction thereof.

(g) **Language.** By accepting the RSUs, the Participant acknowledges and represents that the Participant is proficient in the English language or has consulted with an advisor who is sufficiently proficient in English, as to allow the Participant to understand the terms of the Agreement and any other documents related to the Plan. If the Participant has received the Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise required by applicable laws.

(h) **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

(i) **Foreign Asset / Account Reporting Requirements, Exchange Controls and Tax Requirements.** The Participant's country may have certain foreign asset and/or account reporting requirements and exchange controls which may affect the Participant's ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including from any dividends received or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside his or her country. The Participant may be required to report such accounts, assets or transactions to the tax or other authorities in his or her country. The Participant also may be required to repatriate sale proceeds or other funds received as a result of his or her participation in the Plan to his or her country through a designated bank or broker and/or within a certain time after receipt. In addition, the Participant may be subject to tax payment and/or reporting obligations in connection with any income realized under the Plan and/or from the sale of Shares. The Participant acknowledges that it is his or her responsibility to be compliant with all such requirements, and that he or she should consult his or her personal legal and tax advisors, as applicable, to ensure his or her compliance.

(j) **Clawback.** The RSUs and/or the Shares acquired under the Plan shall be subject to clawback, recoupment, forfeiture or similar requirements (and such requirements shall be deemed incorporated by reference into this Agreement) to the extent required by any applicable laws (including, without limitation, Section 304 of the U.S. Sarbanes-Oxley Act and Section 954 of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act) and any clawback policy adopted by the Company.

(k) **Addendum.** Notwithstanding any provisions in this Agreement, the RSU grant shall be subject to any special terms and conditions set forth in any Addendum to this Agreement for the Participant's country. Moreover, if the Participant relocates to one of the countries included in the Addendum, the special terms and conditions for such country will apply to the Participant to the extent the Company determines that the

application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Addendum constitutes part of this Agreement.

(l) **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the RSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

(m) **Section 409A.**

(i) The terms of this award of RSUs are intended to be in compliance with Section 409A of the Code, and this Agreement will be interpreted, operated and administered in a manner that is consistent with this intent. In furtherance of this intent, the Committee may (but is under no obligation to), at any time and without the Participant's consent, modify the terms of this award as it determines appropriate to comply with the requirements of Section 409A of the Code and the related U.S. Department of Treasury guidance or to mitigate any additional tax, interest and/or penalties that may apply under Section 409A of the Code if compliance is not practicable. The Company makes no representation or covenant to ensure that this award of RSUs is compliant with Section 409A of the Code and will have no liability to the Participant or any other party if this award of RSUs is not compliant or for any action taken by the Committee with respect thereto.

(ii) Notwithstanding anything in this Agreement to the contrary, any RSUs that are an item of non-qualified deferred compensation subject to Section 409A of the Code and become payable under this Agreement as of the date of or at a time that is by reference to the Participant's Termination of Service shall not be settled unless the Participant experiences a "separation from service" within the meaning of Section 409A of the Code (a "Separation from Service"); provided that if the Participant is a "specified employee" within the meaning of Section 409A of the Code as of the date of the Separation from Service (as determined according to the methodology established by the Company as in effect on the date of the Participant's termination of employment), the RSUs shall instead be settled on the first business day that is after the earlier of (i) the date that is six months following the date of the Separation from Service or (ii) the date of the Participant's death, to the extent such delayed payment is otherwise required in order to avoid a prohibited distribution under Section 409A(a)(2) of the Code, or any successor provision thereto.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

EPAM SYSTEMS, INC.

By: _____
Name:
Title:

The Participant's signature on this line both (1) acknowledges the Participant's receipt of the Agreement and agreement to its terms, and (2) indicates the Participant's consent to the processing of Personal Data as described in Section 11.

Participant

EPAM SYSTEMS, INC.

2015 LONG-TERM INCENTIVE PLAN

GLOBAL RESTRICTED STOCK UNIT AWARD AGREEMENTFOR SENIOR MANAGERS

1. **Grant of RSUs.** EPAM Systems, Inc., a Delaware corporation (the "Company"), hereby grants to «Grantee» (the "Participant"), on «Date» (the "Grant Date"), «Number of Shares underlying award» restricted share units (the "RSUs"), subject to the terms, definitions and provisions of the EPAM Systems, Inc. 2015 Long-Term Incentive Plan (the "Plan") adopted by the Company, which is incorporated in this Agreement by reference, and the terms and conditions of this Agreement, including the Addendum. Each RSU shall represent the right to receive one Share, or the right to receive a cash payment equal to the fair market value of one Share, upon the vesting of such RSU in accordance with this Agreement. Unless otherwise defined in this Agreement, the terms used in this Agreement shall have the meanings defined in the Plan.

2. **Vesting Schedule and Distribution.** Subject to Section 5, the RSUs shall vest and become non-forfeitable one-fourth on each of the first, second, third and fourth anniversaries of the Vesting Start Date as communicated by the Company to the Participant. Subject to the provisions of this Agreement (including, for the avoidance of any doubt, Section 12(m)), upon the vesting of any of the RSUs, including pursuant to Section 5, the Company shall distribute to the Participant, on or within 30 days after the date of such vesting date or event, one Share for each such RSU. Provided, however, the Company may, in its sole discretion, settle a vested RSU in cash equal to the fair market value of one Share for each such RSU and make such cash payment to the Participant on the next administratively practicable payroll pay date after the date of such vesting date or event. The cash payment will be made to the Participant *through the Participant's* local country payroll in accordance with the normal payroll practices of the Participant's employer (the "Employer").

3. **Voting Rights.** The Participant shall have no voting rights with respect to the RSUs unless and until the Participant becomes the record owner of the Shares underlying the RSUs.

4. **Dividend Equivalents.** The Participant shall not be eligible to receive dividend equivalents with respect to the RSUs unless and until the Participant becomes the record owner of the Shares underlying the RSUs.

5. **Termination of Service.** Following the Participant's Termination of Service, the RSUs shall vest and settle or be forfeited as set forth in this Section 5.

(a) **Death or Disability.** In the event of the Participant's Termination of Service due to the Participant's death or Disability before the Participant has completed at least two (2) years of service with the Company or any Affiliate, a number of whole RSUs equal to 50% of the number of the Participant's RSUs that are unvested as of the date of such termination (if any) shall become immediately vested (with any fractional RSUs that would otherwise vest as a result of such vesting acceleration event rounded up to the nearest whole Share), and the remaining RSUs that are unvested RSUs as of such

time shall be forfeited without any payment to the Participant. In the event of the Participant's Termination of Service due to the Participant's death or Disability on or after the date on which the Participant has completed at least two (2) years of service with the Company or any Affiliate, 100% of any RSUs that are unvested as of such time shall become immediately vested.

(b) **Retirement.** In the event of the Participant's Termination of Service due to Retirement (as defined below) after the first anniversary of the Grant Date, 100% of any RSUs that are unvested as of such time shall become immediately vested.

"**Retirement**" means the Participant's Termination of Service, other than for Cause, after all the following criteria are met:

- (i) the Participant has attained at least age 60 and has completed at least five (5) years of service with the Company or an Affiliate; and
- (ii) the sum of the Participant's age and years of service with the Company or any Affiliate as of the date of termination of service equals or exceeds seventy (70).

For the avoidance of doubt, in the event of the Participant's Termination of Service due to Retirement on or before the first anniversary of the Grant Date, any RSUs that are unvested shall be forfeited as of the date of such termination without any payment to the Participant.

(c) **For Cause.** In the event of the Participant's Termination of Service for Cause (as defined below), any unvested RSUs shall be forfeited as of the date of such termination without any payment to the Participant.

"**Cause**" means the Company's good faith determination of the Participant's:

- (i) willful material breach, or habitual neglect of, the Participant's duties or obligations in connection with the Participant's employment or service;
- (ii) having engaged in willful misconduct, gross negligence or a breach of fiduciary duty, or his or her willful material breach of his or her duties to the Company or under his or her Employment Agreement, if applicable, or of any Company policies;
- (iii) having been convicted of, or having entered a plea bargain or settlement admitting guilt for, (x) a felony or (y) any other criminal offense involving moral turpitude, fraud or, in the course of the performance of the Participant's service to the Company, material dishonesty;
- (iv) unlawful use or possession of illegal drugs on the Company's premises or while performing the Participant's duties and responsibilities to the Company; or
- (v) the commission of an act of fraud, embezzlement or material misappropriation, in each case, against the Company or any Affiliate;

provided that, in the case of clauses (i) and (ii) above, the Company shall provide the Participant with written notice specifying the circumstances alleged to constitute Cause, and, if possible, the Participant shall have 30 days following receipt of such notice to cure such circumstances.

(c) **For Any Other Reason.** In the event of the Participant's Termination of Service at any time under circumstances not described in Sections 5(a), 5(b) or 5(c) herein or in Section 11(b) of the Plan, any unvested RSUs shall be forfeited as of the date of such termination without any payment to the Participant.

For purposes of Section 11(b) of the Plan, "**Good Reason**" means "**Good Reason**" as defined in the Participant's Employment Agreement, if any, or if not so defined, the occurrence of any of the following events, in each case without the Participant's consent:

- (i) a reduction in the Participant's base compensation and cash incentive opportunity, other than any such reduction that applies generally to similarly situated employees or executives of the Company;
- (ii) relocation of the geographic location of the Participant's principal place of employment or service by more than 50 miles from the Participant's principal place of employment or service; or
- (iii) a material reduction in the Participant's title, duties, responsibilities or authority;

provided that, in each case, (A) the Participant shall provide the Company with written notice specifying the circumstances alleged to constitute Good Reason within 90 days following the first occurrence of such circumstances, (B) if possible, the Company shall have 30 days following receipt of such notice to cure such circumstances, and (C) if the Company has not cured such circumstances within such 30-day period, the Participant shall terminate his or her employment or service not later than 60 days after the end of such 30-day period.

6. **Non-Transferability Until Distribution.** The RSUs shall not be assigned, sold, transferred or otherwise be subject to alienation by the Participant. Upon the distribution of Shares underlying RSUs in accordance with Section 2, such Shares shall be fully assignable, saleable and transferable by the Participant. Any assignment, sale, transfer or other alienation with respect to the Shares issuable upon the vesting of the RSUs shall be in accordance with applicable securities laws.

7. **Responsibility for Taxes.**

(a) The Participant acknowledges that, regardless of any action taken by the Company or, if different, the Employer, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant's participation in the Plan and legally applicable to the Participant ("**Tax-Related Items**") is and remains the Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Participant further acknowledges that the Company 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 RSUs, including, but not limited to, the grant, vesting or settlement of the RSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company 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.

(b) In connection with any relevant taxable or tax withholding event, as applicable, the Participant agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, by the Participant's acceptance of the RSUs, the Participant authorizes the Company or its agent to satisfy any applicable withholding obligations or rights with regards to all Tax-Related Items (other than U.S. Federal Insurance Contribution Act taxes or other Tax-Related Items that become payable in a year prior to the year in which Shares are issued upon settlement of the RSUs) by withholding in Shares to be issued upon settlement of the RSUs, or if settled in cash, by withholding a portion of the cash payment amount otherwise payable upon settlement of the RSUs. In the event withholding in Shares is prohibited by a legal, contractual or regulatory restriction, is problematic under applicable tax or securities law or will result in materially adverse accounting consequences, the Participant authorizes the Company and/or the Employer, or their respective agents, to satisfy the obligations with regard to all Tax-Related Items by:

- (i) requiring the Participant to pay to the Company or the Employer any amount of the Tax-Related Items; and/or
- (ii) withholding any amount of the Tax-Related Items from the Participant's wages or other compensation paid to the Participant;
- (iii) withholding from proceeds of the sale of Shares acquired upon settlement of the RSU either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization without further consent); or
- (iv) any other method of withholding determined by the Company and, to the extent required by applicable laws or the Plan, approved by the Committee.

(c) The Company or the Employer may withhold or account for Tax-Related Items by considering applicable withholding rates, including minimum or maximum applicable rates, in the jurisdictions relevant to the Participant. In the event that any excess amounts are withheld to satisfy the obligation for Tax-Related Items, the Participant may be entitled to receive a refund of any over-withheld amount (with no entitlement to the Share equivalent), or if not refunded by the Company or the Employer, the Participant must seek a refund from the local tax authorities to the extent the Participant wishes to recover the over-withheld amount in the form of a refund. In the event of under-withholding, the Participant may be required to pay any additional Tax-Related Items directly to the applicable tax authority or to the Company and/or the Employer. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Participant is deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

(d) Finally, the Participant agrees to pay to the Company or the Employer, including through withholding from the Participant's wages or other cash compensation paid to the Participant by the Company and/or the Employer, any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a

result of the Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares, the cash equivalent or the proceeds of the sale of Shares if the Participant fails to comply with the Participant's obligations in connection with the Tax-Related Items.

8. **Nature of Grant.** In accepting the grant, the Participant acknowledges, understands and agrees that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
- (b) the grant of the RSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted in the past;
- (c) all decisions with respect to future RSU or other grants, if any, will be at the sole discretion of the Company;
- (d) the RSU grant and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming or amending an employment or service contract with the Company, the Employer or any Affiliate of the Company and shall not interfere with the ability of the Company, the Employer or any Affiliate of the Company, as applicable, to terminate the Participant's employment or service relationship (if any);
- (e) the Participant is voluntarily participating in the Plan;
- (f) the RSUs, the cash payment or Shares subject to the RSUs, and the income from and value of same, are not intended to replace any pension rights or compensation;
- (g) the RSUs, the cash payment or Shares subject to the RSUs, and the income from and value of same, are not part of normal or expected compensation for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, leave pay, long-service awards, pension or retirement or welfare benefits or similar mandatory payments;
- (h) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;
- (i) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from the Participant's Termination of Service (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any) or the application of any clawback or compensation recovery policy as described in Section 12(j) of this Agreement;

(j) unless otherwise agreed with the Company, the RSUs and any cash payment or Shares acquired under the Plan and the income from and value of same, are not granted as consideration for, or in connection with, the service the Participant may provide as a director of an Affiliate;

(k) unless otherwise provided in the Plan or by the Company in its discretion, the RSUs and the benefits evidenced by this Agreement do not create any entitlement to have the RSUs or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares of the Company; and

(l) neither the Company, the Employer nor any Affiliate of the Company shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to the Participant pursuant to the settlement of the RSUs or the subsequent sale of any Shares acquired upon settlement.

9. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying Shares. The Participant understands and agrees that he or she should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

10. **Insider Trading/Market Abuse Laws.** The Participant may be subject to insider trading restrictions and/or market abuse laws based on the exchange on which the Shares are listed and in applicable jurisdictions, including the United States, the Participant's country and the designated broker's country, which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (e.g., RSUs) or rights linked to the value of Shares (e.g., dividend equivalents) under the Plan during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws in applicable jurisdictions). Local insider trading laws may prohibit the cancellation or amendment of orders placed by the Participant before he or she possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party, which may include fellow employees and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant acknowledges that it is his or her responsibility to comply with any applicable restrictions, and the Participant should speak to his or her personal advisor on this matter.

11. **Data Privacy.** To the extent recognized by applicable law, the Participant hereby consents to the collection, use, transfer, or other processing of the Participant's personally identifiable information as described in this Agreement and any other RSU grant materials ("Personal Data") in electronic or other form by and among, as applicable, the Company, its Affiliates, the Employer or other third parties as processors of the Personal Data, for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Company, with offices located

at 41 University Drive, Newtown, Pennsylvania 18940, acts as the controller of this Personal Data, and processes this Personal Data for purposes of implementing, administering, and managing the Plan. The Company protects the Personal Data that it receives in the United States from the European Union via data transfer agreements based on the standard contractual clauses adopted by the European Commission. The Participant can obtain further information about these data transfer agreements by contacting AskDataPrivacy@epam.com.

The Participant understands that the Personal Data may include, but is not limited to, the Participant's name, home address and telephone number, e-mail address, date of birth, social insurance number, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all RSUs or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor. Such Personal Data will be used by the Company for the exclusive purpose of implementing, administering and managing the Plan. The Company relies on the following legal grounds for processing of Personal Data (i) consent, as permitted by applicable law, (ii) performance of this Agreement with the Participant, (iii) the legitimate interests of the Company, its Affiliates, the Employer or other third parties (such as service providers, consultants, governmental bodies, or courts) where the legitimate interest could be in particular the implementation, administration and management of the Plan, and (iv) for compliance with legal obligations, in particular in the area of labor and employment law, social security and social protection law, data protection and privacy law, tax law, and corporate compliance laws.

The Participant understands that Personal Data will be transferred to UBS Financial Services Inc. or other third parties assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of his or her Personal Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. Where disclosing Personal Data to such third parties, the Company provides appropriate safeguards for protecting the transfer of Personal Data, such as establishing data contractual clauses with third parties based on the standard contractual clauses adopted by the European Commission or relevant supervisory authority. The Participant may request a copy of, or information about, such safeguards by contacting AskDataPrivacy@epam.com.

The Participant may generally request a list with the names and addresses of any potential recipients of his or her Personal Data by contacting AskDataPrivacy@epam.com. The Participant understands that Personal Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. When the Company no longer needs to use the Participant's Personal Data for the purposes above or does not need to retain it for compliance with any legal or regulatory purpose, the Company will take reasonable steps to remove it from systems and/or records containing the Personal Data and/or take steps to properly anonymize it so that the Participant can no longer be identified from it.

Subject to applicable data protection and privacy law, the Participant understands that he or she may view Personal Data, request additional information about the storage and processing of Personal Data, require any necessary amendments to Personal Data or

refuse or withdraw the consent herein, in any case without cost, by contacting in writing AskDataPrivacy@epam.com. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis.

In addition to the above, subject to applicable law, the Participant may have the right to (i) request erasure of Personal Data, (ii) request restriction of, or object to, certain uses or processing of Personal Data, (iii) request Personal Data portability, or (iv) lodge a complaint with a supervisory authority.

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Newtown, Pennsylvania 18940
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if to the Participant, to:

the address, facsimile number or e-mail address that the Participant most recently provided to the Company, or to such other address, facsimile number or e-mail address as such party may hereafter specify for the purpose by notice to the other parties hereto.

(b) **Effect of Agreement.** The Participant acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof (and has had an opportunity to consult counsel regarding the terms of the RSUs), and hereby accepts the RSUs and agrees to be bound by its contractual terms as set forth herein and in the Plan. The Participant acknowledges and agrees that the grant of the RSUs constitutes additional consideration to the Participant for the Participant's continued and future compliance with any restrictive covenants in favor of the Company by which the Participant is otherwise bound. The Participant hereby agrees to accept as binding, conclusive and final all decisions and interpretations of the Committee regarding any questions relating to the RSUs. In the event of a conflict between the terms and provisions of the Plan and the terms and provisions of this Agreement, the Plan terms and provisions shall prevail. The Agreement, including the Plan, constitutes the entire agreement between the Participant and the Company on the subject matter hereof and supersedes all proposals, written or oral, and all other communications between the parties relating to such subject matter.

(c) **Amendment; Waiver.** No amendment or modification of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and the Participant, except that the Company may amend or modify this Agreement without the Participant's consent in accordance with the provisions of the Plan or as otherwise set forth in this Agreement. No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other or subsequent breach or condition whether of like or different nature. Any amendment or modification of or to any provision of this Agreement, or any waiver of any provision of this Agreement, shall be effective only in the specific instance and for the specific purpose for which made or given.

(d) **Successors and Assigns; No Third Party Beneficiaries.** This Agreement shall inure to the benefit of and be binding upon the Company and the Participant and their respective heirs, successors, legal representatives and permitted assigns. Nothing in this Agreement, expressed or implied, is intended to confer on any Person other than the Company and the Participant, and their respective heirs, successors, legal representatives and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

(e) **Severability.** If any provision of this Agreement shall be declared by any court or arbitrator of competent jurisdiction to be invalid, illegal or incapable of being enforced in whole or in part, the remaining conditions and provisions or portions thereof shall nevertheless remain in full force and effect and enforceable to the extent they are valid, legal and enforceable.

(f) **Governing Law; Dispute Resolution.** This Agreement is governed by the laws of the state of Delaware without application of the conflict of law provisions thereof. If any dispute arising out of or relating to this Agreement or the Plan, or the breach thereof, cannot be settled through negotiation, the parties agree first to try in good faith to settle such dispute by mediation. If the parties fail to settle such dispute within 30 days after the commencement of such mediation, such dispute shall be settled by arbitration conducted in the state of Pennsylvania and judgment on the arbitral award rendered may be entered in any court having jurisdiction thereof.

(g) **Language.** By accepting the RSUs, the Participant acknowledges and represents that the Participant is proficient in the English language or has consulted with an advisor who is sufficiently proficient in English, as to allow the Participant to understand the terms of the Agreement and any other documents related to the Plan. If the Participant has received the Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise required by applicable laws.

(h) **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

(i) **Foreign Asset / Account Reporting Requirements, Exchange Controls and Tax Requirements.** The Participant's country may have certain foreign asset and/or account reporting requirements and exchange controls which may affect the Participant's ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including from any dividends received or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside his or her country. The Participant may be required to report such accounts, assets or transactions to the tax or other authorities in his or her country. The Participant also may be required to repatriate sale proceeds or other funds received as a result of his or her participation in the Plan to his or her country through a designated bank or broker and/or within a certain time after receipt. In addition, the Participant may be subject to tax payment and/or reporting obligations in connection with any income realized under the Plan and/or from the sale of Shares. The Participant acknowledges that it is his or her responsibility to be compliant with all such requirements, and that he or she should consult his or her personal legal and tax advisors, as applicable, to ensure his or her compliance.

(j) **Clawback.** The RSUs and/or the Shares acquired under the Plan shall be subject to clawback, recoupment, forfeiture or similar requirements (and such requirements shall be deemed incorporated by reference into this Agreement) to the extent required by any applicable laws (including, without limitation, Section 304 of the U.S. Sarbanes-Oxley Act and Section 954 of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act) and any clawback policy adopted by the Company.

(k) **Addendum.** Notwithstanding any provisions in this Agreement, the RSU grant shall be subject to any special terms and conditions set forth in any Addendum to this Agreement for the Participant's country. Moreover, if the Participant relocates to one of the countries included in the Addendum, the special terms and conditions for such country will apply to the Participant to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Addendum constitutes part of this Agreement.

(l) **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the RSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant

to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

(m) **Section 409A.**

(i) The terms of this award of RSUs are intended to be in compliance with Section 409A of the Code, and this Agreement will be interpreted, operated and administered in a manner that is consistent with this intent. In furtherance of this intent, the Committee may (but is under no obligation to), at any time and without the Participant's consent, modify the terms of this award as it determines appropriate to comply with the requirements of Section 409A of the Code and the related U.S. Department of Treasury guidance or to mitigate any additional tax, interest and/or penalties that may apply under Section 409A of the Code if compliance is not practicable. The Company makes no representation or covenant to ensure that this award of RSUs is compliant with Section 409A of the Code and will have no liability to the Participant or any other party if this award of RSUs is not compliant or for any action taken by the Committee with respect thereto.

(ii) Notwithstanding anything in this Agreement to the contrary, any RSUs that are an item of non-qualified deferred compensation subject to Section 409A of the Code and become payable under this Agreement as of the date of or at a time that is by reference to the Participant's Termination of Service shall not be settled unless the Participant experiences a "separation from service" within the meaning of Section 409A of the Code (a "Separation from Service"); provided that if the Participant is a "specified employee" within the meaning of Section 409A of the Code as of the date of the Separation from Service (as determined according to the methodology established by the Company as in effect on the date of the Participant's termination of employment), the RSUs shall instead be settled on the first business day that is after the earlier of (i) the date that is six months following the date of the Separation from Service or (ii) the date of the Participant's death, to the extent such delayed payment is otherwise required in order to avoid a prohibited distribution under Section 409A(a)(2) of the Code, or any successor provision thereto.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

EPAM SYSTEMS, INC.

By: _____
Name:
Title:

The Participant's signature on this line both (1) acknowledges the Participant's receipt of the Agreement and agreement to its terms, and (2) indicates the Participant's consent to the processing of Personal Data as described in Section 11.

Participant

ADDENDUM
EPAM SYSTEMS, INC.
2015 LONG-TERM INCENTIVE PLAN
GLOBAL RESTRICTED STOCK UNIT AWARD AGREEMENT
FOR SENIOR MANAGERS

Terms and Conditions

This Addendum includes additional terms and conditions that govern the RSUs granted to the Participant under the Plan if the Participant resides in one of the countries listed below. These terms and conditions are in addition to, or if so indicated, in place of the terms and conditions in the Agreement. If the Participant is a citizen or resident (or is considered as such for local law purposes) of a country other than the country in which Participant is currently residing and/or working, or if Participant relocates to another country after the Grant Date, the Company shall, in its discretion, determine to what extent these country-specific terms and conditions contained herein shall be applicable to the Participant. Certain capitalized terms used but not defined in this Addendum have the meanings set forth in the Plan and/or the Agreement.

Notifications

This Addendum also includes information regarding exchange controls and certain other issues of which the Participant should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of March 2024. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information in this Addendum as the only source of information relating to the consequences of the Participant's participation in the Plan because the information may be out of date at the time that the Participant vests in the RSUs or sells Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation, and the Company is not in a position to assure the Participant of a particular result. Accordingly, the Participant should seek appropriate professional advice as to how the relevant laws in the Participant's country may apply to his or her situation.

Finally, if the Participant is a citizen or resident of a country other than the one in which he or she is currently working or residing (or is considered as such for local law purposes), or transferred employment and/or residency after the Grant Date, the notifications contained herein may not be applicable to the Participant.

ALBANIA

There are no country specific provisions.

ARGENTINA

Terms and Conditions

Compliance with the Law. By accepting the RSUs, the Participant acknowledges his or her agreement to comply with applicable Argentine laws and, regardless of any action taken by the Company or the Employer, to pay any and all applicable Tax-Related Items.

Notifications

Securities Law Notification. Neither the RSUs nor the underlying Shares are publicly offered or listed on any stock exchange in Argentina and, as a result, have not been and will not be registered with the Argentine Securities Commission (*Comisión Nacional de Valores*). Neither this nor any other offering material related to the RSUs nor the underlying Shares may be utilized in connection with any general offering to the public in Argentina. Argentine residents who acquire RSUs under the Plan do so according to the terms of a private offering made from outside Argentina.

Exchange Control Information. It is the Participant's responsibility to comply with any and all Argentine currency exchange restrictions, approvals, and reporting requirements in connection with the RSUs. The Participant should consult with his or her personal legal advisor to ensure compliance with the applicable requirements.

Foreign Asset / Account Reporting Information. If the Participant is an Argentine tax resident, the Participant must report any Shares acquired under the Plan and held by the Participant on December 31st of each year on his or her annual tax return for that year.

ARMENIA

There are no country specific provisions.

AUSTRIA

Notifications

Exchange Control Information. If the Participant holds securities (including Shares acquired under the Plan) or cash (including proceeds from the sale of Shares) outside Austria, the Participant may be subject to reporting obligations to the Austrian National Bank. If the value of the Shares meets or exceeds a certain threshold, the Participant must report the securities held (as of the last day of the quarter) on a quarterly basis to the Austrian National Bank, on or before the 15th day of the month following the end of the calendar quarter. Where the cash amounts held outside Austria meet or exceed a certain threshold, monthly reporting obligations apply as explained in the next paragraph.

If the Participant sells his or her Shares, he or she may have exchange control obligations if Participant holds the cash proceeds outside Austria. If the transaction volume of all the Participant's accounts abroad exceed a certain threshold, the Participant must report the movements and balances of all accounts on a monthly basis, as of the last day of the month, on or before the 15th day of the following month, on the prescribed forms.

BELARUS

Terms and Conditions

RSUs Payable Only in Cash. Notwithstanding any discretion contained in the Plan or the Agreement to the contrary, if the Participant resides in Belarus at the time of vesting of any of the RSUs, the RSUs shall be settled in cash only.

Notifications

Exchange Control Information. Belarusian citizens or permanent residents may be required to repatriate any funds received in connection with the RSUs to Belarus. The Participant is responsible for ensuring compliance with all exchange control laws in Belarus in connection with his or her participation in the Plan.

BELGIUM

Notifications

Foreign Asset/Account Reporting Information. Belgian residents are required to report any securities (e.g., Shares acquired under the Plan) held and bank accounts (including brokerage accounts) opened and maintained outside of Belgium on their annual tax return. In a separate report, the resident is required to provide the National Bank of Belgium with the account details of any such foreign accounts (including the account number, bank name and country in which such account was opened). This report, as well as information on how to complete it, can be found on the website of the National Bank of Belgium, www.nbb.be, under the *Kredietcentrales / Centrales des crédits* caption.

Annual Securities Accounts Tax. An annual securities tax may be payable if the total value of securities held in a Belgian or foreign securities account (e.g., Shares acquired under the Plan) exceeds €1,000,000 threshold on four reference dates within the relevant reporting period (i.e., March 31, June 30, September 30 and December 31). In such case, the tax will be due on the value of the qualifying securities held in such account. The Participant should consult with his or her personal tax advisor regarding the new tax.

BOSNIA & HERZEGOVINA

Notifications

Tax and Regulatory Reporting Notification. The Participant may be subject to certain tax, exchange control or foreign asset/account reporting requirements under the applicable laws in the Participant's country as a result of the acquisition, holding or

transfer of Shares or cash resulting from participation in the Plan. The Participant is responsible for being aware of and satisfying any such requirements that may be necessary in connection with the RSUs. The Participant should consult with his or her own personal legal advisers to ensure compliance with local laws.

BRAZIL

Terms and Conditions

Compliance with Law. By accepting the RSUs, the Participant agrees to comply with applicable Brazilian laws and to report and pay any and all applicable Tax-Related Items associated with the Participant's receipt and sale of Shares under the Plan.

Nature of Grant. The following provision supplements Section 8 of the Agreement:

By accepting the RSUs, the Participant acknowledges, understands and agrees that, for all legal purposes, (i) he or she is making an investment decision and (ii) the value of the underlying Shares is not fixed and may increase or decrease over the vesting period without compensation to the Participant.

Tax on Financial Transaction (IOF). Repatriation of funds into Brazil and the conversion between BRL and USD associated with such fund transfers may be subject to the Tax on Financial Transactions. It is the Participant's responsibility to comply with any applicable Tax on Financial Transactions arising from the Participant's participation in the Plan. The Participant should consult with his or her personal tax advisor for additional details.

Notifications

Exchange Control Information. A declaration of assets and rights held outside Brazil may need to be filed with the Central Bank of Brazil if assets or rights with an aggregate value exceeding USD 1,000,000 are held on December 31 of year. Shares acquired under the Plan that are held outside Brazil (e.g., in a non-Brazilian brokerage account) are among the assets and rights that must be reported. If the aggregate value exceeds USD 100,000,000 at the end of the quarter, the declaration has to be filed in the month following the end of each quarter.

BULGARIA

Notifications

Foreign Asset/Account Reporting Information. The Participant will be required to file statistical forms with the Bulgarian National Bank annually regarding his or her receivables in bank accounts abroad as well as securities held abroad (e.g., Shares acquired under the Plan) if the total sum of all such receivables and securities equals or exceeds BGN50,000 as of the previous calendar year-end. The reports are due by March 31. The Participant should contact his or her bank in Bulgaria for additional information regarding these requirements.

CANADA

Terms and Conditions

RSUs Payable Only in Shares. Notwithstanding any discretion set forth in Section 2 of the Agreement, at the time of vesting of any of the RSUs, the RSUs shall be settled in Shares only.

Termination of Service. This provision supplements Section 5 of the Agreement:

For purposes of the RSUs, the Participant's Termination of Service (for any reason whatsoever, whether or not later found to be invalid, unlawful or in breach of employment laws in the jurisdiction where the Participant is employed or providing services or the terms of the Participant's employment or service agreement, if any), will be measured by the date that is the earliest of (i) the date on which the Participant's employment with the Employer is terminated, or (ii) the date the Participant receives written notice of termination from the Employer, regardless of any period during which notice, pay in lieu of notice or related payments or damages are provided or required to be provided under local law. For greater certainty, the Participant will not earn or be entitled to any pro-rated vesting for that portion of time before the date on which the Participant's right to vest terminates, nor will the Participant be entitled to any compensation for lost vesting. Notwithstanding the foregoing, if applicable employment standards legislation explicitly requires continued vesting during a statutory notice period, the Participant's right to vest in the RSUs, if any, will terminate effective upon the expiry of the minimum statutory notice period, but the Participant will not earn or be entitled to pro-rated vesting if the vesting date falls after the end of the statutory notice period, nor will the Participant be entitled to any compensation for lost vesting.

If Participant resides in Québec, the following provisions apply:

Authorization to Release Necessary Personal Information. This provision supplements Section 11 of the Agreement:

The Participant hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Participant further authorizes the Company and any Affiliate and the administrator of the Plan to disclose and discuss the Plan with their advisors. The Participant further authorizes the Employer to record such information and to keep such information in the Participant's employee file. The Participant acknowledges that the Participant's personal information, including any sensitive personal information, may be transferred or disclosed outside the province of Quebec, including to the U.S. If applicable, the Participant also acknowledges that the Company, the Employer, any Affiliate and UBS Financial Services Inc. may use technology for profiling purposes and to make automated decisions that may have an impact on the Participant or the administration of the Plan.

French Language Documents. A French translation of this Agreement and certain other documents related to the RSUs will be made available to the Participant as soon as reasonably practicable. Notwithstanding anything to the contrary in the Agreement, and

unless the Participant indicates otherwise, the French translation of this Agreement and the Plan will govern the Participant's participation in the Plan.

Notifications

Securities Law Notification. The Participant is permitted to sell Shares acquired under the Plan through the designated broker appointed under the Plan, if any, provided the resale of Shares acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on the New York Stock Exchange in the United States of America.

Foreign Asset/Account Reporting Information. Specified foreign property, including Shares and rights to receive Shares (e.g., RSUs), must be reported annually on a Form T1135 (Foreign Income Verification Statement) if the total cost of the specified foreign property exceeds C\$100,000 at any time during the year. Thus, the RSUs must be reported - generally at a nil cost - if the C\$100,000 cost threshold is exceeded because of other specified foreign property. When Shares are acquired, their cost generally is the adjusted cost base ("ACB") of the Shares. The ACB would ordinarily equal the fair market value of the Shares at the time of acquisition, but if other Shares are also owned, this ACB may have to be averaged with the ACB of the other Shares. Participants should consult a personal legal advisor to ensure compliance with applicable reporting obligations.

CHINA

Terms and Conditions

Vesting Schedule and Distribution. The following provision supplements Section 2 of the Agreement:

In addition to any other vesting and settlement conditions set forth in the Agreement, the RSUs will not vest and no Shares (or cash equivalent) will be delivered to the Participant unless and until the Company determines, in its sole discretion, that all necessary exchange control or other approvals from the PRC State Administration of Foreign Exchange ("SAFE") or its relevant branch have been received and remain effective ("SAFE Approval"). In the event that SAFE Approval has not been obtained prior to any scheduled vesting date set forth in Section 2 of the Agreement, the RSUs will not vest until the seventh day of the month following the month in which SAFE Approval is obtained (the "Actual Vesting Date"). If the Participant experiences a Termination of Service prior to the Actual Vesting Date, the Participant shall not be entitled to vest in any portion of the RSUs and the RSUs shall be forfeited without any liability to the Company, the Employer or any Affiliate of the Company.

Exchange Control Restrictions and Sale of Shares. The Participant agrees that the Company is authorized to sell the Shares acquired pursuant to the RSUs after the Participant's Termination of Service (as described below) or immediately upon settlement of the RSUs, within any other timeframe that the Company determines is necessary or advisable to comply with the exchange control requirements. The Participant expressly authorizes the broker or any other third party designated by the

Company to complete the sale of such Shares (on the Participant's behalf pursuant to this authorization without further consent). The Participant agrees to sign any agreements, forms and/or consents that may be reasonably requested by the Company (or the broker or any other third party designated by the Company) to effectuate the sale of the Shares and shall otherwise cooperate with the Company with respect to such matters, provided that the Participant shall not be permitted to exercise any influence over how, when or whether the sales occur. The Participant acknowledges that the broker or any other third party designated by the Company is under no obligation to arrange for the sale of the Shares at any particular price and there may be a delay between the date the Shares are sold and the date the cash proceeds are distributed to the Participant.

Upon the sale of the Shares, the Company agrees to pay the cash proceeds from the sale of the Shares (less any applicable Tax-Related Items, brokerage fees or commissions) to the Participant in accordance with applicable exchange control laws including, but not limited to, the restrictions set forth below under "Exchange Control Requirements."

The Participant further agrees that any Shares to be issued to the Participant shall be deposited directly into an account with the Company's designated broker. The deposited Shares shall not be transferable (either electronically or in certificate form) from the brokerage account. This limitation shall apply both to transfers to different accounts with the same broker and to transfers to other brokerage firms. The limitation shall apply to all Shares issued to the Participant under the Plan, whether or not the Participant remains employed by the Employer.

Finally, the Participant agrees to sign any agreement, form and/or consent that may reasonably be requested by the Company (or the Company's designated broker) to effectuate the mandatory sale of the Shares.

Treatment of RSUs and Shares Upon Termination of Service. Due to exchange control regulations in the People's Republic of China ("China"), the Participant understands and agrees that the Company may require the sale of Shares held by the Participant immediately following the Participant's Termination of Service, or within such other period as determined by the Company or required by SAFE or its local counterpart (the "Mandatory Sale Date"). This includes any portion of RSUs that vest and are settled in Shares upon the Participant's Termination of Service. The Participant understands that should the Company impose this requirement, any Shares held by the Participant under the Plan that have not been sold by the Mandatory Sale Date will automatically be sold by the broker or any other third party designated by the Company at the Company's direction (on the Participant's behalf pursuant to this authorization without further consent).

Exchange Control Requirements. The Participant understands and agrees that, to facilitate compliance with exchange control requirements, the Participant is required to immediately repatriate to China the cash proceeds from the sale of the Shares and any distributions paid on such Shares. The Participant further understands that such repatriation of the cash proceeds will be effectuated through a special exchange control account established by the Company or its Affiliates, and the Participant hereby consents and agrees that the proceeds may be transferred to such special account prior to being delivered to the Participant. The Company may deliver the proceeds to the Participant in

United States dollars or local currency at the Company's discretion. If the proceeds are paid in United States dollars, the Participant understands that he or she will be required to set up a United States dollar bank account in China so that the proceeds may be deposited into this account. If the proceeds are converted to local currency, there may be delays in delivering the proceeds to the Participant and due to fluctuations in the Share trading price and/or the United States dollar/PRC exchange rate between the sale/payment date and (if later) when the proceeds can be converted into local currency, the proceeds that the Participant receives may be more or less than the market value of the Shares on the sale/payment date (which is the amount relevant to determining the Participant's tax liability). The Participant agrees to bear the risk of any currency fluctuation between the sale/payment date and the date of conversion of the proceeds into local currency. The Company is under no obligation to secure any particular exchange conversion rate.

The Participant further agrees to comply with any other requirements that may be imposed by the Company in the future to facilitate compliance with exchange control requirements in China.

COLOMBIA

Terms and Conditions

Labor Law Acknowledgement. The following provision supplements Section 8 of the Agreement:

In accepting the RSUs, the Participant acknowledges, understands and agrees that pursuant to Article 15 of Law 50/1990 (Article 128 of the Colombian Labor Code), the RSUs and any payments the Participant receives pursuant to the RSUs do not constitute a component of "salary" for any legal purpose. Therefore, the RSUs and related benefits will not be included or considered for purposes of calculating any and all labor benefits, such as fringe benefits, vacation pay, termination or other indemnities, payroll taxes, social insurance contributions, or any other outstanding labor-related amounts that may be payable.

Notifications

Securities Law Notification. The Shares are not and will not be registered in the Colombian registry of publicly traded securities (Registro Vacional de Valores y Emisores) and, therefore, the Shares may not be offered to the public in Colombia. Nothing in this document should be construed as the making of a public offer of securities in Colombia.

Exchange Control Information. The Participant is responsible for complying with any and all Colombian foreign exchange restrictions, approvals and reporting requirements in connection with the RSUs and any Shares acquired or funds received under the Plan. This may include reporting obligations to the Central Bank (Banco de la República). If applicable, the Participant will be required to register his or her investment in Shares with the Central Bank, regardless of the value of the investment. The Participant should consult with his or her personal legal advisor to ensure compliance with the applicable requirements.

Foreign Asset/Account Reporting Information. The Participant may be required to file an annual informative return with the Colombian Tax Office detailing any assets held abroad. If the individual value of any of these assets exceeds a certain threshold, the Participant must describe each asset and indicate the jurisdiction in which it is located, its nature and its value.

COSTA RICA

There are no country specific provisions.

CROATIA

Terms and Conditions

Vesting Schedule and Distribution. The following provision supplements Section 2 of the Agreement:

If Shares are delivered to the Participant pursuant to Section 2 of the Agreement, the Company reserves the right to require that the Participant sell all Shares delivered to the Participant, either immediately upon receipt of such Shares or upon Termination of Service.

In this regard, the Participant agrees that the Company is authorized to instruct its designated broker to assist with any such mandatory sale of Shares (on the Participant's behalf pursuant to this authorization), and the Participant expressly authorizes the designated broker to complete the sale of such Shares. The Participant also agrees to sign any agreements, forms and/or consents that may be reasonably requested by the Company (or the designated broker) to effectuate the sale of the Shares and shall otherwise cooperate with the Company with respect to such matters, provided that the Participant shall not be permitted to exercise any influence over how, when or whether the sales occur. The Participant acknowledges that the designated broker is under no obligation to arrange for the sale of the Shares at any particular price. Due to fluctuations in the Share price and/or applicable exchange rates between the date the Shares are delivered to the Participant and (if later) the date on which the Shares are sold, the amount of proceeds ultimately distributed to the Participant may be more or less than the market value of the Shares on the Vesting Date or the date the shares are delivered to the Participant.

Upon the sale of the Shares, the cash proceeds from the sale of shares (less any applicable Tax-Related Items, brokerage fees or commissions) will be delivered to the Participant in accordance with applicable laws and regulations, as determined by the Company in its sole discretion.

Notifications

Exchange Control Information. The Participant may be required to report foreign investments (including Shares acquired under the Plan) and foreign accounts to the Croatian National Bank for statistical purposes. The Participant should consult his or her personal legal advisor to ensure compliance with the applicable requirements.

CYPRUS

There are no country specific provisions.

CZECH REPUBLIC

Notifications

Exchange Control Information. The Czech National Bank ("CNB") may require the Participant to fulfill certain notification duties in relation to the RSUs and the opening and maintenance of a foreign account. In addition, the Participant may need to report the following even in the absence of a request from the CNB: foreign direct investments with a value of CZK 2,500,000 or more in the aggregate or other foreign financial assets with a value of CZK 2,000,000,000 or more. Because exchange control regulations may change without notice, the Participant should consult his or her personal legal advisor prior to the vesting of the RSUs and sale of Shares to ensure compliance with current regulations. It is the Participant's responsibility to comply with applicable Czech exchange control laws.

DENMARK

Terms and Conditions

Danish Stock Option Act. By accepting the RSUs, the Participant acknowledges having received an Employer Statement in Danish that sets forth information regarding the terms of the RSUs, which is being provided to comply with the Danish Stock Option Act as amended January 1, 2019.

Notifications

Exchange Control Information. If the Participant establishes accounts holding Shares or cash outside Denmark, the Participant must report the accounts to the Danish Tax Administration. The form which should be used to report these accounts can be obtained from a local bank.

ECUADOR

Notifications

Foreign Asset/Account Reporting Information. The Participant will be responsible for including any Shares acquired under Plan during the previous fiscal year in the Participant's annual Net Worth Declaration if the Participant's net worth exceeds the thresholds set forth in the law. The Net Worth Declaration must be filed in May of the following year using the electronic form on the tax authorities' website (www.sri.gob.ec). Penalties will apply to a late filing and it is not possible to seek an extension. The Participant should consult with Participant's personal advisor(s) regarding any personal foreign asset/foreign account tax obligations the Participant may have in connection with the Participant's participation in the Plan.

ESTONIA

Terms and Conditions

Language Consent. By accepting the grant of the RSUs, the Participant confirms having read and understood the documents related to the grant (the Agreement and the Plan), which were provided in the English language, and that he or she does not need the translation thereof into the Estonian language. The Participant accepts the terms of those documents accordingly.

Võttes vastu piiratud aktsiaühikute (RSUs) pakkumise, kinnitab Osaleja, et ta on ingliskeelsena esitatud pakkumisega seotud dokumendid (Opsioonilepingu ja Plaani) läbi lugenud ja nendest aru saanud ning et ta ei vaja nende tõlkimist eesti keelde. Sellest tulenevalt Osaleja nõustub viidatud dokumentide tingimustega.

FINLAND

There are no country specific provisions.

FRANCE

Terms and Conditions

Type of Award. The RSUs are not granted as "French-qualified" awards and are not intended to qualify for the specific tax and social security treatment applicable to shares granted for no consideration under Sections L. 225-197-1 to L. 225-197-5 and Sections L. 22-10-59 to L. 22-10-60 of the French Commercial Code, as amended.

Consent to Receive Information in English. By accepting the RSUs, the Participant confirms having read and understood the documents related to the RSUs (the Plan and the Agreement) which were provided in the English language. The Participant accepts the terms of these documents accordingly.

Consentement Relatif à l'Utilisation de la Langue Anglaise. *En acceptant l'Attribution, le Participant confirme avoir lu et compris les documents relatifs à cette Attribution (le Plan et le Contrat d'Attribution) qui ont été remis en langue anglaise. Le Participant accepte les termes de ces documents en conséquence.*

Notifications

Exchange Control Information. If the Participant transfers more than €10,000 in Shares or cash into or out of France without the use of a financial intermediary, the Participant must declare the transfer to the French tax and customs authorities.

GEORGIA

Terms and Conditions

Language Consent. By accepting the grant of RSUs, the Participant acknowledges that he or she is proficient in reading and understanding English and fully understands the terms of the documents related to the grant (the Agreement and the Plan), which were provided in the English language. The Participant accepts the terms of those documents accordingly.

თანხმობა ენასთან დაკავშირებით. შეზღუდული აქციების ერთეულების (RSUs) მინიჭებაზე თანხმობის განცხადებით, მონაწილე ადასტურებს რომ მას თავისუფლად ესმის ინგლისური ენა და რომ მისთვის სრულად არის გასაგები ამგვარ მინიჭებასთან დაკავშირებული დოკუმენტაციის (ხელშეკრულებისა და გეგმის) პირობები, რომელიც მისთვის მიწოდებული იქნა ინგლისურ ენაზე. შესაბამისად, მონაწილე თანხმობას აცხადებს ამ დოკუმენტებით გათვალისწინებულ პირობებზე.

GERMANY

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 (including transactions made in connection with the sale of Shares under the Plan) must be reported to the German Federal Bank (*Bundesbank*). If the Participant receives a payment in excess of this amount (including if the Participant acquires Shares with a value in excess of this amount or sells Shares via a foreign broker, bank or service provider and receives proceeds in excess of this amount), the Participant must report the payment and/or the value of the Shares received, either electronically using the "General Statistics Reporting Portal" ("*Allgemeines Meldeportal Statistik*") can be accessed via Bundesbank's website at www.bundesbank.de or via such other method (e.g., by email or telephone) as is permitted by Bundesbank. The report must be submitted monthly or within other such timing as is permitted or required by Bundesbank. The Participant is responsible for making this report, if applicable, and should consult a personal legal advisor to ensure compliance with applicable reporting obligations.

Foreign Asset/Account Reporting Information. If the Participant's acquisition of Shares under the Plan leads to a qualified participation at any point during the calendar year, the Participant will need to report the acquisition when the Participant files his or her tax return for the relevant year. A qualified participation is attained if (i) the Participant holds at least 1% of the Company and the value of the Shares acquired exceeds EUR 150,000 or (ii) the Participant holds Company Shares exceeding 10% of the Company's total common stock.

GREECE

There are no country-specific provisions.

HONG KONG

Terms and Conditions

Vesting Schedule and Distribution. If, for any reason, Shares are issued to the Participant within six (6) months of the Grant Date, the Participant agrees that he or she will not sell or otherwise dispose of any such Shares prior to the six-month anniversary of the Grant Date.

Notifications

Securities Law Notification. *WARNING:* The contents of this document have not been reviewed by any regulatory authority in Hong Kong. The Participant is advised to exercise caution in relation to the offer. If the Participant is in any doubt about any of the contents of this document, the Participant should obtain independent professional advice. Neither the grant of the RSUs nor the issuance of Shares upon vesting constitutes a public offering of securities under Hong Kong law and is available only to employees of the Company and its Affiliates. The Plan, the Agreement and other incidental communication materials distributed in connection with the RSUs (i) 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 (ii) are intended only for the personal use of each eligible employee of the Company or its Affiliates and may not be distributed to any other person.

HUNGARY

There are no country specific provisions.

INDIA

Terms and Conditions

Vesting Schedule and Distribution. The following provision supplements Section 2 of the Agreement:

Due to regulatory requirements in India, if Shares are delivered to the Participant pursuant to Section 2 of the Agreement, the Company reserves the right to require that the Participant sell all Shares delivered to the Participant, either immediately upon receipt of such Shares or upon Termination of Service.

In this regard, the Participant agrees that the Company is authorized to instruct its designated broker to assist with any such mandatory sale of Shares (on the Participant's behalf pursuant to this authorization), and the Participant expressly authorizes the designated broker to complete the sale of such Shares. The Participant also agrees to sign any agreements, forms and/or consents that may be reasonably requested by the Company (or the designated broker) to effectuate the sale of the Shares and shall otherwise cooperate with the Company with respect to such matters, provided that the Participant shall not be permitted to exercise any influence over how, when or whether the sales occur. The Participant acknowledges that the designated broker is under no obligation to arrange for the sale of the Shares at any particular price. Due to fluctuations

in the Share price and/or applicable exchange rates between the date the Shares are delivered to the Participant and (if later) the date on which the Shares are sold, the amount of proceeds ultimately distributed to the Participant may be more or less than the market value of the Shares on the Vesting Date or the date the shares are delivered to the Participant.

Upon the sale of the Shares, the cash proceeds from the sale of shares (less any applicable Tax-Related Items, brokerage fees or commissions) will be delivered to the Participant in accordance with applicable laws and regulations, as determined by the Company in its sole discretion.

Notifications

Exchange Control Information. The Participant understands that he or she must repatriate any proceeds from the sale of Shares acquired under the Plan or the receipt of dividends paid on such Shares to India within the time frame prescribed under applicable Indian exchange control laws as may be amended from time to time. The Participant will receive a foreign inward remittance certificate ("FIRC") from the bank where he or she deposits the foreign currency. The Participant should maintain the FIRC as evidence of the repatriation of the proceeds in the event the Reserve Bank of India or the Employer requests proof of repatriation. The Participant is also responsible for complying with any other exchange control laws in India that may apply to the RSUs or the Shares acquired under the Plan.

Foreign Asset/Account Reporting Information. The Participant is required to declare any foreign bank accounts and any foreign financial assets (including Shares acquired under the Plan) in Participant's annual tax return. Increased penalties for failing to report these assets/accounts have been implemented. The Participant should consult with his or her personal tax advisor to determine the Participant's reporting requirements.

INDONESIA

Terms and Conditions

Language Consent and Notification. By accepting the RSUs, the Participant (i) confirms having read and understood the documents relating to this grant (i.e., the Plan and the Agreement) which were provided in the English language, (ii) accepts the terms of these documents accordingly, and (iii) agrees not to challenge the validity of this document based on Law No. 24 of 2009 on National Flag, Language, Coat of Arms and National Anthem or the implementing Presidential Regulation (when issued).

Persetujuan dan Pemberitahuan Bahasa. Dengan menerima Unit Saham, Peserta (i) mengkonfirmasi bahwa ia telah membaca dan mengerti dokumen yang terkait dengan pemberian ini (yaitu, Program dan Perjanjian Pemberian) yang disediakan dalam Bahasa Inggris, (ii) menerima syarat dari dokumen-dokumen tersebut, dan (iii) setuju untuk tidak mengajukan keberatan atas keberlakuan dokumen ini berdasarkan Undang-Undang No. 24 Tahun 2009 tentang Bendera, Bahasa dan Lambang Negara serta Lagu Kebangsaan atau Peraturan Presiden pelaksana (ketika diterbitkan).

Notifications

Exchange Control Information. If the Participant remits funds into Indonesia (e.g., proceeds from the sale of Shares), the Indonesian Bank through which the transaction is made will submit a report of the transaction to the Bank of Indonesia for statistical reporting purposes. For transactions of US\$10,000 or more, a description of the transaction must be included in the report and the Participant may be required to provide information about the transaction (e.g., the relationship between Participant and the transferor of the funds, the source of the funds, etc.) to the bank in order for the bank to complete the report.

In addition, the Participant must provide the Bank of Indonesia with information on foreign exchange activities via a monthly report submitted online through the Bank of Indonesia's website. The report is due no later than the 15th day of the month following the month in which the activity occurred.

The Participant should consult with the Participant's personal advisor(s) regarding any personal legal, regulatory or foreign exchange obligations the Participant may have in connection with the Participant's participation in the Plan.

Foreign Asset/Account Reporting Information. Indonesian residents must report worldwide assets (including foreign accounts and Shares acquired under the Plan) in their annual individual income tax return. The Participant should consult with the Participant's personal advisor(s) regarding any personal foreign asset/foreign account tax obligations the Participant may have in connection with the Participant's participation in the Plan.

IRELAND

There are no country specific provisions.

ISRAEL

Terms and Conditions

Settlement and Sale of Shares. To facilitate compliance with local tax requirements, the Participant agrees that the Company is authorized to settle the RSUs in cash or immediately sell the Shares acquired pursuant to the RSUs (i) upon vesting; (ii) after the Participant's Termination of Service; (iii) or within any other time frame as the Company determines to be necessary to comply with local tax requirements. The Participant further agrees that the Company is authorized to instruct its designated broker to assist with the mandatory sale of such Shares (on the Participant's behalf pursuant to this authorization) and the Participant expressly authorizes the Company's designated broker to complete the sale of such Shares. The Participant acknowledges 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 the Participant the cash proceeds from the sale, less any brokerage fees or commissions and subject to any obligation to satisfy Tax-Related Items.

ITALY

Terms and Conditions

Plan Document Acknowledgement. The Participant acknowledges that the Participant has read and specifically and expressly approves the following Sections of the Agreement: Section 7 (Responsibility for Taxes); Section 8 (Nature of Grant); Section 11 (Data Privacy); Section 12(g) (Language); Section 12(h) (Electronic Delivery and Acceptance); Section 12(k) (Addendum); and Section 12(l) (Imposition of Other Requirements).

Notifications

Foreign Asset/Account Reporting Information. Italian residents who, at any time during the fiscal year, hold foreign financial assets (including cash and Shares) which may generate income taxable in Italy are required to report these assets on their annual tax returns (UNICO Form, RW Schedule) for the year during which the assets are held, or on a special form if no tax return is due. These reporting obligations also will apply to Italian residents who are the beneficial owners of foreign financial assets under Italian money laundering provisions.

JAPAN

Notifications

Exchange Control Information. If the Participant acquires Shares valued at more than ¥100,000,000 in a single transaction, he or she must file a Securities Acquisition Report with the Ministry of Finance through the Bank of Japan within 20 days after the acquisition of the Shares.

Foreign Asset/Account Reporting Information. If the Participant is a resident of Japan, the Participant will be required to report details of any assets (including any Shares acquired under the Plan) held outside of Japan as of December 31st of each year, to the extent such assets have a total net fair market value exceeding ¥50,000,000. Such report will be due by March 15th of the following year. The Participant should consult with his or her personal tax advisor as to whether the reporting obligation applies to the Participant and whether he or she will be required to report details of any outstanding RSUs or Shares held by Participant in the report.

KAZAKHSTAN

Notifications

Securities Law Notification. This offer is addressed only to certain eligible employees in the form of the Shares to be issued by the Company, which as of the date hereof are listed on the New York Stock Exchange. Neither the Plan nor this Agreement has been approved, nor do they need to be approved, by the National Bank of Kazakhstan. This offer is intended only for the original recipient and is not for general circulation in the Republic of Kazakhstan.

Exchange Control Information. The Participant acknowledges that if the Participant is a resident of Kazakhstan, the Participant will be required to notify and file standard-form reports with the National Bank of Kazakhstan if the value of the Shares that the Participant acquires under the Plan exceeds a certain threshold.

Please note that exchange control regulations in Kazakhstan are subject to change. The Participant should consult with his or her personal legal advisor regarding any exchange control obligations that Participant may have prior to acquiring Shares or receiving proceeds from the sale of Shares acquired under the Plan. The Participant is responsible for ensuring compliance with all exchange control laws in Kazakhstan.

KOREA

Notifications

Foreign Asset/Account Reporting Information. The Participant must declare all foreign financial accounts (e.g., non-Korean bank accounts, brokerage accounts holding Shares) in countries that have not entered into an “intergovernmental agreement for automatic exchange of tax information” with Korea to the Korean tax authority and file a report with respect to such accounts if the value of such accounts exceeds KRW 500 million (or an equivalent amount in foreign currency) on any month-end date during a calendar year.

KYRGYZSTAN

Notifications

Tax and Regulatory Reporting Notification. The Participant may be subject to certain tax, exchange control or foreign asset/account reporting requirements under the applicable laws in the Participant's country as a result of the acquisition, holding or transfer of Shares or cash resulting from participation in the Plan. The Participant is responsible for being aware of and satisfying any such requirements that may be necessary in connection with the RSUs. The Participant should consult with his or her own personal legal advisers to ensure compliance with local laws.

LATVIA

There are no country specific provisions.

LEBANON

Notifications

Securities Law Notification. The grant of RSUs under the Plan does not constitute the marketing or offering of securities to the public in Lebanon pursuant to Law No. 161 (2011), the Capital Markets Law. Offers under the Plan are being made only to eligible employees of the Employer or the Company or any other Affiliate.

LITHUANIA

There are no country specific provisions.

LUXEMBOURG

Terms and Conditions

Nature of the Grant. The following provision supplements Section 8 of the Agreement:

By accepting the RSUs, the Participant consents to participation in the Plan and that the Participant has received a copy of the Plan.

The Participant further understands that the Company has unilaterally, gratuitously and in its sole discretion decided to grant the RSUs under the Plan to individuals who may be employees of the Company or its Affiliates throughout the world. The decision to grant the RSUs is a limited decision and is entered into upon the express assumption and condition that any RSUs granted under the Plan will not economically or otherwise bind the Company or its Affiliates on an ongoing basis other than as set forth in the Agreement. Consequently, the Participant understands that any grant is given on the assumption and condition that it shall not become a part of any employment or service contract (either with the Company or any Affiliate) and shall not be considered a mandatory benefit, salary for any purpose (including severance compensation) or any other right whatsoever. Further, the Participant understands and freely accepts that there is no guarantee that any benefit shall arise from any gratuitous and discretionary grant since the future value of the RSUs and Shares is unknown and unpredictable.

Notifications

Exchange Control Information.

The Participant acknowledges and agrees that the Participant must report any inward remittance of funds associated with the Plan to the Banque Central de Luxembourg and/or the *Service Central de La Statistique et des Études Économiques* within 15 working days following the month during which the transaction occurred. If a Luxembourg financial institution is involved in the transaction, such financial institution typically will fulfill the reporting obligation on behalf of the Participant. However, if the Luxembourg financial institution does not report the transaction, the Participant personally is responsible for satisfying the reporting obligation. The Participant should consult with Participant's personal advisor(s) regarding any personal legal, regulatory or foreign exchange obligations the Participant may have in connection with the Participant's participation in the Plan.

MACEDONIA

Notifications

Exchange Control Information. The Participant may be required to report the acquisition or sale of Shares under the Plan to the National Bank of the Republic of North Macedonia. The Participant should consult with the Participant's personal advisor to ensure compliance with any applicable exchange control laws and regulations in Macedonia, as such regulations are subject to frequent change. The Participant is responsible for ensuring compliance with all exchange control laws and regulations in Macedonia

MALAYSIA

Notifications

Director Notification Obligation. If the Participant is a director of a Malaysian Affiliate, he or she is subject to certain notification requirements under the Malaysian Companies Act 1965. Among these requirements is an obligation to notify the Malaysian Affiliate in writing when the Participant receives or disposes of an interest (e.g., RSUs or Shares) in the Company or any related company. This notification must be made within 14 days of receiving or disposing of any interest in the Company or any related company.

MALTA

Notifications

Securities Law Notification. The Plan, the Agreement, including this Addendum, and all other materials the Participant may receive regarding participation in the Plan do not constitute advertising of securities in Malta and are deemed accepted by the Participant upon receipt of the Participant's electronic or written acceptance in the United States. The issuance of the Shares under the plan has not and will not be registered in Malta and, therefore, the Shares described in any plan documents may not be offered or placed in public circulation in Malta.

MEXICO

Terms and Conditions

Labor Law Acknowledgement. The following provision applies if the Participant resides in Mexico and receives the RSUs from the Company:

- (i) The Participant's participation in the Plan does not constitute an acquired right;
- (ii) The Plan and the Participant's participation in it are offered by the Company on a wholly discretionary basis;
- (iii) The Participant's participation in the Plan is voluntary;
- (iv) The Company and its Affiliates are not responsible for any decrease in the value of any Shares acquired under the Plan;

(v) By accepting the RSUs, the Participant acknowledges that the Company, with registered offices in the U.S.A., is solely responsible for the administration of the Plan. The Participant further acknowledges that his or her participation in the Plan, the grant of the RSUs and any acquisition of Shares under the Plan do not constitute an employment relationship between the Participant and the Company because the Participant is participating in the Plan on a wholly commercial basis. Based on the foregoing, Participant expressly acknowledges that the Plan and the benefits that he or she may derive from participation in the Plan do not establish any rights between the Participant and the Employer and do not form part of the employment conditions and/or benefits provided by the Employer, and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of the Participant's employment;

(vi) The Participant further understands that his or her participation in the Plan is the result of a unilateral and discretionary decision of the Company and, therefore, the Company reserves the absolute right to amend and/or discontinue the Participant's participation in the Plan at any time, without any liability to the Participant; and

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

Términos y Condiciones.

Reconocimiento del Derecho Laboral. Las siguientes disposiciones aplican en caso de que el Participante sea residente en México y reciba las Unidades de Acción Restringida ("RSUs") de la Compañía:

- (i) La participación del Participante en el Plan no constituye un derecho adquirido;*
- (ii) El Plan y la participación del Participante en él es ofrecido por la Compañía de manera completamente discrecional;*
- (iii) La participación del Participante en el Plan es voluntaria;*
- (iv) La Compañía y sus Afiliadas no son responsables por ninguna disminución en el valor de las acciones de adquiridas en términos del Plan;*
- (v) Al aceptar el otorgamiento, el Participante reconoce que la Compañía, con oficinas registradas en E.U.A., es la única responsable de la administración del Plan. Además, el Participante reconoce que su participación en el Plan, la concesión de RSUs y cualquier adquisición de Acciones bajo el Plan no*

constituyen una relación laboral entre el Participante y la Compañía, en virtud de que el Participante está participando en el Plan en una base exclusivamente comercial. Por lo anterior, el Participante expresamente reconoce que el Plan y los beneficios que puedan derivarse de su participación no establecen ningún derecho entre el Participante y su empleador y que no forman parte de las condiciones de trabajo y/o beneficios otorgados por su empleador, y cualquier modificación del Plan o la terminación no constituirá un cambio o modificación en los términos y condiciones del empleo del Participante;

(vi) Además, el Participante comprende que su participación en el Plan es el resultado de una decisión discrecional y unilateral de la Compañía, por lo que la Compañía se reserva el derecho absoluto de modificar y/o suspender la participación del Participante en el Plan en cualquier momento, sin responsabilidad alguna frente al Participante; y

(vii) Finalmente, el Participante manifiesta que no se reserva acción o derecho alguno que origine una demanda en contra de la Compañía, por cualquier indemnización o daño relacionado con las disposiciones del Plan o de los beneficios otorgados en el mismo, y en consecuencia el Participante libera de la manera más amplia y total de responsabilidad a la Compañía, sus subsidiarias, empresas matriz, Afiliadas, sucursales, oficinas de representación, sus accionistas, directores, agentes y representantes legales de cualquier demanda que pudiera surgir.

Notifications

Securities Law Notification. The RSUs and the Shares offered under the Plan have not been registered with the National Register of Securities maintained by the Mexican National Banking and Securities Commission and cannot be offered or sold publicly in Mexico. In addition, the Plan, the Agreement and any other document relating to the RSUs may not be publicly distributed in Mexico. These materials are addressed to the Participant only because of the Participant's existing relationship with the Company and these materials should not be reproduced or copied in any form. The offer contained in these materials does not constitute a public offering of securities but rather constitutes a private placement of securities addressed specifically to individuals who are present employees of an Affiliate of the Company in Mexico made in accordance with the provisions of the Mexican Securities Market Law, and any rights under such offering shall not be assigned or transferred.

MONTENEGRO

Notifications

Securities Law Information. The grant of the RSUs and the issuance of any Shares are not subject to the regulations concerning public offers and private placements under the Law on Capital Markets.

NETHERLANDS

There are no country specific provisions.

NEW ZEALAND

Notifications

Securities Law Notification. *Warning:* This is an offer of rights to receive Shares underlying the RSUs. The RSUs give the Participant a stake in the ownership of the Company. If the Company runs into financial difficulties and is wound up, the Participant will be paid only after all creditors have been paid. A Participant may lose some or all of his or her 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, the Participant may not be given all the information usually required. The Participant will also have fewer other legal protections for this investment.

The Participant should ask questions, read all documents carefully, and seek independent financial advice before committing himself or herself.

The Shares are quoted or approved for trading on the New York Stock Exchange. This means that if the Participant vests in the RSUs and Shares are issued to the Participant, the Participant can sell his or her investment on the New York Stock Exchange if there are buyers for it. If the Participant sells his or her investment, the price he or she receives may vary depending on factors such as the financial condition of the Company. The Participant may receive less than the full amount that he or she paid for it, if anything.

For a copy of the Company's most recent financial statements (and, where applicable, a copy of the auditor's report on those financial statements) and information on risk factors impacting the Company's business that may affect the value of the Shares, the Participant should refer to the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities and Exchange Commission and are available online at www.sec.gov, as well as on the Company's "Investors" website at <http://investors.epam.com>.

For more details on the terms and conditions of the RSUs, the Participant should refer to this Agreement, the Plan and the Plan prospectus which are available in the Participant's UBS account at <http://www.ubs.com/onesource/epam> and free of charge on request via AskLongTermIncentive@epam.com.

NORWAY

Notifications

Exchange Control Information. In general, Norwegian residents should not be subject to any foreign exchange requirements in connection with their acquisition or sale of Shares under the Plan, except normal reporting requirements to the Norwegian Currency Registry. If any transfer of funds into or out of Norway is made through a Norwegian bank, the bank will make the registration. The Participant should consult with the Participant's personal advisor(s) regarding any personal legal, regulatory or foreign exchange obligations the Participant may have in connection with the Participant's participation in the Plan.

Foreign Asset/Account Reporting Information. Norwegian residents may be subject to foreign asset reporting as part of their ordinary tax return. Norwegian banks, financial institutions, limited companies etc. must report certain information to the Tax Administration. Such information may then be pre-completed in a Norwegian resident's tax return. However, if the resident has traded, or is the owner of, financial instruments (e.g., Shares) not pre-completed in the tax return, the Norwegian resident must enter this information in Form RF-1159, which is an appendix to the tax return. The Participant should consult with the Participant's personal advisor(s) regarding any personal foreign asset/foreign account tax obligations the Participant may have in connection with the Participant's participation in the Plan.

PANAMA

Notifications

Securities Law Notification. The RSUs do not constitute a public offering of securities, as they are available only to eligible employees of the Company.

PERU

Terms and Conditions

Nature of the Grant. The following provision supplements Section 8 of the Agreement:

This Award is being granted *ex gratia* to the Participant by the Company as an incentive to reward the Participant for the Participant's contributions to the Company.

Notifications

Securities Law Information. The grant of the RSUs under the Plan is considered a private offering in Peru and accordingly, is not subject to registration in Peru. For more information concerning the grant of the RSUs, please refer to the Plan, the Agreement, and any other grant documents made available to the Participant by the Company. For more information regarding the Company, please refer to the Company's most recent annual report on Form 10-K and quarterly report on Form 10-Q available at www.sec.gov, as well as on the Company's website at <http://investors.epam.com>.

POLAND

Notifications

Exchange Control Information. The Participant acknowledges that any transfer of funds in excess of €15,000 (or PLN15,000, if such transfer of funds is connected with business activity of an entrepreneur) into or out of Poland must be effected through a bank account in Poland. The Participant understands that the Participant is required to store all documents connected with any foreign exchange transactions that the Participant engages in for a period of five years as measured from the end of the year in which such transaction occurred.

Foreign Asset/Account Reporting Information. If the Participant maintains bank or brokerage accounts holding cash and foreign securities (including Shares) outside of Poland, the Participant will be required to report information to the National bank of Poland on transactions and balances in such accounts if the value of such cash and securities exceeds PLN 7 million. If required, such reports must be filed on a quarterly basis on special forms available on the website of the National Bank of Poland. The Participant should consult with his or her personal legal advisor to determine whether he or she will be required to submit reports to the National Bank of Poland.

PORTUGAL

Terms and Conditions

Language Consent. The Participant hereby expressly declares that he or she has full knowledge of the English language and has read, understood and freely accepted and agreed with the terms and conditions established in the Plan and the Agreement.

Conhecimento da Língua. *Pela presente, o Participante declara expressamente que tem pleno conhecimento da língua inglesa e que leu, compreendeu e livremente aceitou e concordou com os termos e condições estabelecidas no Plano e no Acordo.*

QATAR

There are no country-specific provisions.

ROMANIA

Terms and Conditions

Language Consent. By accepting the grant of RSUs, the Participant acknowledges that he or she is proficient in reading and understanding English and fully understands the terms of the documents related to the grant (the Agreement and the Plan), which were provided in the English language. The Participant accepts the terms of those documents accordingly.

Consimțământ cu Privire la Limba. Prin acceptarea acordării de RSU-uri, Participantul confirmă ca acesta sau aceasta are un nivel adecvat de cunoaștere în ce privește citirea și înțelegerea limbii engleze, a citit și confirmă că a înțeles pe deplin termenii documentelor referitoare la acordare (Acordul și Planul), care au fost furnizate în limba engleză. Participantul acceptă termenii acestor documente în consecință.

Notifications

Exchange Control Information. If the Participant deposits the proceeds from the sale of Shares acquired under this Plan in a bank account in Romania, the Participant may be required to provide the Romanian bank with appropriate documentation explaining the source of the funds. The Participant should consult his or her personal legal advisor to ensure compliance with applicable requirements.

SERBIA

Notifications

Securities Law Notification. The grant of RSUs and the issuance of any Shares are not subject to the regulations concerning public offers and private placements under the Law on Capital Markets.

Exchange Control Information. Pursuant to the Law on Foreign Exchange Transactions, the Participant is permitted to acquire Shares under the Plan, but a report may need to be made of the acquisition of such Shares, the value of the Shares at vesting and, on a quarterly basis, any changes in the value of the Shares. An exemption from this reporting obligation may apply on the basis that the Shares are acquired for no consideration. As the exchange control regulations in Serbia may change without notice, the Participant should consult with a personal legal advisor with respect to all applicable reporting obligations.

SINGAPORE

Terms and Conditions

Restrictions on Sale and Transferability. The Participant hereby agrees that any Shares acquired pursuant to the RSUs will not be offered for sale in Singapore prior to the six-month anniversary of the Grant Date, unless such sale or offer is made pursuant to the exemptions under Part XIII Division 1 Subdivision (4) (other than section 280) of the Securities and Futures Act (Chap. 289, 2006 Ed.) ("SFA") or pursuant to, and in accordance with the conditions of, any other applicable provision(s) of the SFA.

Notifications

Securities Law Notification. The RSUs are being granted pursuant to the "Qualifying Person" exemption" under section 273(1)(f) of the SFA and is not made with a view to the underlying Shares being subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore.

Director Notification. If the Participant is a director, associate director or shadow director of a Singapore Affiliate, the Singapore Companies Act requires the Participant (regardless of whether the Participant is a Singapore resident or employed in Singapore) to notify such Singapore Affiliate in writing of any interest (e.g., RSUs, Shares, etc.) that the Participant holds in the Company (or any related company) within two business days of (i) acquiring or disposing of such interest, (ii) any change in a previously-disclosed interest (e.g., upon vesting of the RSUs or sale of Shares), or (iii) becoming a director, associate director or shadow director, if the Participant holds such an interest at that time.

SLOVAKIA

There are no country specific provisions.

SLOVENIA

Terms and Conditions

Language Consent. The parties acknowledge and agree that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Dogovor o uporabi jezika. *Stranke se izrecno strinjajo, da se za sklepanje Pogodbe, kot tudi vseh dokumentov, obvestil in postopkov sklenjenih neposredno ali posredno v zvezi s tem, uporablja angleški jezik.*

Notifications

Foreign Asset/Account Reporting Information. Slovenian residents may be required to report the opening of bank and/or brokerage accounts to the tax authorities within eight days of opening such an account. The Participant should consult with his or her personal tax advisor to determine whether this requirement will be applicable to any accounts opened in connection with the Participant's participation in the Plan (i.e., the Participant's brokerage account with the Company's designated broker).

SOUTH AFRICA

Terms and Conditions

Responsibility for Taxes. The following provision supplements Section 7 of the Agreement:

By accepting the grant of the RSUs, the Participant agrees to notify the Company or the Employer of the amount of any gain realized upon the receipt of Shares. The Participant understands that if he or she fails to advise the Company or the Employer of the gain realized at vesting, the Participant may be liable for a fine. The Participant will be responsible for paying the difference between the actual tax liability and the amount withheld.

Securities Law Compliance. Neither the RSUs nor the underlying Shares shall be publicly offered or listed on any stock exchange in South Africa. The offer is intended to be private pursuant to Section 96 of the Companies Act and is not subject to the supervision of any South African governmental authority. Pursuant to Section 96 of the Companies Act, the RSU offer must be finalized within a set period of time following the Grant Date. If the Participant does not want to accept the RSUs, the Participant is required to decline the RSUs no later than the 90th day following the Grant Date. If the Participant does not reject the RSUs on or before the 90th day following the Grant Date, the Participant will be deemed to accept the RSUs.

SPAIN

Terms and Conditions

Labor Law Acknowledgment. This provision supplements Section 8 of the Agreement:

In accepting the RSUs, the Participant acknowledges that he or she consents to participation in the Plan and has received a copy of the Plan.

The Participant understands and agrees that, as a condition of the grant of the RSUs, the Participant's Termination of Service for any reason (including for the reasons listed below) will automatically result in the forfeiture of any unvested RSUs as of the date of such termination without any payment to the Participant.

In particular, the Participant understands and agrees that the RSUs will be cancelled without entitlement to the Shares or to any amount as indemnification in the event of the Participant's Termination of Service by reason of, including, but not limited to: resignation, death, disability, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause (*i.e.*, subject to a "*despido improcedente*"), individual or collective layoff on objective grounds, whether adjudged to be with cause or adjudged or recognized to be without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer, and under Article 10.3 of Royal Decree 1382/1985.

Furthermore, the Participant understands that the Company has unilaterally, gratuitously and in its sole discretion decided to grant RSUs under the Plan to individuals who may be employees of the Company or its Affiliates throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or its Affiliate on an ongoing basis. Consequently, the Participant understands that the RSUs are granted on the assumption and condition that the RSUs and the Shares issued upon vesting/settlement of the RSUs shall not become a part of any employment contract (either with the Company or any Affiliate) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, the Participant understands that the grant of the RSUs would not be made to the Participant but for the assumptions and conditions referred to above; thus, the Participant acknowledges and freely accepts that should any or all of the assumptions be mistaken or

should any of the conditions not be met for any reason, then any grant of RSUs shall be null and void.

Notifications

Securities Law Notification. No “offer of securities to the public,” as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the grant of the RSUs. The Agreement has not been, nor will it be, registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

Exchange Control Information. The Participant may be required to electronically declare to the Bank of Spain any foreign accounts (including brokerage accounts held abroad), any foreign instruments (including Shares acquired under the Plan), and any transactions with non-Spanish residents (including any payments of Shares made pursuant to the Plan), depending on the balances in such accounts together with the value of such instruments as of December 31 of the relevant year, or the volume of transactions with non-Spanish residents during the relevant year.

The Participant should consult with his or her personal tax and legal advisors to ensure that the Participant is properly complying with his or her exchange control obligations.

Foreign Asset/Account Reporting Information. To the extent that the Participant holds assets (e.g., cash or Shares held in a bank or brokerage account) outside of Spain with a value in excess of €50,000 per type of asset (e.g., Shares, cash, etc.) as of December 31 each year, the Participant is required to report information on such assets on the Participant's tax return for such year. After such assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported assets increases by more than €20,000 or if the Participant transfers or disposes of any previously-reported assets. The reporting must be completed by March 31. Failure to comply with this reporting requirement may result in penalties. Accordingly, the Participant should consult with his or her personal tax and legal advisors to ensure that the Participant is properly complying with his or her reporting obligations.

SWEDEN

Terms and Conditions

Responsibility for Taxes. The following provision supplements Section 7 of the Agreement:

Without limiting the Company's or the Employer's authority to satisfy their withholding obligations for Tax-Related Items as set forth in the Agreement, by accepting the RSUs, the Participant authorizes the Company to withhold Shares or to sell Shares otherwise deliverable to the Participant upon vesting/settlement to satisfy Tax-Related Items, regardless of whether the Company and/or the Employer have an obligation to withhold such Tax-Related Items.

SWITZERLAND

Notifications

Securities Law Notification. Neither this document nor any other materials relating to the offer of RSUs (i) constitutes a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services ("FinSA"), (ii) may be publicly distributed or otherwise made publicly available in Switzerland to any person other than an employee of the Company or one of its Affiliates, or (iii) has been or will be filed with, approved or supervised by any Swiss reviewing body according to article 51 of FinSA or any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority ("FINMA").

THAILAND

Notifications

Exchange Control Information. If the Participant receives funds in connection with the Plan (e.g., sale proceeds) with a value equal to or greater than USD 1,000,000, the Participant is required to immediately repatriate such funds to Thailand, unless the Participant can rely on any applicable exemptions (e.g., where the funds will be used offshore for any permissible purposes under exchange control regulations) and the relevant form and supporting documents have been submitted to a commercial bank in Thailand. Any foreign currency repatriated to Thailand must be converted to Thai Baht or deposited into a foreign currency deposit account opened with any commercial bank in Thailand acting as the authorized agent within 360 days from the date the funds are repatriated to Thailand. The Participant also is required to inform the authorized agent of the details of the foreign currency transaction, including identification information and the purpose of the transaction.

TURKEY

Securities Law Notification. The Participant is not permitted to sell Shares acquired under the Plan in Turkey. Shares are currently traded on the New York Stock Exchange in the United States under the ticker symbol "EPAM" and Shares may be sold on this exchange, which is located outside Turkey.

Exchange Control Information. Pursuant to Decree No. 32 on the Protection of the Value of the Turkish Currency and Communiqué No. 2008-32/34 on Decree No. 32, any activity related to investments in foreign securities (e.g., the sale of Shares) must be conducted through a bank or financial intermediary institution licensed by the Turkish Capital Markets Board and should be reported to the Turkish Capital Markets Board. It is solely the Participant's responsibility to comply with this requirement. The Participant should contact a personal legal advisor for further information regarding these obligations.

UKRAINE

Terms and Conditions

RSUs Payable Only in Cash. Notwithstanding any discretion contained in the Plan or the Agreement to the contrary, if the Participant resides in the Ukraine at the time of vesting of any of the RSUs, the RSUs shall be settled in cash only.

Notifications

Exchange Control Information. The Participant is responsible for complying with all applicable exchange control regulations in Ukraine. The Participant should consult with his or her personal legal advisor to ensure compliance with the applicable requirements.

UNITED ARAB EMIRATES

Notifications

Securities Law Notification. The RSUs granted under the Plan are being offered only to eligible employees of the Company and are in the nature of providing equity incentives to eligible employees of the Company. Any documents related to the RSUs, including the Plan, the Agreement and any other grant documents ("Award Documents"), are intended for distribution only to such eligible employees and must not be delivered to, or relied on by, any other person.

The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any Award Documents or any other incidental communication materials distributed in connection with the RSUs. Further, neither the Ministry of Economy nor the Dubai Department of Economic Development has approved the Award Documents or taken steps to verify the information set out in them, and thus, is not responsible for their content.

Participants should, as prospective stockholders, conduct their own due diligence on the securities. If the Participant does not understand the contents of the Award Documents, he or she should consult an authorized financial advisor.

UNITED KINGDOM

Terms and Conditions

Responsibility for Taxes. The following provisions supplement Section 7 of the Agreement:

Without limitation to Section 7 of the Agreement, the Participant agrees that the Participant is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items as and when requested by the Company or the Employer or by HM Revenue and Customs ("HMRC") (or any other tax authority or any other relevant authority). The Participant also agrees to indemnify and keep indemnified the Company and the Employer against any taxes that they are required to pay or withhold or have paid

or will pay to HMRC (or any other tax authority or any other relevant authority) on the Participant's behalf.

Notwithstanding the foregoing, if the Participant is a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act), the terms of the immediately foregoing provision will not apply. In such case, if the amount of any income tax due is not collected from or paid by the Participant within ninety (90) days of the end of the U.K. tax year in which an event giving rise to the indemnification described above occurs, the amount of any uncollected income tax may constitute a benefit to the Participant on which additional income tax and National Insurance contributions ("NICs") may be payable. The Participant understands that he or she will be responsible for paying and reporting any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company or the Employer, as applicable, for the value of any employee NICs due on this additional benefit, which the Company or the Employer, as applicable, may recover from the Participant at any time thereafter by any of the means set forth in Section 7 of the Agreement.

UZBEKISTAN

There are no country specific provisions.

VIETNAM

Terms and Conditions

RSUs Payable Only in Cash. Notwithstanding any discretion contained in the Plan or the Agreement to the contrary, if the Participant resides in Vietnam at the time of vesting of any of the RSUs, the RSUs shall be settled in cash only.

**Certification by Chief Executive Officer
Pursuant to Securities Exchange Act Rule 13a-14(a)**

I, Arkadiy Dobkin, certify that:

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

Date: May 9, 2024

/s/ Arkadiy Dobkin

Arkadiy Dobkin

Chairman, Chief Executive Officer and
President
(principal executive officer)

**Certification by Chief Financial Officer
Pursuant to Securities Exchange Act Rule 13a-14(a)**

I, Jason Peterson, certify that:

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

Date: May 9, 2024

/s/ Jason Peterson

Jason Peterson

Senior Vice President, Chief Financial
Officer and Treasurer
(principal financial officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER 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 Quarterly Report on Form 10-Q of EPAM Systems, Inc. (the "Company") for the quarter ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Arkadiy Dobkin, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

- (i) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2024

/s/ Arkadiy Dobkin

Arkadiy Dobkin

Chairman, Chief Executive Officer and
President
(principal executive officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER 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 Quarterly Report on Form 10-Q of EPAM Systems, Inc. (the "Company") for the quarter ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Jason Peterson, as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

- (i) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2024

/s/ Jason Peterson

Jason Peterson

Senior Vice President, Chief Financial
Officer and Treasurer
(principal financial officer)