

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 001-11919

TTEC Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

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

6312 South Fiddler's Green Circle, Suite 100N
Greenwood Village, Colorado 80111
(Address of principal executive offices)

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

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

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

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

Yes ☒ No ☐

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

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

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

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

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

Yes ☐ No ☒

As of May 1, 2024, there were 47,557,165 shares of the registrant's common stock outstanding.

TTEC HOLDINGS, INC. AND SUBSIDIARIES
MARCH 31, 2024 FORM 10-Q
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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

TTEC HOLDINGS, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
(Amounts in thousands, except share amounts)
(Unaudited)

| | March 31, 2024 | December 31, 2023 |
|---|---------------------|----------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 91,514 | \$ 172,747 |
| Accounts receivable, net of allowance of \$ 2,065 and \$ 2,248 , respectively | 404,651 | 394,868 |
| Prepays and other current assets | 104,985 | 95,064 |
| Income and other tax receivables | 16,328 | 18,524 |
| Total current assets | 617,478 | 681,203 |
| Long-term assets | | |
| Property, plant and equipment, net | 185,242 | 191,003 |
| Operating lease assets | 113,060 | 121,574 |
| Goodwill | 807,134 | 808,988 |
| Deferred tax assets, net | 52,059 | 38,151 |
| Other intangible assets, net | 189,814 | 198,433 |
| Income and other tax receivables, long-term | 41,501 | 44,673 |
| Other long-term assets | 108,766 | 101,573 |
| Total long-term assets | 1,497,576 | 1,504,395 |
| Total assets | <u>\$ 2,115,054</u> | <u>\$ 2,185,598</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable | \$ 90,473 | \$ 96,577 |
| Accrued employee compensation and benefits | 120,340 | 146,184 |
| Other accrued expenses | 40,314 | 32,217 |
| Income tax payable | 5,444 | 4,909 |
| Deferred revenue | 87,787 | 81,171 |
| Current operating lease liabilities | 36,457 | 38,271 |
| Other current liabilities | 3,400 | 3,698 |
| Total current liabilities | 384,215 | 403,027 |
| Long-term liabilities | | |
| Line of credit | 953,000 | 995,000 |
| Deferred tax liabilities, net | 3,122 | 3,137 |
| Non-current income tax payable | — | — |
| Non-current operating lease liabilities | 90,218 | 96,809 |
| Other long-term liabilities | 72,090 | 72,083 |
| Total long-term liabilities | 1,118,430 | 1,167,029 |
| Total liabilities | 1,502,645 | 1,570,056 |
| Commitments and contingencies (Note 10) | | |
| Stockholders' equity | | |
| Preferred stock; \$ 0.01 par value; 10,000,000 shares authorized; zero shares outstanding as of March 31, 2024 and December 31, 2023 | — | — |
| Common stock; \$ 0.01 par value; 150,000,000 shares authorized; 47,447,289 and 47,427,200 shares outstanding as of March 31, 2024 and December 31, 2023, respectively | 474 | 474 |
| Additional paid-in capital | 412,768 | 407,415 |
| Treasury stock at cost: 34,604,964 and 34,625,053 shares as of March 31, 2024 and December 31, 2023, respectively | (589,475) | (589,807) |
| Accumulated other comprehensive income (loss) | (93,733) | (89,876) |
| Retained earnings | 865,277 | 870,429 |
| Noncontrolling interest | 17,098 | 16,907 |
| Total stockholders' equity | 612,409 | 615,542 |
| Total liabilities and stockholders' equity | <u>\$ 2,115,054</u> | <u>\$ 2,185,598</u> |

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

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

| | Three months ended March 31, | |
|--|-------------------------------------|-------------------|
| | 2024 | 2023 |
| Revenue | \$ 576,638 | \$ 633,286 |
| Operating expenses | | |
| Cost of services (exclusive of depreciation and amortization presented separately below) | 453,818 | 482,678 |
| Selling, general and administrative | 74,575 | 74,010 |
| Depreciation and amortization | 25,145 | 25,827 |
| Restructuring charges, net | 249 | 2,053 |
| Impairment losses | 140 | 4,307 |
| Total operating expenses | <u>553,927</u> | <u>588,875</u> |
| Income from operations | 22,711 | 44,411 |
| Other income (expense) | | |
| Interest income | 983 | 1,164 |
| Interest expense | (21,071) | (17,391) |
| Other income (expense), net | 206 | 655 |
| Total other income (expense) | <u>(19,882)</u> | <u>(15,572)</u> |
| Income before income taxes | 2,829 | 28,839 |
| Provision for income taxes | <u>(2,329)</u> | <u>(7,922)</u> |
| Net income | 500 | 20,917 |
| Net income (loss) attributable to noncontrolling interest | (2,805) | (2,270) |
| Net (loss) income attributable to TTEC stockholders | <u>\$ (2,305)</u> | <u>\$ 18,647</u> |
| Other comprehensive income (loss) | | |
| Net income | \$ 500 | \$ 20,917 |
| Foreign currency translation adjustments | (3,837) | 9,398 |
| Derivative valuation, gross | (310) | 8,861 |
| Derivative valuation, tax effect | 75 | (2,310) |
| Other, net of tax | 121 | 72 |
| Total other comprehensive income (loss) | <u>(3,951)</u> | <u>16,021</u> |
| Total comprehensive income (loss) | <u>(3,451)</u> | <u>36,938</u> |
| Less: Comprehensive income attributable to noncontrolling interest | <u>(2,711)</u> | <u>(1,825)</u> |
| Comprehensive (loss) income attributable to TTEC stockholders | <u>\$ (6,162)</u> | <u>\$ 35,113</u> |
| Weighted average shares outstanding | | |
| Basic | 47,432 | 47,234 |
| Diluted | 47,587 | 47,401 |
| Net (loss) income per share attributable to TTEC stockholders | | |
| Basic | \$ (0.05) | \$ 0.39 |
| Diluted | \$ (0.05) | \$ 0.39 |

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

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

Three months ended March 31, 2023 and 2024

| | Stockholders' Equity of the Company | | | | | | | | |
|---|-------------------------------------|--------|----------------|-----------------|----------------|------------|----------------|--------------|------------|
| | Accumulated | | | | | | | | |
| | Common Stock | | Treasury | Additional | Other | Retained | Noncontrolling | | Mezzanine |
| | Shares | Amount | Stock | Paid-in Capital | Comprehensive | Earnings | interest | Total Equity | Equity |
| Balance as of December 31, 2022 | 47,224 | \$ 472 | \$ (593,164) | \$ 367,673 | \$ (126,301) | \$ 911,233 | \$ 18,192 | \$ 578,105 | \$ 55,645 |
| Noncontrolling interest adjustment due to buyout | — | — | — | 20,457 | — | — | — | 20,457 | (20,457) |
| Net income | — | — | — | — | — | 18,648 | 1,716 | 20,364 | 553 |
| Dividends to shareholders (\$0.52 per common share) | — | — | — | — | — | (24,572) | — | (24,572) | — |
| Buyout of noncontrolling interest | — | — | — | — | — | — | — | — | (31,619) |
| Dividends distributed to noncontrolling interest | — | — | — | — | — | — | (3,181) | (3,181) | (186) |
| Foreign currency translation adjustments | — | — | — | — | 9,289 | — | 109 | 9,398 | — |
| Derivatives valuation, net of tax | — | — | — | — | 6,551 | — | — | 6,551 | — |
| Vesting of restricted stock units | 28 | 1 | 479 | (990) | — | — | — | (510) | — |
| Equity-based compensation expense | — | — | — | 4,154 | — | — | — | 4,154 | — |
| Other, net of tax | — | — | — | — | 72 | — | — | 72 | — |
| Balance as of March 31, 2023 | 47,252 | \$ 473 | \$ (592,685) | \$ 391,294 | \$ (110,389) | \$ 905,309 | \$ 16,836 | \$ 610,838 | \$ 3,936 |

| | Stockholders' Equity of the Company | | | | | | | | |
|---|-------------------------------------|--------|----------------|-----------------|---------------|------------|----------------|--------------|-----------|
| | Accumulated | | | | | | | | |
| | Common Stock | | Treasury | Additional | Other | Retained | Noncontrolling | | Mezzanine |
| | Shares | Amount | Stock | Paid-in Capital | Income (Loss) | Earnings | interest | Total Equity | Equity |
| Balance as of December 31, 2023 | 47,427 | \$ 474 | \$ (589,807) | \$ 407,415 | \$ (89,876) | \$ 870,429 | \$ 16,907 | \$ 615,542 | \$ — |
| Noncontrolling interest adjustment due to buyout | — | — | — | — | — | — | — | — | — |
| Net (loss) income | — | — | — | — | — | (2,305) | 2,805 | 500 | — |
| Dividends to shareholders (\$0.06 per common share) | — | — | — | — | — | (2,847) | — | (2,847) | — |
| Dividends distributed to noncontrolling interest | — | — | — | — | — | — | (2,520) | (2,520) | — |
| Foreign currency translation adjustments | — | — | — | — | (3,743) | — | (94) | (3,837) | — |
| Derivatives valuation, net of tax | — | — | — | — | (235) | — | — | (235) | — |
| Vesting of restricted stock units | 20 | — | 332 | (459) | — | — | — | (127) | — |
| Equity-based compensation expense | — | — | — | 5,812 | — | — | — | 5,812 | — |
| Other, net of tax | — | — | — | — | 121 | — | — | 121 | — |
| Balance as of March 31, 2024 | 47,447 | \$ 474 | \$ (589,475) | \$ 412,768 | \$ (93,733) | \$ 865,277 | \$ 17,098 | \$ 612,409 | \$ — |

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

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

| | Three Months Ended March 31, | |
|---|-------------------------------------|-------------|
| | 2024 | 2023 |
| Cash flows from operating activities | | |
| Net income | \$ 500 | \$ 20,917 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 25,145 | 25,827 |
| Amortization of contract acquisition costs | 283 | 716 |
| Amortization of debt issuance costs | 643 | 268 |
| Imputed interest expense and fair value adjustments to contingent consideration | (1,240) | 3,178 |
| Provision for credit losses | (31) | 2,263 |
| Loss on disposal of assets | 510 | 605 |
| Impairment losses | 140 | 4,307 |
| Loss on dissolution of subsidiary | — | 301 |
| Deferred income taxes | (12,628) | (4,994) |
| Excess tax benefit from equity-based awards | 292 | (1) |
| Equity-based compensation expense | 5,812 | 4,154 |
| Loss (gain) on foreign currency derivatives | 77 | (493) |
| Changes in assets and liabilities, net of acquisitions: | | |
| Accounts receivable | (11,301) | 11,089 |
| Prepays and other assets | 3,094 | 13,325 |
| Accounts payable and accrued expenses | (25,845) | (22,352) |
| Deferred revenue and other liabilities | (1,080) | (10,052) |
| Net cash (used in) provided by operating activities | (15,629) | 49,058 |
| Cash flows from investing activities | | |
| Proceeds from sale of long-lived assets | 25 | 26 |
| Purchases of property, plant and equipment, net of acquisitions | (13,473) | (13,669) |
| Net cash used in investing activities | (13,448) | (13,643) |
| Cash flows from financing activities | | |
| Net proceeds (borrowings) from line of credit | (42,000) | (30,000) |
| Payments on other debt | (741) | (600) |
| Payments of contingent consideration and hold-back payments to acquisitions | — | (9,162) |
| Dividends paid to shareholders | — | — |
| Payments of debt issuance costs | (1,100) | — |
| Payments to noncontrolling interest | (2,520) | (3,367) |
| Tax payments related to issuance of restricted stock units | (127) | (510) |
| Net cash used in financing activities | (46,488) | (43,639) |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash | 1,847 | 878 |
| Decrease in cash, cash equivalents and restricted cash | (73,718) | (7,346) |
| Cash, cash equivalents and restricted cash, beginning of period | 173,905 | 167,064 |
| Cash, cash equivalents and restricted cash, end of period | \$ 100,187 | \$ 159,718 |
| Supplemental disclosures | | |
| Cash paid for interest | \$ 19,755 | \$ 17,097 |
| Cash paid for income taxes | \$ 17,561 | \$ 4,793 |
| Non-cash investing and financing activities | | |
| Acquisition of long-lived assets through finance leases | \$ 200 | \$ 197 |
| Acquisition of equipment through increase in accounts payable, net | \$ (2,426) | \$ 5,079 |
| Dividend declared but not paid | \$ 2,847 | \$ 24,572 |

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

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

(1) OVERVIEW AND BASIS OF PRESENTATION

Summary of Business

Founded in 1983, TTEC Holdings, Inc. ("TTEC", "the Company"; pronounced "T-TEC") is a global customer experience ("CX") outsourcing partner for marquee and disruptive brands and public sector clients. The Company designs, builds, and operates technology-enabled customer experiences across digital and live interaction channels to help clients increase customer loyalty, revenue, and profitability. By combining digital solutions with data-driven service capabilities, the Company helps clients improve their customer satisfaction while lowering their total cost to serve. As of March 31, 2024, TTEC served approximately 750 clients across targeted industry verticals including financial services, healthcare, public sector, telecom, technology, media, travel and hospitality, automotive and retail.

The Company operates and reports its financial results of operation through two business segments:

- **TTEC Digital** is one of the largest CX technology providers and is focused exclusively on the intersection of Contact Center as a Service (CCaaS), Customer Relationship Management (CRM), and Artificial Intelligence (AI) and Analytics. A professional services organization comprised of software engineers, systems architects, data scientists and CX strategists, this segment creates and implements strategic CX transformation roadmaps; sells, operates, and provides managed services for cloud platforms and premise based CX technologies including Amazon Web Services ("AWS"), Cisco, Genesys, Google, and Microsoft; and creates proprietary IP to support industry specific and custom client needs. TTEC Digital serves clients across enterprise and small and medium sized business segments and has a dedicated unit with government technology certifications serving the public sector.
- **TTEC Engage** provides the digitally enabled CX operational and managed services to support large, complex enterprise clients' end-to-end customer interactions at scale. Tailored to meet industry specific and business needs, this segment delivers data-driven omnichannel customer care, customer acquisition, growth, and retention services, tech support, trust and safety and back-office solutions. The segment's technology-enabled delivery model covers the entire associate lifecycle including recruitment, onboarding, training, delivery, workforce management and quality assurance.

TTEC demonstrates its market leadership through strategic collaboration across TTEC Digital and TTEC Engage when there is client demand and fit for the Company's integrated solutions. This partnership is central to the Company's ability to deliver comprehensive and transformational customer experience solutions to its clients, including integrated delivery, go-to-market and innovation for truly differentiated, market leading CX solutions.

During the first quarter of 2024, the combined TTEC Digital and TTEC Engage global operating platform delivered onshore, nearshore and offshore services in 22 countries on six continents – the United States, Australia, Belgium, Brazil, Bulgaria, Canada, Colombia, Costa Rica, Egypt, Germany, Greece, Honduras, India, Ireland, Mexico, the Netherlands, New Zealand, the Philippines, Poland, South Africa, Thailand, and the United Kingdom – with the help of approximately 58,000 customer care associates, consultants, technologists, and CX professionals.

Basis of Presentation

The Consolidated Financial Statements are comprised of the accounts of TTEC, its wholly owned subsidiaries, its 55 % equity owned subsidiary Percepta, LLC, its 70 % equity owned subsidiary First Call Resolution, LLC through March 31, 2023 and then 100 % owned subsequently, and its 70 % equity owned subsidiary Serendebyte, Inc. through December 31, 2023 and then 100 % owned subsequently (see Note 2). All intercompany balances and transactions have been eliminated in consolidation.

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

The unaudited Consolidated Financial Statements do not include all of the disclosures required by accounting principles generally accepted in the U.S. ("GAAP"), pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). The unaudited Consolidated Financial Statements reflect all adjustments which, in the opinion of management, are necessary to state fairly the consolidated financial position of the Company and the consolidated results of operations and comprehensive income (loss) and the consolidated cash flows of the Company. All such adjustments are of a normal, recurring nature. Operating results for the periods presented are not necessarily indicative of the results that may be expected for the year ending December 31, 2024.

These unaudited Consolidated Financial Statements should be read in conjunction with the Company's audited Consolidated Financial Statements and footnotes thereto included in the Company's Annual Report on [Form 10-K](#) for the year ended December 31, 2023.

Use of Estimates

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

Out-of-period Adjustment

The Consolidated Financial Statements for the three months ended June 30, 2023 included an adjustment of \$ 14.2 million to other comprehensive income and deferred tax assets, to correct for an error identified by management during the preparation of the financial statements. This adjustment was to reflect the deferred tax impact of currency translation adjustments, of which \$ 14.2 million related to prior annual fiscal periods. Management has determined that this error was not material to the historical financial statements in any individual period or in the aggregate and did not result in the previously issued financial statements being materially misstated. The impact to the three and six month periods ended June 30, 2023 was not material. As such, management recorded the correction as an out-of-period adjustment in the three months ended June 30, 2023.

Cash, Cash Equivalents and Restricted Cash

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

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

| | <u>March 31, 2024</u> | <u>December 31, 2023</u> |
|--|-----------------------|--------------------------|
| Cash and cash equivalents | \$ 91,514 | \$ 172,747 |
| Restricted cash included in "Prepaid and other current assets" | 8,673 | 1,158 |
| Total | <u>\$ 100,187</u> | <u>\$ 173,905</u> |

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

Concentration of Credit Risk

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

Recently Adopted Accounting Pronouncements

In March 2020, the Financial Accounting Standards Board ("FASB") issued ASU 2020-04, "Reference Rate Reform" (Topic 848), which provides optional expedients and exceptions for contracts, hedging relationships, and other transactions affected by reference rate reform due to the anticipated cessation of the London Interbank Offered Rate ("LIBOR"). The ASU is effective from March 12, 2020, may be applied prospectively and could impact the accounting for LIBOR provisions in the Company's credit facility agreement. In addition, in January 2021, the FASB issued ASU 2021-01, "Reference Rate Reform – Scope," which clarified the scope of ASC 848 relating to contract modifications. The Company adopted the standard effective April 1, 2023 and the adoption of this guidance did not have a material impact on the Company's financial position, results of operations or cash flows.

Other Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting - Improvements to Reportable Segment Disclosures" which relates to disclosures regarding a public entity's reportable segments and provides more detailed information about a reportable segment's expenses. The ASU is effective for fiscal years beginning after December 15, 2023 and interim periods beginning after December 15, 2024, with retrospective application required. The Company is assessing the effect on its annual consolidated financial statement disclosures; however, adoption is not expected to have a material impact the Company's financial statements.

In December 2023, the FASB issued ASU 2023-09, "Improvements to Income Tax Disclosures" to enhance the transparency and decision usefulness of income tax disclosures. The ASU is effective for fiscal years beginning after December 15, 2024, with retrospective application permitted. The Company is assessing the effect on its annual consolidated financial statement disclosures; however, adoption is not expected to have a material impact the Company's consolidated balance sheets or income statements.

(2) ACQUISITIONS AND DIVESTITURES

SerendebYTE

In connection with the acquisition by TTEC Digital, LLC of a 70% interest in SerendebYTE Inc. ("SerendebYTE"), SerendebYTE's founder exercised his put rights on December 8, 2023, which required TTEC to acquire the remaining 30% interest in SerendebYTE. As part of the exercise, the SerendebYTE founder failed to fulfill the agreed provisions of the sale and purchase agreement that parties executed on February 7, 2020. Pending completion of the put exercise formalities by SerendebYTE's founder, TTEC Digital is not able to determine the final purchase price for the remaining 30% buyout agreement.

In connection with triggering the option, on December 8, 2023, a \$ 0.3 million accrual was reclassified from Redeemable noncontrolling interest to Accrued expenses and the remaining balance was reclassified to Additional paid in capital.

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

FCR

Pursuant to the Membership Interest Purchase Agreement of October 26, 2019 between Ortana Holdings, Inc. and TTEC Services Corporation for the acquisition by TTEC of 70 % interest in First Call Resolution, LLC ("FCR" and "FCR MIPA", respectively), Ortana Holdings exercised its put rights in January 2023, which required TTEC to acquire Ortana Holdings' remaining 30 % interest in FCR. The purchase price for the remaining 30% interest was determined based on the express provisions of the FCR MIPA and was based on FCR's performance during 2022. The buyout agreement was signed on April 4, 2023 and reflected a buyout purchase of \$22.4 million.

In connection with the triggering of the option, as of March 31, 2023, the \$ 22.4 million purchase price was reclassified from Redeemable noncontrolling interest to Accrued expenses and the remaining balance of \$ 20.5 million was reclassified to Additional paid in capital. In February 2023, a \$ 9.2 million payment related to excess cash distribution was completed and in April 2023 the final payment of \$ 22.4 million was completed.

Certain Assets of Faneuil

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

Total cash paid at the time of acquisition was \$ 142.4 million. In addition, Faneuil granted to TTEC Government Solutions LLC a three-year call right and right of first offer to purchase certain other assets of Faneuil in its utilities and commercial healthcare verticals as well as certain proprietary technology. The Faneuil Transaction includes two contingent payments which were anticipated to be paid in early 2024 which are based on the revenue and EBITDA performance of one contract and one potential contract.

The fair value of the two contingent payments was estimated using a Monte Carlo model. The model was based on current expected EBITDA performance for the two specific client programs, a discount rate of 7.6 % related to revenue and a discount rate of 19.3 % related to EBITDA, a volatility rate of 20 %, and an adjusted risk-free rate of 1.7 %. The potential payments ranged from a minimum of zero to an unlimited maximum. Based on the model, a combined \$ 8.8 million expected future payment was calculated and recorded as of the acquisition date. During 2022, a \$ 2.9 million net gain was recorded related to fair value adjustments for the estimated contingent payments based on changes in estimated EBITDA, the timing of cash flows and market interest rates which resulted in an updated discount factor for one contract, and a complete reduction for the second contract as it was not awarded to the Company. During the second quarter of 2023, an amendment to the agreement was signed which modified the contingent payment to a minimum payment of \$ 7.4 million and a maximum payment of \$ 10.4 million. An initial payment of \$ 7.4 million was completed in May 2023. During 2023, a combined \$ 3.0 million net expense was recorded related to fair value adjustments for the estimated contingent payment based on changes in estimated EBITDA, the timing of cash flows and market interest rate changes. These benefits (expenses) were included in Other income (expense) in the Consolidated Statements of Comprehensive Income (Loss). As of March 31, 2024, the contingent payment is accrued at \$ 0.3 million and is included in Other long-term liabilities in the accompanying Consolidated Balance Sheets.

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The Faneuil Transaction included a call option providing the right but not the obligation to purchase additional assets in the utilities and commercial healthcare verticals based on trailing twelve-month revenue plus an additional earn-out payment based on newly added contracts. A second call option provided the right to purchase a software intangible asset and related support functions based on trailing twelve-month revenue. These call options were valued based on information including the call right and the exclusivity period and a \$ 270 thousand asset was recorded as of the acquisition date which was included in Other long-term assets in the Consolidated Balance Sheets. During the fourth quarter of 2022 and the first quarter of 2023, reductions in fair value of \$ 52 thousand and \$ 140 thousand, respectively, were recorded due to changes in estimated revenue, which were included in Other income (expense) in the Consolidated Statements of Comprehensive Income (Loss). During the second quarter of 2023, an amendment to the agreement was signed which cancelled the option to purchase the additional assets in certain verticals, and thus the remaining \$ 78 thousand accrual was removed and included in Other income. As of March 31, 2024, the fair value is zero.

The Faneuil Transaction included an indemnity escrow which was disbursed as a holdback payment on the acquisition date. The indemnity payments related to real estate and technology funds that were spent post-close related to various IT upgrades and real estate expenses, and indemnity related to potential future employee wage increases. The indemnity payments were valued based on a weighted average of several current scenarios and a receivable of \$ 10.4 million was recorded as of the acquisition date. During the third and fourth quarters of 2022 and the first quarter of 2023, reductions in the fair value were calculated and a \$ 4.4 million expense, a \$ 0.2 million expense and a \$ 2.5 million expense, respectively, were recorded related to fair value adjustments for the receivable based on current information reflecting a better outcome with the contract negotiations and lower anticipated IT and facilities spending. During the second quarter of 2023, the payout value related to the IT and Facilities reimbursement was finalized at \$ 1.3 million, and an expense of \$ 1.9 million was recorded. The payment was received by TTEC in May 2023 and as of June 30, 2023, the receivables were reduced to zero on the Consolidated Balance Sheet. The reductions in fair value related expenses were included in Other income (expense) in the Consolidated Statements of Comprehensive Income (Loss).

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

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

| | Acquisition Date Fair Value |
|--|--|
| Cash | \$ — |
| Accounts receivable, net | 704 |
| Prepaid and other assets | 8,420 |
| Net fixed assets | 5,622 |
| Right of use lease assets | 17,778 |
| Other assets | 2,572 |
| Customer relationships | 61,310 |
| Goodwill | 75,902 |
| | <u>\$ 172,308</u> |
| Accrued employee compensation | \$ 202 |
| Accrued expenses | 2,763 |
| Right of use lease liability – current | 3,129 |
| Right of use lease liability – non-current | 14,092 |
| Deferred income | 811 |
| Other liabilities | 8,891 |
| | <u>\$ 29,888</u> |
| Total purchase price | <u><u>\$ 142,420</u></u> |

In the first quarter of 2023, the Company finalized the valuation of Faneuil for the acquisition date assets acquired and liabilities assumed and determined that no material adjustments to any of the balances were required.

The Faneuil customer relationships are being amortized over a useful life of 10 years. The goodwill recognized from the Faneuil acquisition is attributable to, but not limited to, the acquired workforce and expected synergies with the TTEC Engage segment. The tax basis of the acquired intangibles and goodwill will be materially deductible for income tax purposes. The acquired goodwill and intangibles and operating results of Faneuil are reported within the TTEC Engage segment from the date of acquisition.

(3) SEGMENT INFORMATION

The Company reports the following two segments:

TTEC Digital and the CX Technology Services Industry

TTEC Digital buyers are seeking solutions in several areas including cost optimization, migration from outdated legacy platforms to more agile cloud environments, lack of CX talent and expertise and a need for a practical way forward with AI. TTEC Digital takes a technology agnostic approach to these challenges and focuses on designing and delivering solutions specific to each client's specifications. TTEC Digital has entered into strategic partnerships with the leading CX software vendors including Genesys, Microsoft, Cisco, AWS and Google which positions TTEC Digital to support the majority of CX platform requirements.

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TTEC Digital's solutions are built to respond to market needs for both enterprise and small and medium-sized business clients. AI design and delivery capabilities are woven across all four of the following pillars.

- Professional Services: CX and AI solution planning, design, and implementation services
- Managed Services: Cloud application and premise support
- CX Consulting, Analytics and AI: Transformation strategy and design, data science, engineering, and visualization
- IP & Software: Custom software engineering through TTEC Digital's IP and Software division

The segment has a three-pronged go to market strategy that includes growing existing client relationships, partner channel motions and general market development. In 2023, TTEC Digital expanded its Hyderabad Innovation Studio in India with the goal of continuing to expand its offshore delivery capabilities, and currently approximately 40% of the staff are located in one of several offshore locations.

TTEC Engage and the CX Business Process Outsourcing Services Industry

The TTEC Engage segment's solutions are built to respond to the following market needs for clients.

- Customer Support
- Tech Support
- Revenue Generation and Growth Services
- Trust & Safety
- AI Operations, including data annotation and labeling
- Back-office Support

TTEC Engage goes to market through a vertical approach with customized solutions that include industry specific talent, technology, certifications, and capabilities. For example, in the Banking, Financial Services and Insurance (BFSI) vertical, we support several lines of business with customized offerings for retail banking, online banking, credit card, property and casualty and loans. In healthcare, the segment supports care, technical support, revenue generation and back-office capabilities to meet the needs of payer, provider, clinical and pharma clients.

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

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

Three Months Ended March 31, 2024

| | Gross Revenue | Intersegment Sales | Net Revenue | Depreciation & Amortization | Income from Operations |
|--------------|--------------------------|-------------------------------|------------------------|--|---------------------------------------|
| TTEC Digital | \$ 112,031 | \$ — | \$ 112,031 | \$ 7,050 | \$ 3,288 |
| TTEC Engage | 464,607 | — | 464,607 | 18,095 | 19,423 |
| Total | \$ 576,638 | \$ — | \$ 576,638 | \$ 25,145 | \$ 22,711 |

Three Months Ended March 31, 2023

| | Gross Revenue | Intersegment Sales | Net Revenue | Depreciation & Amortization | Income from Operations |
|--------------|--------------------------|-------------------------------|------------------------|--|---------------------------------------|
| TTEC Digital | \$ 116,927 | \$ — | \$ 116,927 | \$ 6,861 | \$ 785 |
| TTEC Engage | 516,359 | — | 516,359 | 18,966 | 43,626 |
| Total | \$ 633,286 | \$ — | \$ 633,286 | \$ 25,827 | \$ 44,411 |

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| | Three Months Ended March 31, | |
|-----------------------------|---------------------------------|--------------------------|
| | 2024 | 2023 |
| Capital Expenditures | | |
| TTEC Digital | \$ 1,787 | \$ 2,274 |
| TTEC Engage | 11,686 | 11,395 |
| Total | <u>\$ 13,473</u> | <u>\$ 13,669</u> |
| | March 31, 2024 | December 31, 2023 |
| Total Assets | | |
| TTEC Digital | \$ 817,502 | \$ 815,488 |
| TTEC Engage | 1,297,552 | 1,370,110 |
| Total | <u>\$ 2,115,054</u> | <u>\$ 2,185,598</u> |

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

| | Three Months Ended March 31, | |
|------------------------------------|------------------------------|-------------------|
| | 2024 | 2023 |
| Revenue | | |
| United States / Canada | \$ 386,916 | \$ 444,035 |
| Philippines / Asia Pacific / India | 120,465 | 122,039 |
| Europe / Middle East / Africa | 38,844 | 34,455 |
| Latin America | 30,413 | 32,757 |
| Total | <u>\$ 576,638</u> | <u>\$ 633,286</u> |

(4) SIGNIFICANT CLIENTS AND OTHER CONCENTRATIONS

The Company had one client that contributed in excess of 10% of total revenue for the three months ended March 31, 2024; this client operates in the automotive industry and is included in the TTEC Engage segment. This client contributed 10.8 % and 10.0 % of total revenue for the three months ended March 31, 2024 and 2023, respectively. In addition, the Company has other clients with aggregate revenue exceeding \$ 100 million annually and the loss of one or more of these clients could have a material adverse effect on the Company's business, operating results, or financial condition. To mitigate this risk, the Company's business arrangements with these larger clients are structured as multiple contracts with different statements of work that are specific to a different line of business or service; each of these contracts have different durations and renewal dates and a revenue opportunity below the \$100 million aggregate. In the first quarter of 2024, one of our larger financial services clients notified us that it is exiting one of the lines of business that we support.

To limit the Company's credit risk with its clients, management performs periodic credit evaluations, maintains allowances for credit losses and may require pre-payment for services from certain clients whose financial stability or payment practices raise concern. Based on currently available information, management does not believe significant credit risk existed as of March 31, 2024.

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

| | Three Months Ended March 31, | |
|---------------------------------------|-------------------------------------|-----------------|
| | 2024 | 2023 |
| Balance, beginning of year | \$ 2,248 | \$ 3,524 |
| Provision for credit losses | (31) | 2,263 |
| Uncollectible receivables written-off | (150) | (712) |
| Effect of foreign currency | (2) | 3 |
| Balance, end of year | <u>\$ 2,065</u> | <u>\$ 5,078</u> |

Accounts Receivable Factoring Agreement

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

The balances related to the Agreement are as follows (in thousands):

| | March 31, 2024 | December 31, 2023 |
|---|-----------------------|--------------------------|
| Total accounts receivable factored | \$ 85,115 | \$ 99,994 |
| Total amounts collected from clients not yet remitted to Bank | \$ 8,673 | \$ 1,158 |

The unremitted cash is restricted cash and is included within Prepaid and other current assets with the corresponding liability included in Accrued expenses on the Consolidated Balance Sheet. The Company has not recorded any servicing assets or liabilities as of March 31, 2024 as the fair value of the servicing arrangement as well as the fees earned were not material to the financial statements.

On July 21, 2023, BMO Financial Group completed its acquisition of Bank of the West from PNB Bank Paribas. The Agreement transitioned with the acquisition.

On January 2, 2024, the Company amended the arrangement to adjust the discount rate to reflect BMO's updated market pricing levels and other minor items.

(5) GOODWILL

Goodwill consisted of the following (in thousands):

| | December 31, 2023 | Acquisitions / Adjustments | Impairments | Effect of Foreign Currency | March 31, 2024 |
|--------------|------------------------------|---------------------------------------|--------------------|---|---------------------------|
| TTEC Digital | \$ 500,576 | \$ — | \$ — | \$ (1,061) | \$ 499,515 |
| TTEC Engage | 308,412 | — | — | (793) | 307,619 |
| Total | <u>\$ 808,988</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ (1,854)</u> | <u>\$ 807,134</u> |

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The Company performs a goodwill impairment assessment on at least an annual basis. The Company conducts its annual goodwill impairment assessment during the fourth quarter, or more frequently, if indicators of impairment exist.

During the Company's annual impairment testing as of December 1, 2023, the Company identified one reporting unit, Engage, being at risk for future impairment if projected operating results are not met or other inputs into the fair value measurement change. The carrying value of Engage was \$ 1,092.1 million at December 1, 2023, including approximately \$ 308.4 million of goodwill. Based on the Company's assessment, the estimated fair value of the Engage reporting unit exceeded its carrying value by approximately 13.0 %. If all assumptions are held constant, either a 1.7% increase in the discount rate or a 2.0% annual decrease in the projected revenue over the forecast period, would result in approximately \$ 138.0 million decrease in the estimated fair value of the Engage reporting unit. Such a change in either of these assumptions individually would have resulted in the Engage reporting unit failing Step 1 of the goodwill impairment analysis on December 1, 2023. As an international outsourcing agent, Engage's revenue and cash flows are susceptible to global economic conditions and client business volumes. In performing the Step 1 evaluation, the reporting unit's current backlog and pipeline of customer business were considered, as well as inflation rates, gross domestic product rates, historical revenue growth and profitability, and state of the CX industry. The estimate of fair value was based on generally accepted valuation techniques and information available at the date of the assessment, which incorporated management's assumptions about expected revenues, future cash flows and available market information for comparable companies.

Outside of our annual impairment testing process, the Company monitors its reporting units for any triggering events while also performing qualitative assessments of impairment indicators. During the first quarter of 2024, the Company concluded there were no triggering events and completed its qualitative assessment of impairment indicators, which included, among other things, an assessment of changes in macroeconomic conditions, comparison of the actual results to those forecasted in the most recent annual impairment test and performing sensitivity analysis on key assumptions.

(6) DERIVATIVES

Cash Flow Hedges

The Company enters into foreign exchange related derivatives. Foreign exchange derivatives entered into consist of forward and option contracts to reduce the Company's exposure to foreign currency exchange rate fluctuations that are associated with forecasted revenue earned in foreign locations. Upon proper qualification, these contracts are designated as cash flow hedges. It is the Company's policy to only enter into derivative contracts with investment grade counterparty financial institutions, and correspondingly, the fair value of derivative assets considers, among other factors, the creditworthiness of these counterparties. Conversely, the fair value of derivative liabilities reflects the Company's creditworthiness. As of March 31, 2024, the Company has not experienced, nor does it anticipate, any issues related to derivative counterparty defaults. The following table summarizes the aggregate unrealized net gain or loss in Accumulated other comprehensive income (loss) for the three months ended March 31, 2024 and 2023 (in thousands and net of tax):

| | Three Months Ended March 31, | |
|--|-------------------------------------|-----------------|
| | 2024 | 2023 |
| Aggregate unrealized net gain/(loss) at beginning of period | \$ 6,315 | \$ 89 |
| Add: Net gain/(loss) from change in fair value of cash flow hedges | 966 | 6,935 |
| Less: Net (gain)/loss reclassified to earnings from effective hedges | (1,201) | (384) |
| Aggregate unrealized net gain/(loss) at end of period | <u>\$ 6,080</u> | <u>\$ 6,640</u> |

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The Company's foreign exchange cash flow hedging instruments as of March 31, 2024 and December 31, 2023 are summarized as follows (amounts in thousands). All hedging instruments are forward contracts.

| As of March 31, 2024 | Local Currency Notional Amount | U.S. Dollar Notional Amount | % Maturing in the next 12 months | Contracts Maturing Through |
|-----------------------------|---|--|---|---|
| Canadian Dollar | 1,500 | \$ 1,113 | 100 % | September 2024 |
| Philippine Peso | 7,647,000 | 135,128 ⁽¹⁾ | 61.8 % | December 2026 |
| Mexican Peso | 776,000 | 36,727 | 63.4 % | December 2026 |
| | | <u>\$ 172,968</u> | | |

| As of December 31, 2023 | Local Currency Notional Amount | U.S. Dollar Notional Amount | | |
|--------------------------------|---|--|--|--|
| Canadian Dollar | 2,250 | \$ 1,670 | | |
| Philippine Peso | 9,324,000 | 165,842 ⁽¹⁾ | | |
| Mexican Peso | 938,000 | 44,155 | | |
| | | <u>\$ 211,667</u> | | |

⁽¹⁾ Includes contracts to purchase Philippine pesos in exchange for New Zealand dollars and Australian dollars, which are translated into equivalent U.S. dollars on March 31, 2024 and December 31, 2023.

Fair Value Hedges

The Company enters into foreign exchange forward contracts to economically hedge against foreign currency exchange gains and losses on certain receivables and payables of the Company's foreign operations. Changes in the fair value of derivative instruments designated as fair value hedges are recognized in earnings in Other income (expense), net. As of March 31, 2024 and December 31, 2023 the total notional amounts of the Company's forward contracts used as fair value hedges were \$ 46.6 million and \$ 73.3 million, respectively.

Derivative Valuation and Settlements

The Company's derivatives as of March 31, 2024 and December 31, 2023 were as follows (in thousands):

| | March 31, 2024 | |
|---|--|--|
| Designation: | Designated as Hedging Instruments | Not Designated as Hedging Instruments |
| Derivative contract type: | Foreign Exchange | Foreign Exchange |
| Derivative classification: | Cash Flow | Fair Value |
| Fair value and location of derivative in the Consolidated Balance Sheet: | | |
| Prepays and other current assets | \$ 7,418 | \$ 178 |
| Other long-term assets | 2,125 | — |
| Other current liabilities | (1,179) | (47) |
| Other long-term liabilities | (144) | — |
| Total fair value of derivatives, net | <u>\$ 8,220</u> | <u>\$ 131</u> |

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| | | December 31, 2023 | |
|--|----|-----------------------------------|---------------------------------------|
| | | Designated as Hedging Instruments | Not Designated as Hedging Instruments |
| | | Foreign Exchange | Foreign Exchange |
| Designation: | | Cash Flow | Fair Value |
| Derivative contract type: | | | |
| Derivative classification: | | | |
| Fair value and location of derivative in the Consolidated Balance Sheet: | | | |
| Prepays and other current assets | \$ | 7,527 | \$ 327 |
| Other long-term assets | | 2,415 | — |
| Other current liabilities | | (1,214) | (120) |
| Other long-term liabilities | | (197) | — |
| Total fair value of derivatives, net | \$ | 8,531 | \$ 207 |

The effects of derivative instruments on the Consolidated Statements of Comprehensive Income (Loss) for the three months ended March 31, 2024 and 2023 were as follows (in thousands):

| | | Three Months Ended March 31, | |
|--|----|-----------------------------------|------------|
| | | 2024 | 2023 |
| | | Designated as Hedging Instruments | |
| | | Foreign Exchange | |
| Designation: | | Cash Flow | |
| Derivative contract type: | | | |
| Derivative classification: | | | |
| Amount of (gain) or loss recognized in Other comprehensive income (loss) - effective portion, net of tax | \$ | (1,201) | \$ (384) |
| Amount and location of net (gain) or loss reclassified from Accumulated OCI to income - effective portion: | | | |
| Revenue | \$ | (1,624) | \$ (518) |

| | | Three Months Ended March 31, | |
|--|----|---------------------------------------|----------|
| | | 2024 | 2023 |
| | | Not Designated as Hedging Instruments | |
| | | Foreign Exchange | |
| Designation: | | Fair Value | |
| Derivative contract type: | | | |
| Derivative classification: | | | |
| Amount and location of net gain or (loss) recognized in the Consolidated Statement of Comprehensive Income (Loss): | | | |
| Other income (expense), net | \$ | 226 | \$ 1,400 |

(7) FAIR VALUE

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

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Level 1 — Quoted prices in active markets for identical assets or liabilities.

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

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

The following presents information as of March 31, 2024 and December 31, 2023 for the Company's assets and liabilities required to be measured at fair value on a recurring basis, as well as the fair value hierarchy used to determine their fair value.

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

Investments — The Company measures investments, including cost and equity method investments, at fair value on a nonrecurring basis when they are deemed to be other-than-temporarily impaired. The fair values of these investments are determined based on valuation techniques using the best information available, and may include market observable inputs, and discounted cash flow projections. An impairment charge is recorded when the cost of the investment exceeds its fair value and this condition is determined to be other-than-temporary.

Debt - The Company's debt consists primarily of the Company's Credit Facility, which permits floating-rate borrowings based upon the current Prime Rate or SOFR plus a credit spread as determined by the Company's leverage ratio calculation (as defined in the Credit Agreement). As of March 31, 2024 and December 31, 2023, the Company had \$ 953.0 million and \$ 995.0 million, respectively, of borrowings outstanding under the Credit Facility. During the first quarter of 2024 outstanding borrowings accrued interest at an average rate of 7.1 % per annum, excluding unused commitment fees. The amounts recorded in the accompanying Balance Sheets approximate fair value due to the variable nature of the debt based on Level 2 inputs.

Derivatives - Net derivative assets (liabilities) are measured at fair value on a recurring basis. The portfolio is valued using models based on market observable inputs, including both forward and spot foreign exchange rates, interest rates, implied volatility, and counterparty credit risk, including the ability of each party to execute its obligations under the contract. As of March 31, 2024, credit risk did not materially change the fair value of the Company's derivative contracts.

The following is a summary of the Company's fair value measurements for its net derivative assets (liabilities) as of March 31, 2024 and December 31, 2023 (in thousands):

As of March 31, 2024

| | Fair Value Measurements Using | | | At Fair Value |
|--|--|---|--|---------------|
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | |
| Cash flow hedges | \$ — | \$ 8,220 | \$ — | \$ 8,220 |
| Fair value hedges | — | 131 | — | 131 |
| Total net derivative asset (liability) | \$ — | \$ 8,351 | \$ — | \$ 8,351 |

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As of December 31, 2023

| | Fair Value Measurements Using | | | |
|--|---|--|---------------------------------------|---------------|
| | Quoted Prices in Active Markets for Identical Assets | Significant Other Observable Inputs | Significant Unobservable Inputs | At Fair Value |
| | (Level 1) | (Level 2) | (Level 3) | |
| Cash flow hedges | \$ — | \$ 8,531 | \$ — | \$ 8,531 |
| Fair value hedges | — | 207 | — | 207 |
| Total net derivative asset (liability) | \$ — | \$ 8,738 | \$ — | \$ 8,738 |

The following is a summary of the Company's fair value measurements as of March 31, 2024 and December 31, 2023 (in thousands):

As of March 31, 2024

| | Fair Value Measurements Using | | | |
|----------------------------------|--|--|---------------------------------------|--|
| | Quoted Prices in Active Markets for Identical Assets | Significant Other Observable Inputs | Significant Unobservable Inputs | |
| | (Level 1) | (Level 2) | (Level 3) | |
| Assets | | | | |
| Derivative instruments, net | \$ — | \$ 8,351 | \$ — | |
| Deferred compensation plan asset | 33,441 | — | — | |
| Total assets | \$ 33,441 | \$ 8,351 | \$ — | |
| Liabilities | | | | |
| Derivative instruments, net | \$ — | \$ — | \$ — | |
| Contingent consideration | — | — | (256) | |
| Total liabilities | \$ — | \$ — | \$ (256) | |

As of December 31, 2023

| | Fair Value Measurements Using | | | |
|----------------------------------|--|--|---------------------------------------|--|
| | Quoted Prices in Active Markets for Identical Assets | Significant Other Observable Inputs | Significant Unobservable Inputs | |
| | (Level 1) | (Level 2) | (Level 3) | |
| Assets | | | | |
| Derivative instruments, net | \$ — | \$ 8,738 | \$ — | |
| Deferred compensation plan asset | 31,082 | — | — | |
| Total assets | \$ 31,082 | \$ 8,738 | \$ — | |
| Liabilities | | | | |
| Derivative instruments, net | \$ — | \$ — | \$ — | |
| Contingent consideration | — | — | (1,496) | |
| Total liabilities | \$ — | \$ — | \$ (1,496) | |

Deferred Compensation Plan — The Company maintains a non-qualified deferred compensation plan for certain eligible employees. The deferred compensation asset represents the combined fair value of all the funds based on quoted values and market observable inputs. All amounts deferred under the Plan are unfunded, unsecured obligations of the Company. The Company manages the risk of the changes in the fair value of the liability for deferred compensation by electing to match its liability under the Plan with investment vehicles that offset a portion of its exposure including a Company owned life insurance policy held in a rabbi trust.

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Contingent Consideration - The Company recorded contingent consideration payable related to the acquisition of Faneuil that closed in 2022. The contingent payables for Faneuil were calculated using a Monte Carlo simulation including a discount rate of 19.3 %. The measurements were based on significant inputs not observable in the market. The Company records interest expense each period using the effective interest method until the future value of these contingent payments reaches the expected total future value.

During 2022 and 2023, fair value adjustments of a \$ 2.9 million benefit and a \$ 3.0 million expense, respectively, were recorded related to fair value adjustments of the estimated contingent payments associated with the Faneuil acquisition based on updated discount factors, the passage of time, updated EBITDA estimates and a modification to the agreement (see Note 2) for one contract, and a complete reduction for the second contract as it was not awarded to the Company. During 2024, a fair value adjustment of a \$1.2 million benefit, was recorded related to fair value adjustments of the estimated contingent payments associated with the Faneuil acquisition based on updated discount factors, the passage of time, and updated EBITDA estimates. The fair value adjustment benefits(expenses) were included in Other income (expense) in the Consolidated Statements of Comprehensive Income (Loss).

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

| | December 31, 2023 | Acquisitions | Payments | Imputed Interest / Adjustments | March 31, 2024 |
|---------|----------------------|--------------|-------------|--------------------------------------|-------------------|
| Faneuil | \$ (1,496) | \$ — | \$ — | \$ 1,240 | \$ (256) |
| Total | <u>\$ (1,496)</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 1,240</u> | <u>\$ (256)</u> |

(8) IMPAIRMENT OF ASSETS

The Company evaluated the recoverability of its leasehold improvement assets at certain customer engagement centers, building and land assets, as well as all internally developed software projects. An asset group is considered to be impaired when the anticipated undiscounted future cash flows of its asset group is estimated to be less than the asset group's carrying value. The amount of impairment recognized is the difference between the carrying value of the asset group and its fair value. To determine fair value, the Company used Level 3 inputs in its discounted cash flows analysis. Assumptions included the amount and timing of estimated future cash flows and assumed discount rates. During the three months ended March 31, 2024 and 2023, the Company recognized impairment losses, net related to leasehold improvements assets, right of use lease assets, internally developed software and certain computer equipment of \$ 0.1 million and \$ 4.3 million, respectively, across the TTEC Digital and TTEC Engage segments.

(9) INCOME TAXES

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

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As of March 31, 2024, the Company had \$ 52.1 million of net deferred tax assets (after a \$ 42.9 million valuation allowance) and a net deferred tax asset of \$ 48.9 million (after deferred tax liabilities of \$ 3.1 million) related to the United States and international tax jurisdictions whose recoverability is dependent upon future profitability.

At the end of each interim period, we are required to estimate our annual effective tax rate for the fiscal year and to use that rate to provide for income taxes for the current year-to-date reporting period. The Company's 2024 estimated annual effective tax rate of 37.3 %, before discrete items, is driven by the distribution of income between the U.S. and international tax jurisdictions, earnings in international jurisdictions currently under an income tax holiday, changes in valuation allowance, the associated U.S. tax impacts of foreign earnings and United States Federal Tax Credits. The Company's first quarter effective tax rate was 82.3 %. This rate was the result of near breakeven year-to-date income, the exclusion of losses related to entities with a full valuation allowance and includes a \$ 0.7 million benefit related to the tax impact of foreign remittances, \$ 0.3 million of expense related to stock-based compensation, and \$ 0.5 million of expense related to taxes on prior year filings.

The Company's U.S. income tax returns filed for the tax years ending December 31, 2017 to present, remain open tax years . The Company has been notified of the intent to audit or is currently under audit of income taxes for the United States for tax year 2017 and 2018 , the Philippines for tax year 2020 , the state of California in the United States for tax years 2017 and 2018 , the State of Illinois in the United States for tax year 2020 , the State of Wisconsin for tax years 2019 through 2021 , Canada for tax year 2021 , and India for tax years 2017 through 2022 . Although the outcome of examinations by taxing authorities are always uncertain, it is the opinion of management that the resolution of these audits will not have a material effect on the Company's Consolidated Financial Statements.

The Organization for Economic Co-operation and Development (OECD), supported by 140 of their member countries, have agreed to implement a minimum 15 % tax rate on certain multinational enterprises and have released model guidance. This global minimum tax, known as the Pillar Two framework, became effective across various countries in 2024, as each country works to enact legislation influenced by the OECD Pillar 2 rules. While the Company does not expect the adoption of the Pillar Two framework to have a material impact on its effective tax rate, the Company continues to evaluate additional guidance released by the OECD, along with the pending and adopted legislation in each of the countries in which it operates.

When there is a change in judgment concerning the recovery of deferred tax assets in future periods, a valuation allowance is recorded into earnings during the quarter in which the change in judgment occurred. During the first, second and third quarters of 2023, a \$ 1.3 million, a \$ 3.1 million and a \$ 4.4 million valuation allowance were recorded, respectively, for assets that are not expected to be recovered in future periods. Additionally, during the third quarter 2023, a valuation allowance in the amount of \$ 1.7 million was released for assets now expected to be recovered in future periods. During the first quarter of 2024, a valuation allowance of \$ 3.0 million was recorded for assets that are not expected to be recovered in future periods.

The Company has been granted "Tax Holidays" as an incentive to attract foreign investment by the governments of the Philippines and Honduras. Generally, a Tax Holiday is an agreement between the Company and a foreign government under which the Company receives certain tax benefits in that country, such as exemption from taxation on profits derived from export-related activities. In the Philippines, the Company has been granted multiple agreements under local laws which result in an overall reduced tax rate. These incentives have varying benefit year over year and expire at various times beginning in 2031. The aggregate benefit to income tax expense for the three months ended March 31, 2024 and 2023 was approximately \$ 0.7 million and \$ 0.7 million, respectively, which had an impact on diluted net income per share of \$ 0.02 and \$ 0.01 , respectively.

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(10) COMMITMENTS AND CONTINGENCIES

Credit Facility

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

On April 3, 2023, the Company entered into a Seventh Amendment to the Credit Agreement which replaces the use of LIBOR with SOFR as of the date of the amendment, thus will affect the interest rates paid for a portion of the Credit Facility starting in the second quarter of 2023.

On February 26, 2024, the Company entered into an Eighth Amendment to the Credit Agreement to increase the net leverage ratio covenant, the lenders' commitment fee rate and margin for a period starting with the quarter ending March 31, 2024 through the quarter ending March 31, 2025, from the current 3.5 to 1 to between 4.0 to 1 and 4.5 to 1, as may be applicable in different quarters; and reduced the total lenders' commitment from \$1.5 billion to \$ 1.3 billion. TTEC may, at its option for any quarter during the amendment period, elect to revert to the net leverage ratio and the corresponding lenders' commitment fee rate and margin to pre-amendment levels. The term of the Credit Facility will remain unchanged through November 23, 2026.

The Company's Credit Agreement includes a number of financial covenants and operating restrictions of which failure to comply could result in a default under the Credit Agreement. The Company's ability to comply with the covenants will depend on, among other things, financial, business, market, competitive and other conditions, many of which are beyond its control. As of the issuance of these financial statements, the Company believes it has sufficient cash on hand, positive working capital, and availability to access additional cash under the Credit Facility to meet its business operating requirements, its capital expenditures and to continue to comply with the amended debt covenants. In the event that the Company does not remain in compliance with the financial covenants under the Credit Facility, it may need to negotiate additional amendments to or waivers of the terms of such credit facilities, refinance its debt, or raise additional capital. The Company could also reduce discretionary spending, capital expenditures and dividends paid.

The maximum commitment under the Credit Facility is \$ 1.3 billion in the aggregate, if certain conditions are satisfied. The Credit Facility commitment fees are payable to the lenders in an amount equal to the unused portion of the Credit Facility multiplied by a rate per annum as determined by reference to the Company's net leverage ratio. The Credit Agreement contains customary affirmative, negative, and financial covenants. The Credit Agreement permits accounts receivable factoring up to the greater of \$ 100 million or 25 percent of the average book value of all accounts receivable over the most recent twelve-month period. The Credit Agreement also permits the utilization of up to \$100 million of limits within the Credit Facility for letters of credit to be used in the business.

As defined in the Credit Agreement, base rate loans bear interest at a rate equal to the highest of (a) the prime rate, (b) the federal funds rate plus 0.50 %, or (c) SOFR in effect on such day plus 1.0 %. Base rate loans shall be based on the base rate, plus the applicable credit margin which ranges from 0 % to 1 % based on the Company's net leverage ratio. SOFR loans bear interest at a rate equal to the applicable spread adjusted SOFR plus applicable credit margin which ranges from 1 % to 2 % based on the Company's net leverage ratio. Alternative currency loans (not denominated in U.S. Dollars) bear interest at rates applicable to their respective currencies.

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

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As of March 31, 2024 and December 31, 2023, the Company had borrowings of \$ 953.0 million and \$ 995.0 million, respectively, under its Credit Facility, and its average daily utilization was \$ 1,072.0 million and \$ 1,061.9 million for the three months ended March 31, 2024 and 2023, respectively. Based on the current level of availability based on the covenant calculations, the Company's remaining borrowing capacity was approximately \$ 95 million as of March 31, 2024. As of March 31, 2024, the Company was in compliance with all covenants and conditions under its Credit Agreement.

Letters of Credit

As of March 31, 2024, outstanding letters of credit under the Credit Facility totaled \$ 0.2 million. As of March 31, 2024, letters of credit and contract performance guarantees issued outside of the Credit Agreement totaled \$ 0.3 million.

Guarantees

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

Legal Proceedings

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

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

(11) DEFERRED REVENUE AND REMAINING PERFORMANCE OBLIGATIONS

Revenue recognized for the three months ended March 31, 2024 from amounts included in deferred revenue as of December 31, 2023 was \$ 57.9 million. Revenue recognized for the three months ended March 31, 2023 from amounts included in deferred revenue as of December 31, 2022 was \$ 76.2 million.

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

As of March 31, 2024, the Company's RPO was \$ 354.9 million, which will be delivered and recognized within the next five years . However, the amount and timing of revenue recognition are generally driven by customer consumption, which can extend beyond the original contract term in cases where customers are permitted to roll over unused capacity to future periods, generally upon the purchase of additional capacity at renewal.

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(12) ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

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

| | Foreign Currency Translation Adjustment | Derivative Valuation, Net of Tax | Other, Net of Tax | Totals |
|---|--|--|----------------------|---------------|
| Accumulated other comprehensive income (loss) at December 31, 2022 | \$ (123,734) | \$ 89 | \$ (2,656) | \$(126,301) |
| Other comprehensive income (loss) before reclassifications | 8,988 | 6,935 | 10 | 15,933 |
| Amounts reclassified from accumulated other comprehensive income (loss) | 301 | (384) | 62 | (21) |
| Net current period other comprehensive income (loss) | 9,289 | 6,551 | 72 | 15,912 |
| Accumulated other comprehensive income (loss) at March 31, 2023 | \$ (114,445) | \$ 6,640 | \$ (2,584) | \$(110,389) |
| Accumulated other comprehensive income (loss) at December 31, 2023 | \$ (93,144) | \$ 6,315 | \$ (3,047) | \$ (89,876) |
| Other comprehensive income (loss) before reclassifications | (3,743) | 966 | 12 | (2,765) |
| Amounts reclassified from accumulated other comprehensive income (loss) | — | (1,201) | 109 | (1,092) |
| Net current period other comprehensive income (loss) | (3,743) | (235) | 121 | (3,857) |
| Accumulated other comprehensive income (loss) at March 31, 2024 | \$ (96,887) | \$ 6,080 | \$ (2,926) | \$ (93,733) |

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

| | For the Three Months Ended March 31, | | Statement of Comprehensive Income (Loss) Classification |
|---|---|------------------|---|
| | 2024 | 2023 | |
| Derivative valuation | | | |
| Gain on foreign currency forward exchange contracts | \$ 1,624 | \$ 518 | Revenue |
| Tax effect | (423) | (134) | Provision for income taxes |
| | <u>\$ 1,201</u> | <u>\$ 384</u> | Net income (loss) |
| Other | | | |
| Actuarial loss on defined benefit plan | \$ (121) | \$ (69) | Cost of services |
| Tax effect | 12 | 7 | Provision for income taxes |
| | <u>\$ (109)</u> | <u>\$ (62)</u> | Net income (loss) |

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(13) WEIGHTED AVERAGE SHARE COUNTS

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

| | Three Months Ended March 31, | |
|--|-------------------------------------|-------------|
| | 2024 | 2023 |
| Shares used in basic earnings per share calculation | 47,432 | 47,234 |
| Effect of dilutive securities: | | |
| Restricted stock units | 150 | 143 |
| Performance-based restricted stock units | 5 | 24 |
| Total effects of dilutive securities | 155 | 167 |
| Shares used in dilutive earnings per share calculation | 47,587 | 47,401 |

For the three months ended March 31, 2024 and 2023, there were 946 thousand and 463 thousand, respectively, outstanding of Restricted Stock Units ("RSUs") which were excluded from the computation of diluted net income per share because the effect would have been anti-dilutive.

(14) EQUITY-BASED COMPENSATION PLANS

All equity-based awards to employees are recognized in the Consolidated Statements of Comprehensive Income (Loss) at the fair value of the award on the grant date.

The following tables present the total equity-based compensation expense for the three months ended March 31, 2024 and 2023 (in thousands):

| | Three Months Ended March 31, | |
|---|-------------------------------------|-------------|
| | 2024 | 2023 |
| Equity-based compensation expense recognized in Cost of services | \$ 2,245 | \$ 1,862 |
| Equity-based compensation expense recognized in Selling, general and administrative | 3,567 | 2,292 |
| Total equity-based compensation expense | \$ 5,812 | \$ 4,154 |

Restricted Stock Unit Grants

During the three months ended March 31, 2024 and 2023, the Company granted 346,507 and 93,772 RSUs, respectively, to new and existing employees, which vest over four to five years. The Company recognized compensation expense related to RSUs of \$ 5.8 million and \$ 3.9 million for the three months ended March 31, 2024 and 2023, respectively. As of March 31, 2024, there was approximately \$ 35.1 million of total unrecognized compensation cost (including the impact of expected forfeitures) related to RSUs granted under the Company's equity plans.

Performance Based Restricted Stock Unit Grants

During 2021, the Company awarded Performance Restricted Stock Units ("PRSUs") that are subject to service and performance vesting conditions. If defined minimum targets are met, the annual value of the PRSUs issued would be between \$ 1.2 million and \$ 4.9 million and vest immediately in 2024. If the defined minimum targets are not met, then no shares will be issued. The number of shares that will be awarded will be based on the Company's annual revenue and adjusted operating income for the fiscal year 2023. The Company recognized compensation expense related to the 2021 PRSUs of \$ 0.0 million and \$0.2 million for the three months ended March 31, 2024 and 2023, respectively.

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During 2022, the Company made awards of two different PRSU programs that are subject to service and performance vesting conditions: ordinary course annual PRSUs and one-time stretch financial goals PRSUs. For the ordinary course annual PRSUs, if defined minimum targets are met, the annual value of the PRSUs issued will be between \$ 0.9 million and \$ 3.5 million and vest immediately in March 2025. If the defined minimum targets are not met, then no shares will be issued. The number of shares that will be awarded will be based on the Company's annual revenue and adjusted EBITDA for the fiscal year 2024. For the one-time stretch financial goals PRSUs, if defined minimum targets at TTEC Engage and TTEC Digital business segments' levels are met, the number of shares of PRSUs issued will be between 0.0 million shares and 0.5 million shares and will vest immediately in March 2026. If the defined minimum targets are not met, then no shares will be issued. The number of shares to be awarded will be based on the TTEC Engage and TTEC Digital business segments' annual revenue and adjusted EBITDA for the fiscal year 2025. For the ordinary course annual PRSUs, no expense was recognized for the three months ended March 31, 2024. Expense for the one-time stretch financial goals PRSUs will begin at the start of the requisite service period, beginning January 1, 2025.

During 2023, the Company awarded PRSUs that are subject to service and performance vesting conditions. If defined minimum targets are met, the annual value of the PRSUs issued will be between zero and \$ 8.9 million and vest immediately. If the defined minimum targets are not met, then no shares will be issued. The number of shares that will be awarded will be based on the Company's annual revenue and adjusted EBITDA for the fiscal year 2025. Expense for these awards will begin at the start of the requisite service period, beginning January 1, 2025.

As of the date of this report, the Company has not yet awarded 2024 PRSUs but it plans to do so during the second quarter of 2024. The 2024 PRSUs will be subject to service and performance vesting conditions in a manner similar to prior years.

(15) NON-QUALIFIED DEFERRED COMPENSATION PLAN

The Company maintains a non-qualified deferred compensation plan for executive officers and other eligible employees that permits such employees to defer a portion of their compensation, on a pretax basis, until after their termination of employment. The plan allows for deferral of up to 75 % of a participant's base salary, bonus, commissions, and any amounts that U.S. highly compensated employees are limited from contributing into TTEC's Deferred Tax Retirement Savings Plan (the "401K Plan"). All amounts deferred under the plan are unfunded, unsecured obligations and are recorded within Other long-term liabilities in the accompanying Consolidated Condensed Balance Sheets. In the event of bankruptcy, the assets of this plan are available to satisfy the claims of general creditors. Participants may choose among alternative earnings rates for the amounts they defer, which are primarily based on investment options within the 401K Plan. Amounts contributed and deferred under the Plan are credited or charged with the performance of investment options offered under the plan as elected by the participants. The Company manages the risk of changes in the fair value of the liability for deferred compensation by electing to match its liability under the plan with investment vehicles that offset a portion of its exposure including a Company owned life insurance policy held in a rabbi trust.

(16) RELATED PARTY TRANSACTIONS

The Company entered into an agreement under which Avion, LLC ("Avion") and Airmax LLC ("Airmax") provide certain aviation flight services as requested by the Company. Such services include the use of an aircraft and flight crew. Kenneth D. Tuchman, Chairman and Chief Executive Officer of the Company, has an indirect 100 % beneficial ownership interest in Avion and Airmax. During the three months ended March 31, 2024 and 2023, the Company expensed \$ 0.1 million and \$ 0.3 million, respectively, to Avion and Airmax for services provided to the Company. There was \$ 36 thousand in payments due and outstanding to Avion and Airmax as of March 31, 2024.

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Ms. Michelle Swanback, President of the Company, is a member of the board of directors of WTW (NYSE: WTW) (fka "Willis Towers Watson"), that provides compensation consulting and insurance brokerage services to the Company. During the three months ended March 31, 2024 and 2023, the Company expensed \$ 0.8 million and \$ 0.8 million, respectively, for these services.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements regarding our operations, expected financial condition, results of operation, effective tax rate, cash flow, leverage, liquidity, business strategy, competitive position, demand for our services in international operations, acquisition opportunities and impact of acquisitions, capital allocation and dividends, growth opportunities, spending, capital expenditures and investments, competition and market forecasts, industry trends, our human capital resources, and other business matters that are based on our current expectations, assumptions, and projections with respect to the future, and are not a guarantee of performance.

In this report when we use words such as “may,” “believe,” “plan,” “will,” “anticipate,” “estimate,” “expect,” “intend,” “project,” “would,” “could,” “target,” or similar expressions, or when we discuss our strategy, plans, goals, initiatives, or objectives, we are making forward-looking statements. Unless otherwise indicated or except where the context otherwise requires, the terms “TTEC,” “the Company,” “we,” “us” and “our” and other similar terms in this report refer to TTEC Holdings, Inc. and its subsidiaries.

We caution you not to rely unduly on any forward-looking statements. Actual results may differ materially from those expressed in the forward-looking statements, and you should review and consider carefully the risks, uncertainties and other factors that affect our business and may cause such differences as outlined in Part II. Item 1A Risk Factors of this report and Item 1A. Risk Factors in our Annual Report on [Form 10-K](#) for the year ended December 31, 2023. Important factors that could cause our actual results to differ materially from those indicated in the forward looking statements include, among others, risks related to our business operations, our strategy and our industry, including risks related to our strategic execution in a competitive market, our ability to innovate and introduce technologies that are sufficiently disruptive to allow us to maintain and grow our market share such as the effective adoption of artificial intelligence into our solutions, revenue risks specific to client concentration in our TTEC Engage business segment and risks related to the product reliability of the technology partners and client transition from on premises to public cloud and SaaS information technology solutions in our TTEC Digital business segment, risks specific to remote work environment, risks related to the challenges inherent in demand and delivery center capacity forecasting, risks specific to labor costs and retention, risks related to operations controls and employees engaging in fraud, long sales cycles and lead time to revenue, risks specific to potential geographic and other expansions, risks that may arise in connection with events outside of our control such as macroeconomic conditions, geopolitical tensions, and outbreaks of infectious diseases, risks of M&A activity including our ability to identify, acquire and properly integrate acquired businesses in accordance with our strategy; risks related to our use of technology, including risk that could arise due to disruption to our information technology systems, cybersecurity events and unauthorized data access, our reliance on communication and utility services provided to third parties, risks specific to rapid adoption of AI/GenAI technologies, and the growing reliance on third parties for data, cloud and SaaS services; risks of our financial operations, including ineffective cost-management strategies, our leverage and debt service obligations, risks specific to financial and operating restrictions built into our credit facility, changes in the cost or availability of labor, telecommunication services, and other operational necessities that we cannot pass on to our clients, risks related to foreign currency exchange, changes in income tax rates and laws, and other laws and regulations relevant to our business, interpretations of transfer pricing arrangements, uncertainties tied to goodwill, assets and strategic investments’ impairments; risks specific to our contracting practices and laws and regulations that impact our business, including uncertainty and inconsistency in privacy and data protection laws, the high cost of compliance with such laws, the high cost and reputational damage of wage and hour class action lawsuits, contract terms that lead to volatility in revenue and profitability, the efforts by clients to transfer contractually cybersecurity, data privacy and emerging technology risks to service providers and our inability to always control or mitigate them, uncertainty in AI/GenAI regulatory environments, risks specific to IP protection and infringement, and our ability to timely secure and maintain licenses needed to support certain regulated lines of business; risks specific to operations outside of the U.S. and in jurisdictions where we have limited experience; risks related to the ownership of our common stock, including risks inherent in our capital structure, our controlling shareholder risk, risks related to the price and trading volumes of our common stock being affected by factors that we cannot fully impact or control, risks inherent in our dividend

and stock repurchase policies, risks specific to being a Delaware company and provisions in our charter documents that may discourage, delay or prevent a change in control events potentially depressing the price of our common stock, and the fact that our Chairman and Chief Executive Officer has control over matters requiring shareholder action potentially impacting our stock price and making it less attractive to investors.

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

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

Executive Summary

Founded in 1983, TTEC is a global CX outsourcing partner for marquee and disruptive brands and public sector clients. The Company designs, builds, and operates technology-enabled customer experiences across digital and live interaction channels to help clients increase customer loyalty, revenue, and profitability. By combining digital solutions with data-driven service capabilities, we help clients improve their customer satisfaction while lowering their total cost to serve. As of March 31, 2024, TTEC served approximately 750 clients across targeted industry verticals including financial services, healthcare, public sector, telecom, technology, media, travel and hospitality, automotive and retail.

TTEC operates through two business segments.

- **TTEC Digital** is one of the largest CX technology providers and is focused exclusively on the intersection of Contact Center as a Service (CCaaS), Customer Relationship Management (CRM), and Artificial Intelligence (AI) and Analytics. A professional services organization comprised of software engineers, systems architects, data scientists and CX strategists, this segment creates and implements strategic CX transformation roadmaps; sells, operates, and provides managed services for cloud platforms and premise based CX technologies including Amazon Web Services, Cisco, Genesys, Google, and Microsoft; and creates proprietary IP to support industry specific and custom client needs. TTEC Digital serves clients across Enterprise and Small & Medium Sized (SMB) business segments and has a dedicated unit with government technology certifications serving the public sector.
- **TTEC Engage** provides the digitally enabled CX operational and managed services to support large, complex enterprise clients' end-to-end customer interactions at scale. Tailored to meet industry specific and business needs, this segment delivers data-driven omnichannel customer care, customer acquisition, growth, and retention services, tech support, trust and safety and back-office solutions. The segment's technology-enabled delivery model covers the entire associate lifecycle including recruitment, onboarding, training, delivery, workforce management and quality assurance.

TTEC demonstrates its market leadership through strategic collaboration across TTEC Digital and TTEC Engage when there is client demand and fit for our integrated solutions. This partnership is central to our ability to deliver comprehensive and transformational customer experience solutions to our clients, including integrated delivery, go-to-market and innovation for truly differentiated, market leading CX solutions.

During 2024, the TTEC global operating platform delivered onshore, nearshore, and offshore services in 22 countries on six continents -- the United States, Australia, Belgium, Brazil, Bulgaria, Canada, Colombia, Costa Rica, Egypt, Germany, Greece, Honduras, India, Ireland, Mexico, the Netherlands, New Zealand, the Philippines, Poland, South Africa, Thailand, and the United Kingdom with the help of approximately 58,000 consultants, technologists, and CX professionals.

Our revenue for first quarter 2024 was \$576.6 million, approximately \$112.0 million, or 19.0% which came from our TTEC Digital segment and \$464.6 million, or 81.0%, which came from our TTEC Engage segment.

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

We also invest to broaden our product and service capabilities, increase our global client base and industry expertise, tailor our geographic footprint to the needs of our clients, and further scale our end-to-end integrated solutions platform.

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

Financial Highlights

In the first quarter of 2024, our revenue decreased \$56.7 million, or 8.9%, to \$576.6 million over the same period in 2023 including an increase of \$1.8 million, or 0.3%, due to foreign currency fluctuations. The decrease in revenue was comprised of a \$4.9 million, or 4.2%, decrease for TTEC Digital and a decrease of \$51.8 million, or 10.0%, for TTEC Engage.

Our first quarter 2024 income from operations decreased \$21.7 million, or 48.9%, to \$22.7 million or 3.9% of revenue, compared to \$44.4 million or 7.0% of revenue in the first quarter of 2023. The decrease in operating income is due to several factors across both segments. The TTEC Digital operating income increased 318.9% over the same period last year primarily due to lower impairment and restructuring expenses partially offset by a change in the revenue mix and delays with launching new projects. The TTEC Engage operating income decreased 55.5% over the same period last year due to lower revenue, a change in the revenue mix, growth-oriented investments that have not yet fully been utilized, and ramp costs associated with new programs.

Income from operations in the first quarter of 2024 and 2023 included \$0.4 million and \$6.4 million of restructuring charges and asset impairments, respectively.

Our offshore customer experience centers spanning twelve countries serve clients based in the U.S. and in other countries with 22,500 workstations, representing 73% of our global delivery capability. Revenue for our TTEC Engage segment provided in these offshore locations represented 32% of our revenue for the first quarter of 2024, as compared to 29% of our revenue for the corresponding period in 2023.

Our seat utilization is defined as the total number of utilized workstations compared to the total number of available production workstations. As of March 31, 2024, the total production workstations for our TTEC Engage segment was 30,800, a net decrease of 2,500 workstations over the same period last year, with an overall capacity utilization 76% in line with the prior year period.

We plan to continue to selectively retain and grow capacity and expand into new offshore markets, while maintaining appropriate capacity onshore. As we grow our offshore delivery capabilities and our exposure to foreign currency fluctuation increases, we will continue to actively manage this risk via a multi-currency hedging program.

Recently Issued Accounting Pronouncements

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

Critical Accounting Policies and Estimates

Management's Discussion and Analysis of our Financial Condition and Results of Operations is based upon our Consolidated Financial Statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses as well as the disclosure of contingent assets and liabilities. We regularly review our estimates and assumptions. These estimates and assumptions, which are based upon historical experience and on various other factors believed to be reasonable under the circumstances, form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Reported amounts and disclosures may have been different had management used different estimates and assumptions or if different conditions had occurred in the periods presented. For further information, please refer to the discussion of all critical accounting policies in Note 1 of the Notes to the Consolidated Financial Statements in our Annual Report on [Form 10-K](#) for the year ended December 31, 2023.

Results of Operations

Three months ended March 31, 2024 compared to three months ended March 31, 2023

The tables included in the following sections are presented to facilitate an understanding of Management's Discussion and Analysis of Financial Condition and Results of Operations and present certain information by segment for the three months ended March 31, 2024 and 2023 (amounts in thousands). All inter-company transactions between the reported segments for the periods presented have been eliminated.

TTEC Digital

| | Three Months Ended March 31, | | \$ Change | % Change |
|------------------|------------------------------|------------|------------|----------|
| | 2024 | 2023 | | |
| Revenue | \$ 112,031 | \$ 116,927 | \$ (4,896) | (4.2)% |
| Operating Income | 3,288 | 785 | 2,503 | 318.9 % |
| Operating Margin | 2.9 % | 0.7 % | | |

The decrease in revenue for the TTEC Digital segment was driven by the temporary lower bookings in early 2023 attributable to the macro-economic uncertainty.

The operating income increase was primarily related to lower impairment and restructuring expenses, partially offset by a change in the revenue mix and delays with launching new projects. Operating income as a percentage of revenue increased to 2.9% in the first quarter of 2024 as compared to 0.7% in the prior period. Included in operating income was amortization expense related to acquired intangibles of \$4.3 million and \$4.4 million for the quarters ended March 31, 2024 and 2023, respectively.

TTEC Engage

| | Three Months Ended March 31, | | \$ Change | % Change |
|------------------|------------------------------|------------|-------------|----------|
| | 2024 | 2023 | | |
| Revenue | \$ 464,607 | \$ 516,359 | \$ (51,752) | (10.0)% |
| Operating Income | 19,423 | 43,626 | (24,203) | (55.5)% |
| Operating Margin | 4.2 % | 8.4 % | | |

The decrease in revenue for the TTEC Engage segment was explained by a long tenured client exiting a line of business supported by TTEC, lower demand of select enterprise clients due to budget constraints driven by the macro-economic uncertainty and delays attributable to launching new and larger awards.

The operating income decrease was primarily attributable to lower revenue, change in the revenue mix, prior year non-recurring insurance proceeds, and incremental growth-oriented investments. As a result, operating income as a percentage of revenue decreased to 4.2% in the first quarter of 2024 as compared to 8.4% in the prior period. Included in operating income was amortization expense related to acquired intangibles of \$4.1 million and \$4.7 million for the quarters ended March 31, 2024 and 2023, respectively.

Interest Income (Expense)

For the three months ended March 31, 2024 interest income decreased to \$1.0 million from \$1.2 million in the same period in 2023. Interest expense increased to \$21.1 million during 2024 from \$17.4 million during 2023 due to higher average utilization of the line of credit and higher interest rates.

Other Income (Expense)

For the three months ended March 31, 2024 Other income (expense), net decreased to income of \$0.2 million from income of \$0.7 million during the prior year quarter.

Included in the three months ended March 31, 2024 was a \$1.2 million gain related to the fair value adjustments of contingent consideration for the Faneuil acquisition and (\$0.8) million of expense related to a write-off of an aged VAT receivable (see Part I. Item 1. Financial Statements, Note 2 to the Consolidated Financial Statements).

Included in the three months ended March 31, 2023 was a \$3.2 million expense related to the fair value adjustments of contingent consideration for the Faneuil acquisition (see part I. Item 1. Financial Statements, Note 2 to the Consolidated financial Statements).

Income Taxes

The effective tax rate for the three months ended March 31, 2024 was 82.3%. This compares to an effective tax rate of 27.5% for the comparable period of 2023. The effective tax rate for the three months ended March 31, 2024 was influenced by earnings in international jurisdictions currently under an income tax holiday, the distribution of income between the U.S. and international tax jurisdictions and the associated U.S. tax impacts of foreign earnings, the tax effects of stock-based compensation, and United States Federal Tax Credits. After Non-GAAP adjustments, the Company's normalized tax rate for the first quarter of 2024 was 32.7%.

Liquidity and Capital Resources

Our principal sources of liquidity are our cash generated from operations, our cash and cash equivalents, and borrowings under our Credit Facility. During the three months ended March 31, 2024, we generated negative operating cash flows of \$15.6 million. We believe that our cash generated from operations, existing cash and cash equivalents, and available credit will be sufficient to meet expected operating and capital expenditure requirements for the next 12 months, however, if our access to capital is restricted or our borrowing costs increase, our operations and financial condition could be adversely impacted.

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

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

The following discussion highlights our cash flow activities during the three months ended March 31, 2024 and 2023.

Cash and Cash Equivalents

We consider all liquid investments purchased within three months of their original maturity to be cash equivalents. Our cash and cash equivalents totaled \$91.5 million and \$172.7 million as of March 31, 2024 and December 31, 2023, respectively. We diversify the holdings of such cash and cash equivalents considering the financial condition and stability of the counterparty institutions.

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

Cash Flows from Operating Activities

For the three months ended March 31, 2024 and 2023, net cash flows (used in)/provided by operating activities was (\$15.6) million and \$49.1 million, respectively. The decrease is primarily due to a \$37.5 million decrease in net cash income from operations and a \$27.2 million decrease in net working capital.

Cash Flows from Investing Activities

For the three months ended March 31, 2024 and 2023, net cash flows used in investing activities was \$13.4 million and \$13.6 million, respectively. The decrease was due to a \$0.2 million decrease in capital expenditures.

Cash Flows from Financing Activities

For the three months ended March 31, 2024 and 2023, net cash flows provided by financing activities was \$46.5 million and \$43.6 million, respectively. The change in net cash flows from 2023 to 2024 was primarily due to a \$12.0 million net change in the line of credit and offset by \$9.2 million related to payments of contingent consideration made in 2023.

Free Cash Flow

Free cash flow (see "Presentation of Non-GAAP Measurements" below for the definition of free cash flow) decreased for the three months ended March 31, 2024 compared to the three months ended March 31, 2023 primarily due to a decrease in net cash from operations and a decrease in working capital. Free cash flow was (\$29.1) million and \$35.4 million for the three months ended March 31, 2024 and 2023, respectively.

Presentation of Non-GAAP Measurements

Free Cash Flow

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

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

| | Three Months Ended March 31, | |
|---|-------------------------------------|------------------|
| | 2024 | 2023 |
| Net cash (used in) provided by operating activities | \$ (15,629) | \$ 49,058 |
| Less: Purchases of property, plant and equipment | 13,473 | 13,669 |
| Free cash flow | <u>\$ (29,102)</u> | <u>\$ 35,389</u> |

Obligations and Future Capital Requirements

There were no material changes to the Company's contractual obligations and future capital requirements outside the normal course of business from the date of our 2023 [Form 10-K](#) filing on February 29, 2024 through the filing of this report.

Future Capital Requirements

We expect total capital expenditures in 2024 to be between 2.7% and 2.9% of revenue. Approximately 55% of these expected capital expenditures are to support growth in our business and 45% relate to the maintenance for existing assets. The anticipated level of 2024 capital expenditures is primarily driven by site expansions, new builds in emerging geographies, enhancements and modernization to our technological infrastructure and ongoing digital integration and product development.

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

Client Concentration

During the three months ended March 31, 2024 and 2023, one of our clients represented more than 10% of our total revenue. Our five largest clients, collectively, accounted for 35.7% and 34.6% of our consolidated revenue for the three months ended March 31, 2024 and 2023, respectively. We have had long-term relationships with our top five TTEC Engage clients, ranging from 18 to 24 years, with all of these clients having completed multiple contract renewals with us. The relative contribution of any single client to consolidated earnings is not always proportional to the relative revenue contribution on a consolidated basis and varies greatly based upon specific contract terms. In addition, clients may adjust business volumes served by us based on their business requirements. We believe the risk of this concentration is mitigated, in part, by the long-term contracts we have with our largest clients. Although certain client contracts may be terminated for convenience by either party, we believe this risk is mitigated, in part, by the service level disruptions and transition/migration costs that would arise for our clients if they terminated our contract for convenience.

Some of the contracts with our five largest clients expire between 2024 and 2027, but many of our largest clients have multiple contracts with us with different expiration dates for different lines of work. We have historically renewed most of our contracts with our largest clients, but there can be no assurance that future contracts will be renewed or, if renewed, will be on terms as favorable as the existing contracts.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

Interest Rate Risk

The interest rate on our Credit Agreement is variable based upon the Prime Rate and SOFR and, therefore, is affected by changes in market interest rates. As of March 31, 2024, we had \$953.0 million of outstanding borrowings under the Credit Agreement. Based upon average outstanding borrowings during the three months ended March 31, 2024, interest accrued at a rate of approximately 7.1% per annum. If the Prime Rate or SOFR increased by 100 basis points, there would be an annualized \$1.0 million of additional interest expense per \$100.0 million of outstanding borrowing under the Credit Agreement.

Foreign Currency Risk

Our subsidiaries in the Philippines, Mexico, India, Bulgaria and Poland use the local currency as their functional currency for paying labor and other operating costs. Conversely, revenue for these foreign subsidiaries is derived principally from client contracts that are invoiced and collected in U.S. dollars or other foreign currencies. As a result, we may experience foreign currency gains or losses, which may positively or negatively affect our results of operations attributed to these subsidiaries. For the three months ended March 31, 2024 and 2023, revenue associated with this foreign exchange risk was 20% and 18% of our consolidated revenue, respectively.

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

Cash Flow Hedging Program

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

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

Our cash flow hedging instruments as of March 31, 2024 and December 31, 2023 are summarized as follows (in thousands). All hedging instruments are forward contracts, except as noted.

| | Local Currency Notional Amount | U.S. Dollar Notional Amount | % Maturing in the next 12 months | Contracts Maturing Through |
|--------------------------------|---|-----------------------------------|--|----------------------------------|
| As of March 31, 2024 | | | | |
| Canadian Dollar | 1,500 | \$ 1,113 | 100 % | September 2024 |
| Philippine Peso | 7,647,000 | 135,128 ⁽¹⁾ | 61.8 % | December 2026 |
| Mexican Peso | 776,000 | 36,727 | 63.4 % | December 2026 |
| | | <u>\$ 172,968</u> | | |
| As of December 31, 2023 | | | | |
| Canadian Dollar | 2,250 | \$ 1,670 | | |
| Philippine Peso | 9,324,000 | 165,842 ⁽¹⁾ | | |
| Mexican Peso | 938,000 | 44,155 | | |
| | | <u>\$ 211,667</u> | | |

⁽¹⁾ Includes contracts to purchase Philippine pesos in exchange for New Zealand dollars and Australian dollars, which are translated into equivalent U.S. dollars on March 31, 2024 and December 31, 2023.

The fair value of our cash flow hedges as of March 31, 2024 was assets/(liabilities) (in thousands):

| | March 31, 2024 | Maturing in the Next 12 Months |
|-----------------|-----------------|-----------------------------------|
| Canadian Dollar | \$ (4) | \$ (4) |
| Philippine Peso | 572 | 53 |
| Mexican Peso | 7,652 | 6,190 |
| | <u>\$ 8,220</u> | <u>\$ 6,239</u> |

Our cash flow hedges are valued using models based on market observable inputs, including both forward and spot foreign exchange rates, implied volatility, and counterparty credit risk. The decrease in fair value from December 31, 2023 reflects changes in the currency translation between the U.S. dollar and Mexican peso and U.S. dollar and Philippine pesos.

We recorded net gains of \$1.6 million and \$0.5 million for settled cash flow hedge contracts and the related premiums for the three months ended March 31, 2024 and 2023, respectively. These gains were reflected in Revenue in the accompanying Consolidated Statements of Comprehensive Income (Loss). If the exchange rates between our various currency pairs were to increase or decrease by 10% from current period-end levels, we would incur a material gain or loss on the contracts. However, any gain or loss would be mitigated by corresponding increases or decreases in our underlying exposures.

Other than the transactions hedged as discussed above and in Part I, Item 1. Financial Statements, Note 6 to the Consolidated Financial Statements, the majority of the transactions of our U.S. and foreign operations are denominated in their respective local currency. However, transactions are denominated in other currencies from time-to-time. We do not currently engage in hedging activities related to these types of foreign currency risks because we believe them to be insignificant as we endeavor to settle these accounts on a timely basis. For the three months ended March 31, 2024 and 2023, approximately 14% and 13%, respectively, of revenue was derived from contracts denominated in currencies other than the U.S. dollar. Our results from operations and revenue could be adversely affected if the U.S. dollar strengthens significantly against foreign currencies.

Fair Value of Debt and Equity Securities

We did not have any investments in marketable debt or equity securities as of March 31, 2024 or December 31, 2023.

ITEM 4. CONTROLS AND PROCEDURES

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

Disclosure Controls and Procedures

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

We carried out an evaluation under the supervision and with the participation of management, including the CEO and CFO, of the effectiveness of our disclosure controls and procedures, as of March 31, 2024, the end of the period covered by this Form 10-Q. Based on this evaluation, our CEO and CFO have concluded that the Company’s disclosure controls and procedures were effective at the reasonable assurance level.

Inherent Limitations of Internal Controls

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

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The information set forth under the caption "Legal Proceedings" in Part I, Item 1. Financial Statements, Note 10 to the Consolidated Financial Statements of this Form 10-Q is hereby incorporated by reference.

ITEM 1A. RISK FACTORS

There were no material changes to the Risk Factors described in Item 1A. Risk Factors included in our Annual Report on [Form 10-K](#) for the year ended December 31, 2023.

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

Issuer Purchases of Equity Securities

In November 2001, our Board of Directors ("Board") authorized a stock repurchase program with the objective of increasing stockholder returns. The Board periodically authorizes additional increases to the program. The most recent Board authorization to purchase additional common stock occurred in February 2017, whereby the Board increased the program allowance by \$25.0 million. Since inception of the program through March 31, 2024, the Board has authorized the repurchase of shares up to a total value of \$762.3 million, of which we have purchased 46.1 million shares on the open market for \$735.8 million. The Company did not repurchase any of its shares during the three months ended March 31, 2024. As of March 31, 2024 the remaining amount authorized for repurchases under the program was approximately \$26.6 million. Although the stock repurchase program does not have an expiration date, the Company would seek a re-authorization of repurchase from the Board of Directors if it decides to make repurchases during 2024.

ITEM 5. OTHER INFORMATION

During the three months ended March 31, 2024, none of the Company's directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement, as such terms are defined in Item 408 of Regulation S-K.

ITEM 6. EXHIBITS

| Exhibit No. | Exhibit Description | Incorporated Herein by Reference | | |
|----------------|---|----------------------------------|---------|-------------|
| | | Form | Exhibit | Filing Date |
| 10.28 | Form of TTEC Holdings, Inc. Restricted Stock Unit Award Agreement (Directors and Senior Executives) effective July 1, 2021 | 10-Q | 10.28 | 08/03/2021 |
| 10.29* | Form of TTEC Holdings, Inc. Restricted Stock Unit Award Agreement (non-executive employees) effective April 1, 2024 | | | |
| 10.30* | Form of TTEC Holdings, Inc. Restricted Stock Unit Award Agreement (VP and above executives) effective April 1, 2024 | | | |
| 31.1* | Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350) | | | |
| 31.2* | Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350) | | | |
| 32.1* | Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350) | | | |
| 32.2* | Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350) | | | |
| 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 | | | |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase | | | |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase | | | |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase | | | |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase | | | |
| 104 | The cover page from TTEC Holdings, Inc's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, formatted in Inline XBRL (included in Exhibit 101) | | | |

* Filed or furnished herewith.

SIGNATURES

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

TTEC HOLDINGS, INC.

(Registrant)

Date: May 8, 2024

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

Date: May 8, 2024

By: /s/ Kenneth R. Wagers, III
Kenneth R. Wagers, III
Chief Financial Officer

TTEC HOLDINGS, INC.
RESTRICTED STOCK UNIT AWARD AGREEMENT

This Restricted Stock Unit Award Agreement (this "**Agreement**") is made and entered into as of _____ (the "**Grant Date**") by and between TTEC Holdings, Inc., a Delaware corporation (the "**Company**") and _____ (the "**Grantee**").

This Agreement is governed by the terms of the TTEC Holdings, Inc. 2020 Equity Incentive Plan (the "**Plan**") pursuant to which the Company may grant awards of Restricted Stock Units ("**RSUs**") to Eligible Individuals, including employees, directors and consultants of the Company and its Affiliates (together, "TTEC"). Capitalized terms that are used but not defined herein have the meaning ascribed to them in the Plan. The terms and provisions of the Plan as they may be amended from time to time are incorporated herein by reference. The provisions in this Agreement are subject to certain country specific provisions contained in Appendix C. In the event of a conflict between any term or provision contained in this Agreement and its appendices and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail.

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

1. **Grant of RSUs.** Pursuant to the Plan, the Company grants to the Grantee an RSU award in the amount of **US \$**_____, which represents _____ shares of Common Stock of the Company at fair market value as of market close on the Grant Date (rounded up or down to a whole number of shares) and on the terms and conditions provided in this Agreement and the Plan ("**RSU Award**").
2. **CONSIDERATION.** The grant of this RSU Award is in consideration of the services to be rendered by the Grantee to TTEC during the restricted period and for other covenants provided in this Agreement.
3. **RESTRICTED PERIOD; VESTING.** Except as otherwise provided in the Plan and the Agreement and provided that the Grantee provides continuous services to TTEC through each applicable vesting date, the RSUs will vest and the corresponding shares of Common Stock of the Company (or cash equivalent) will be issued in accordance with the following schedule:

| VESTING DATE | COMMON STOCK TO VEST |
|---------------------|--|
| XXXX, 2025 | One third of the RSUs vest on this date. |
| XXXX, 2026 | One third of the RSUs vest on this date. |
| XXXX, 2027 | One third of the RSUs vest on this date. |

The period during which the RSUs remain unvested and forfeitable is referred to as the " **Restricted Period**".

- a. The unvested portion of the RSU Award shall be forfeited immediately upon the termination of the Grantee's services to TTEC for any reason, including voluntary or involuntary separation, death, disability, or any other reason where the Grantee no longer is providing services to the Company nor its Affiliates shall have any further obligations to the Grantee under this Agreement for such forfeited RSUs.
 - b. Pursuant to the delegation of the Compensation Committee of the Board, the executive leadership team of the Company (the "Executive Committee"), in its sole discretion, shall have the authority to determine the effect of all matters and questions with respect to Grantee's termination of affiliation with TTEC and whether continuous services are being provided as these matters relate to RSU Award vesting, including, without limitation, the question of whether a termination of service has occurred, whether a leave of absence or disability constitute a termination of service and other similar questions.
 - c. For purposes of the Plan and this Agreement, a Grantee's status as an employee, director or consultant of TTEC shall be deemed to be terminated in the event that the Company's subsidiary employing or contracting with such Grantee ceases to be a Company subsidiary following any merger, sale of stock or other corporate transaction or event (including, without limitation, a spin-off).
4. **RESTRICTIONS.** Subject to any exceptions set forth in this Agreement or the Plan, during the Restricted Period, the unvested portion of the RSU Award and any related rights may not be assigned, alienated, pledged, attached, sold, or otherwise transferred or encumbered by the Grantee. Any attempt to assign, alienate, pledge, attach, sell, or transfer or encumber the RSU Award or its related rights during the Restricted Period shall be ineffective and, if any such attempt is made, the RSU Award will be forfeited by the Grantee and all of the Grantee's rights under the Plan and this Agreement shall immediately terminate without any payment or consideration by TTEC.
5. **NO RIGHT TO CONTINUED SERVICE.** Neither the Plan nor this Agreement shall confer upon the Grantee any right to be retained in any position, as an employee, consultant, or director of TTEC. Further, nothing in the Plan or this Agreement shall be construed to limit the discretion of TTEC to terminate the Grantee's services (employment or otherwise) at any time, with or without cause.
6. **ADJUSTMENTS.** Subject to the sole discretion of the Board of Directors, TTEC may, with respect to any vested RSUs that have not been settled pursuant to the Plan, make any adjustments necessary to prevent accretion, or to protect against dilution, in the number and kind of shares that may be used to settle vested RSUs in the event of a change in the corporate structure or shares of TTEC; provided, however, that no adjustment shall be made for the issuance of preferred stock of TTEC or the conversion of convertible preferred stock of TTEC. For purposes of this Section 6, a change in the corporate structure or shares of TTEC includes, without limitation, any change resulting from a recapitalization, stock split, stock dividend, consolidation, rights offering, spin-off, reorganization or liquidation, and any transaction in which shares of Common Stock are changed into or exchanged for a different number or kind of shares of stock or other securities of TTEC or another entity.

7. **TAX LIABILITY AND WITHHOLDING.** The Grantee shall be required to pay, and the Company or its administrator shall have the right to deduct from any compensation paid to the Grantee pursuant to the Plan and the RSU Award, the amount of any required withholding taxes applicable upon the vesting of the RSU Award or the issuance of the Common Stock of the Company (or cash equivalent) and to take all such other action as the Company deems necessary to satisfy all obligations for the payment of such withholding taxes.
8. **PROTECTIVE COVENANT**
- 8.1 Grantee recognizes that the primary purpose of this RSU Award is to reward the Grantee's performance and to ensure Grantee's loyalty to TTEC, and that this RSU would not be made to Grantee in the absence of the promises below. Grantee agrees that the "**Protective Covenants**" that are contained in Section 8.1 are reasonable and necessary to protect legitimate business interests of Company and prevent irreparable harm.
- a. Definition Related to Protective Covenants. For the purposes of Section 8.1 and Appendix D, the following definition applies: "**Confidential Information**" The term "Confidential Information" means any and all non-public information of Company, or of a third party, and it includes but is not limited to any "trade secrets" as that term is defined in the version of the Uniform Trade Secrets Act applicable to Grantee or as defined in the Economic Espionage Act of 1996, as amended by the Defend Trade Secrets Act of 2016, 18 U.S.C. § 1839, as applicable. By way of illustration, but not limitation, "Confidential Information" includes non-public information, or public information compiled in a manner that provides an advantage to Company, relating to current services, current products, products or services under development, features, research and development, processes, specifications, policies, Inventions (defined below), testing, qualification, bills of materials, equipment, patent applications know-how, designs, drawings, technical data, clinical data, test data, formulas, methods, training, samples, media and/or cell lines, developmental or experimental work, improvements, discoveries, software, firmware, algorithms, hardware or software configuration information, manufacturing information, marketing plans, business plans, budgets, strategies, financial information, sales information, cost information, profit information, pricing strategies, costs and pricing structures, pricing methodology, manuals, forms, sales techniques, customer information, customer lists, prospective customer lists, customer needs and/or preferences, supplier information, and vendor information. Notwithstanding the foregoing, Confidential Information does not include (a) information which is known by the public or becomes known to the public, in the trade or in the industry, which is not gained as a result of a breach of this Agreement, (b) Grantee's own skill, knowledge, know-how, and experience gained outside of Grantee's employment with Company, or (c) information that is already independently known to Grantee as shown by written records in existence prior to Grantee's employment with Company.

- b. Restriction on Use or Disclosure of Confidential Information. Grantee agrees to use Company's Confidential Information only in the performance of Grantee's duties, to hold such information in confidence and trust, and not to use, transmit, copy, upload, download or disclose such information during Grantee's employment and for so long thereafter as such information qualifies as Confidential Information, except as necessary to perform Grantee's job duties for the Company. Grantee's covenants in this paragraph are referred to as Grantee's "**Confidentiality**" obligation. The Confidentiality obligation shall not be construed to prohibit the use of general knowledge and experience customarily relied upon in Grantee's trade or profession that is not specific to the particular business matters of the Company (such as its business transactions, customers, employees, or products (existing or under development)). If required by applicable law, the Confidentiality obligation will only apply for two (2) years after the Termination of Service Date, where information that does not qualify as a trade secret is concerned; however, the restrictions will continue to apply to trade secret information for as long as the information at issue remains qualified as a trade secret.

8.2 If the Grantee breaches the Confidentiality obligation set forth in this Section 8:

- a. All unvested RSU Awards shall be immediately forfeited and cancelled;
- b. The value of any vested RSU Awards that have vested must be paid by Grantee back to TTEC since the primary purpose of the RSU Award will not have been realized by TTEC.
- c. He/she (but not to the exclusion of those who aid him/her in such breach) shall be liable for all other damages resulting from such breach; and
- d. The Grantee hereby consents and agrees that the Company shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages. The aforementioned equitable relief shall be in addition to, not in lieu of, the right to receive forfeitures and/or payments pursuant to Section 8(b), and other legal remedies, monetary damages or other available forms of relief at law or specified in this Agreement.

8.3 **ACKNOWLEDGEMENT**

- a. Grantee acknowledges that while employed or otherwise affiliated with TTEC, Grantee has access to proprietary and unique trade secret information that would be valuable or useful to Company's competitors and thus acknowledges that the restrictions on Grantee's future business activities in TTEC's industry as set forth in this Section 8 are fair and reasonable.

b. Nothing in this Agreement prohibits Grantee from (i) opposing an event or conduct that Grantee reasonably believes is a violation of law, including criminal conduct, discrimination, harassment, retaliation, a safety or health violation, or other unlawful employment practices (whether in the workplace or at a work-related event), (ii) disclosing sexual assault or sexual harassment (in the workplace, at work-related events, between employees or between an employer and an employee or otherwise), or (iii) reporting such an event or conduct to Grantee's attorney, law enforcement, or the relevant law-enforcement agency (such as the Securities and Exchange Commission, Department of Labor, Occupational Safety and Health Administration, Equal Employment Opportunity Commission, the state or local division of human rights), or (iv) making any truthful statements or disclosures required by law or otherwise cooperating in an investigation conducted by any government agency (collectively referred to as "**Protected Conduct**"). In addition, nothing requires notice to or approval from the Company before engaging in such Protected Conduct.

9. **COMPLIANCE WITH LAW.** The issuance and transfer of shares of Common Stock of the Company upon the vesting of the RSU Award shall be subject to compliance by the Company and the Grantee with all applicable requirements of the United States federal and state securities laws and with all applicable requirements of any stock exchange on which the Company's shares of Common Stock may be listed. No shares of Common Stock shall be issued or transferred unless and until any then applicable requirements of the United States federal and state laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its legal counsel. The Grantee understands that the Company is under no obligation to register the shares of Common Stock with the U.S. Securities and Exchange Commission, any United States state securities commission, any securities regulatory body outside of the United States, or any stock exchange to affect such compliance.

If the Grantee is a resident of one of the countries listed on Appendix C to this Agreement, then the country specific provisions found in Appendix C are incorporated into this Agreement by reference. Grantee is also referred to Appendix D for state specific provisions that may apply, and if applicable as stated in Appendix D or by court order, are incorporated into this Agreement by reference.

10. **EQUITY HOLDING GUIDELINES.** Some Grantees may be subject to the TTEC executive Stock Ownership Guidelines, attached to this Agreement and incorporated within it by reference as Appendix A. If in your role you are subject to the Stock Ownership Guidelines, by signing below you (a) confirm that you are (i) aware of the Company's expectations with respect to your equity holdings in the Company, (ii) the time you have to honor these expectations and (iii) how the Company envisions that you reach the appropriate holding levels; and (b) hereby agree to exercise best efforts to meet such expectations.

11. **DATA PRIVACY.** Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Grantee's personal data as described in this Agreement and any other RSU grant materials by and among, as applicable, the Grantee's employer, TTEC and its other Affiliates for the exclusive purpose of implementing, administering, and managing Grantee's participation in the Plan. Grantee understands that TTEC and the employer may hold certain personal information about Grantee, including, but not limited to, Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in TTEC, details of all RSUs or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in Grantee's favor ("**Data**"), for the exclusive purpose of implementing, administering and managing the Plan.

Grantee understands that Data will be transferred to Bank of America, Merrill Lynch or such other stock plan service provider as may be selected by TTEC in the future, which is assisting TTEC with the implementation, administration and management of the Plan. Grantee understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than Grantee's country. Grantee understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Grantee authorizes TTEC, Bank of America, Merrill Lynch and any other possible recipients which may assist TTEC (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. Grantee understands that Data will be held only as long as is necessary to implement, administer and manage Grantee's participation in the Plan. Grantee understands if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, Grantee understands that he or she is providing the consents herein on a purely voluntary basis. If Grantee does not consent, or if Grantee later seeks to revoke his or her consent, his or her employment status or service and career with the employer will not be adversely affected; the only adverse consequence of refusing or withdrawing Grantee's consent is that TTEC would not be able to grant Grantee RSUs or other equity awards or administer or maintain such awards. Therefore, Grantee understands that refusing or withdrawing his or her consent may affect Grantee's ability to participate in the Plan. For more information on the consequences of Grantee's refusal to consent or withdrawal of consent, Grantee understands that he or she may contact his or her local human capital representative.

12. **GOVERNING LAW AND DISPUTE RESOLUTION.**

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

Entering into this Agreement is not a condition of Grantee's employment. If Grantee does not wish to consent to having disputes regarding this Agreement litigated in the State of Delaware, under Delaware law, Grantee can reject this Agreement by not signing this agreement. Doing so, however, would mean that none of the terms of this Agreement will apply, including the grant of RSUs offered to Grantee in connection with this Agreement. However, Grantee's other compensation will not be impacted by virtue of Grantee's decision not to enter into this Agreement.

- c. Attorneys' Fees. The party that prevails in any action to enforce any provision of this Agreement shall recover all reasonable costs and attorneys' fees incurred in connection with the action. The Company shall be deemed the prevailing party, entitled to all of its reasonable attorneys' fees, costs and expenses, if it is awarded any part of the legal or equitable relief it seeks, irrespective of whether some of the relief it seeks is denied or modified.

13. **ADMINISTRATION OF THE AGREEMENT AND AWARDS.**

- a. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by the Grantee or the Company to the Committee for review. The resolution of such dispute by the Committee shall be final and binding on the Grantee and the Company.
- b. Settlement of Vested RSUs. RSUs subject to an RSU Award shall be settled pursuant to the terms of the Plan, in stock or cash, as soon as reasonably practicable following the vesting thereof, but in no event later than March 15 of the calendar year following the year in which the RSUs vest.

- c. Amendment. The Company has the right to amend, suspend, or cancel the unvested RSUs granted hereunder, prospectively; *provided that*, no such amendment shall adversely affect the Grantee's material rights under this Agreement without the Grantee's consent, and to the extent the RSUs hereby granted are not yet vested and the Grantee is not in breach of the Agreement, the Company shall provide a substitute instrument of equal value and no less favorable terms in exchange for amended, altered, suspended, discontinued or canceled RSUs.
 - d. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon the Grantee and the Grantee's beneficiaries, executors, administrators and the person(s) to whom the RSUs may be transferred by will or the laws of descent or distribution.
 - e. Discretionary Nature of All Future Awards. This RSU Award is voluntary and occasional and does not create any contractual, statutory or other right to receive future RSU Awards, or benefits in lieu of RSUs, even if the RSUs have been granted in the past. Future Awards, if any, will be at the sole discretion of the Company.
 - f. No Impact on Other Benefits. The value of the Grantee's Restricted Stock is not part of his/her normal or expected compensation for purposes of calculating any severance, retirement, welfare, insurance or similar employee benefit.
14. **CHANGE OF CONTROL PROVISIONS**. This RSU Award is subject to the Change of Control rights and entitlements as further referenced in Appendix B to this Agreement and incorporated into the Agreement by reference.
15. **CONFIDENTIALITY**. Grantee agrees not to disclose, directly or indirectly, to any other employee, director or consultant of TTEC or an Affiliate and to keep confidential all information related to any Awards granted to Grantee, pursuant to the Plan, including the amount of any such Award and its vesting schedule.
16. **SEVERABILITY AND ENTIRETY**. The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

The Agreement (including the Plan) constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior and contemporaneous agreements, oral or written, between the Company and Grantee relating to Grantee's entitlement to RSUs or similar benefits, under the Plan. Notwithstanding the immediately preceding sentence, this Agreement does not supersede any other agreements that relate to Company's intellectual property rights, lawfully restrict Grantee's use of Company's proprietary information, confidential information, or trade secrets, or that otherwise lawfully restrict Grantee's competition with Company either during or after Grantee's employment with the Company.

17. **COUNTERPARTS.** This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.
18. **ACCEPTANCE.** The Grantee hereby acknowledges receipt of a copy of the Plan and this Agreement. The Grantee has read and understands its terms and provisions and accepts the RSU Award subject to the terms and conditions of the Plan and this Agreement. The Grantee acknowledges that there may be adverse tax consequences upon the grant or vesting of the RSUs or disposition of the underlying shares and that the Grantee has been advised to consult a tax advisor prior to such grant, vesting or disposition.

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

TTEC Holdings, Inc.

By: Laura Butler
Chief People Officer, TTEC

XX (Grantee)
Employee ID: XX
Grant Date: XXXX, 2024

For additional information about securities granted under this Agreement please refer to our 2020 Equity Incentive Plan document and related Prospectus incorporated herein by reference. These documents can be found on the Legal home page in Mosaic.

TTEC HOLDINGS, INC.
RESTRICTED STOCK UNIT AWARD AGREEMENT

This Restricted Stock Unit Award Agreement (this " **Agreement**") is made and entered into as of _____ (the "**Grant Date**") by and between TTEC Holdings, Inc., a Delaware corporation (the " **Company**") and _____ (the "**Grantee**").

This Agreement is governed by the terms of the TTEC Holdings, Inc. 2020 Equity Incentive Plan (the " **Plan**") pursuant to which the Company may grant awards of Restricted Stock Units ("**RSUs**") to Eligible Individuals, including employees, directors and consultants of the Company and its Affiliates (together, "TTEC"). Capitalized terms that are used but not defined herein have the meaning ascribed to them in the Plan. The terms and provisions of the Plan as they may be amended from time to time are incorporated herein by reference. The provisions in this Agreement are subject to certain state or country specific provisions contained in Appendices C and D. In the event of a conflict between any term or provision contained in this Agreement and its appendices and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail.

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

1. **Grant of RSUs.** Pursuant to the Plan, the Company grants to the Grantee an RSU award in the amount of US \$_____, which represents _____ shares of Common Stock of the Company at fair market value as of market close on the Grant Date (rounded up or down to a whole number of shares) and on the terms and conditions provided in this Agreement and the Plan ("**RSU Award**").
2. **CONSIDERATION.** The grant of this RSU Award is in consideration of the services to be rendered by the Grantee to TTEC during the restricted period and for other covenants provided in this Agreement.
3. **RESTRICTED PERIOD; VESTING.** Except as otherwise provided in the Plan and the Agreement and provided that the Grantee provides continuous services to TTEC through each applicable vesting date, the RSUs will vest and the corresponding shares of Common Stock of the Company (or cash equivalent) will be issued in accordance with the following schedule:

| VESTING DATE | COMMON STOCK TO VEST |
|---------------------|--|
| XXXX, 2025 | One third of the RSUs vest on this date. |
| XXXX, 2026 | One third of the RSUs vest on this date. |
| XXXX, 2027 | One third of the RSUs vest on this date. |

The period during which the RSUs remain unvested and forfeitable is referred to as the " **Restricted Period**".

- a. The unvested portion of the RSU Award shall be forfeited immediately upon the termination of the Grantee's services to TTEC for any reason, including voluntary or involuntary separation, death, disability, or any other reason where the Grantee no longer is providing services to the Company, nor its Affiliates shall have any further obligations to the Grantee under this Agreement for such forfeited RSUs.
 - b. Pursuant to the delegation of the Compensation Committee of the Board, the executive leadership team of the Company (the "Executive Committee"), in its sole discretion, shall have the authority to determine the effect of all matters and questions with respect to Grantee's termination of affiliation with TTEC and whether continuous services are being provided as these matters relate to RSU Award vesting, including, without limitation, the question of whether a termination of service has occurred, whether a leave of absence or disability constitute a termination of service and other similar questions.
 - c. For purposes of the Plan and this Agreement, a Grantee's status as an employee, director or consultant of TTEC shall be deemed to be terminated in the event that the Company's subsidiary employing or contracting with such Grantee ceases to be a Company subsidiary following any merger, sale of stock or other corporate transaction or event (including, without limitation, a spin-off).
4. **RESTRICTIONS.** Subject to any exceptions set forth in this Agreement or the Plan, during the Restricted Period, the unvested portion of the RSU Award and any related rights may not be assigned, alienated, pledged, attached, sold, or otherwise transferred or encumbered by the Grantee. Any attempt to assign, alienate, pledge, attach, sell, or transfer or encumber the RSU Award or its related rights during the Restricted Period shall be ineffective and, if any such attempt is made, the RSU Award will be forfeited by the Grantee and all of the Grantee's rights under the Plan and this Agreement shall immediately terminate without any payment or consideration by TTEC.
5. **No RIGHT TO CONTINUED SERVICE.** Neither the Plan nor this Agreement shall confer upon the Grantee any right to be retained in any position, as an employee, consultant, or director of TTEC. Further, nothing in the Plan or this Agreement shall be construed to limit the discretion of TTEC to terminate the Grantee's services (employment or otherwise) at any time, with or without cause.

6. **ADJUSTMENTS.** Subject to the sole discretion of the Board of Directors, TTEC may, with respect to any vested RSUs that have not been settled pursuant to the Plan, make any adjustments necessary to prevent accretion, or to protect against dilution, in the number and kind of shares that may be used to settle vested RSUs in the event of a change in the corporate structure or shares of TTEC; provided, however, that no adjustment shall be made for the issuance of preferred stock of TTEC or the conversion of convertible preferred stock of TTEC. For purposes of this Section 6, a change in the corporate structure or shares of TTEC includes, without limitation, any change resulting from a recapitalization, stock split, stock dividend, consolidation, rights offering, spin-off, reorganization or liquidation, and any transaction in which shares of Common Stock are changed into or exchanged for a different number or kind of shares of stock or other securities of TTEC or another entity.
7. **TAX LIABILITY AND WITHHOLDING.** The Grantee shall be required to pay, and the Company or its administrator shall have the right to deduct from any compensation paid to the Grantee pursuant to the Plan and the RSU Award, the amount of any required withholding taxes applicable upon the vesting of the RSU Award or the issuance of the Common Stock of the Company (or cash equivalent) and to take all such other action as the Company deems necessary to satisfy all obligations for the payment of such withholding taxes.
8. **PROTECTIVE COVENANTS**
- 8.1 Grantee recognizes that the primary purpose of this RSU Award is to reward the Grantee's performance and to ensure Grantee's loyalty to TTEC, and that this RSU would not be made to Grantee in the absence of the promises below. Grantee agrees that the "**Protective Covenants**" that are contained in Section 8.1 are reasonable and necessary to protect legitimate business interests of Company and prevent irreparable harm.
- a. Definitions Related to Protective Covenants. For the purposes of Section 8.1 and Appendix D, the following definitions apply:
- i. **"Confidential Information"** The term "Confidential Information" means any and all non-public information of Company, or of a third party, and it includes but is not limited to any "trade secrets" as that term is defined in the version of the Uniform Trade Secrets Act applicable to Grantee or as defined in the Economic Espionage Act of 1996, as amended by the Defend Trade Secrets Act of 2016, 18 U.S.C. § 1839, as applicable. By way of illustration, but not limitation, "Confidential Information" includes non-public information, or public information compiled in a manner that provides an advantage to Company, relating to current services, current products, products or services under development, features, research and development, processes, specifications, policies, Inventions (defined below), testing, qualification, bills of materials, equipment, patent applications know-how, designs, drawings, technical data, clinical data, test data, formulas, methods, training, samples, media and/or cell lines, developmental or experimental work, improvements, discoveries, software, firmware, algorithms, hardware or software configuration information, manufacturing information, marketing plans, business plans, budgets, strategies, financial information, sales information, cost information, profit information, pricing strategies, costs

and pricing structures, pricing methodology, manuals, forms, sales techniques, customer information, customer lists, prospective customer lists, customer needs and/or preferences, supplier information, and vendor information. Notwithstanding the foregoing, Confidential Information does not include (a) information which is known by the public or becomes known to the public, in the trade or in the industry, which is not gained as a result of a breach of this Agreement, (b) Grantee's own skill, knowledge, know-how, and experience gained outside of Grantee's employment with Company, or (c) information that is already independently known to Grantee as shown by written records in existence prior to Grantee's employment with Company.

- ii. **"Competitor"** is any person, entity, or organization engaged in the business of developing and/or providing a Conflicting Product or Service in the United States.
- iii. **"Conflicting Product or Service"** means goods or services of the type conducted, authorized, offered, or provided by Company within two years prior to the Termination of Service Date, that Company remains in the business of providing, and that would displace business opportunities for Company's goods or services (existing or under development) that Grantee had involvement with, or was provided Confidential Information about, in the Look Back Period.
- iv. **"Covered Customer"** is a customer (person or entity) of Company that Grantee had Material Contact with during the Look Back Period. Unless it would make the applicable restriction unenforceable, customers include any person or entity who purchases the goods or services of Company, and any active customer prospects as of Grantees' Termination of Service Date that Grantee had Material Contact with during the Look Back Period.
- v. **"Covered Employee"** is an employee of Company with whom Grantee worked, as to whom Grantee had supervisory responsibilities, or regarding whom Grantee received Confidential Information during the Look Back Period.
- vi. **"Look Back Period"** is the last two (2) years of Grantee's employment with Company, or any lesser period of employment if employed less than two years.
- vii. **"Material Contact"** means any interaction that gives rise to a legitimate business interest, and shall have occurred with a person or entity if, during the Look Back Period: (a) there is communication, contact, or similar interaction by Grantee personally, or by individuals under Grantee's supervision, direction, or control (but not merely a mass mailing or "cold call" telephone or email solicitation), (b) Grantee was provided Confidential Information about business conducted with the person or entity during the Look Back Period, or (c) Grantee received any form of commission, bonus, or other beneficial credit for business conducted with the person or entity.

- viii. **"Restricted Area"** is (i) the county and state where Grantee resides, (ii) the county and state where the Location (Grantee's place of work) is located, and (iii) each additional county and state within the United States where Company does business that Grantee had involvement with, or was provided Confidential Information about, in the Look Back Period. The foregoing includes any geographic area, region, or territory assigned to Grantee as Grantee's area of responsibility (or about which Grantee had oversight or responsibility during the Look Back Period), and will also include any portion of the remainder of the United States for which Grantee is expected to help Company provide its products and services; provided, however, that if the foregoing is not deemed enforceable, then the Restricted Area shall be reduced by the court (with the express consent of the parties) to such lesser area within the United States as the court would deem reasonable and necessary to protect Company's legitimate protectable interests.
- b. Solicitation Understandings. "Soliciting" or to "solicit" means to interact with another person or entity with the purpose or with the foreseeable result being to cause or induce the person or entity to engage in some responsive action, irrespective of who first initiated contact. It shall not include general advertising (such as "help wanted" ads) that are not targeted at any Covered Employees or any Covered Customers. Grantee's Employee Nonsolicit and Customer Nonsolicit covenants are understood to be reasonably and logically limited by geography to those places or locations where the Covered Employee or Covered Customer is located and available for solicitation. Grantee agrees that no further geographic limitation is necessary to make the restrictions reasonable. However, if a different form of geographic limitation is necessary to make either of these nonsolicit restrictions enforceable, then such necessary restriction(s) for enforceability shall be considered limited to the Restricted Area.
- c. Restriction on Interfering with Employee Relationships. Grantee agrees that for a period of one (1) year following the Termination of Service Date, Grantee will not interfere with the business relationship between Company and a Covered Employee, for the benefit of a Competitor, by soliciting a Covered Employee to leave their employ, by helping another person or entity evaluate a Covered Employee as a candidate, or by otherwise helping any person or entity hire a Covered Employee away from Company, unless a duly authorized Officer gives Grantee written authorization to do so. Grantee's covenants in this paragraph are referred to as Grantee's **"Employee Nonsolicit"** obligation.
- d. Restriction on Interfering with Customer Relationships. Grantee agrees that for a period of one (1) year following the Termination of Service Date, Grantee will not interfere with any business relationship with any Covered Customer for the benefit of a Competitor by soliciting a Covered Customer to: (a) stop or reduce doing business with Company, or (b) to buy or promote a Conflicting Product or Service. Grantee's covenants in this paragraph are referred to as Grantee's **"Customer Nonsolicit"** obligation.

- e. Restriction on Use or Disclosure of Confidential Information. Grantee agrees to use Company's Confidential Information only in the performance of Grantee's duties, to hold such information in confidence and trust, and not to use, transmit, copy, upload, download or disclose such information during Grantee's employment and for so long thereafter as such information qualifies as Confidential Information, except as necessary to perform Grantee's job duties for the Company. Grantee's covenants in this paragraph are referred to as Grantee's "**Confidentiality**" obligation. The Confidentiality obligation shall not be construed to prohibit the use of general knowledge and experience customarily relied upon in Grantee's trade or profession that is not specific to the particular business matters of the Company (such as its business transactions, customers, employees, or products (existing or under development)). If required by applicable law, the Confidentiality obligation will only apply for two (2) years after the Termination of Service Date, where information that does not qualify as a trade secret is concerned; however, the restrictions will continue to apply to trade secret information for as long as the information at issue remains qualified as a trade secret.

8.2 If the Grantee breaches any of the Protective Covenants set forth in this Section 8:

- a. All unvested RSU Awards shall be immediately forfeited and cancelled;
- b. The value of any vested RSU Awards that have vested must be paid by Grantee back to TTEC since the primary purpose of the RSU Award will not have been realized by TTEC.
- c. He/she (but not to the exclusion of those who aid him/her in such breach) shall be liable for all other damages resulting from such breach; and
- d. The Grantee hereby consents and agrees that the Company shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages. The aforementioned equitable relief shall be in addition to, not in lieu of, the right to receive forfeitures and/or payments pursuant to Section 8(b), and other legal remedies, monetary damages or other available forms of relief at law or specified in this Agreement.
- e. If Grantee fails to comply with a restriction in Section 8 of this Agreement that applies for a limited period of time after employment, the time period for that restriction will be extended by the greater of either: one day for each day Grantee is found to have violated the restriction, or the length of the legal proceeding necessary to secure enforcement of the restriction; provided, however, this extension of time shall be capped so that the extension of time does not exceed two years from Termination of Service Date, and if this extension would make the restriction unenforceable under applicable law it will not be applied (the "**Fairness Extension**").

8.3 ACKNOWLEDGEMENTS_

- a. Grantee acknowledges that the Customer Nonsolicit Obligation, and the Employee Nonsolicit Obligation above are fair and reasonable with respect to their scope and duration given the Grantee's position with TTEC and the impact such activities would have on the TTEC Business.
- b. Grantee further acknowledges that the geographic restriction in this Section 8 is fair and reasonable, given the nature and geographic scope of the TTEC Business, the investment of capital and resources by Company to develop its business operations, and the nature of Grantee's position with TTEC.
- c. Grantee also acknowledges that while employed or otherwise affiliated with TTEC, Grantee has access to proprietary and unique trade secret information that would be valuable or useful to Company's competitors and that Grantee will also have access to Company's valuable customer relationships and thus acknowledges that the restrictions on Grantee's future business activities in TTEC's industry as set forth in this Section 8 are fair and reasonable.
- d. Grantee acknowledges and is prepared for the possibility that Grantee's standard of living may be reduced during the non-solicitation period and assumes and accepts any risk associated with that possibility, and further acknowledges that any such drop in Grantee's standard of living does not constitute undue hardship.
- e. Nothing in this Agreement prohibits Grantee from (i) opposing an event or conduct that Grantee reasonably believes is a violation of law, including criminal conduct, discrimination, harassment, retaliation, a safety or health violation, or other unlawful employment practices (whether in the workplace or at a work-related event), (ii) disclosing sexual assault or sexual harassment (in the workplace, at work-related events, between employees or between an employer and an employee or otherwise), or (iii) reporting such an event or conduct to Grantee's attorney, law enforcement, or the relevant law-enforcement agency (such as the Securities and Exchange Commission, Department of Labor, Occupational Safety and Health Administration, Equal Employment Opportunity Commission, the state or local division of human rights), or (iv) making any truthful statements or disclosures required by law or otherwise cooperating in an investigation conducted by any government agency (collectively referred to as "**Protected Conduct**"). In addition, nothing requires notice to or approval from the Company before engaging in such Protected Conduct.

9. **COMPLIANCE WITH LAW.** The issuance and transfer of shares of Common Stock of the Company upon the vesting of the RSU Award shall be subject to compliance by the Company and the Grantee with all applicable requirements of the United States federal and state securities laws and with all applicable requirements of any stock exchange on which the Company's shares of Common Stock may be listed. No shares of Common Stock shall be issued or transferred unless and until any then applicable requirements of the United States federal and state laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its legal counsel. The Grantee understands that the Company is under no obligation to register the shares of Common Stock with the U.S. Securities and Exchange Commission, any United States state securities commission, any securities regulatory body outside of the United States, or any stock exchange to affect such compliance.

If the Grantee is a resident of one of the countries listed on Appendix C to this Agreement, then the country specific provisions found in Appendix C are incorporated into this Agreement by reference. Grantee is also referred to Appendix D for state specific provisions that may apply, and if applicable as stated in Appendix D or by court order, are incorporated into this Agreement by reference.

10. **EQUITY HOLDING GUIDELINES.** Some Grantees may be subject to the TTEC executive Stock Ownership Guidelines, attached to this Agreement and incorporated within it by reference as Appendix A. If in your role you are subject to the Stock Ownership Guidelines, by signing below you (a) confirm that you are (i) aware of the Company's expectations with respect to your equity holdings in the Company, (ii) the time you have to honor these expectations and (iii) how the Company envisions that you reach the appropriate holding levels; and (b) hereby agree to exercise best efforts to meet such expectations.
11. **DATA PRIVACY.** Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Grantee's personal data as described in this Agreement and any other RSU grant materials by and among, as applicable, the Grantee's employer, TTEC and its other Affiliates for the exclusive purpose of implementing, administering, and managing Grantee's participation in the Plan. Grantee understands that TTEC and the employer may hold certain personal information about Grantee, including, but not limited to, Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in TTEC, details of all RSUs or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in Grantee's favor ("**Data**"), for the exclusive purpose of implementing, administering and managing the Plan.

Grantee understands that Data will be transferred to Bank of America, Merrill Lynch or such other stock plan service provider as may be selected by TTEC in the future, which is assisting TTEC with the implementation, administration, and management of the Plan. Grantee understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than Grantee's country. Grantee understands that if he or she resides outside the United States, he or she may

request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Grantee authorizes TTEC, Bank of America, Merrill Lynch and any other possible recipients which may assist TTEC (presently or in the future) with implementing, administering, and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. Grantee understands that Data will be held only as long as is necessary to implement, administer and manage Grantee's participation in the Plan. Grantee understands if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, Grantee understands that he or she is providing the consents herein on a purely voluntary basis. If Grantee does not consent, or if Grantee later seeks to revoke his or her consent, his or her employment status or service and career with the employer will not be adversely affected; the only adverse consequence of refusing or withdrawing Grantee's consent is that TTEC would not be able to grant Grantee RSUs or other equity awards or administer or maintain such awards. Therefore, Grantee understands that refusing or withdrawing his or her consent may affect Grantee's ability to participate in the Plan. For more information on the consequences of Grantee's refusal to consent or withdrawal of consent, Grantee understands that he or she may contact his or her local human capital representative.

12. **GOVERNING LAW AND DISPUTE RESOLUTION.**

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

Entering into this Agreement is not a condition of Grantee's employment. If Grantee does not wish to consent to having disputes regarding this Agreement litigated in the State of Delaware, under Delaware law, Grantee can reject this Agreement by not signing this agreement. Doing so, however, would mean that none of the terms of this Agreement will apply, including the grant of RSUs offered to Grantee in connection with this Agreement. However, Grantee's other compensation will not be impacted by virtue of Grantee's decision not to enter into this Agreement.

- c. Attorneys' Fees. The party that prevails in any action to enforce any provision of this Agreement shall recover all reasonable costs and attorneys' fees incurred in connection with the action. The Company shall be deemed the prevailing party, entitled to all of its reasonable attorneys' fees, costs and expenses, if it is awarded any part of the legal or equitable relief it seeks, irrespective of whether some of the relief it seeks is denied or modified.
13. **ADMINISTRATION OF THE AGREEMENT AND AWARDS.**
- a. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by the Grantee or the Company to the Committee for review. The resolution of such dispute by the Committee shall be final and binding on the Grantee and the Company.
- b. Settlement of Vested RSUs. RSUs subject to an RSU Award shall be settled pursuant to the terms of the Plan, in stock or cash, as soon as reasonably practicable following the vesting thereof, but in no event later than March 15 of the calendar year following the year in which the RSUs vest.
- c. Amendment. The Company has the right to amend, suspend, or cancel the unvested RSUs granted hereunder, prospectively; *provided that*, no such amendment shall adversely affect the Grantee's material rights under this Agreement without the Grantee's consent, and to the extent the RSUs hereby granted are not yet vested and the Grantee is not in breach of the Agreement, the Company shall provide a substitute instrument of equal value and no less favorable terms in exchange for amended, altered, suspended, discontinued or canceled RSUs.
- d. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon the Grantee and the Grantee's beneficiaries, executors, administrators, and the person(s) to whom the RSUs may be transferred by will or the laws of descent or distribution.
- e. Discretionary Nature of All Future Awards. This RSU Award is voluntary and occasional and does not create any contractual, statutory, or other right to receive future RSU Awards, or benefits in lieu of RSUs, even if the RSUs have been granted in the past. Future Awards, if any, will be at the sole discretion of the Company.
- f. No Impact on Other Benefits. The value of the Grantee's Restricted Stock is not part of his/her normal or expected compensation for purposes of calculating any severance, retirement, welfare, insurance, or similar employee benefit.
14. **CHANGE OF CONTROL PROVISIONS**. This RSU Award is subject to the Change of Control rights and entitlements as further referenced in Appendix B to this Agreement and incorporated into the Agreement by reference.

15. **CONFIDENTIALITY.** Grantee agrees not to disclose, directly or indirectly, to any other employee, director or consultant of TTEC or an Affiliate and to keep confidential all information related to any Awards granted to Grantee, pursuant to the Plan, including the amount of any such Award and its vesting schedule.
16. **SEVERABILITY AND ENTIRETY.** The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.
- The Agreement (including the Plan) constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior and contemporaneous agreements, oral or written, between the Company and Grantee relating to Grantee's entitlement to RSUs or similar benefits, under the Plan. Notwithstanding the immediately preceding sentence, should Grantee be subject to an equity or other agreement with the Company containing confidentiality, non-solicitation, noncompetition and/or intellectual property rights provisions, the Protective Covenants in this Agreement shall supplement (rather than supersede) the covenants in such other agreements ("Other Covenants"), and the Other Covenants shall remain in full force and effect. To the extent any conflict exists between the Protective Covenants and the Other Covenants, the Company shall be provided the greatest protection set forth in either agreement.
17. **COUNTERPARTS.** This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.
18. **ACCEPTANCE.** The Grantee hereby acknowledges receipt of a copy of the Plan and this Agreement. The Grantee has read and understands its terms and provisions and accepts the RSU Award subject to the terms and conditions of the Plan and this Agreement. The Grantee acknowledges that there may be adverse tax consequences upon the grant or vesting of the RSUs or disposition of the underlying shares and that the Grantee has been advised to consult a tax advisor prior to such grant, vesting or disposition.

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

TTEC Holdings, Inc.

By: Laura Butler,

Chief People Officer, TTEC

XX (Grantee)

Employee ID: XX

Grant Date: XXXX, 2024

For additional information about securities granted under this Agreement please refer to our 2020 Equity Incentive Plan document and related Prospectus incorporated herein by reference. These documents can be found on the Legal home page in Mosaic.

CERTIFICATIONS

I, Kenneth D. Tuchman, certify that:

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

Date: May 8, 2024

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

CERTIFICATIONS

I, Kenneth R. Wagers, III, certify that:

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

Date: May 8, 2024

By: /s/ KENNETH R. WAGERS, III
Kenneth R. Wagers, III
Chief Financial Officer
(Principal Financial and Accounting Officer)

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

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

- (a) the Form 10-Q of the Company for the quarter ended March 31, 2024 filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities and Exchange Act of 1934; and
- (b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ KENNETH D. TUCHMAN

Kenneth D. Tuchman

Chairman and Chief Executive Officer

Date: May 8, 2024

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

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

- (a) the Form 10-Q of the Company for the quarter ended March 31, 2024 filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities and Exchange Act of 1934; and
- (b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ KENNETH R. WAGERS, III

Kenneth R. Wagers, III
Chief Financial Officer

Date: May 8, 2024
