

TTEC Holdings, Inc.
Form DEF 14A
April 12, 2019
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

- o Preliminary Proxy Statement
- o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material under §240.14a-12

TTEC Holdings, Inc.
(Name of Registrant as Specified In Its Charter)

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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Notice of 2019 Annual Meeting of Stockholders

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Our Vision

We are transforming our company to help our clients transform theirs. Every interaction we have with our clients, their customers, our colleagues and the communities where we operate are guided by this vision and these values.

Purpose

Deliver humanity to business.

Vision

Leading the world's most respected organizations to create and grow emotionally connected, valuable, lasting relationships.

Mission

Accelerate growth by simplifying and personalizing interactions that build deep engagement between people and brands.

Our Values

| Lead every day

We lead every day at every level to achieve results. We know that courageous, authentic leadership translates into positive impact.

| Act as one

We're stronger together – one company with one purpose and one team. We work together and have each other's backs.

| Seek first to understand

| Reach for amazing

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We delight customers every chance we get. We strive to see the world through the eyes of our clients, their customers and our colleagues.

We are innovators who make amazing things possible. We spark creativity and never accept can t.

| Do the right thing

We expect the highest degree of integrity from ourselves and each other. We act with honesty and respect in everything we do.

| Live life passionately

We believe in our purpose and live it with intensity. We celebrate, laugh and have fun together.

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April 12, 2019

Dear Stockholders:

It is my pleasure to invite you to join us at the Annual Meeting of Stockholders of TTEC Holdings, Inc., to be held at 9197 South Peoria Street, Englewood, Colorado. The meeting will take place on Wednesday, May 22, 2019, at 10:00 a.m., Mountain Daylight Time. At the meeting, we will report on TTEC's results for fiscal year 2018, our operations and comment on our business outlook for 2019. We hope you are able to attend.

Details regarding admission to the meeting and the business to be conducted at the meeting are provided in the Notice of the Annual Stockholders Meeting and the accompanying Proxy Statement. Together with the Proxy Statement, we are making available a copy of our 2018 Annual Report to Stockholders. We encourage you to read our Annual Report, which includes our audited financial statements and provides detailed information about our business.

We elected to provide access to our proxy materials via the internet under the U.S. Securities and Exchange Commission's internet notice and access rules. In our business, we are focused on improving the engagement between our clients and their customers. Our aspirations with respect to our stockholders are no different. We believe that by making our proxy materials available via the internet, we enhance our stockholders' experience in accessing our information, understanding our business, and the way in which TTEC is governed and managed to maximize our stockholder, client and employee value. By providing the proxy materials via the internet, we also reduce the environmental impact of our Annual Meeting. For additional information about the Annual Meeting, please see the [Important Information About the Proxy Materials and Voting Your Shares](#) section of this Proxy Statement.

PLEASE VOTE

Your vote is important. Whether or not you plan to attend the Annual Meeting, we encourage you to read these materials carefully and promptly vote your shares. There are several ways you can vote: via the internet, by telephone, by mailing the enclosed proxy or by attending our Annual Stockholders Meeting in person. Please vote as soon as possible to ensure that your vote is recorded promptly. If you hold shares in a brokerage account, your broker will not be able to vote your shares on most matters unless you provide your voting instructions.

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On behalf of the Board of Directors and all TTEC employees, thank you for your continued confidence in TTEC and our business.

Very truly yours,

KENNETH D. TUCHMAN

Chairman and Chief Executive Officer

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Notice of 2019 Annual Meeting of Stockholders

Wednesday, May 22, 2019

10:00 a.m. Mountain Daylight Time

TTEC Global Headquarters

9197 South Peoria Street

Englewood, Colorado 80112

ITEMS OF BUSINESS:

At the meeting, our stockholders will be asked to:

- Elect seven directors named in the Proxy Statement, for a term of one year;
- Ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2019; and
- Transact such other business, including stockholder proposals, as may properly come before the meeting.

The meeting will also include a report on our financial results for fiscal year 2018, our operations and comment on our business outlook for 2019.

RECORD DATE:

Only stockholders of record at the close of business on March 29, 2019, will be entitled to receive notice of, and to vote at, the 2019 Annual Stockholders Meeting.

By Order of the Board of Directors

Margaret B. McLean
Senior Vice President, Corporate Secretary and General Counsel

Englewood, Colorado
 April 12, 2019

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to be held on May 22, 2019: This Notice of Annual Meeting and Proxy Statement and the 2018 Annual Report are available at ttec.com.

REVIEW YOUR PROXY STATEMENT AND VOTE IN ONE OF FOUR WAYS:			
	VIA INTERNET Visit the website listed on your proxy card.		BY MAIL Sign, date and return your proxy card in the enclosed envelope.
	BY TELEPHONE Call the telephone number on your proxy card.		IN PERSON Attend the Annual Meeting and vote in person.
ELECTION TO RECEIVE ELECTRONIC DELIVERY OF FUTURE ANNUAL MEETING MATERIALS.			
You can expedite delivery and avoid costly mailings by confirming in advance your preference for electronic delivery.			

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9197 South Peoria Street
Englewood, Colorado 80112

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

PROXY STATEMENT EXECUTIVE SUMMARY

This summary highlights only selected information contained in this Proxy Statement. We encourage you to read the entire Proxy Statement and TTEC's 2018 Annual Report before voting your shares.

MATTERS TO BE VOTED ON AT THE 2019 ANNUAL MEETING

Proposal	Board Recommendation	For more detail, see page:
1. Election of directors	FOR each Nominee	<u>40</u>
2. Ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2019	FOR	<u>45</u>

OUR COMPANY

- Our Company was founded in 1982 and since its formation was a pioneer in the customer engagement management industry. Today, we are a leading global technology and services provider focused on the design, implementation and delivery of transformative customer experience solutions for many large traditional and disruptive brands.

- Our portfolio of services allows us to design and deliver superior customer experience and engagement across numerous communication channels for clients in the automotive, communications and media, financial services, government, healthcare, technology, transportation, consumer services, and retail industries.

- Our solutions are supported by more than 52,000 employees delivering services in 23 countries from 85 customer engagement centers on six continents.

- Our services are value-oriented, outcome-based, and delivered through two Centers of Excellence:
 - TTEC Digital (which includes our Customer Strategy and Customer Technology Services business segments) designs, builds and delivers human centric, tech-enabled, insight-driven customer experience solutions.

 - TTEC Engage (which includes our Customer Growth and Customer Management Services business segments) operates turnkey customer acquisition, care, revenue growth, digital fraud protection and detection, and content moderation services.

- TTEC is committed to the highest ethical, environmental and safety standards everywhere we do business, and, through our [TeleTech Community Foundation](#), TTEC invests in education and development in communities where we live and work.

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2018 PERFORMANCE HIGHLIGHTS

Our 2018 performance is summarized below:

- Our revenue was a record \$1.509 billion, an increase of 2.2 percent over the year ago period.
- Our income from operations was \$92.1 million or 6.1 percent of revenue, an 8.4 percent decrease year over year. Income from operations on a non-GAAP basis¹ was \$106.1 million, or 7.1 percent of revenue, compared to 8.4² percent in the prior year.
- Our net cash provided by operating activities was \$168.3 million compared to \$113.2 million in the prior year.
- We booked \$600 million in new business, a 35.7 percent increase over the prior year.
- Our diluted earnings per share were \$0.77 compared to \$0.16 in the prior year, and \$1.49¹ compared to \$1.88³ in prior year on a non-GAAP basis.
- We paid a total of \$25.3 million in cash dividends to our shareholders.

¹ TTEC computes company performance metrics on a non-GAAP basis, which adjusts for non-operating items including, but not limited to, asset impairment, restructuring charges and integration expenses, deconsolidation of subsidiaries, changes in acquisition earn-outs, changes in tax valuation allowances, return to provision adjustments, one-time non-recurring items and adjustments for assets held for sale and wind-down (AHFS/WD). Please review a copy of the 2018 Annual Report and 2018 full year earnings press release for a reconciliation of these non-GAAP adjustments.

² As part of its 2017 Proxy Statement, TTEC reported that its non-GAAP operating income was 8.2% of revenue. The 8.4% referenced above as a year over year comparison now reflects the add-back related to losses from assets held for sale during 2017 which is now consistent with how we calculate and disclose this value in 2018.

³ As part of its 2017 Proxy Statement TTEC reported that its non-GAAP diluted earnings per share was \$1.80. The \$1.88 non-GAAP diluted earnings per share referenced above as a year over year comparison is now calculated based on the Net Income versus previously used Net Income Available for TTEC Stockholders metric, which is now consistent with how we calculate and disclose this value in 2018.

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CORPORATE GOVERNANCE HIGHLIGHTS

Our Board follows sound governance practices.

Independence

- In 2018, six out of our seven Board members were independent directors.
- All Board committees, except a special purpose Executive Committee, are comprised exclusively of independent directors.
- In 2019, six out of seven Board of Directors nominees are independent directors.

Executive Sessions

- The independent directors regularly meet in executive sessions without management.
- The independent directors regularly meet with the independent auditor, internal audit and legal executives in executive sessions without management.

Board Oversight of Risk Management

- Our Board understands, oversees and regularly reviews risks inherent in TTEC's business.
- The Audit Committee of the Board reviews our overall enterprise risk management policies and practices, is actively involved in the oversight of our Enterprise Risk Management program, and reviews risks inherent in our internal controls over our financial reporting, risks specific to how we collect, store, use and transfer information, risks specific to our geographic footprint and concentration, risks specific to our varied regulatory compliance framework around the world, and our cybersecurity risks.
- The Compensation Committee of the Board evaluates the risks associated with TTEC's management and employee compensation plans and the structure of our employee incentives.
- The Nominating & Governance Committee of the Board is focused on risks inherent in our governance, management and board succession planning, and risks specific to crisis management and incident response.

Stock Ownership Requirements

- Our Chief Executive Officer and Chief Financial Officer must, within five years of attaining their positions, hold common stock valued at 3x their base salary.
- Members of our executive leadership team at the executive vice president level must, within five years of appointment, hold common stock valued at 2.5x their base salary; while executives at the senior vice president level must hold 1.5x their base salary.
- Our Board members must, within five years of joining our Board, hold common stock valued at 3x their annual cash retainer fees.

Board Practices

- Our Board annually reviews its overall effectiveness and the effectiveness of its committees.
- Board nomination priorities are adjusted annually to ensure that our Board, as a whole, continues to reflect the appropriate mix of skills, experience, and competencies necessary to support TTEC's strategy.
- Our Board committees have access to independent advisors at their sole discretion.

Accountability

- All directors stand for election annually.
- Our Chairman of the Board and Chief Executive Officer is the controlling stockholder of TTEC. He controls 68.1 percent of our common stock.

DIRECTOR EXPERIENCE

The Board and our Nominating and Governance Committee believe that diversity in experience and perspectives is important for achieving sound decisions and driving stockholder value. The following chart reflects the experience of our Board members in 2018:

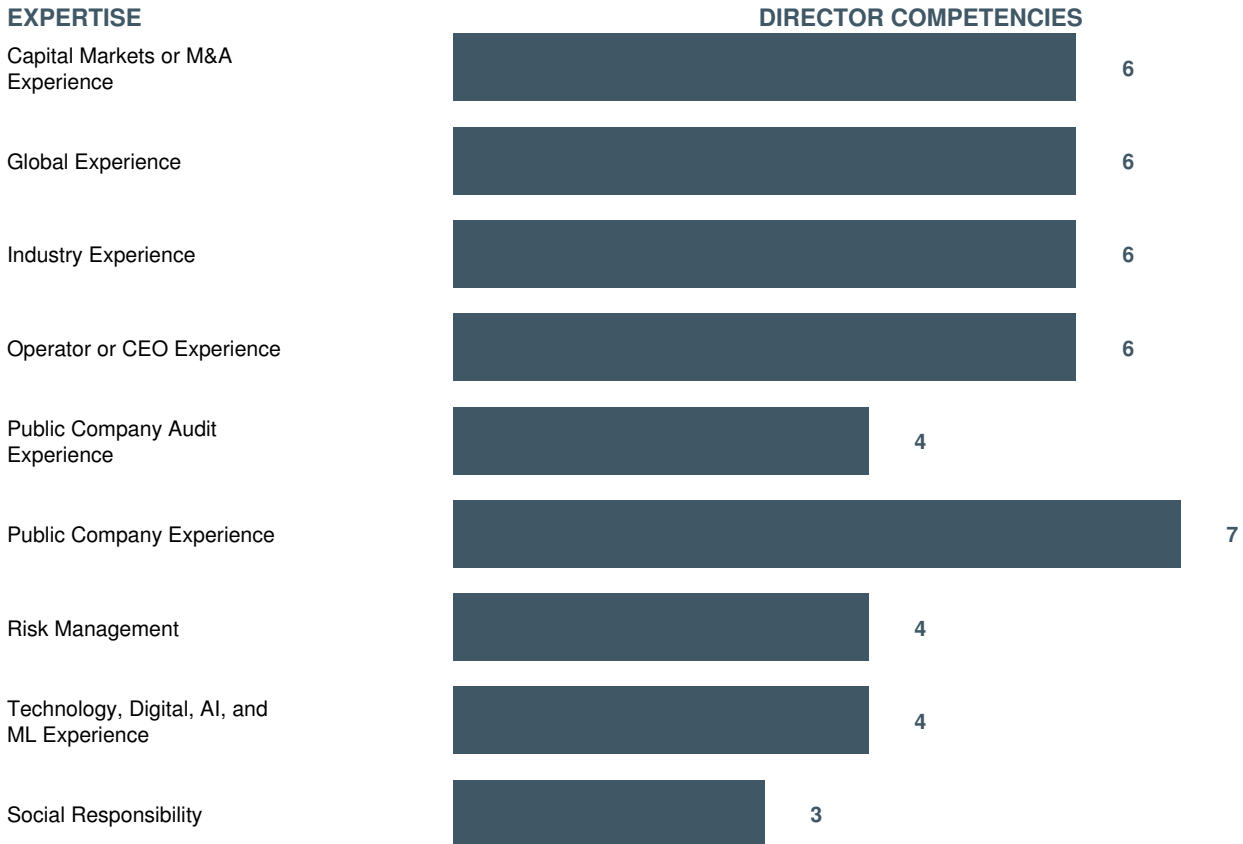


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Director	Age	Director Since	Independent	Qualifications
Kenneth D. Tuchman	59	1994		<ul style="list-style-type: none"> • Capital Markets or M&A Experience • Global Experience • Industry Experience • Operator or CEO Experience • Public Company Experience • Risk Management Experience • Social Responsibility • Tech, Digital, AI and ML Experience • TTEC founder
Steven J. Anenen	66	2016	ii	<ul style="list-style-type: none"> • Capital Markets or M&A Experience • Global Experience • Industry Experience • Operator or CEO Experience • Public Company Experience • Risk Management
Tracy L. Bahl	57	2013	ii	<ul style="list-style-type: none"> • Capital Markets or M&A Experience • Industry Experience • Operator or CEO Experience • Public Company Audit Experience • Public Company Experience
Gregory A. Conley	64	2012	ii	<ul style="list-style-type: none"> • Capital Markets or M&A Experience • Global Experience • Industry Experience

				<ul style="list-style-type: none"> • Operator or CEO Experience • Public Company Audit Experience • Public Company Experience
Robert N. Frerichs	67	2012	ii	<ul style="list-style-type: none"> • Tech, Digital, AI and ML Experience • Capital Markets or M&A Experience
				<ul style="list-style-type: none"> • Global Experience • Industry Experience • Operator or CEO Experience • Public Company Audit Experience • Public Company Experience
Marc L. Holtzman	59	2014	ii	<ul style="list-style-type: none"> • Tech, Digital, AI Experience • Capital Markets or M&A Experience
				<ul style="list-style-type: none"> • Global Experience • Industry Experience • Operator or CEO Experience • Public Company Experience • Risk Management Experience
Ekta Singh-Bushell	47	2017	ii	<ul style="list-style-type: none"> • Social Responsibility • Global Experience
				<ul style="list-style-type: none"> • Public Company Audit Experience • Public Company Experience • Risk Management Experience • Social Responsibility • Tech, Digital, AI and ML Experience

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2018 EXECUTIVE COMPENSATION HIGHLIGHTS

- Our executive compensation program is designed to reward financial results and effective strategic leadership, which we believe are key to building sustainable value for our stockholders.
- Our executive compensation program utilizes a mix of base salary, and short- and long-term incentives, to attract and retain highly qualified executives and maintain a strong relationship between executive pay and company performance.
- Our employment agreements for key Executive Officers were changed in 2018 to introduce severance, benefit continuation, non-competition, and non-solicitation provisions aligned to market; to change cash bonus eligibility to up to 100 percent of base salary, subject to the Compensation Committee of the Board's discretion to increase for overperformance against targets; to set equity grant opportunities to between 50th and 75th percentile of peer group and market; and to align total direct compensation (TDC) to 50th percentile overall of peer group and market.
- Our executive compensation program places significant weight on ethical and responsible conduct in pursuit of TTEC's strategic goals.
- Our executive compensation program places a meaningful portion of compensation at risk by aligning cash incentive payments to performance and by granting equity that vests over four- and five-year periods to ensure that the actual compensation realized by executives aligns with stockholder value over the long term.
- Our executive officers are subject to stock holding requirements that further align their interests with our stockholders.
- We ensure that our rewards are affordable by aligning them to the Company's annual business plan.
- At our 2017 Annual Meeting of Stockholders, 82.96 percent voted in favor of holding an advisory vote on Say-On-Pay every three years with the next advisory vote being presented for stockholders consideration as part of our Proxy Statement at the 2020 Annual Meeting of Stockholders.

- At our 2017 Annual Meeting of Stockholders, our stockholders have indicated strong support for our executive compensation program with 99.6 percent voting in favor of the program.

The following table reflects the compensation decisions made by the Compensation Committee for TTEC's Named Executive Officers (NEOs) who continue to serve as TTEC's executive officers as of the date of this Proxy Statement.

Named Executive Officers	Actual Total Direct (TDC) Compensation ¹	Market TDC at 25th	Market TDC at 50th	Market TDC at 75th	Percentile
Kenneth D. Tuchman	\$ 1 ²	\$4,413,000	\$4,688,000	\$6,137,000	<25th
Martin F. DeGhetto	\$1,085,897	\$1,714,000	\$2,161,000	\$2,776,000	<25th
Judi A. Hand	\$1,066,738	\$1,280,000	\$2,089,000	\$3,374,000	<25th
Regina M. Paolillo	\$1,103,129	\$1,928,000	\$2,128,000	\$3,162,000	<25th
Steven C. Pollema	\$926,535	\$1,714,000	\$2,161,000	\$2,776,000	<25th

¹ Actual TDC represents base salary earned in 2018, FMV equity grant awarded in 2018 and full-year bonus earned for 2018 performance paid in 2018 and 2019.

² As previously disclosed, at Mr. Tuchman's request, the Compensation Committee approved Mr. Tuchman's base salary to be \$1 per year.

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GENERAL INFORMATION

This proxy statement (Proxy Statement) is issued in connection with the solicitation of proxies by the Company s Board of Directors for use at the 2019 Annual Meeting of Stockholders (the Annual Meeting) to be held on May 22, 2019 at 10:00 a.m. Mountain Daylight Time, at 9197 South Peoria Street, Englewood, Colorado 80112 and at any adjournment or postponement thereof.

On or about April 12, 2019, we will begin distributing to each stockholder entitled to vote at the Annual Meeting either (1) this Proxy Statement, a proxy card or voting instruction form, and our 2018 Annual Report to Stockholders, which we collectively refer to as the proxy materials, or (2) an email or notice of internet availability of proxy materials, in each case with instructions on how to access electronic copies of our proxy materials.

This Proxy Statement contains important information regarding the Annual Meeting, the proposals on which you are being asked to vote, information about our voting procedures, and information you may find useful in determining how to vote.

IMPORTANT INFORMATION ABOUT THE PROXY MATERIALS AND VOTING YOUR SHARES

Why am I receiving these proxy materials?

The Company is soliciting your proxy in connection with the Annual Meeting. As a stockholder, you are invited to attend the Annual Meeting and are requested to vote on the items of business discussed in this Proxy Statement.

Why did I receive a Notice of Internet Availability of proxy materials?

Under the rules of the U.S. Securities and Exchange Commission, we are using the internet as the primary means of furnishing proxy materials to our stockholders. Most of our stockholders will not receive printed copies of the proxy materials unless they request them. Accordingly, if you received a Notice of Internet Availability of Proxy Materials (the Notice of Internet Availability) by mail, you will not receive a printed copy of the proxy materials, unless you request one as instructed in that notice. Instead, the Notice of Internet Availability will instruct you on how you may access and review the proxy materials on the internet, free of charge. This approach to distribution of proxy materials reduces the environmental impact of our Annual Meeting, expedites stockholders receipt of the proxy materials, and lowers our costs. The Notice of Internet Availability also includes instructions allowing stockholders to request to receive future proxy materials in printed form by mail or electronically by email.

How can I vote my shares?

If you are a stockholder of record, you may vote by internet, by telephone or by mail at any time prior to the meeting, or you may vote in person at the meeting, as follows:

- **Vote by Internet** at www.proxyvote.com. Use the internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m. Eastern Daylight Time on May 21, 2019. Have your proxy card or Notice of Internet Availability in hand when you access the website and follow the instructions to obtain your records and to create an electronic voting instruction form.
- **Vote by Phone**. Use any touch-tone telephone to call 1-800-690-6903 to transmit your voting instructions up until 11:59 p.m. Eastern Daylight Time on May 21, 2019. Have your proxy card in hand when you call and then follow the instructions. If you received a Notice of Internet Availability, you may request a proxy card by following the instructions in the notice.
- **Vote by Mail**. If you received or requested a printed copy of the proxy materials by mail, you may vote by proxy by filling out the proxy card and returning it in the postage-paid envelope we have provided or returning it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. If you received a Notice of Internet Availability, you may request a proxy card by following the instructions in the notice.
- **Vote at the Meeting**. You may vote your shares at the meeting. You will be admitted to the meeting only if you have a ticket. See [How can I attend the Annual Meeting?](#) in this Proxy Statement for instructions on obtaining a ticket.

If your shares are held in an account at a brokerage firm, bank, or similar organization, you will receive voting instructions from the organization holding your account and you must follow those instructions to vote your shares.

Additional Procedures. Votes cast by proxy prior to the Annual Meeting will be tabulated by an automatic system administered by Broadridge Financial Solutions, Inc. Votes cast by proxy or in person at the Annual Meeting will be counted by the persons we appoint to act as election inspectors for the Annual Meeting. With regard to the election of directors, votes may be cast for, against or abstain; votes that abstain will be excluded entirely from the tabulation of votes and will have no effect. Cumulative voting is not permitted in the election of directors. Consequently, you are entitled to one vote for each share of our common stock held in your name for as many persons as there are directors to be elected, and for whose election you have the right to vote.

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With respect to the other proposals submitted for stockholder approval (other than the election of directors), you may vote for or against the proposal, or you may abstain. Abstentions will have the same effect as a negative vote on the ratification of the appointment of our independent registered public accounting firm for 2019.

If you hold shares beneficially in street name and do not provide your broker with voting instructions, your shares may constitute broker non-votes. Generally, brokerage firms have the authority to vote your shares without your voting instructions on certain routine matters, such as Proposal 2, but not on other non-routine items, such as Proposal 1. In tabulating the voting result for any particular proposal, shares that constitute broker non-votes are not considered votes cast on that proposal. Thus, broker non-votes will not affect the outcome of any matter being voted on at the meeting, assuming that a quorum is obtained.

For your information, voting via the internet is the least expensive to us, followed by telephone voting, with voting by mail being the most expensive. Also, you may help to save us the expense of a second mailing if you vote promptly.

What are the matters to be voted on at the Annual Meeting?

The items of business scheduled to be voted on at the Annual Meeting are:

- **Proposal 1:** The election of seven directors (see page [40](#)); and
- **Proposal 2:** The ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2019 (see page [45](#)).

We will also consider other business that properly comes before the Annual Meeting.

What are my voting choices?

For the election of directors (Proposal 1), you may vote FOR , AGAINST , or ABSTAIN with respect to each nominee. For ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2019 (Proposal 2), you may vote FOR , AGAINST or ABSTAIN .

How does the Board recommend that I vote?

Our Board recommends that you vote your shares:

- FOR each of the nominees to our Board; and
- FOR the ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2019;

Kenneth D. Tuchman, our Chairman and Chief Executive Officer and the beneficial owner of approximately 68.1 percent of the issued and outstanding shares of common stock as of the record date (approximately 68.1 percent of the shares entitled to vote, excluding stock options) has indicated that he intends to vote:

- FOR each of the nominees to our Board; and
- FOR the ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2019.

How will my shares be voted by proxy?

Valid proxies provided to the Company by telephone, over the internet, or by a mailed proxy card will be voted at the Annual Meeting as directed by you unless revoked in accordance with the instructions. If you properly execute and submit your proxy, but do not indicate how you want your shares voted, the persons named as your proxies will vote your shares in accordance with the recommendations of our Board of Directors. These recommendations are:

- FOR each of the nominees to our Board; and
- FOR the ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2019.

Why does this Proxy not include vote on executive compensation matters?

At our 2017 Annual Meeting of Stockholders, we asked stockholders to consider how often they wish to vote, on advisory basis, on matters involving executive compensation (the frequency of say-on-pay vote). In response, 82.96 percent of votes cast approved holding an advisory vote on executive compensation (the say-on-pay vote) every three years. Based on this advisory vote and after carefully considering that in the last six years TTEC shareholders approved our executive compensation by an average margin of

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greater than 95 percent, the Board of Directors decided to hold the advisory vote on executive compensation every three years. The next advisory vote on executive compensation will be presented to stockholders for consideration as part of the 2020 Proxy Statement and will occur at the 2020 Annual Meeting of Stockholders. The stockholders will have their next opportunity to consider how often they wish to vote on matters involving executive compensation as part of 2023 Annual Meeting of Stockholders.

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How can I revoke my proxy or change my vote?

You may revoke your proxy or change your vote at any time prior to the taking of the vote at the Annual Meeting. If you are the stockholder of record, you may change your vote by:

- Voting again through the internet, by telephone, or by completing, signing, dating, and returning a new proxy card with a later date, all of which automatically revoke the earlier proxy so long as completed prior to the applicable deadline for each method;
- Providing a written notice of revocation to our Corporate Secretary at TTEC Holdings, Inc., 9197 South Peoria Street, Englewood, Colorado 80112 prior to your shares being voted; or
- Attending the Annual Meeting and voting in person. Your attendance at the meeting alone will not cause your previously granted proxy to be revoked unless you specifically so request before the taking of the vote.

For shares you hold beneficially in street name, you may change your vote by submitting new voting instructions to your broker, bank, trustee, or nominee following the instructions they provided, or, if you have obtained a legal proxy from your broker, bank, trustee, or nominee giving you the right to vote your shares, by attending the Annual Meeting and voting in person.

Will shares I hold in my brokerage account be voted if I do not provide timely voting instructions?

If your shares are held through a brokerage firm, they will be voted as you instruct on the voting instruction card provided by your broker. If you sign and return your card without giving specific instructions, your shares will be voted in accordance with the recommendations of our Board of Directors.

If you do not provide timely instructions as to how your brokerage shares are to be voted, your broker will have the authority to vote them only on the ratification of our independent registered public accounting firm. Your broker will be prohibited from voting your shares on the election of directors. These broker non-votes will be counted only for the purpose of determining whether a quorum is present at the meeting and not as votes cast.

Will shares that I own as a stockholder of record be voted if I do not return my proxy card in a timely manner?

Shares that you own as a stockholder of record will be voted as you instruct on your proxy card. If you sign and return your proxy card without giving specific instructions, they will be voted in accordance with the recommendations of our Board of Directors. If you do not return your proxy card in a timely manner, your shares will not be voted unless you or your proxy holder attends the Annual Meeting and vote in person.

What is required to conduct the business of the Annual Meeting?

In order to conduct business at the Annual Meeting, a quorum of a majority of the outstanding shares of common stock entitled to vote as of the record date must be present in person or represented by proxy. Both abstentions and broker non-votes are counted for the purpose of determining the presence of a quorum.

How many votes are required to approve each proposal?

Directors are elected by a plurality of the votes cast. This means that the seven individuals nominated for election to the Board who receive the most FOR votes (among votes properly cast in person, electronically, telephonically, or by proxy) will be elected.

The affirmative vote of the holders of a majority of the outstanding shares of Common Stock present in person or represented by proxy at the meeting and entitled to vote is required to approve the ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm.

How are votes counted?

Abstentions will be treated as shares that are present and entitled to vote and will consequently have the effect of a vote AGAINST the particular matter. Votes withheld from a director nominee will have no effect on the election of the director from whom votes are withheld. If a broker indicates on the proxy card that it does not have discretionary authority to vote certain shares on a particular matter, it is referred to as a broker non-vote. Broker non-votes will be treated as shares that are present and entitled to vote for purposes of determining the presence of a quorum but will not be considered as voted for the purpose of determining the approval of the particular matter.

If I own or hold shares in a brokerage account, can my broker vote my shares for me?

The vote on election of directors is a matter on which brokers do not have discretionary authority to vote. Thus, if your shares are held in a brokerage account and you do not provide instructions as to how your shares are to be voted on this proposal, your broker or other nominee will not be able to vote your shares on this matter. Accordingly, we urge you to provide instructions to your broker or nominee so that your votes may be counted. You should vote your shares by following the instructions provided on the voting instruction card that you receive from your broker.

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If I share an address with another stockholder, how will we receive our proxy materials?

For stockholders of record, we have adopted a procedure called "householding", which the U.S. Securities and Exchange Commission has approved. Under this procedure, we are delivering a single copy of the Notice of Internet Availability and, if applicable, this Proxy Statement and the 2018 Annual Report to multiple stockholders who share the same address unless we have received contrary instructions from one or more of the stockholders. This procedure reduces our printing and mailing costs and the impact of printing and mailing these materials on the environment. Stockholders who participate in householding will continue to be able to access and receive separate proxy cards. Upon written or verbal request, we will deliver promptly a separate copy of the Notice of Internet Availability and, if applicable, this Proxy Statement and the 2018 Annual Report to any stockholder at a shared address to which we delivered a single copy of any of these documents. To receive a separate copy of the Notice of Internet Availability and, if applicable, this Proxy Statement, the 2018 Annual Report, or to request delivery of a single copy of these materials if multiple copies are currently being delivered, stockholders may contact us at TTEC Holdings, Inc., 9197 South Peoria Street, Englewood, Colorado 80112, Attention: Investor Relations, or by calling +1.800.835.3832. If you are outside of the U.S., please dial +1.303.397.8100, or by emailing investor.relations@ttec.com.

Stockholders who hold shares in "street name" (as described above) may contact their brokerage firm, bank, broker-dealer, or other similar organization to request information about householding.

How can I attend the Annual Meeting?

If you plan to attend the Annual Meeting, please mark the appropriate box on the proxy card and return the proxy card promptly. The admission ticket for the meeting will be forwarded to you. If you are a stockholder of record and arrive at the Annual Meeting without an admission ticket, we will have to verify your share ownership before you are admitted to the meeting. If you are a beneficial owner, you will only be admitted upon presentation of evidence of your beneficial holdings, such as a bank or brokerage firm account statement.

How can I see the list of stockholders entitled to vote?

A complete list of stockholders entitled to vote at the Annual Meeting will be available for examination by any stockholder, for any purpose germane to the meeting, at the Annual Meeting and at our principal office located at 9197 South Peoria Street, Englewood, Colorado 80112 during normal business hours for a period of at least 10 days prior to the Annual Meeting.

What happens if additional items of business are presented at the Annual Meeting?

We are not aware of any items that may be voted on at the Annual Meeting that is not described in this Proxy Statement. However, the holders of the proxies that we are soliciting will have the discretion to vote them in accordance with their best judgment on any additional matters that may be voted on, including matters incidental to the conduct of the Annual meeting.

Is my vote confidential?

Stockholders may elect that their identity and individual vote be held confidential by marking the appropriate box on their proxy card or ballot. Confidentiality will not apply to the extent that voting disclosure is required by law or is necessary or appropriate to assert or defend any claim relating to voting. Confidentiality also will not apply with respect to any matter for which votes are solicited in opposition to the director nominees or voting recommendations of our Board of Directors, unless the persons engaging in the opposing solicitation provide stockholders with voting confidentiality comparable to that which we provide.

Where can I find the voting results?

We expect to announce preliminary voting results at the Annual Meeting and to publish final results in a Current Report on Form 8-K that we will file with the U.S. Securities and Exchange Commission within four business days following the meeting. The report will be available on our website at tec.com under the Investors and SEC Filings tabs.

How may I obtain financial and other information about TTEC?

Additional financial and other information about the Company is included in our Annual Report on Form 10-K, which we file with the U.S. Securities and Exchange Commission, and which is available on our website at tec.com under the Investors and SEC Filings tabs. We will also furnish a copy of our 2018 Annual Report (excluding exhibits), except those that are specifically requested, without charge to any stockholder who so requests by contacting our Investor Relations department at TTEC Holdings, Inc., 9197 South Peoria Street, Englewood, Colorado, 80112, Attention: Investor Relations, by calling +1.800.835.3832. If you are based outside of the U.S., please dial +1.303.397.8100, or by emailing investor.relations@tec.com.

You can also obtain, without charge, a copy of our bylaws, codes of conduct and Board committee charters by contacting the Investor Relations department or you can view these materials on the internet by accessing our website at tec.com and clicking on the Investors tab, then clicking on the Corporate Governance tab.

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Who will conduct and pay for the cost of this proxy solicitation?

We will bear all costs of soliciting proxies, including reimbursement of banks, brokerage firms, custodians, nominees, and fiduciaries for reasonable expenses they incur. Proxies may be solicited personally, by mail, by telephone, or via internet; by our directors, officers, or other regular employees without remuneration other than regular compensation. We will request brokers and other fiduciaries to forward proxy materials to the beneficial owners of shares of common stock that are held of record by such brokers and fiduciaries and will reimburse such persons for their reasonable out-of-pocket expenses.

CORPORATE GOVERNANCE

TTEC is committed to best practices in corporate governance. The Company is governed by our Board of Directors. The role of the Board includes:

- Oversight of the Company's management;
- Appointment of the Chief Executive Officer;
- Goal setting for and overseeing performance of the Company's executive management team;
- Management succession planning;
- Oversight of effective corporate governance, including selecting and recommending for stockholders approval nominees for the Board of Directors;
- Assessment of Board performance;
- Board succession planning;
- Forming and staffing Board committees;

- Review and oversight of the development and implementation of the Company's annual strategic, financial, and operational plans and budgets;
- Assessment and monitoring of Company's risk and risk management practices;
- Review and approval of significant corporate actions;
- Monitoring of processes designed to assure TTEC's integrity and transparency to its stakeholders, including financial reporting, compliance with legal and regulatory obligations, maintenance of confidential channels to report concerns about violations of laws and policies, and protection against reprisals for those who report such violations;
- Oversight of the relationship between the Company and its stockholders; and
- Support for the Company's commitment to its corporate responsibility and sustainable business.

Board Leadership Structure

Our Board is led by TTEC's founder, Mr. Kenneth D. Tuchman, who serves as the Chairman of the Board. Mr. Tuchman is also TTEC's Chief Executive Officer. The Board retains the flexibility to determine from time to time whether the position of the Chief Executive Officer and the Chairman of the Board should be combined or separated, whether an independent director should serve as Chairman of the Board, and whether to appoint a lead independent director to serve as a liaison between independent directors and the Chairman.

At present, the Board believes that the Company is best served by having Mr. Tuchman serve as both the Chairman of the Board and Chief Executive Officer of TTEC. The Board's view is based on the facts that Mr. Tuchman beneficially owns approximately 68.1 percent of the outstanding equity in the Company, has a unique insight into the Company's customer engagement solutions strategy as an industry innovator and the Company founder, and is intimately involved in the day-to-day strategic direction of the Company.

Since the size of the Company's Board is relatively small and each independent director has unrestricted access to Mr. Tuchman and the Company's management, the independent members of the Board do not currently perceive the need for an appointment of a lead independent director. Our Board also believes that appointing a lead independent director may serve to create a potential conflict among the directors and interfere with the current collaborative environment in the boardroom that permits the Board to leverage the knowledge and experience of each Board member to drive strategic initiatives necessary to support the Company's transformation from a business process outsourcing service provider to an integrated customer consulting, technology, growth and

care services company.

With the exception of Mr. Tuchman, all of our other directors are independent.

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The Board is aware of the potential conflicts that may arise in having Mr. Tuchman, the Company's largest and controlling stockholder, serve as the Chairman of the Board, but believes that there are adequate governance safeguards in place to mitigate against such risks. Such safeguards include, but are not limited to,

- The Board and Board committees hold executive sessions comprised entirely of the independent directors.
- Board members have unrestricted access to independent consultants including legal counsel.
- During 2018, six of seven directors were independent on our Board.
- Our Board members and executives have a shareholding guideline consistent with industry best practices.
- Our Compensation Committee, comprised entirely of independent directors, makes all executive management compensation determinations based on the individual manager's performance and input from independent compensation consultants.
- Our Board and its committees perform an annual self-assessment and act on the findings.
- Our Compensation Committee retains an independent compensation consultant when it deems it appropriate.
- Our Board published Corporate Governance Guidelines to communicate to the stockholders and other stakeholders how the Company is governed.

Although we qualify as a controlled company under the listing rules of the NASDAQ Stock Market, the Company elects not to avail itself of governance exceptions available to controlled companies under these rules. Specifically, a majority of our Board of Directors is independent and our Board's committees, including our Nominating and Governance Committee and our Compensation Committee are comprised solely of independent directors, even though the Company is exempt from these corporate governance requirements as a controlled company.

Lastly, our Board has in the past demonstrated the independence necessary to address potential conflicts of interest through the use of special ad hoc committees to address specific matters when they arise or requesting that the Chairman abstain from deliberations and voting on certain decisions that may represent a conflict with his controlling stockholdings in the Company.

Board Participation in 2018

- Nine Board meetings held in 2018
- Each director attended at least 90 percent of all Board and relevant committee meetings
- All directors attended our Annual Meeting of Stockholders in 2018

Board Risk Oversight

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While our executive officers are responsible for day-to-day management of risk at TTEC, our Board oversees and monitors our enterprise risk management (ERM) practices in the course of its ongoing review of the Company's strategy, business plans, risk management, and risk transfer programs. The Board recognizes that certain risk taking is essential for any company to stay competitive. It is the view of the Board, however, that the risk taking must be reasoned and measured, and must be evaluated and mitigated appropriately. To this end, the Board, as a whole, and through its Audit Committee actively participates in the oversight of the Company's ERM program.

In 2018, the Board's ERM oversight primarily focused on, but was not limited to, the following areas (i) the Company's strategy and long-term growth plans; (ii) cybersecurity preparedness and cybersecurity incident response; (iii) risks inherent in TTEC's global footprint and certain geographic concentrations; (iv) business continuity planning; (v) emergency preparedness, critical incident response, and disaster recovery planning; (vi) risks arising from the complexities of regulatory compliance framework that affects TTEC's global business; (vii) the service delivery effectiveness of the Company's business segments; and (viii) risks inherent in our controls over financial reporting. The responsibility for managing each of these high priority risks areas, as identified by the ERM process, was assigned to one or more members of the executive management team. The Board has delegated the oversight of certain categories of risk management to designated Board committees, which report to the Board on matters related to the specific areas of risk they oversee.

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Board/Committee	Primary Areas of Risk Oversight
Full Board	Enterprise risk management structure; strategic risk associated with TTEC's business plan; litigation that may have material financial or reputational impact on the Company; significant capital transactions, including M&A, technology investment and divestitures; capital structure risks; service delivery effectiveness; and CEO and senior management succession planning.
Audit Committee	Risks related to financial reporting, disclosure and related controls; major financial exposure risks; significant IT risks, including information security and cybersecurity risks; ethics and compliance risks; risks inherent in the Company's regulatory environment; currency exposure risks; liquidity risks; business continuity and disaster recovery planning; and related-party transactions risks.
Compensation Committee	Executive recruiting, retention, and succession planning; compensation policies and practices, including incentive compensation; and health and welfare benefits programs. Assessment of the risks associated with compensation policies and practices applicable to TTEC's employees to determine if such policies and practices are reasonably likely to have a material adverse effect on TTEC.
Nominating and Governance Committee	Corporate governance risks; effectiveness of Board's and its committees' performance; Board succession, Board candidate nomination and succession planning; conflicts of interest; and director independence and competencies; complexity involved in TTEC's global regulatory framework.

The Board and its committees periodically request and receive comprehensive reports from key Company functions, including finance, treasury, tax, legal, information security, human capital and IT; and have the opportunity to assess risk exposures of the business in these specific functional areas. The Audit Committee, with assistance and input from management, conducts an annual enterprise-wide risk assessment and adopts the Company's annual internal audit plan, designed to test business processes that may represent special risk exposures to the Company. The Audit Committee quarterly reviews the results of completed internal audits and actively monitors the progress of recommended remedial and mitigation plans. In addition to the Company's ERM and internal audit processes, the Board and the Audit Committee monitor and oversee the Company's periodic assessment of the effectiveness of its internal controls over financial reporting.

To ensure that the Company's compensation practices and policies do not have a material adverse effect on the Company and its business, the Compensation Committee annually reviews TTEC's executive compensation programs for inherent risks and alignment with the Company's objectives. The Committee receives periodic reports from the Company's human capital and legal departments on steps that TTEC takes to anticipate and mitigate any potential risks in long and short-term incentive and performance-based compensation programs. The Compensation Committee believes that executive compensation should be contingent on performance relative to targets and business plans. It expects TTEC senior executives to achieve these targets in a manner consistent with TTEC's values, ethical standards, and policies. The Board engages in periodic discussions with management on how to maximize executives' performance through compensation incentives without creating unreasonable risks to the business. For additional information on TTEC compensation programs' risks, please review section titled [Compensation Discussion and Analysis](#) in these proxy materials.

Communications with Our Board

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The Board established a process for stockholders and other interested parties to communicate with the Board or any directors by requesting that all communication be sent to the following address:

Board of Directors

c/o Corporate Secretary

TTEC Holdings, Inc.

9197 South Peoria Street

Englewood, Colorado 80112

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The following table outlines the composition of each of our Board committees during 2018:

Director	Audit Committee	Compensation Committee	Nominating and Governance Committee	Executive Committee
Kenneth D. Tuchman				Chair
Steven J. Anenen			ü	ü
Tracy L. Bahl		Chair	ü	ü
Gregory A. Conley	Chair	ü		
Robert N. Frerichs	ü	ü	Chair	
Marc L. Holtzman				
Ekta Singh-Bushell	ü		ü	

Audit Committee

The Audit Committee operates under the Audit Committee charter adopted by our Board and available at ttec.com/investors/corporate-governance/ (Corporate Governance under the Investors tab on our public website.com). It is responsible for, among other things:

- Assisting the Board in its oversight of the integrity of TTEC's financial statements;
- Overseeing the adequacy of internal controls over our financial reporting and disclosure processes;
- Selecting, evaluating, and appointing the independent registered public accounting firm, including assessing the public accounting firm's independence and qualifications;
- Reviewing and approving all non-audit services performed by the independent registered public accounting firm;
- Overseeing the activities and progresses of the TTEC internal audit department;
- Overseeing TTEC's ethics program and its confidential hotline process, including reviewing the establishment of and compliance of employees and executives with the Company's employee code of

conduct, *Code of Ethics: How TTEC Does Business*, and the Company's *Ethics Code for Executive and Financial Officers*;

- Overseeing investigations into any matters within the Audit Committee's scope of responsibility;
- Overseeing the enterprise risk management programs including its privacy, information security, and regulatory compliance risk management; and
- Reviewing and approving all related-party transactions.

In 2018, the members of the Audit Committee included Gregory A. Conley (Chair), Robert N. Frerichs, and Ekta Singh-Bushell. Throughout 2018, each Committee member was independent the meaning of the NASDAQ Stock Market Rules and Rule 10A-3(b)(1) under the U.S. Securities Exchange Act of 1934.

Our Board determined that Mr. Conley, Mr. Frerichs, and Ms. Singh-Bushell qualify as an audit committee financial expert within the meaning of the U.S. Securities and Exchange Commission rules. Mr. Conley's relevant experience includes his experience as a chief executive officer and director of several public and private companies. Mr. Frerichs' relevant experience includes his CPA credentials, his role as chair of one of the largest public consultancies in the world, his career in audit and risk management, and his tenure on the audit committees of several companies. Ms. Singh-Bushell's relevant experience includes her CPA credentials, her tenure as a member of several audit committees for public companies, and her two decades of experience working for a global public accounting and consultancy firm.

The Audit Committee oversees TTEC's disclosure processes, including TTEC's anonymous and confidential channels available to employees. The Committee established procedures for, and oversees receipt and treatment of, confidential (including anonymous) submissions by TTEC employees of concerns about the Company's accounting, internal control, and auditing practices. These processes are established to assure accurate and complete financial reporting and to identify timely any potential issues that could impact TTEC's accounting, financial reporting, and effectiveness of its internal controls. The Audit Committee reviews and assesses the matters raised through these reporting channels and monitors management's response to these reports, engaging when warranted.

The Audit Committee evaluates the independence, qualifications, and performance of TTEC's internal audit function and annually approves the Company's internal audit plan. The Committee also discusses with management TTEC's risk assessment and management practices; the Company's major financial, operational, and regulatory risk exposures; and the steps management has taken to monitor and mitigate such exposures to be within the Company's risk tolerance levels.

During 2018, the Audit Committee held four regularly scheduled meetings and four special meetings and did not approve any matters through unanimous written consent.

The Audit Committee reviews and assesses the adequacy of its charter, and revises it, if appropriate, on an annual basis.

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Compensation Committee

The Compensation Committee operates under the Compensation Committee charter adopted by our Board and available at ttec.com/investors/corporate-governance/ (Corporate Governance under the Investors tab on our public website ttec.com). It is responsible for, among other things:

- Reviewing performance goals and approving the annual salary, incentives, and all other compensation for each executive officer, including any employment arrangements and change of control agreements with such officers;
- Reviewing and approving compensation programs for independent Board members;
- Reviewing and approving material employee benefit plans (and changes to such plans);
- Reviewing and evaluating risks associated with our compensation programs; and
- Adopting and administering various equity-based incentive plans.

In 2018, the members of the Compensation Committee included Tracy L. Bahl (Chair), Gregory A. Conley, and Robert N. Frerichs. Throughout 2018, each member of the Committee was independent, as defined under the NASDAQ Stock Market Rules, a non-employee director, as defined under U.S. Securities and Exchange Commission Rule 16b-3, and an outside director, as defined under section 162(m) of the Internal Revenue Code of 1986, as amended.

During 2018, the Compensation Committee held four regularly scheduled meetings and four special meetings and approved one matter through unanimous written consent. The Compensation Committee reviews and assesses the adequacy of its charter, and revises it, if appropriate, on an annual basis.

Nominating and Governance Committee

The Nominating and Governance Committee operates under the Nominating and Governance Committee charter adopted by our Board and available at ttec.com/investors/corporate-governance/ (Corporate Governance under the Investors tab on our public website ttec.com). It is responsible for, among other things:

- Identifying and recommending to our Board qualified candidates to stand for election to the Board (or be appointed pending the election at the Annual Stockholders Meeting);
- Overseeing development and succession planning for executive offices of the company; and
- Overseeing TTEC's corporate governance, including the evaluation of the Board and its committees performance and processes, and assignment and rotation of Board members to various committees.

During 2018, the members of the Nominating and Governance Committee included Robert N. Frerichs (Chair), Tracy L. Bahl, Steven J. Anenen, and Ekta Singh-Bushell who joined the Nominating and Governance Committee in May 2018. Each member satisfies the independence requirements for nominating committee members pursuant to the NASDAQ Stock Market Rules.

During 2018, the Nominating and Governance Committee held four regularly scheduled meetings, no special meetings, and approved no matters through unanimous written consent. The Nominating and Governance Committee reviews and assesses the adequacy of its charter, and revises it, if appropriate, on an annual basis.

Executive Committee

The Board's Executive Committee is a special standing committee of the Board appointed to take certain action, under a delegation of authority resolution from the Board, between regularly scheduled Board meetings that are otherwise reserved to the Board. All actions taken by the Executive Committee are reported to and reviewed by the full Board at the Board meeting immediately following the action taken. The Executive Committee is authorized to consider and approve, among other things:

- Mergers, acquisitions, and divestiture transactions at a level in excess of management's authority but below a certain specific authority limit exclusively reserved to the full Board, provided that such transactions are not inconsistent with TTEC's overall strategy as approved by the Board;
- Capital expenditure transactions at a level in excess of management's authority but below a certain specific authority limit designated by the Board, provided that such transactions are consistent with the annual business plan approved by the Board; and
- Funding for the share repurchase program at a level in excess of management's authority but below a certain specific limit designated by the Board.

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During 2018, the members of the Executive Committee included Kenneth D. Tuchman (Chair), Tracy L. Bahl, and Steven J. Anenen.

The Executive Committee did not meet during 2018.

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Ethics Code for Executive and Financial Officers

We have adopted an Ethics Code for Executive and Financial Officers that guides the behavior of our senior executives and financial officers beyond our code of business conduct that applies to all employees, including our Chief Executive Officer, Chief Financial Officer, Executive Vice Presidents leading each of our business segments, General Counsel, Treasurer, Controller, senior accounting and finance executives who support our key business segments, financial directors, and controllers of each of our business segments and any person performing similar functions. The Ethics Code for Senior Executive and Financial Officers is available on our website at ttec.com/investors/corporate-governance/ (Corporate Governance under the Investors tab on our public website ttec.com) and we intend to disclose any waiver of, or amendments to, the [Ethics Code for Executive and Financial Officers](#) on our website. You may also obtain a copy of the document without charge by writing to:

TTEC Holdings, Inc.

9197 South Peoria Street

Englewood, Colorado 80112

Attention: Corporate Secretary

In addition to our Ethics Code for Senior Executive and Financial Officers, TTEC also has a code of business conduct (Ethics Code: How TTEC Does Business). This document mandates rules of ethical business conduct for all TTEC employees, members of our Board of Directors, and our suppliers and partners, including our executives and financial officers. We maintain a confidential web-based and telephone hotline, where employees can seek guidance or report concerns about violations of laws, our policies, or either of the ethics codes, including any concerns about financial reporting, misconduct, or fraud.

Director Compensation Overview

During 2018, the independent directors' compensation was as follows:

- An annual retainer of \$75,000;
- Additional annual retainer fees for Board committee service as follows:

Chair of Audit Committee	\$ 27,000
Members of Audit Committee	\$ 13,500

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Chair of Compensation Committee	\$ 20,000
Members of Compensation Committee	\$ 10,000
Chair of Nominating and Governance Committee	\$ 15,000
Members of Nominating and Governance Committee	\$ 5,000

- An annual grant of \$100,000 of restricted stock units in TTEC stock, based on the fair market value of our common stock on the grant date; and
- Non-employee directors who join the Board also receive an initial fair market value-grant in the amount of \$100,000, based on the fair market value of our common stock on the grant date. The initial restricted stock unit grant vests on the earlier of the first anniversary of the grant date or the date of the succeeding year's Annual Meeting of Stockholders, or any change-in-control event (as defined in the relevant restricted stock unit agreement).

The employee directors do not receive additional compensation for their Board service.

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The following table summarizes the actual compensation earned by independent directors during 2018:

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) 1,2	Total (\$)
Steven J. Anenen	\$ 80,000	\$99,989	\$179,989
Tracy L. Bahl	\$100,000	\$99,989	\$199,989
Gregory A. Conley	\$112,000	\$99,989	\$211,989
Robert N. Frerichs	\$113,500	\$99,989	\$213,489
Marc L. Holtzman	\$ 75,000	\$99,989	\$174,989
Ekta Singh-Bushell	\$ 91,534	\$99,989	\$191,523

1 Reflects the aggregate dollar amounts recognized for stock awards for financial statement reporting purposes in accordance with the guidance in Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation - Stock Compensation (FASB ASC Topic 718).

For information regarding assumptions used to compute grant date fair market value with respect to the stock awards, see Note 18 to our financial statements in our Annual Report on Form 10-K for the year ended December 31, 2018.

2 As of December 31, 2018, independent directors Messrs. Anenen, Bahl, Conley, Frerichs, Holtzman and Mrs. Singh-Bushell all held 2,793 unvested restricted stock unit awards.

In February 2019, the Board of Directors of TTEC Holdings, Inc., on the recommendation of Management and the Compensation Committee of the Board, approved revisions to compensation arrangements for the independent directors of the Company to be effective as of the start of the 2019/2020 board cycle in May 2019. The recommendation was based on peer group and market data analysis.

The revisions to the compensation arrangements are:

- (i) increase the amount of the cash retainer paid to members of the Nominating & Governance Committee from \$5,000 to \$6,000 per annum;
- (ii) increase the value of the annual equity grant for all directors from \$100,000 to \$110,000; and
- (iii) increase the value of the initial/welcome equity grant made to independent director who join the Board from \$100,000 to \$110,000.

AUDIT COMMITTEE REPORT

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The TTEC Audit Committee of the Board (the Audit Committee) is comprised entirely of independent directors who meet the independence requirements of the U.S. Securities and Exchange Commission (the SEC) and NASDAQ Stock Market s Listing Rules. TTEC s Board of Directors has determined that each member of its Audit Committee has accounting and other related financial management expertise, and, therefore, qualifies as an audit committee financial expert, as that term is defined by the SEC. The Audit Committee operates pursuant to a charter that is reviewed annually and updated to comply with the relevant regulatory requirements. The Audit Committee charter was most recently reviewed and updated in May 2018 and is available in the Investor Relations section of our website at ttec.com/sites/default/files/audit_committee_charter.pdf.

In performing its functions, the Audit Committee acts in an oversight capacity. The Committee is responsible for overseeing TTEC s financial reporting processes and internal control structure on behalf of the Company s Board of Directors, while management is responsible for the preparation, presentation, and integrity of the financial statements, and the effectiveness of TTEC s internal control over financial reporting. TTEC s independent auditor, PricewaterhouseCoopers LLC (PwC or the Auditor), is responsible for auditing TTEC s financial statements and providing an opinion on the conformity of TTEC s consolidated financial statements with generally accepted accounting principles and on the effectiveness of TTEC s internal control over financial reporting.

In 2018, the Audit Committee held eight meetings. The Audit Committee s agenda for each meeting is set by the Audit Committee s chairperson in consultation with and on recommendation of TTEC s Chief Financial Officer. During these meetings, the Audit Committee met with the senior members of TTEC s financial management team, and, when appropriate, had separate private sessions with TTEC s Chief Financial Officer, General Counsel, head of internal audit, and PwC to discuss financial management, legal, accounting, internal and external audit activities, and internal control issues.

As part of its oversight function, the Audit Committee reviews TTEC s quarterly and annual reports on Form 10-Q and Form 10-K prior to their filing with the SEC and has detailed discussions with management about the quality and reasonableness of significant accounting judgments and estimates, and the clarity of disclosures in the financial statements. In addressing the quality of management s accounting judgments, the Audit Committee asks for management s representations and reviews certifications prepared by TTEC s Chief Executive Officer and the Chief Financial Officer that the unaudited quarterly and audited annual consolidated financial statements of the Company fairly present, in all material respects, the financial condition, results of operations, and cash flows of TTEC.

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The Audit Committee reviewed and discussed with management TTEC's audited annual consolidated financial statements. Based on this review, the discussions with management about the quality and reasonableness of management's significant accounting judgments, and in reliance on the reports and opinions of the Auditor, the Audit Committee unanimously recommended to the TTEC Board of Directors that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

The Audit Committee also periodically reviews TTEC's enterprise risk management program and the progress that the Company is making on planned risk mitigation activities for key risks, including its cybersecurity risks, risks inherent in TTEC's global footprint, business continuity and disaster recovery risks, emergency preparedness, crisis management, and critical incident response planning; risks associated with geographic concentration of some of TTEC's operations and enterprise services facilities; and risks arising from the complexities of regulatory compliance framework that affects TTEC business.

In 2018, the Audit Committee focused in particular on TTEC's cybersecurity preparedness, reviewing investments that management made and steps it has taken to protect TTEC's systems and information against cyberattacks. The Committee also reviewed the Company's cybersecurity maturity assessment, cybersecurity continuous improvement plans for the year, and the ongoing progress that the Company made against these plans. The Committee also participated in the incident response mock exercise that TTEC cybersecurity team conducts from time to time.

During the year, the Committee also reviewed the approach that the Company takes on compliance with various regulatory requirements that affect its business around the globe, including its HIPAA, GDPR, and PCI preparedness; and steps that the Company takes to protect privacy of employees and clients where the Company acts as a data processor or controller for personally identifiable information.

During the year, the Audit Committee also receives periodic status reports on the effectiveness of the Company's treasury function, including its foreign exchange exposure management; its tax function, including its global tax planning practices; the Company's acquisition integration activities; and its investor relations activities. This year, the Committee also reviewed progress that the Company made on the development and testing of various business continuity and disaster recovery plans.

The Audit Committee also monitored, throughout the year, the Company's confidential hotline activities, focusing on procedures that the Company has in place for confidential submission of employee concerns about accounting and financial reporting practices, internal controls and audit matters, possible violations of laws, and other concerns about the business. The Committee's quarterly reviews of TTEC employee hotline activity included trend analysis by business segment and geographic location, and management's actions in addressing these trends. Periodically, the Committee also reviewed the Company's code of business conduct (*Ethics Code: How TTEC Does Business*), the Ethics Code for Senior Executive and Financial Officers, and the level of training that the Company provides on these codes of conduct and Company values.

As part of its oversight responsibilities, the Audit Committee oversees TTEC's annual audit by its independent auditor, PwC, including the Auditor's audit approach, audit plan, and critical audit matters; and whether the provision of minor non-audit services is appropriate given the Auditor's independence. The Audit Committee also works with the Auditor to make sure that the PwC TTEC audit team, supported by PwC's partners with experience related to TTEC's operations in key countries where TTEC does business and other PwC subject matter experts, has the appropriate level of professional expertise to oversee the conduct of the TTEC annual independent audit.

Each year, the Audit Committee evaluates the performance of PwC and its senior engagement team and determines whether to re-engage the Auditor for the coming year. In doing so, the Audit Committee considers the quality and efficiency of the services provided by the Auditor, the Auditor's global capabilities, the Auditor's technical expertise including innovation and technologies that the Auditor uses to provide its services to the Company, the Auditor's tenure as TTEC's independent auditor, its knowledge of the Company's global operations and industry, and the quality of the Auditor's interactions with the Audit Committee of the Board. Based on this evaluation, the Audit Committee decided to engage PwC as TTEC's independent auditor for the year ended December 31, 2018. This appointment was ratified by TTEC stockholders at the 2018 Annual Stockholders Meeting.

The Audit Committee also considered the fees that PwC charged the Company for the audit services in 2018 and determined them to be reasonable and adequate to ensure a comprehensive audit. In 2018, PwC's Audit Fees were \$3.7 million, a decrease of \$0.3 million year over year due primarily to improved efficiencies achieved by PwC and TTEC's accounting team in work required during the course of the year.

Although the Audit Committee has the sole authority to appoint the independent auditor, the Audit Committee will continue its long-standing practice of recommending that the Board ask the stockholders, at their annual meeting, to ratify the appointment of the independent auditor for the coming year (see Proposal 2 beginning on page [45](#)).

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In accordance with SEC rules, to limit the number of consecutive years an individual audit partner may lead the independent audit for the Company, the Auditor's engagement partner for TTEC is subject to the five-year rotation requirement. Assuming satisfactory performance and the Audit Committee's continuing engagement of PwC as TTEC's independent auditor, the current engagement partner's rotation period will end effective with the annual audit for the period ending on December 31, 2022, rotating off our account in 2023. The Audit Committee works closely with PwC to assure appropriate succession planning for an orderly transition when the engagement partner's rotation period with TTEC ends, or if the partner leaves TTEC engagement for other reasons.

The Audit Committee periodically reviews the rules and regulations adopted from time to time by the Public Company Accounting Oversight Board (the PCAOB) and works with the Auditor to ensure that its opinion conforms with these requirements. During the year, the Audit Committee also discusses with the Auditor those matters that are required to be discussed under the rules adopted by the PCAOB and received written disclosures from the Auditor required by applicable PCAOB requirements regarding the Auditor's communication with the Audit Committee concerning their independence.

Audit Committee

Gregory A. Conley, Chair
Robert N. Frerichs
Ekta Singh-Bushell

STOCK OWNERSHIP OF DIRECTORS, MANAGEMENT, AND CERTAIN BENEFICIAL OWNERS

The table below sets forth information, as of March 29, 2019, concerning the beneficial ownership of the following persons and entities:

- Each person or entity known to us to beneficially own more than five percent of our outstanding common stock;
- Each of our directors and nominees for our Board;
- Each of our executive officers, including our Named Executive Officers; and
- All of our current directors and executive officers as a group.

We have determined beneficial ownership in accordance with U.S. Securities and Exchange Commission rules. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons and entities named in the table below have sole voting and/or investment power with respect to all shares of common stock that they beneficially own, subject to applicable community property laws.

Applicable percentage ownership is based on 46,212,098 shares of common stock outstanding at March 29, 2019. In computing the number of shares of common stock beneficially owned by a person or entity and the percentage ownership of that person or entity in accordance with U.S. Securities and Exchange Commission rules, we deemed outstanding shares of common stock: (1) subject to stock options held by that person that are currently exercisable or exercisable within 60 days of March 29, 2019; and (2) issuable upon the vesting of Restricted Stock Units (RSUs) within 60 days of March 29, 2019. in accordance with U.S. Securities and Exchange Commission rules, we did not deem outstanding these two categories of shares of common stock for the purpose of computing the percentage ownership of any other person or entity.

The information provided in the table is based solely on our records, and information filed with the U.S. Securities and Exchange Commission with respect to the owners of our shares of common stock, except where otherwise noted. Unless otherwise indicated, the address of each beneficial owner listed in the table is c/o TTEC Holdings, Inc., 9197 South Peoria Street, Englewood, Colorado 80112.

Table of ContentsStock Ownership of Directors, Management, and Certain Beneficial Owners

Name of the Beneficial Owner	Shares Beneficially Owned			
	Common Stock	Options Vested and Options and RSUs Vesting Within 60 Days of 3/29/2019	Total Beneficial Ownership as of 3/29/2019	Percent of Class
5% Stockholders				
Kenneth D. Tuchman	31,463,707 1,6	-	31,463,707 1,6	68.1%
Executive Officers and Directors				
Kenneth D. Tuchman	31,463,707 1,6	-	31,463,707 1,6	68.1%
Steven J. Anenen	9,840	2,793	12,633 2	*
Tracy L. Bahl	15,946	2,793	18,739 2	*
Gregory A. Conley	10,286	2,793	13,079 2	*
Martin F. DeGhetto	117,849	8,591	126,440 3	*
Robert N. Frerichs	21,161	2,793	23,954 2	*
Judi A. Hand	141,435	8,591	150,026 3	*
Marc L. Holtzman	16,580	2,793	19,373 4	*
Margaret B. McLean	31,066	6,443	37,509 5	*
Regina M. Paolillo	195,948	8,591	204,539 3	*
Steven C. Pollema	11,681	6,443	18,124 5	*
Ekta Singh-Bushell	4,796	2,793	7,589 2	*
Anthony Y. Tsai	-	-	-	*
David M. Anderson	-	-	-	*
All directors, director nominees and executive officers as a group (14 persons)	32,040,295	55,417	32,095,712	69.5%

* Less than 1 percent.

1 Includes 31,453,707 shares subject to sole voting and investment power, and 10,000 shares with shared voting and investment power. The shares with sole voting and investment power consist of: (i) 6,686,901 shares held by Mr. Tuchman; (ii) 14,766,806 shares held by a limited liability partnership controlled by Mr. Tuchman; and (iii) 10,000,000 shares held by a revocable trust controlled by Mr. Tuchman. The shares with shared voting and investment power consist of 10,000 shares owned by Mr. Tuchman's spouse. Mr. Tuchman is the beneficial owner of 68.1 percent of the shares of common stock entitled to vote at the meeting.

2 Includes 2,793 RSUs scheduled to vest within 60 days after March 29, 2019.

3 Includes 8,591 RSUs schedule to vesting within 60 days after March 29, 2019.

4 Includes 13,280 shares held by Mr. Holtzman directly, 3,300 shares held for Mr. Holtzman's minor children and 2,793 shares scheduled to vest within 60 days after March 29, 2019.

5 Includes 6,443 RSUs scheduled to vest within 60 days after March 29, 2019.

6 On May 7, 2018, Mr. Tuchman entered into a Security Agreement with Wells Fargo Bank, National Association, pursuant to the terms of which he agreed to collateralize a certain personal loan with 3,070,000 of TTEC common stock held in KDT Stock Revocable Trust (2018 Security Agreement). Pursuant to 2018 Security Agreement, Mr. Tuchman may pledge additional TTEC shares held by the Trust, directly, or through other vehicles to collateralized additional advancements on the Loan. The 2018 Security Agreement restates and supersedes a certain security agreement for pledge of TTEC shares with Wells Fargo Bank previously executed in December 2015.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors, executive officers, and holders of more than 10 percent of our common stock to file with the U.S. Securities and Exchange Commission reports regarding their ownership and changes in ownership of our equity securities. Based on our review of the Forms 3, 4 and 5 filed, we believe that all our directors, executive officers and 10 percent stockholders filed all Section 16(a) reports on a timely basis during 2018.

RELATED-PARTY TRANSACTIONS

In accordance with our written Related Party Transaction Policy, the Audit Committee of the Board is responsible for reviewing and approving transactions required to be disclosed as a related party transaction under applicable law, including U.S. Securities and Exchange Commission rules (generally, transactions involving amounts in excess of \$120,000 in which a related person has a direct or indirect material interest). TTEC management monitors all related-party transactions and reports about their status to the Audit Committee quarterly. TTEC executive officers and directors complete a questionnaire during the first quarter of each fiscal year, in which they provide information about the terms of all their related-party transactions (as defined in Item 404(a) of Regulation S-K) that occurred during the prior year and that are expected to occur during the current year. In reviewing related-party transactions, the Audit Committee considers whether these transactions are executed at arms-length by reviewing all relevant facts and circumstances, including among others, the commercial reasonableness of the terms, the actual and perceived benefit to the Company, opportunity costs of alternate transactions, the materiality and character of the related-party's interest, the actual and apparent conflict of interests, the impact on a director's independence (if the related-party is a director, an immediate family member of a director, or an entity controlled by a director), and the terms on which a similar transaction can be secured from unrelated third parties.

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During 2018, TTEC has undertaken the following related-party transactions subject to disclosure:

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 a direct 100 percent beneficial ownership interest in Avion and Airmax. During 2018, 2017 and 2016, the Company expensed \$1.1 million, \$1.1 million, and \$1.0 million, respectively, to Avion and Airmax for services provided to the Company. There was \$122 thousand in payments due and outstanding to Avion and Airmax as of December 31, 2018. During 2019, the Company is expecting to spend approximately the same amounts with Avion and Airmax as it did in 2018.

During 2014, the Company entered into a vendor contract with Convercent Inc. (Convercent) to provide learning management and web and telephony based global helpline solutions. This contract was renewed, after an arms-length market pricing review, in the fourth quarter of 2016. Kenneth D. Tuchman, Chairman and Chief Executive Officer of the Company is a majority owner of a company that has a 5 percent interest in Convercent. During 2018, 2017 and 2016, the Company expensed \$60 thousand, \$70 thousand, and \$100 thousand, respectively, to Convercent and is expecting to spend another \$60 thousand with Convercent during 2019.

During 2015, the Company entered into a contract to purchase software from CaféX. During 2018, 2017 and 2016, the Company has purchased \$44 thousand, \$72 thousand and \$405 thousand, respectively from CaféX. TTEC holds a 17.2 percent equity investment in CaféX, but the investment has been written off for GAAP purposes.

As part of Motif, Inc.'s acquisition in 2017, the Company became a party to a real estate lease for certain facilities owned in part by Motif's founders, who are still part owners of the company. The lease expired in the first quarter of 2019 and has no future material payments due under it.

Ms. Regina M. Paolillo, Chief Administrative and Financial Officer of the Company, is a member of the board of directors of Welltok, Inc., a consumer health SaaS company. Ms. Paolillo also holds a very small investment in Welltok. Welltok and the Company have a joint venture, *Welltok TTEC Communications* which provides services to healthcare clients. During the years ended December 31, 2018 and 2017, the Company recorded revenue of \$5.7 million and \$5.5 million, respectively, in connection with the work performed through the joint venture.

EXECUTIVES AND EXECUTIVE COMPENSATION

TTEC Executive Team

The following persons are our executive officers:

Martin F. DeGhetto, 60, serves as TTEC's Executive Vice President, TTEC Engage (that combines TTEC's Customer Growth and Customer Management Services business segments). Mr. DeGhetto joined TTEC in 2010. Between 2008 and 2010, Mr. DeGhetto was an executive vice president and chief operations officer commercial division at Connexions, Inc., then privately-held technology and business services company for the healthcare industry. Prior to Connexions, Mr. DeGhetto spent almost a decade at Convergys Corporation (formerly NYSE:CVG), a customer management company, where he held various positions of increasing responsibility culminating in his role as a senior vice president, North American/European operations which he held between 2003 and 2008. Prior to Convergys, Mr. DeGhetto was an executive with American Express Company (NYSE:AXP) and AT&T/American Transtech. Mr. DeGhetto holds a B.S. Professional Management degree from NOVA Southeastern University.

Judi A. Hand, 57, serves as TTEC's Executive Vice President, Chief Revenue Officer. She joined TTEC in 2007 as President and General Manager for Direct Alliance Corporation, a TTEC wholly owned subsidiary, and between 2011 and 2013 served as TTEC's Chief Sales Officer, the role that she resumed under a new title in 2016. Between 2003 and 2007, Ms. Hand was a senior executive with AT&T (NYSE: T), culminating her career there as a senior vice president for enterprise sales. Prior to AT&T, Ms. Hand worked at Qwest, then a public global communications company and several of its subsidiaries in sales and marketing roles of increasing responsibility. Ms. Hand is a board advisor to Four Winds Interactive and between 2016 and 2017, she was a member of the board of directors of Manitoba Telecom Services, Inc., a Canada telecommunication company. Ms. Hand holds an MBA from Stanford University and a B.S. in Communications degree from University of Nebraska.

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Regina M. Paolillo, 60, serves as Executive Vice President, Chief Administrative and Financial Officer. Ms. Paolillo joined TTEC in 2011. Between 2009 and 2011, Ms. Paolillo was an executive vice president for enterprise services and chief financial officer at Trizetto Group, Inc., a privately held professional services company serving the healthcare industry. Between 2007 and 2008, Ms. Paolillo served as a senior vice president, operations group for General Atlantic, a leading global growth equity firm. Between 2005 and 2007, Ms. Paolillo served as an executive vice president for revenue cycle and mortgage services at Creditek, a Genpact (NYSE:G) subsidiary. Prior to the Company's acquisition by Genpact, between 2003 and 2005 and 2002 and 2003, Ms. Paolillo was Creditek's chief executive officer and chief financial officer respectively. Prior to Creditek, Ms. Paolillo served as the chief financial officer and executive vice president for corporate services at Gartner, Inc., (NYSE:IT) an information technology research and advisory company. Ms. Paolillo is a member of the board of directors of Unisys Corporation (NYSE:UIS) and Welltok, Inc., a private consumer health SaaS company. Ms. Paolillo holds a B.S. in Accounting degree from University of New Haven.

Margaret B. McLean, 55, serves as Senior Vice President, General Counsel and Chief Risk Officer. Ms. McLean joined TTEC in 2013. Between 1998 and 2013, Ms. McLean was a senior executive at CH2M (now part of Jacobs Engineering Group (NYSE:JEC)), a global engineering and program management company, serving as that company's chief legal officer starting in 2007. Prior to that, Ms. McLean was a corporate finance and M&A partner at a major law firm, working in its Denver, London, and Moscow offices. Ms. McLean started her career in IT at Hewlett Packard (NYSE:HPQ) and led the application systems department for Science Applications International Corporation (NYSE:SAIC). She holds a JD from the University of Michigan, an MBA from the University of Colorado, and a B.S. in Management Information Systems and Computer Science from University of Arizona.

Anthony Tony Y. Tsai, 61, serves as Executive Vice President, Chief Information and Innovation Officer. He joined the company in 2017. Prior to joining TTEC, Mr. Tsai led innovation at UST and held leadership positions in multinational organizations including Fresh & Easy Markets, The Beijing Hualian Group, and Procter & Gamble (NYSE:PG). Mr. Tsai holds a B.S. in Engineering and Engineering Management from Stanford University.

Steven C. Pollema, 59, serves as Executive Vice President, TTEC Digital (that combines TTEC's Customer Consulting and Customer Technology Services business segments). Mr. Pollema joined TTEC in 2011 as part of an acquisition of a technology integration company. Prior to joining TTEC, Mr. Pollema worked for eLoyalty technology company since 2001 and held various senior executive roles including the Chief Financial Officer and senior vice president for global delivery and operations. Mr. Pollema began his professional career at Accenture (NYSE:ACN) within the Financial Services/Technology practice. Mr. Pollema holds an MBA in Management Information Systems and a B.S. in Finance from the University of Iowa.

David M. Anderson, 48, serves as Executive Vice President TTEC Digital (that combines TTEC's Customer Consulting and Customer Technology Services business segments). Mr. Anderson joined TTEC in 2018 to facilitate the growth of our Customer Strategy Services segment. Prior to TTEC, Mr. Anderson was global managing partner, front office strategy and transformation services for Tata Consulting (NSEI:TCS); and held various leadership positions with IBM (NYSE:IBM), Motorola Solutions, Inc. (NYSE:MSI) and Opware. He holds an MBA from University of Michigan Ross School of Business.

Information regarding **Kenneth D. Tuchman**, Chairman and Chief Executive Officer is provided in this section under the heading [2019 Director Nominees.](#)

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COMPENSATION DISCUSSION AND ANALYSIS

In this section, we discuss our compensation philosophy and describe the 2018 compensation program for our Chief Executive Officer, Chief Financial Officer, and three additional highest compensated members of our executive leadership team, whom we refer to as our Named Executive Officers (NEOs). We describe compensation earned by each of our Named Executive Officers and explain how our Compensation Committee of the Board determined this compensation, including its rationale for specific 2018 compensation decisions.

2018 TTEC Performance Highlights

Our 2018 performance is summarized below:

- Our revenue was a record \$1.509 billion, an increase of 2.2 percent over the year ago period.
- We booked \$600 million in new business, a 35.7 percent increase over the prior year.
- Our income from operations was \$92.1 million or 6.1 percent of revenue, an 8.4 percent decrease year over year. Income from operations on a non-GAAP basis¹ was \$106.1 million, or 7.1 percent of revenue, compared to 8.42 percent in the prior year.
- Our diluted earnings per share were \$0.77 compared to \$0.16 in the prior year, and \$1.49¹ compared to \$1.88³ in prior year on a non-GAAP basis.
- We paid a total of \$25.3 million in cash dividends to our shareholders.
- Our net cash provided by operating activities was \$168.3 million compared to \$113.2 million in the prior year.

¹ TTEC computes company performance metrics on a non-GAAP basis, which adjusts for non-operating items including, but not limited to, asset impairment, restructuring charges and integration expenses, deconsolidation of subsidiaries, changes in acquisition earn-outs, changes in tax valuation allowances, return to provision adjustments, one-time non-recurring items and adjustments for assets held for sale and wind-down (AHFS/WD). Please review a copy of the 2018 Annual Report and 2018 full year earnings press release for a reconciliation of these non-GAAP adjustments.

² As part of its 2017 Proxy Statement, TTEC reported that its non-GAAP operating income was 8.2% of revenue. The 8.4% referenced above as a year over year comparison now reflects the add-back related to losses from assets held for sale during 2017 which is now consistent with how we calculate and disclose this value in 2018.

3 As part of its 2017 Proxy Statement TTEC reported that its non-GAAP diluted earnings per share was \$1.80. The \$1.88 non-GAAP diluted earnings per share referenced above as a year over year comparison is now calculated based on the Net Income versus previously used Net Income Available for TTEC Stockholders metric, which is now consistent with how we calculate and disclose this value in 2018.

2018 Named Executive Officers

- **Kenneth D. Tuchman**, Chairman of the Board and Chief Executive Officer
- **Martin F. DeGhetto**, Executive Vice President, TTEC Engage (Customer Growth and Customer Management Services business segments)
- **Judi A. Hand**, Executive Vice President, Chief Revenue Office
- **Regina M. Paolillo**, Executive Vice President, Chief Administrative and Financial Officer
- **Steven C. Pollema**, Executive Vice President, TTEC Digital (Customer Consulting and Customer Technology Services business segments)

2018 Executive Compensation Summary

Our executive compensation program is designed to reward financial results and effective strategic leadership, which we believe are key elements in building sustainable value for stockholders. Our compensation programs' performance metrics align the interests of our stockholders and senior executives by correlating the timing and amount of actual pay to the Company's short- and long-term performance goals. Our compensation programs encourage ethical and responsible conduct in pursuit of these goals and the alignment of our leaders with TTEC's vision, mission, and values.

We carefully benchmark our compensation decisions against a relevant group of peer companies—all of which are our potential competitors for the caliber of executive talent required to manage a global and complex business like TTEC.

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During 2018, we updated our executive compensation programs to further align it with best practices and to be market competitive, as follows:

- Targeted the overall total direct compensation (TDC) to be at 50th percentile of peer group and market.
- Adjusted bonus targets to align with the 50th percentile of peer group and market.
- Adjusted annual equity grant targets to align between the 50th and 75th percentile of our peer group and market.
- Implemented double-trigger for all post 2018 equity grants including change in control events.
- Updated severance terms to be market competitive, including salary and benefits continuation and appropriately aligned non-compete and non-solicitation periods in case of separation without cause or due to a change in control event.
- Included a Dodd-Frank claw back provision for bonus payments, equity awards or other payments.

Our executive compensation programs include three principle elements:

Compensation Element	Purpose
• Base Salary	• Provides competitive fixed dollar compensation.
• Annual Performance-Based Cash Incentive Awards	• Provides <i>at risk</i> annual variable cash consideration that aligns executive compensation to the Company and individual achievements of short-term (annual) performance objectives, as established by the Board of Directors. This short-term variable cash compensation element is targeted at the 50th percentile of our peer group.
• Annual Equity Grants	• Provides <i>at risk</i> long-term variable compensation opportunity. Awarded annually, this incentive compensation is based on the individual's performance and the Company's performance in the year granted, but links directly to the Company's performance over time, as equity vests. This long-term variable compensation element is targeted between the 50th and 75th percentile of our peer group.

During 2018, we paid the following to our Named Executive Officers:

	Actual Total Direct (TDC) Compensation 1	Market TDC at 25th	Market TDC at 50th	Market TDC at 75th	Percentile
Kenneth D. Tuchman	\$ 12	\$4,413,000	\$4,688,000	\$6,137,000	<25th
Martin F. DeGhetto	\$1,085,897	\$1,714,000	\$2,161,000	\$2,776,000	<25th
Judi A. Hand	\$1,066,738	\$1,280,000	\$2,089,000	\$3,374,000	<25th
Regina M. Paolillo	\$1,103,129	\$1,928,000	\$2,128,000	\$3,162,000	<25th
Steven C. Pollema	\$ 926,535	\$1,714,000	\$2,161,000	\$2,776,000	<25th

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1 Actual TDC represents base salary earned in 2018, FMV equity grant awarded in 2018, full-year bonus earned for 2018 performance paid in 2018 and 2019.

2 As previously disclosed, at Mr. Tuchman's request, the Compensation Committee approved Mr. Tuchman's base salary to be \$1 per year.

The mix of base and variable *at risk* compensation for 2018 was as follows.

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CONSIDERATION OF 2017 SAY-ON-PAY VOTE

At our 2017 Annual Meeting of Stockholders, 99.6 percent of the votes cast in our stockholder advisory vote approved the compensation of our Named Executive Officers (our Say-On-Pay vote). In light of this stockholder support, the Compensation Committee made no significant changes to the overall design of our compensation programs during 2017 or 2018. The Committee did, however, make a modification to the distribution of the funded incentive pool; allocating greater percentage of compensation based on segment performance and further aligning bonuses to personal performance.

The Compensation Committee will continue to review best practices in executive compensation and adjust the structure of TTEC executive compensations to be consistent with market trends, our pay-for-performance philosophy; and to make sure that TTEC's executive compensation aligns the interest of the executive leadership team with the interests of the Company's stockholders.

The Committee will continue considering the outcome of the stockholders Say-On-Pay votes when making future compensation decisions for our Named Executive Officers.

CONSIDERATION OF 2017 FREQUENCY ON SAY-ON-PAY VOTE

At our 2017 Annual Meeting of Stockholders, we asked stockholders to consider how often they wish to vote, on an advisory basis, on the Say-On-Pay matters (the Frequency of Say-On-Pay vote). In response, 82.96% of the votes cast approved holding an advisory vote on Say-On-Pay every three years. Based on the stockholder vote and after carefully considering that in the last six years TTEC stockholders approved our executive compensation by an average margin of greater than 95%, the Board of Directors decided to hold the advisory vote on executive compensation every three years. The next advisory vote on executive compensation will be presented for stockholders' consideration as part of the 2020 Proxy Statement and will occur at the 2020 Annual Meeting of Stockholders. The stockholders will have their next opportunity to consider how often they wish to vote on matters involving executive compensation as part of 2023 Annual Meeting of Stockholders.

EXECUTIVE LEADERSHIP TEAM COMPENSATION APPROACH AND STRUCTURE

Our Approach to Executive Leadership Compensation

We structure our executive compensation to attract and retain executive talent who can maximize our performance results. Our compensation program is designed to motivate our executive leadership team to remain focused on delivering superior performance that creates long-term investor value. Our executive compensation program also places significant weight on how our leaders align their conduct with TTEC's vision, mission, and values, as they achieve their personal goals and the Company's performance goals.

Our Compensation Practices Include:

Pay for Performance. We encourage a results-oriented culture through pay-for-performance compensation, and annually review executive compensation against Company's overall performance and its annual goals.

Competitive Compensation Targets. We target executive base compensation at the median of our peer group, and the *at risk* variable compensation opportunities between the 50th and 75th percentile of compensation offered by our competitors.

Rigorous Performance Metrics. The Compensation Committee annually reviews and re-sets executive performance targets to assure that they appropriately reflect the goals of the business and are challenging, but achievable.

Stockholder Alignment. Through our compensation practices, we align the interests of our Named Executive Officers, other executive officers and our stockholders to maximize long-term performance goals of the Company.

Affordability of Rewards. We ensure that our rewards are affordable by aligning them to the Company's results of operation as they compare to our annual business plan.

Significant *at risk* Component. We structure our compensation programs with a significant portion that is variable and *at risk* to ensure that the actual compensation realized by Named Executive Officers directly and demonstrably links to individual and Company-wide performance.

Share Ownership Guidelines. Our Chief Executive Officer and Chief Financial Officer are expected to hold TTEC equity in the amount of at least 3 times their base compensation; while other members of the executive leadership team, including all Named Executive Officers, are expected to hold equity equal to 2.5 and 1.5 times their base compensation.

Restrictive Covenants. Members of our executive leadership team are subject to market appropriate restrictive covenants, effective on separation from TTEC. These restrictive covenants include non-competition, client and employee non-solicitation, and customary non-disclosure obligations.

Individual Accountability. Our compensation program is designed to ensure that our Named Executive Officers remain focused on individual operational and financial goals to build the foundation for our long-term success.

Review of Compensation Peer Group. Our Compensation Committee reviews our executive compensation program against our peer group annually and adjusts, when necessary, to make sure that it remains relevant and appropriate.

Table of Contents**Executive Leadership Team Compensation Structure**

To achieve its overarching objectives, our executive compensation program consists of the following three principle elements:

Compensation Element	Characteristics	Purpose	Philosophy
Base salary	Fixed annual compensation that provides a competitive level of base compensation.	Compensate senior executives for their level of experience and responsibility.	We believe base salary should be competitive, and we target it at the 50th percentile of our peer group.
Annual performance-based cash incentive awards	Variable annual cash compensation opportunity funded based on objective Company performance targets (operating income) and paid based on subjective measures of individual performance.	Motivate and reward senior executives for performance against short-term Company goals.	We believe in providing appropriate incentive to drive the Company's short-term financial and operational objectives. This incentive opportunity is targeted at the 50th percentile of our peer group.
Equity awards	Variable equity compensation granted annually, usually, in the form of restricted stock units (RSUs), or stock options or performance-based award opportunities as deemed appropriate. While the awards are based on the individual performance and the Company's performance in the year granted, the incentive links directly to the Company's performance over time, as equity vests.	Motivate and retain senior executives during the multi-year vesting period and focus them on longer term performance objectives by aligning their interests with those of our stockholders through the vesting period.	We believe that equity grants that vest over multiple years encourage the executive management team to focus on the long-term stock value appreciation. The incentive provides a market competitive equity grant targeted between the 50th and 75th percentile of our peer group.

In addition to these primary components of compensation, our senior executives are also eligible to participate in our general health and welfare programs, 401(k) plan, life insurance program, and other employee benefit programs. Although to be competitive, we pay as perquisites all or a portion of certain Named Executive Officers' healthcare premiums, we believe that perquisites should be limited in scope and value, and, historically, they have not constituted a significant portion of executive compensation.

OVERSIGHT OF OUR EXECUTIVE COMPENSATION PROGRAM**Role of the Compensation Committee**

Our Compensation Committee determines all compensation for members of our executive leadership team, including our Named Executive Officers, on an annual basis. In doing so, the Compensation Committee:

- Evaluates the compensation received during the year by each executive, and considers the Company's performance, the individual
- Considers the executive's role in developing and maintaining key client relationships.

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performance of each executive and his/her skills, experience, and responsibilities to determine if any change in the executive's compensation is appropriate.

- Reviews with the Chief Executive Officer the performance of the other Named Executive Officers.
- Reviews peer group data and the advice of the compensation consultant as a measure of the competitive market for executive talent in our industry.
- Considers the executive's contribution to the Company's overall operating effectiveness, strategic success, and profitability, and considers the quality of the executive's decision-making.
- Considers the Company's financial results for the year and how the executive contributed to these results but does not adhere to strict formulas to determine the mix of base salary, equity grants and cash incentives.
- Evaluates the level of responsibility, scope and complexity of such executive's position relative to other Company executives.
- Determines the composition and amount of compensation for each Named Executive Officer and uses its subjective judgment in determining the amount of each compensation element in order to retain and motivate current executives.