

TELETECH HOLDINGS INC
Form DEF 14A
April 13, 2017
Table of Contents

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

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

Edgar Filing: TELETECH HOLDINGS INC - Form DEF 14A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- | | |
|-----|---|
| (1) | Title of each class of securities to which transaction applies: |
| (2) | Aggregate number of securities to which transaction applies: |
| (3) | Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): |
| (4) | Proposed maximum aggregate value of transaction: |
| (5) | Total fee paid: |

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- | | |
|-----|---|
| (1) | Amount Previously Paid: |
| (2) | Form, Schedule or Registration Statement No.: |
| (3) | Filing Party: |
| (4) | Date Filed: |
-

Table of Contents

April 13, 2017

Dear Stockholders:

It is my pleasure to invite you to join us at the Annual Meeting of Stockholders of TeleTech Holdings, Inc., to be held at 9197 South Peoria Street, Englewood, Colorado. The meeting will take place on Wednesday, May 24, 2017, at 1:00 p.m., Mountain Daylight Time. At the meeting, we will report on TeleTech's results for fiscal year and comment on our expectations for the upcoming year. 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 2016 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 are no different about our stockholders. We believe that by making our proxy materials available via the internet, we enhance our stockholders' experience in accessing our information and understanding our business and the way in which TeleTech 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

Edgar Filing: TELETECH HOLDINGS INC - Form DEF 14A

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.

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

Very truly yours,

KENNETH D. TUCHMAN

Chairman and Chief Executive Officer

Table of Contents

Notice of 2017 Annual Meeting of Stockholders

Wednesday, May 24, 2017

1:00 p.m. Mountain Daylight Time

TeleTech 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 2017;
- Approve, on an advisory basis, our executive compensation;

- Approve an advisory vote on frequency of say-on-pay votes; 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 2016, our operations, and our business outlook for 2017.

RECORD DATE:

Only stockholders of record at the close of business on March 31, 2017, will be entitled to receive notice of, and to vote at, the 2017 Annual Stockholders Meeting.

By Order of the Board of Directors

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

Englewood, Colorado
 April 13, 2017

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to be held on May 24, 2017: this Notice of Annual Meeting and Proxy Statement and the 2016 Annual Report are available at telettech.com.

REVIEW YOUR PROXY STATEMENT AND VOTE IN ONE OF FOUR WAYS:			
	VIA INTERNET		BY MAIL
	Visit the website listed on your proxy card.		Sign, date and return your proxy card in the enclosed envelope.
	BY TELEPHONE		IN PERSON
	Call the telephone number on your proxy card.		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.

Table of Contents

Table of Contents

<u>Proxy Statement Executive Summary</u>	1
<u>General Information</u>	5
<u>Important Information About the Proxy Materials and Voting Your Shares</u>	5
<u>Corporate Governance</u>	9
• <u>Board Leadership Structure</u>	9
• <u>Board Risk Oversight</u>	10
• <u>Communications With Our Board</u>	11
• <u>Board Committees</u>	11
• <u>Audit Committee</u>	12
• <u>Compensation Committee</u>	12
• <u>Nominating and Governance Committee</u>	13
• <u>Executive Committee</u>	13
• <u>Ethics Code for Senior Executive and Financial Officers</u>	13
• <u>Director Compensation Overview</u>	14
<u>Audit Committee Report</u>	15
<u>Stock Ownership of Directors, Management and Certain Beneficial Owners</u>	16
• <u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	17
<u>Related-Party Transactions</u>	17
<u>Executives and Executive Compensation</u>	18
• <u>TeleTech Executive Team</u>	18
• <u>Compensation Discussion and Analysis</u>	19
• <u>2016 TeleTech Performance Highlights</u>	19
• <u>2016 Named Executive Officers</u>	20
• <u>2016 Executive Compensation Summary</u>	20
<u>Consideration of Last Year's Say-on-Pay Vote</u>	21
<u>Executive Leadership Team Compensation Approach and Structure</u>	21
• <u>Our Approach to Executive Leadership Compensation</u>	21
• <u>Executive Leadership Team Compensation Structure</u>	22
<u>Oversight of Our Executive Compensation Program</u>	22
• <u>Role of the Compensation Committee</u>	22
• <u>How We Use Compensation Consultants</u>	23
• <u>How We Use Peer Group, Survey and Benchmark Data</u>	24
<u>CEO Compensation</u>	24
<u>2016 Base Salary Compensation for Named Executive Officers</u>	24
<u>2016 Performance-Based Cash Incentive Award</u>	25
• <u>Cash Incentives Paid in 2016</u>	26
• <u>Cash Incentives Paid in 2017 With Respect to 2016 Performance</u>	26
• <u>2016 Equity Grants</u>	26
• <u>2017 Equity Grants</u>	27
• <u>Employment Agreements</u>	28
<u>Tax and Accounting Considerations</u>	29

Table of Contents

<u>Executive Compensation Tables</u>	30
• <u>Summary Compensation Table for 2016</u>	30
• <u>Nonqualified Deferred Compensation Table</u>	31
• <u>All Other Compensation Table</u>	31
• <u>Grants of Plan-Based Awards</u>	31
• <u>Outstanding Equity Awards at Year-End</u>	32
• <u>Option Exercises and Stock Vested</u>	32
• <u>Potential Payments Upon Termination or Change in Control</u>	33
• <u>Change in Control Defined</u>	33
• <u>Change in Control Table</u>	34
• <u>Equity Compensation Plan Information</u>	35
<u>Compensation Committee Report</u>	35
<u>Proposals to be Voted On at the Annual Meeting</u>	35
• <u>Proposal 1: Election of Directors</u>	35
• <u>Nominations of Directors</u>	36
• <u>2017 Director Nominees</u>	37
• <u>Required Vote</u>	39
• <u>Recommendation of the Board</u>	39
• <u>Proposal 2: Ratification of the Appointment of Independent Registered Public Accounting Firm</u>	39
• <u>Fees Paid to Accountants</u>	39
• <u>Audit Fees</u>	40
• <u>Audit-Related fees</u>	40
• <u>Tax Fees</u>	40
• <u>All Other Fees</u>	40
• <u>Policy on Audit Committee Pre-Approval of Audit and Non-Audit Services</u>	40
• <u>Required Vote</u>	40
• <u>Recommendation of the Board and the Audit Committee</u>	40
• <u>Proposal 3: Advisory Vote on Executive Compensation</u>	40
• <u>Required Vote</u>	41
• <u>Recommendation of the Board</u>	41
• <u>Proposal 4: Advisory Vote on Frequency of Say-on-Pay Votes Every Three Years</u>	41
• <u>Required Vote</u>	41
• <u>Recommendation of the Board</u>	41
<u>Additional Information</u>	42
• <u>Stockholder Submission of Nominations and Proposals</u>	42
• <u>Other Business</u>	42
• <u>Annual Report</u>	42

Table of Contents

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 TeleTech 2016 Annual Report before voting your shares.

MATTERS TO BE VOTED ON AT 2017 ANNUAL MEETING

Proposal	Board Recommendation	For more detail, see page:
1. Election of directors	FOR each Nominee	35
2. Ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2017	FOR	39
3. Advisory vote on executive compensation	FOR	40
4. Advisory vote on frequency of say-on-pay votes	FOR	41

OUR COMPANY

- Our Company was founded in 1982 and from early days was a pioneer in the customer engagement management industry. Today, we deliver integrated customer consulting, technology, growth, and care solutions on a global scale.
- Our portfolio of products and 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, and retail industries.
- Our solutions are supported by approximately 48,000 employees delivering services in 23 countries from 82 delivery centers on six continents.
- Our services are value-oriented, outcome-based, and delivered from our four business segments: Customer Management Services (CMS), Customer Growth Services (CGS), Customer Technology Services (CTS) and Customer Strategy Services (CSS).
- TeleTech is committed to the highest ethical, environmental and safety standards everywhere we do business, and, through our TeleTech Community Foundation, TeleTech invests in education and development in communities where we live and work.

Table of Contents

2016 PERFORMANCE HIGHLIGHTS

In 2016, we had the following performance highlights:

- Our revenue was \$1.275 billion, a decrease of 0.9 percent over the year ago period. On a non-GAAP constant currency basis¹, our 2016 revenue grew 0.7 percent to \$1.295 billion over the prior year.
- We booked \$422 million in new business, a 10.2 percent decrease over the prior year. The bookings mix was diversified across business verticals with approximately 85 percent from existing clients, 53 percent from our emerging businesses, and 20 percent outside of the United States.
- Income from operations was \$52.8 million or 4.1 percent of revenue, a 41.5 percent decrease year over year. Income from operations on a non-GAAP constant currency basis¹ was \$83.3 million, or 6.4 percent of adjusted revenue compared to 7.8 percent in the prior year.
- Our diluted earnings per share was \$0.71 compared to \$1.26 in the prior year, and \$1.32 compared to \$1.48 on a non-GAAP basis¹.
- Our net cash provided by operating activities decreased to \$107.9 million compared to \$133.8 million in the prior year.
- We raised the semi-annual cash dividend to \$0.20 per share from \$0.18 per share last year, totaling \$18.3 million of cash dividends paid in 2016.
- We repurchased 2.7 million shares for a total cost of \$74.7 million.

¹ TeleTech computes company performance metrics on a constant currency basis in order to compare year-over-year operating performance. To establish a constant currency comparison, actual reported metrics are translated utilizing each underlying exchange rate in effect at the end of the prior year resulting in year-over-year operating performance excluding the impact from currency fluctuations. Additionally, the Company adjusts for non-operating items including, but not limited to, asset impairment and restructuring charges, deconsolidation of subsidiaries, changes in acquisition earn-outs and changes in tax valuation allowances and return to provision adjustments. The same methodology is utilized for other adjusted and non-GAAP constant currency metrics reported in this Proxy Statement. Please review a copy of the 2016 Annual Report and 2016 full year earnings press release for a reconciliation of these non-GAAP adjustments.

Table of Contents

CORPORATE GOVERNANCE HIGHLIGHTS

Our Board follows sound governance practices.

Independence	<ul style="list-style-type: none"> In 2016, six out of seven Board members were independent directors. All Board committees, except a special purpose Executive Committee, are comprised exclusively of independent directors. In 2017, six out of seven Board of Directors nominees are independent directors.
Executive Sessions	<ul style="list-style-type: none"> The independent directors regularly meet in executive sessions without management. The independent directors regularly meet with independent auditor, internal audit, and legal executives in executive sessions without management.
Board Oversight of Risk Management	<ul style="list-style-type: none"> Our Board understands, oversees and regularly reviews risks inherent to TeleTech's business. Specifically, the Audit Committee 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; while the Compensation Committee evaluates the risks associated with TeleTech's management and employee compensation plans and the structure of our employee incentives. In 2016, the Board was particularly focused on risks associated with Strategy Execution, Information Security, Acquisition Integration, Business Continuity Planning, and Internal Controls over Financial Reporting.
Stock Ownership Requirements	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Our Board annually reviews its overall effectiveness and the effectiveness of its committees. Nomination priorities are adjusted annually to ensure that our Board, as a whole, continues to reflect the appropriate mix of skills and experience necessary to support TeleTech's strategy. Our Board committees have access to independent advisors at their sole discretion.
Accountability	<ul style="list-style-type: none"> All directors stand for election annually. Our Chairman of the Board and Chief Executive Officer is the controlling stockholder of TeleTech. He controls 68.7 percent of our common stock.

DIRECTOR EXPERIENCE

Edgar Filing: TELETECH HOLDINGS INC - Form DEF 14A

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 in 2016:

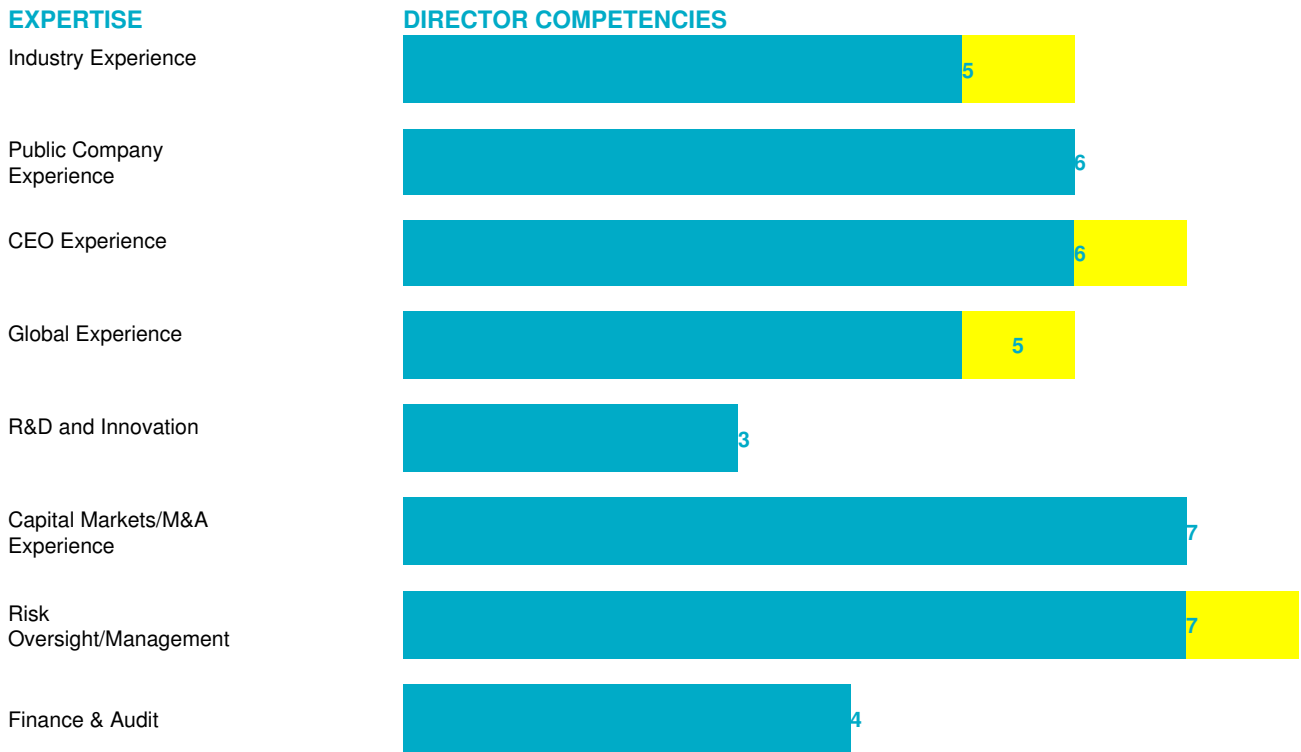


Table of Contents**2017 BOARD NOMINEES**

Director	Age	Director Since	Independent	Qualifications
Kenneth D. Tuchman	57	1994		<ul style="list-style-type: none"> • Global executive and entrepreneur • Customer experience innovator • TeleTech founder
Steven J. Anenen	64	2016	ü	<ul style="list-style-type: none"> • Global CEO experience • Public company director experience • Automotive industry experience • Technology industry experience
Tracy L. Bahl	55	2013	ü	<ul style="list-style-type: none"> • Private equity executive • Healthcare industry experience • Chief executive of a multi-billion-dollar subsidiary of a public company
Gregory A. Conley	62	2012	ü	<ul style="list-style-type: none"> • Global CEO experience • Technology industry experience • Public company audit committee experience
Robert N. Frerichs	65	2012	ü	<ul style="list-style-type: none"> • Public company director experience • Public audit experience • Consulting services industry experience
Marc L. Holtzman	57	2014	ü	<ul style="list-style-type: none"> • International board experience • Public company director experience • Financial sector experience

Ekta Singh-Bushell	45	-	ii	<ul style="list-style-type: none"> Public audit experience Global advisory experience Financial sector and digital economy experience
--------------------	----	---	----	--

2016 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 executive compensation program places significant weight on ethical and responsible conduct in pursuit of TeleTech's strategic goals.
- Our executive compensation programs place 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.
- Our stockholders have indicated strong support for our executive compensation program with 98.62 percent voting in favor of the program at our 2016 Annual Meeting of Stockholders.

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

Named Executive Officers	Percentile
--------------------------	------------

Edgar Filing: TELETECH HOLDINGS INC - Form DEF 14A

	Actual Total Direct (TDC) Compensation ¹	Market TDC at 25th	Market TDC at 50th	Market TDC at 75th	
Kenneth D. Tuchman	\$ 1 2	\$4,313,000	\$4,939,000	\$5,845,000	<25th
Martin F. DeGhetto	\$1,399,980	\$1,552,000	\$1,731,000	\$2,009,000	<25th
Judi A. Hand	\$1,374,980	\$ 951,000	\$1,228,000	\$1,659,000	60th
Robert N. Jimenez	\$ 800,900	\$1,552,000	\$1,731,000	\$2,009,000	<25th
Regina M. Paolillo	\$ 400,000	\$2,046,000	\$2,545,000	\$3,076,000	<25th

1 Actual TDC represents base salary earned in 2016, FMV equity grant awarded in 2016 and, if applicable, bonus earned for 2016 performance.

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

Table of Contents

GENERAL INFORMATION

This proxy statement (Proxy Statement) is issued in connection with the solicitation of proxies by the Board of Directors of TeleTech Holdings, Inc. (TeleTech or the Company) for use at the 2017 Annual Meeting of Stockholders (the Annual Meeting) to be held on May 24, 2017 at 1:00 p.m. Mountain Daylight Time, at 9197 South Peoria Street, Englewood, Colorado 80112 and at any adjournment or postponement thereof.

On or about April 13, 2017, 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 2016 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 23, 2017. 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 23, 2017. 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 in favor or withheld; votes that are withheld 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.

Table of Contents

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 2017 but will have no effect on the advisory vote on executive compensation.

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 Proposals 1,3 and 4. 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 35);
- **Proposal 2:** The ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2017 (see page 39);
- **Proposal 3:** The approval, on an advisory basis, of the compensation for our executive officers (see page 40);
- **Proposal 4:** The approval on an advisory vote on frequency of say-on-pay votes (see page 41).

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 Proposals 2 and 3, you may vote FOR or AGAINST or you may ABSTAIN from voting. Proposal 4 (Frequency on Say-on-Pay) where you are invited to select whether stockholders can provide an advisory vote on executive compensation every 3 Years , 2 Years , or 1 Year .

How does the Board recommend that I vote?

Our Board recommends that you vote your shares:

- FOR each of the nominees to our Board;
- FOR the ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2017;
- FOR the proposal to approve, on an advisory basis, the compensation for our Named Executive Officers; and
- FOR the proposal to approve an advisory vote on frequency of say-on-pay votes every three years

Kenneth D. Tuchman, our Chairman and Chief Executive Officer and the beneficial owner of 68.7 percent of the issued and outstanding shares of common stock as of the record date (68.7 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;
- FOR the ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2017;
- FOR the proposal to approve, on an advisory basis, the compensation for our Named Executive Officers; and
- FOR the proposal to approve an advisory vote on frequency of say-on-pay votes every three years.

How will my shares be voted by proxy?

Valid proxies provided to the Company by telephone, over the internet or by 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;

- FOR the ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2017;

- FOR the proposal to approve, on an advisory basis, the compensation for our Named Executive Officers; and

- FOR the proposal to approve an advisory vote on frequency of say-on-pay votes every three years.

Table of Contents

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 or 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 TeleTech 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, and the advisory approval of our executive compensation and frequency with which stockholders are invited to vote on executive compensation. 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.

The vote on executive compensation and frequency with which stockholders are invited to vote on executive compensation is advisory and non-binding, but we will consider stockholders to have approved the compensation of our Named Executive Officers if the number of votes cast FOR the proposal exceeds the number of votes cast AGAINST the proposal.

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, except in the case of the vote on executive compensation and frequency with which stockholders are invited to vote on executive compensation for which an abstention will have no effect. 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.

Table of Contents

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

The vote on election of directors, the executive compensation, and frequency with which stockholders are invited to vote on executive compensation are matters 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 these proposals, your broker or other nominee will not be able to vote your shares on these matters. 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.

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 2016 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 2016 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 or the 2016 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 TeleTech Holdings, Inc., 9197 South Peoria Street, Englewood, Colorado 80112, Attention: Investor Relations, or by calling 1.800.TELETECH (1.800.835.3832). Outside of the U.S., please dial +1.303.397.8100.

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?

Edgar Filing: TELETECH HOLDINGS INC - Form DEF 14A

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 item 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 telettech.com under the Investors and SEC Filings tabs.

Table of Contents

How may I obtain financial and other information about TeleTech?

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 telettech.com under the Investors and SEC Filings tabs. We will also furnish a copy of our 2016 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 TeleTech Holdings, Inc., 9197 South Peoria Street, Englewood, Colorado, 80112, Attention: Investor Relations, by calling 1.800.TELETECH (1.800.835.3832). Outside of the U.S., please dial +1.303.397.8100, or by emailing investor.relations@telettech.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 telettech.com and clicking on the Investors tab, then clicking on the Corporate Governance tab.

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

TeleTech 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 operations 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 TeleTech'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

Edgar Filing: TELETECH HOLDINGS INC - Form DEF 14A

Our Board is led by TeleTech's founder, Mr. Kenneth D. Tuchman, who serves as the Chairman of the Board. Mr. Tuchman is also TeleTech'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 TeleTech. The Board's view is based on the facts that Mr. Tuchman beneficially owns 68.7 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.

Table of Contents

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.

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 2016, 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 2016

- Nine Board meetings held in 2016
- Each director attended at least 72 percent of all Board and relevant committee meetings
- Seven directors attended our Annual Meeting of Stockholders in 2016

Board Risk Oversight

While our executive officers are responsible for day-to-day management of TeleTech risk, 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 2016, the Board's ERM oversight primarily focused on, but was not limited to, the following areas: (i) the oversight of the Company's strategy and long-term growth plans; (ii) the oversight of acquisition integration; (iii) the oversight of the Company's business continuity planning; (iv) the oversight of the Company's information security preparedness; and (v) the oversight of the Company's internal controls over its financial reporting. The responsibility for managing each of these high priority risks, 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.

Table of Contents

Board/Committee	Primary Areas of Risk Oversight
Full Board	Enterprise risk management structure; strategic risk associated with TeleTech’s business plan; major litigation; significant capital transactions, including M&A, technology investment and divestitures; capital structure risks; and CEO and management succession planning.
Audit Committee	Risks of financial reporting and disclosure; major financial exposure risks; significant IT risks, including information security risks; ethics and compliance risks, including regulatory and legal; currency exposure risks; liquidity risks; business continuity 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 TeleTech’s employees to determine if such policies and practices are reasonably likely to have a material adverse effect on TeleTech.
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.

The Board and its committees periodically request and receive comprehensive reports from key Company functions, including finance, treasury, tax, legal, information security, 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 TeleTech’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 TeleTech 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 TeleTech senior executives to achieve these targets in a manner consistent with TeleTech’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 TeleTech compensation programs’ risks, please review section titled [Executive Compensation Compensation Discussion and Analysis](#), in these proxy materials.

Communications With Our Board

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

TeleTech Holdings, Inc.

9197 South Peoria Street

Englewood, Colorado 80112

Board Committees

The following table outlines the composition of each of our Board committees during 2016:

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

Table of Contents

Audit Committee

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

- Assisting the Board in its oversight of the integrity of TeleTech's financial statements;
- Overseeing the adequacy of internal controls and the 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 TeleTech internal audit department;
- Overseeing TeleTech's ethics program and its confidential hotline process, including reviewing the establishment of and compliance of executives with the Company's employee code of conduct, *Ethics Code: How TeleTech Does Business*, and the Company's Code of Conduct for Senior Executive and Financial Officers;
- Overseeing investigations into any matters within the Audit Committee's scope of responsibility;
- Overseeing the enterprise risk management programs; and
- Reviewing and approving all related-party transactions.

Edgar Filing: TELETECH HOLDINGS INC - Form DEF 14A

In 2016, the members of the Audit Committee included Gregory A. Conley (Chair), Robert N. Frerichs, and Steven J. Anenen. Throughout 2016, each Committee member was independent within 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 qualifies 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.

The Audit Committee oversees TeleTech's internal disclosure processes, including TeleTech's anonymous and confidential channels available to employees to report concerns about financial reporting. The Committee established procedures for, and oversees receipt and treatment of, confidential (including anonymous) submissions by TeleTech 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 TeleTech'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 TeleTech's internal audit function and annually approves the Company's internal audit plan. The Committee also discusses with management TeleTech'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 2016, 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 as appropriate, on an annual basis.

Compensation Committee

The Compensation Committee operates under the Compensation Committee charter adopted by our Board and available at teletech.com/investors/corporate-governance/ (Corporate Governance under the Investors tab on our public website teletech.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 thereto);
- Reviewing and evaluating risks associated with our compensation programs; and
- Adopting and administering various equity-based incentive plans.

Table of Contents

In 2016, the members of the Compensation Committee included Tracy L. Bahl (Chair), Gregory A. Conley, and Robert N. Frerichs. Throughout 2016, 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 2016, the Compensation Committee held four regularly scheduled meetings and one special meeting, and approved two matters through unanimous written consent. The Compensation Committee reviews and assesses the adequacy of its charter, and revises it as 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 teletech.com/investors/corporate-governance/ (Corporate Governance under the Investors tab on our public website teletech.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); and
- Overseeing TeleTech'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 2016, the members of the Nominating and Governance Committee included Robert N. Frerichs (Chair), Tracy L. Bahl, and Steven J. Anenen each of whom satisfies the independence requirements for nominating committee members pursuant to the NASDAQ Stock Market Rules.

During 2016, 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 as 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 designated by the Board, provided that such transactions are not inconsistent with TeleTech'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.

During 2016, the members of the Executive Committee included Kenneth D. Tuchman (Chair), Shrikant Mehta, and Tracy L. Bahl.

Mr. Mehta indicated his intent to retire from our Board after the conclusion of the Annual Stockholders Meeting. The Board intends to fill his vacancy on the Executive Committee during its May 2017 meeting.

The Executive Committee did meet during 2016.

Ethics Code for Senior Executive and Financial Officers

We have adopted an Ethics Code for Senior Executive and Financial Officers. It applies to all of our senior executives and financial officers, including our Chief Executive Officer, Chief Financial Officer, Executive Vice Presidents leading each of our business segments, General Counsel, Treasurer, Vice President of Finance, and Global Controller, 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 telettech.com/investors/corporate-governance/ (Corporate Governance under the Investors tab on our public website telettech.com) and we intend to disclose any waiver of, or amendments to, the Ethics Code for Senior Executive and Financial Officers on our website. You may also obtain a copy of the document without charge by writing to:

TeleTech Holdings, Inc.

9197 South Peoria Street

Englewood, Colorado 80112

Attention: Corporate Secretary

Table of Contents

In addition to our Ethics Code for Senior Executive and Financial Officers, TeleTech also has a code of business conduct (*Ethics Code: How TeleTech Does Business*). This document mandates rules of ethical business conduct for all TeleTech employees, members of our Board of Directors, and members of our supply chain, 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 2016, the independent directors' compensation was set 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
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 TeleTech 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.

Edgar Filing: TELETECH HOLDINGS INC - Form DEF 14A

The following table summarizes the actual compensation earned by independent directors during 2016:

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) 1,2,3,4	Total (\$)
Steven J. Anenen	\$ 56,228	\$ 199,967	\$ 256,195
Tracy L. Bahl	\$ 100,000	\$ 99,983	\$ 199,983
Gregory A. Conley	\$ 112,000	\$ 99,983	\$ 211,983
Robert N. Frerichs	\$ 107,480	\$ 99,983	\$ 207,463
Marc L. Holtzman	\$ 80,409	\$ 99,983	\$ 180,392
Shrikant Mehta	\$ 81,011	\$ 99,983	\$ 180,994

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 20 to our financial statements in our Annual Report on Form 10-K for the year ended December 31, 2016.

2 As of December 31, 2016, Mr. Anenen held 7,442 unvested restricted stock unit awards of which 3,721 are associated with a welcome equity grant.

3 As of December 31, 2016, independent directors Messrs. Bahl, Conley, Frerichs, Holtzman and Mehta all held 3,721 unvested restricted stock unit awards.

4 As of December 31, 2016, Mr. Mehta held 15,000 of outstanding options.

Table of Contents

AUDIT COMMITTEE REPORT

The TeleTech 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 and NASDAQ Stock Market's Listing Rules. 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 is available in the Investor Relations section of our website at teletech.com/sites/default/files/audit_committee_charter.pdf.

In performing its functions, the Audit Committee acts in an oversight capacity: the Audit Committee is responsible for overseeing TeleTech's financial reporting process 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 TeleTech's internal control over financial reporting. TeleTech's independent auditor, PricewaterhouseCoopers LLC ("PwC"), is responsible for auditing TeleTech's financial statements and providing an opinion on the conformity of TeleTech's consolidated financial statements with generally accepted accounting principles and on the effectiveness of TeleTech's internal control over financial reporting.

As part of its oversight function, the Audit Committee reviews TeleTech's quarterly and annual reports on Form 10-Q and Form 10-K prior to their filing with the U.S. Securities and Exchange Commission, 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 TeleTech'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 TeleTech.

As part of TeleTech's enterprise risk management program, the Audit Committee also periodically reviews the status of TeleTech's key risks and risk mitigation activities, including its cyber security risks and steps that management takes to protect TeleTech's systems and information against possible cyberattacks; business continuity and disaster recovery planning; TeleTech's emergency preparedness and mitigation and recovery planning; risks associated with geographic concentration of some of TeleTech's operating and enterprise services facilities as well as TeleTech's overall global footprint; and risks arising from the complexities of global regulatory compliance framework that affects TeleTech business. In 2016, in addition to its regular risk management activities, the Audit Committee focused on TeleTech cybersecurity preparedness, reviewed the Company's cybersecurity upgrade plan for the year and, throughout the year, reviewed the Company's progress against the plan. The Audit Committee also receives periodic status reports on the effectiveness of the company's treasury function, including its foreign exchange exposure management, tax planning practices, and acquisition integration activities.

In 2016, the Audit Committee held eight meetings. The Audit Committee's agenda is set by the Audit Committee's chairperson in consultation with TeleTech's Chief Financial Officer. During 2016, at each of its regularly scheduled meetings, the Audit Committee met with the senior members of TeleTech's financial management team, and, when appropriate, had separate private sessions with TeleTech's Chief Financial Officer, General Counsel, head of internal audit, and PwC to discuss financial management, legal, accounting, auditing, and internal control issues. Periodically during the year, the Audit Committee also reviewed with senior management and the independent auditor the overall adequacy and effectiveness of the company's legal, regulatory, and ethical compliance programs, including the Company's code of business conduct (*Ethics Code: How TeleTech Does Business*), the Ethics Code for Senior Executive and Senior Financial Officers, and the trends for the Company's confidential hotline activity.

Edgar Filing: TELETECH HOLDINGS INC - Form DEF 14A

As part of its oversight responsibilities, the Audit Committee also oversees TeleTech's annual audit by its independent auditor, PwC, including PwC's audit approach and audit plan and whether the provision of minor non-audit services is appropriate given the auditor's independence.

Each year, the Audit Committee evaluates the performance of PwC and its senior engagement team as TeleTech's independent auditor, and determines whether to re-engage them 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, their tenure as TeleTech's independent auditor, 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 TeleTech's independent auditor for the year ended December 31, 2016. This appointment was ratified by TeleTech stockholders at the 2016 Annual Stockholders Meeting.

Starting in 2016, PwC audit team was led by a new engagement partner after the previous engagement partner transitioned to a different assignment by PwC. Therefore, in 2016, in addition to reviewing PwC's performance overall, the Audit Committee also assessed PwC's new engagement team, and considered its suitability for TeleTech's independent audit needs. As a result of this review, the Audit Committee has worked with PwC to make sure that the PwC audit team, supported by PwC's partners with experience related to TeleTech's operations in key countries where TeleTech does business and other PwC subject matter experts, has the appropriate level of professional expertise to oversee the conduct of the TeleTech annual independent audit.

Table of Contents

In 2016, the Audit Committee also oversaw management's remediation activities for material weakness in internal controls over financial reporting, and was satisfied with progress made to date. Management enhanced controls, introduced reporting analytics, and invested in training of accounting personnel to address Account Reconciliation and Journal Entries material weaknesses. Based on these improvements, management and PwC completed testing of the controls and have both deemed that the controls are adequately designed and operated effectively for a sufficient period of time, and thus these two material weaknesses have been remediated as of December 31, 2016.

The Audit Committee also considered the fees charged by PwC for the audit services, and determined them to be reasonable and adequate to ensure a comprehensive audit.

The Audit Committee reviewed and discussed with management TeleTech's audited annual consolidated financial statements. Based on this review, the discussions referenced above about the quality and reasonableness of management's significant accounting judgments, and in reliance on the reports and opinions of the independent auditor, the Audit Committee unanimously recommended to the TeleTech 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, 2016.

The Audit Committee also discussed with the independent auditor those matters required to be discussed under the rules adopted by the Public Company Accounting Oversight Board (the PCAOB).

The Audit Committee received written disclosures from the independent auditor required by applicable PCAOB requirements regarding the independent auditor's communication with the Audit Committee concerning their independence.

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 (see Proposal 2 beginning on page 39).

Audit Committee

Gregory A. Conley, Chair

Robert N. Frerichs

Steven J. Anenen

STOCK OWNERSHIP OF DIRECTORS, MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

The table below sets forth information, as of March 31, 2017, 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 45,768,986 shares of common stock outstanding at March 31, 2017. 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 31, 2017; and (2) issuable upon the vesting of Restricted Stock Units (RSUs) within 60 days of March 31, 2017. Also 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 TeleTech 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			Percent of Class
	Common Stock	Options Vested and Options and RSUs Vesting Within 60 Days of 3/31/2017	Total Beneficial Ownership as of 3/31/2017	
5% Stockholders				
Kenneth D. Tuchman	31,464,707	-	31,464,707	68.7%
Executive Officers and Directors				
Kenneth D. Tuchman	31,464,707	-	31,464,707	68.7%
Steven J. Anenen	-	7,442	7,442	*
Tracy L. Bahl	9,827	3,721	13,548	*
Gregory A. Conley	5,667	3,721	9,388	*
Martin F. DeGhetto	75,978	2,987	78,965	*
Robert N. Frerichs	15,042	3,721	18,763	*
Judi A. Hand	170,563	-	170,563	*
Marc L. Holtzman	10,461	3,721	14,182	*
Robert N. Jimenez	-	14,920	14,920	*
Shrikant Mehta	61,509	18,721	80,230	*
Margaret B. McLean	13,170	-	13,170	*
Regina M. Paolillo	145,382	2,987	148,369	*
Steven C. Pollema	4,978	-	4,978	*
Ekta Singh-Bushell	-	-	-	*
All directors, director nominees and executive officers as a group (14 persons)	31,977,284	61,941	32,039,225	70.0%

*Less than 1 percent.

1 Includes 31,454,707 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) 6,687,901 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 68.7 percent of the shares of common stock entitled to vote at the meeting.

2 Includes 7,442 RSUs scheduled to vest within 60 days after March 31, 2017.

3 Includes 3,721 RSUs scheduled to vest within 60 days after March 31, 2017.

4 Includes 2,987 RSUs scheduled to vest within 60 days after March 31, 2017.

5 Includes 7,161 shares held by Mr. Holtzman directly, 3,300 shares held for Mr. Holtzman's minor children and 3,721 shares scheduled to vest within 60 days after March 31, 2017.

6 Includes 14,920 RSUs scheduled to vest within 60 days after March 31, 2017.

7 Includes 15,000 options exercisable within 60 days after March 31, 2017 and 3,721 RSUs scheduled to vest within 60 days after March 31, 2017.

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 except as stated below all our directors, executive officers and 10 percent stockholders filed all Section 16(a) reports on a timely basis during 2016. Mr. Robert Jimenez filed his Form 4 disclosure with respect to this performance based equity grant approximately 10 days late in June 2016 in connection with the equity grant made in May 2016.

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). TeleTech management monitors all related-party transactions and reports on their status to the Audit Committee quarterly. TeleTech 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.

Table of Contents

During 2016, TeleTech 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 2016, 2015 and 2014, the Company expensed \$1.0 million, \$1.7 million and \$1.0 million, respectively, to Avion and Airmax for services provided to the Company. There was \$80 thousand outstanding to Avion and Airmax as of December 31, 2016.

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. The majority owner of Convercent is a company which is owned and controlled by Kenneth D. Tuchman, Chairman and Chief Executive Officer of the Company. During 2016, 2015 and 2014, the Company paid \$100 thousand, \$100 thousand, and \$20 thousand, respectively, to Convercent and is expecting to spend another \$60 thousand with Convercent during 2017.

During 2015, the Company entered into a contract to purchase software from CaféX, which is a company that TeleTech holds a 17.0 percent equity investment in. During the second quarter of 2015 and the fourth quarter of 2016, the Company purchased \$0.4 and \$0.25 million, respectively, of software from CaféX.

EXECUTIVES AND EXECUTIVE COMPENSATION

TeleTech Executive Team

The following persons are our executive officers:

Martin F. DeGhetto, 58, serves as TeleTech's Executive Vice President, Customer Management Services and Customer Growth Services Chief Operating Officer, TeleTech's largest business segment. Mr. DeGhetto joined TeleTech as Executive Vice President of Operations in 2010 and assumed the responsibilities for TeleTech's information technology in 2012. Between 2008 and 2010, Mr. DeGhetto was an executive vice president and chief operations officer commercial division at Connexions, Inc., a privately-held technology and business services company for healthcare industry. Prior to Connexions, Mr. DeGhetto spent almost a decade at Convergys Corporation (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

and AT&T/American Transtech. Mr. DeGhetto holds a B.S. Professional Management degree from NOVA Southeastern University.

Judi A. Hand, 55, serves as TeleTech's Executive Vice President, Chief Revenue Officer. She joined TeleTech in 2007 as President and General Manager for Direct Alliance Corporation, a TeleTech wholly owned subsidiary, and between 2011 and 2013 served as TeleTech's Chief Sales Officer. Between 2003 and 2007, Ms. Hand was a senior executive with AT&T (NYSE:ATT), culminating her career there as a senior vice president for enterprise sales. Prior to AT&T, Ms. Hand worked at Qwest, a public global communications company and several of its subsidiaries in sales and marketing roles of increasing responsibility. Ms. Hand is a member of the board of directors of Manitoba Telecom Services, Inc., a Canada corporation. Ms. Hand holds an MBA from Stanford University and a B.S. in Communications degree from University of Nebraska.

Regina M. Paolillo, 58, serves as Executive Vice President, Chief Administrative and Financial Officer. Ms. Paolillo joined TeleTech 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 business and 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 with U.S. \$17 billion in capital. Between 2005 and 2007, Ms. Paolillo served as an executive vice president for revenue cycle and mortgage services at Creditek, a Genpact subsidiary, (NYSE:G) a global business process and technology management company. 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 holds a B.S. in Accounting degree from New Haven University.

Table of Contents

Margaret B. McLean, 53, serves as Senior Vice President, General Counsel and Chief Risk Officer. She joined TeleTech in 2013. Between 1998 and 2013, Ms. McLean was a senior executive at CH2M, a global engineering and program management company, serving as the Company's Chief Legal Officer starting in 2007. Ms. McLean was a corporate finance and M&A partner at the law firm of Holme Roberts and Owen (now Bryan Cave), 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 (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.

Robert N. Jimenez, 45, serves as TeleTech's Executive Vice President, Customer Strategic Services. From 2012 to 2015 Mr. Jimenez was the global vice president, customer services at Genpact (NYSE:G). Between 2011 and 2012, Mr. Jimenez served as managing partner, CIO Advisory of Tatum Consulting; and between 2009 and 2011 Mr. Jimenez served as the North American customer experience partner for EMC Consulting. From 2004 to 2009, Mr. Jimenez was vice president, FS consulting leader of Capgemini Consulting; and from 1999 to 2004 Mr. Jimenez was an associate partner, financial services at IBM Global Business Services. He holds a B.A. in Economics and International Relations from Brown University.

Steven C. Pollema, 57, serves as the executive in charge of our Customer Technology Services business segment. Mr. Pollema joined TeleTech in 2011 as part of eLoyalty acquisition, where he worked since 2001 and held various senior executive roles including the Chief Financial Officer and SVP, Global Delivery and Operations. Prior to eLoyalty, Mr. Pollema was the President of MarchFirst (fka Whittman-Hart). Mr. Pollema began his professional career at Accenture 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.

Information regarding **Kenneth D. Tuchman**, Chairman and CEO is provided in this section under the heading [2017 Director Nominees](#).

Compensation Discussion and Analysis

In this section, we discuss our compensation philosophy and describe the 2016 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 2016 compensation decisions.

2016 TeleTech Performance Highlights

In 2016, we had the following performance highlights:

- Our revenue was \$1.275 billion, a decrease of 0.9 percent over the year ago period. On a non-GAAP constant currency basis¹, our 2016 revenue grew 0.7 percent to \$1.295 billion over the prior year.
- Income from operations was \$52.8 million or 4.1 percent of revenue, a 41.5 percent decrease year over year. Income from operations on a non-GAAP constant currency basis¹ was \$83.3 million, or 6.4 percent of adjusted revenue compared to 7.8 percent in the prior year.
- Our net cash provided by operating activities decreased to \$107.9 million compared to \$133.8 million in the prior year.
- We booked \$422 million in new business, a 10.2 percent decrease over the prior year. The bookings mix was diversified across business verticals with approximately 85 percent from existing clients, 53 percent from our emerging businesses, and 20 percent outside of the United States.
- Our diluted earnings per share was \$0.71 compared to \$1.26 in the prior year, and \$1.32 compared to \$1.48 on a non-GAAP basis¹.
- We raised the semi-annual cash dividend to \$0.20 per share from \$0.18 per share last year, totaling \$18.3 million of cash dividends paid in 2016.
- We repurchased 2.7 million shares for a total cost of \$74.7 million.

¹ TeleTech computes company performance metrics on a constant currency basis in order to compare year-over-year operating performance. To establish a constant currency comparison, actual reported metrics are translated utilizing each underlying exchange rate in effect at the end of the prior year resulting in year-over-year operating performance excluding the impact from currency fluctuations. Additionally, the Company adjusts for non-operating items including, but not limited to, asset impairment and restructuring charges, deconsolidation of subsidiaries, changes in acquisition earn-outs and changes in tax valuation allowances and return to provision adjustments. The same methodology is utilized for other adjusted and non-GAAP constant currency metrics reported in this Proxy Statement. Please review a copy of the 2016 Annual Report and 2016 full year earnings press release for a reconciliation of these non-GAAP adjustments.

Table of Contents

2016 Named Executive Officers

- **Kenneth D. Tuchman**, Chairman of the Board and Chief Executive Officer
- **Robert N. Jimenez**, Executive Vice President, Customer Strategic Services
- **Martin F. DeGhetto**, Executive Vice President, Customer Management Services, and Customer Growth Services Chief Operating Officer
- **Regina M. Paolillo**, Executive Vice President, Chief Administrative and Financial Officer
- **Judi A. Hand**, Executive Vice President, Chief Revenue Officer

2016 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 program’s 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 program encourages ethical and responsible conduct in pursuit of these goals and the alignment of our leaders with TeleTech’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 TeleTech.

Our executive compensation program includes three principle elements:

Compensation Element	Purpose
• Base Salary	• Provides competitive fixed dollar compensation aligned to the median of our peer group.
• 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 75th 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 at the 75th percentile of our peer group.

In 2016, we paid the following to our Named Executive Officers:

Edgar Filing: TELETECH HOLDINGS INC - Form DEF 14A

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	\$4,313,000	\$4,939,000	\$5,845,000	<25th
Martin F. DeGhetto	\$1,399,980	\$1,552,000	\$1,731,000	\$2,009,000	<25th
Judi A. Hand	\$1,374,980	\$ 951,000	\$1,228,000	\$1,659,000	60th
Robert N. Jimenez	\$ 800,900	\$1,552,000	\$1,731,000	\$2,009,000	<25th
Regina M. Paolillo	\$ 400,000	\$2,046,000	\$2,545,000	\$3,076,000	<25th

1 Actual TDC represents base salary earned in 2016, FMV equity grant awarded in 2016 and, if applicable, bonus earned for 2016 performance.

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 2016 was as follows. As no cash bonus was earned for 2016 performance, the *at risk* actual pay only reflects equity awards.

Table of Contents

CONSIDERATION OF LAST YEAR'S SAY-ON-PAY VOTE

At our 2016 Annual Meeting of Stockholders, 98.62 percent of the votes cast in our stockholder advisory vote (our say-on-pay vote) approved the compensation of our Named Executive Officers. In light of this stockholder support, the Compensation Committee made no significant changes to the overall design of our compensation programs during 2016. They did, however, make a modification to the distribution of the funded incentive pool; allocating more dollars based on segment performance, further aligning bonuses to personal performance. The Compensation Committee will continue to consider the outcome of the Company's say-on-pay votes when making future compensation decisions for our Named Executive Officers.

The Compensation Committee considered, and will continue to consider, refinements and supplements to the current executive compensation structure to stay current on compensation market trends and to make sure that TeleTech's executive compensation aligns the interest of the executive leadership team with the interests of the Company's 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 TeleTech'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 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 at 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 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 of variable *at risk* component to ensure that the actual compensation realized by Named Executive Officers directly and demonstrably links to individual and companywide performance.

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

Restrictive Covenants. Members of our executive leadership team are subject to market appropriate restrictive covenants, effective on separation from TeleTech. These restrictive covenants include non-competition, client and employee non-solicitation, and 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 compensation peer group annually and adjusts, when necessary, to make sure that it remains relevant and appropriate as a comparison for our executive compensation program.

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 executive 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 75th percentile of our peer group.
Equity awards	Variable equity compensation granted annually, usually, in the form of restricted stock units (RSUs) or stock options. 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 at 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 performance of each executive and his/her skills, experience and
- Considers the executive's role in developing and maintaining key client relationships.

Edgar Filing: TELETECH HOLDINGS INC - Form DEF 14A

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.

- Assesses the executive's leadership growth and management development over the past year.

The Compensation Committee utilizes these subjective factors because it believes they are critical to increasing stockholder value. These factors are not quantified or weighted for importance; and the Compensation Committee's use of these factors is tied directly to the individual role and the responsibilities of each executive officer. For example, greater weight may be given to the role of developing and maintaining key client relationships for the Executive Vice President, Chief Revenue Officer due to her responsibilities for overseeing sales operations, while greater weight will be given to contribution to our overall operating effectiveness, strategic success and profitability, and completion of strategic projects, among other factors, for the Chief Financial Officer, given her responsibilities relating to our financial performance and growth.

Table of Contents

Funding for performance-based cash incentives and our equity grants are based on objective Company performance targets set at the beginning of each year. As a result, there is uncertainty with respect to the achievement of these funding targets at the time they are set. The Compensation Committee has the authority to modify the funding for these variable incentives, in its sole discretion, when material changes in the business warrant it.

Our ability to achieve the funding target is heavily dependent not only on factors within our control, but also on current economic conditions, foreign exchange rate movements, weather events, and other performance variables outside of our control. In measuring our performance against pre-determined performance targets, the Compensation Committee may make (and over the years has made) adjustments to these targets for items outside of the executive leadership team's control.

In addition to its discretion with respect to the performance-based cash incentives and equity grants, the Compensation Committee may from time to time determine that funding should be provided outside of the objective Company performance criteria to fund discretionary bonuses and equity awards to retain or to reward executive officers for their exceptional efforts (measured on an individual, subjective basis) during those years in which our actual performance resulted in a lower than anticipated level of funding for the variable incentives. Although the Compensation Committee has this discretion, it utilizes it infrequently to maintain the integrity of the Company's compensation structure and philosophy.

Because they include material subjective components, our performance-based cash incentives do not meet the requirements for exempt performance-based compensation under Section 162(m) of the Internal Revenue Code. In the future, the Compensation Committee will continue to consider whether to make awards that satisfy the qualified performance-based compensation requirements of Section 162(m) in order to maximize tax deductibility of executive compensation, while balancing the interests of our stockholders and the most appropriate methods and approaches for the design and delivery of compensation to our Named Executive Officers.

How We Use Compensation Consultants

From time to time, and as needed, the Compensation Committee retains services of compensation consultants, law firms, and other professionals to act as independent advisors to the Compensation Committee. In selecting its consultants, the Compensation Committee takes measures to assure that no member of our Board or any Named Executive Officer has any affiliations with such consultants. The Compensation Committee requires that all of its consultants provide it with annual certification of their independence.

In 2016, the Compensation Committee utilized the services of Compensia, Inc., an executive compensation consulting firm (*Compensia*). The Committee did not use services of other advisors in 2016, but they were available to the Committee as directed by the Committee chair.

Compensia

At least every other year, *Compensia* provides the Compensation Committee with independent compensation advice on various aspects of executive compensation, including:

- A periodic review of our compensation practices, trends and philosophy;
- A review of our equity award and cash incentive programs; and
- Assistance in developing recommendations for compensation for our executive officers, including our Named Executive Officers.
- A competitive assessment of our executive compensation levels and pay-for-performance linkage;
- An analysis of peer group companies that compete with us and that follow similar compensation models, along with benchmark compensation and benefits data for the peer group;

When asked to provide advice to the Compensation Committee, *Compensia* takes its direction solely from, and provides reports to, the Compensation Committee, or members of our in-house human capital department at the direction and on behalf of the Compensation Committee. All costs of *Compensia*'s services are paid by the Company at the direction of the Compensation Committee chair. Although *Compensia* provides recommendations on the structure of our compensation programs, *Compensia* does not determine the amount or form of compensation for any of our Named Executive Officers. From time to time, *Compensia* also provides advice to the Company.

In those years when *Compensia* is not utilized by the Compensation Committee of our Board, similar compensation analysis is performed by members of our in-house human capital department who have special expertise in executive compensation.

Table of Contents

How We Use Peer Group, Survey and Benchmark Data

Each year, the Compensation Committee reviews the competitiveness of our compensation program. For 2016, the Compensation Committee, with the assistance of our human capital department, identified a peer group of companies for 2016. The peer group for 2016 included:

- Acxiom Corporation
- DST Systems
- Genpact Ltd.
- Convergys Corporation
- Fair Isaac
- Sykes Enterprises Incorporated
- CSG Systems
- FTI Consulting, Inc.
- Syntel

The Compensation Committee selected this peer group because the companies in the group are in the same or similar industries, compete with us for executive talent, follow similar compensation models and are of a similar size. The Compensation Committee reviews the compensation practices of this peer group to effectively design compensation arrangements to attract new executives in our highly competitive, rapidly changing markets and to confirm proper levels of compensation for our Named Executive Officers.

This peer group data for executive officers performing the same or similar roles is one factor the Compensation Committee uses in establishing Named Executive Officer base salaries (which, in 2016, the Compensation Committee targeted at the 50th percentile of the peer group), and performance-based cash incentive and equity grants (which, in 2016, the Compensation Committee targeted at the 75th percentile of the peer group), and in otherwise determining the overall mix of equity grants, cash incentives, and base salaries for executive compensation. The Compensation Committee does not adhere to strict formulas, benchmarking in its review of this peer group data to determine the mix of our executive's compensation elements. The peer group data is instructive but it is neither binding nor a dispositive factor in how the Compensation Committee's makes its compensation decisions for the Company.

CEO COMPENSATION

Mr. Tuchman, our Chief Executive Officer, beneficially owns 68.7 percent of the Company. His interest in the Company's performance, therefore, is very closely and personally aligned with that of our other stockholders. Mr. Tuchman believes that compensation for his services should be in the form of a return on his investment in the Company. At Mr. Tuchman's request, the Compensation Committee approved Mr. Tuchman's base salary to be \$1 for 2016. Mr. Tuchman's salary has remained at this level since 2012. Prior to the Committee's determination of any incentive awards for 2016, Mr. Tuchman advised the Compensation Committee that he did not desire to receive any cash incentives or equity grants.

2016 BASE SALARY COMPENSATION FOR NAMED EXECUTIVE OFFICERS

The Compensation Committee analyzed benchmarks for competitive base salaries using the peer group as described above, targeting the 50th percentile overall as the guide for the executive leadership team's base salaries. Based on these benchmarks, in 2016, the Compensation Committee approved a base salary increase for Judi Hand from \$350,000 to \$400,000. The Committee determined that the base salaries for other Named Executive Officers were in line with targets, with the exception of Mr. Tuchman's base salary which has been set at \$1 based on Mr. Tuchman's request. Base salaries for our Named Executive Officers during 2015, 2016 and as of this filing for 2017 have been as follows:

Executive	Base Salary			Considerations for Base Salary Determination
	2017	2016	2015	
Kenneth D. Tuchman	\$ 1	\$ 1	\$ 1	As requested by Mr. Tuchman
Martin F. DeGhetto	\$400,000	\$400,000	\$400,000	Based on the role, the scope of responsibilities, and market benchmarks
Judi A. Hand	\$400,000	\$400,000	\$350,000	Based on the role and business segment that Ms. Hand oversees and performance
Robert N. Jimenez	\$400,000	\$400,000	-	Based on market benchmarks and the business segment that Mr. Jimenez oversees
Regina M. Paolillo	\$400,000	\$400,000	\$375,000	Based on complexity of the role and market benchmarks

Table of Contents**2016 PERFORMANCE-BASED CASH INCENTIVE AWARD**Performance-Based Cash Incentives Funding Criteria

The Compensation Committee of the Board resets the variable cash incentive award funding targets at the beginning of each year. In 2016, the Compensation Committee selected operating income in setting our variable incentive funding targets because this target is consistent with the Company's long-term growth objectives and aligns the interests of management with the interests of our stockholders. As part of its compensation philosophy, the Compensation Committee sets reasonable stretch targets that are difficult to achieve, but which it believes are achievable.

With respect to cash incentives paid in 2016 for 2015 performance, the Compensation Committee approved the award of \$0.87 million to the then Named Executive Officers, based on their performance against 2015 revenue and operating income targets, as adjusted. Achievement at the 100 percent of annual revenue and operating income targets in 2015 would have resulted in the funding of the cash incentives for Named Executive Officers at \$3.1 million. The failure to achieve minimum annual revenue and operating income targets in 2015 would have resulted in zero funding of the cash incentives in 2016.

The only adjustment that the Compensation Committee made to the 2015 results of operation for purposes of determining 2015 cash incentive awards was due to foreign exchange fluctuations, which was not reasonably capable of being hedged. The Compensation Committee determined that such adjustments were appropriate because these events were outside of direct control of the Company and the management team.

The adjusted 2015 revenue and operating income results measured against the targets were as follows:

Performance-Based Cash Incentive Funding Metrics	2015 Target	2015 Performance	Adjusted 2015 Performance	Total 2016 Performance-Based Cash Award Funding for 2015 Performance
Annual Revenue	\$1.325 billion	\$ 1.29 billion	\$1.351 billion	
Operating Income	\$111 million	\$90.2 million	\$117.6 million	\$12.76 million

With respect to cash incentives to be paid in 2017 for 2016 performance, the Compensation Committee did not approve funding of the bonus plan based on performance against the 2016 operating income targets, as adjusted. Achievement at the 100 percent of operating income targets in 2016 would have resulted in the funding of the cash incentives for Named Executive Officers at \$3.15 million. The failure to achieve minimum annual operating income targets in 2016 resulted in zero funding of the cash incentives in 2017.

Edgar Filing: TELETECH HOLDINGS INC - Form DEF 14A

For purposes of determining the achievement against 2016 targets, the Compensation Committee considered an adjustment related to foreign exchange fluctuations, which are not reasonably capable of being hedged, as well as an adjustment of \$36.4 million related to restructuring charges and asset impairments.

The adjusted 2016 operating income results measured against the targets were as follows:

Performance-Based Cash Incentive Funding Metrics	2016 Target	2016 Performance	Adjusted 2016 Performance	Total 2017 Performance-Based Cash Award Funding for 2016 Performance
Operating Income	\$114.3 million	\$52.8 million	\$83.3 million	\$0

Individual Performance Targets and Awards for Performance-Based Cash Incentives

If and when any cash incentives are available, based on the overall performance of the Company, how the funds are allocated to each Named Executive Officer is determined by the Compensation Committee, at its discretion, based on the recommendation of the Chief Executive Officer, and based on the Compensation Committee's view of the executive's contribution to the execution of the Company's strategic priorities as set forth below:

Strategic Priorities

- Deliver profitable top-line growth
- Continuously innovate customer experience
- Drive market adoption of emerging solutions
- Execute strategic and accretive acquisitions
- Enhance the TeleTech client and employee experiences

Performance Objectives

- New business signed and revenue growth
- Improved Operating Income and free cash flow
- Client satisfaction and retention
- Employee satisfaction and retention
- Overhead efficiency

There is no formulaic tie between the Company's financial results and the amount of the cash incentives payable to individual executives under the variable cash incentive plan, once the minimum target levels of financial performance necessary to fund the plan, as determined by the Compensation Committee, are achieved by the Company.

Our cash incentives do not provide for the adjustment or recovery of amounts paid to a Named Executive Officer if the results in a previous year are subsequently restated or adjusted in a manner that would have originally resulted in a smaller award. We will continue to monitor regulatory updates related to clawbacks and align our policy accordingly.

Table of Contents**Cash Incentives Paid in 2016**

In 2016, the Compensation Committee awarded cash incentives to the Named Executive Officers for 2015 performance as follows:

Named Executive Officer	Target Cash Incentives % Base Salary	Cash Incentives Paid in 2016 for 2015 Performance		Basis for Cash Incentive Award
	Target	Actual		
Kenneth D. Tuchman	0% ¹			N/A
Martin F. DeGhetto	200%		\$221,500	Based on Mr. DeGhetto's contribution to TeleTech's overall performance in 2015.
Judi A. Hand	200%		\$325,000	Based on Ms. Hand's contribution to TeleTech performance in 2015, including significant revenue growth in the Customer Growth Services segment in 2015.
Robert N. Jimenez	200%		\$128,000	Based on Mr. Jimenez's contribution to TeleTech's overall performance in 2015. In addition, Mr. Jimenez's bonus target was pro-rated due to his partial year tenure.
Regina M. Paolillo	200%		\$221,500	Based on Ms. Paolillo's significant contribution to strategy execution and overhead efficiencies.

¹ As noted elsewhere in these Proxy materials, Mr. Tuchman has elected to forego participation in the Company's discretionary cash incentive awards program.

Cash Incentives Paid in 2017 With Respect to 2016 Performance

The Compensation Committee did not award cash incentives to the Named Executive Officers due to 2016 financial performance.

Named Executive Officer	Target Cash Incentives % Base Salary	Cash Incentives Paid in 2017 for 2016 Performance		Basis for Cash Incentive Award
	Target	Actual		
Kenneth D. Tuchman	0% ¹			N/A
Martin F. DeGhetto	200%		\$0	N/A

Edgar Filing: TELETECH HOLDINGS INC - Form DEF 14A

Judi A. Hand	200%	\$0	N/A
Robert N. Jimenez	200%	\$0	N/A
Regina M. Paolillo	200%	\$0	N/A

1 As noted elsewhere in these Proxy materials, Mr. Tuchman has elected to forego participation in the Company's discretionary cash incentive awards program.

2016 Equity Grants

In 2016, the Compensation Committee considered whether equity awards were warranted in light of the Company's performance, peer company benchmarks and each individual Named Executive Officer's performance. Based on this review, the Compensation Committee determined to make restricted stock unit (RSU) grants to our Named Executive Officers. The primary characteristics of the RSUs being granted were:

- Annual RSU grants vest in four-year increments with 25 percent of the award vesting on each of the award anniversary dates.
- RSUs provide a long-term incentive to balance shorter-term incentives provided by cash awards and base salaries.
- Executive officer must remain employed by the Company through the vesting date for each portion of the grant to vest.
- Vesting of RSUs may be affected by a change of control, as discussed below under *Executive Compensation Tables - Potential Payments upon Termination or Change in Control*.
- The awards are structured to have a strong retention value and align executives' interests to stockholders' interest over a longer term.

Table of Contents

In 2016, the Compensation Committee made the following RSU grants to Mr. DeGhetto, Ms. Hand, and Mr. Jimenez. With the exception of Mr. Jimenez's grant, these grants vest in four equal installments on each anniversary date of the grant through 2020, subject to continued employment with the Company.

Mr. Jimenez's grant issued in 2016 is a result of a performance-based opportunity aligned to significant operating income growth targets in our Customer Strategic Services segment. Once these performance-based grants are earned, the award is subject to a one-year cliff vest.

Named Executive Officer	FMV 2016 RSU Grant	2016 RSU Grant	Considerations for 2016 Determination
Kenneth D. Tuchman	\$0	0 Shares	Mr. Tuchman requested that the Compensation Committee provide no equity grant for him in 2016.
Martin F. DeGhetto	\$ 999,980	34,794 Shares	Mr. DeGhetto's equity grant made in 2016, for 2015 performance, was based on his overall contribution to Company performance.
Judi A. Hand	\$ 999,980	34,794 Shares	Ms. Hand's equity grant made in 2016, for 2015 performance, was based on her contribution to overall Company results as well as the significant revenue growth in the Customer Growth Services segment.
Robert N. Jimenez	\$ 400,900	14,920 Shares	Mr. Jimenez's equity grant made in 2016, for 2015 performance was based on the achievement of Customer Strategic Services operating income related to his performance-based grant opportunity.
Regina M. Paolillo	\$0	0 Shares	Ms. Paolillo was not awarded an equity grant in 2016.

2017 Equity Grants

In March of 2017, the Compensation Committee approved the following RSU grants; these grants vest in four equal installments on each anniversary date of the grant through 2021, subject to continued employment with the Company.

The primary characteristics of the RSUs being granted were:

Named Executive Officer	FMV 2017 RSU Grant	2017 RSU Grant	Considerations for 2017 Determination
-------------------------	--------------------	----------------	---------------------------------------

Edgar Filing: TELETECH HOLDINGS INC - Form DEF 14A

Kenneth D. Tuchman	\$0	0 Shares	Mr. Tuchman requested that the Compensation Committee provide no equity grant for him in 2017.
Martin F. DeGhetto	\$1,000,000	34,364 Shares	Mr. DeGhetto's equity grant made in 2017 is based on contribution and execution in-line with the Company restructure.
Judi A. Hand	\$1,000,000	34,364 Shares	Ms. Hand's equity grant made in 2017 is based on contribution and execution in-line with the Company restructure.
Robert N. Jimenez	\$ 65,750	2,184 Shares	Mr. Jimenez's equity grant made in 2017, for 2016 performance was based on the achievement of pull through operating income related to his performance-based grant opportunity.
Regina M. Paolillo	\$1,000,000	34,364 Shares	Ms. Paolillo's equity grant made in 2017 is based on contribution and execution in-line with the Company restructure.

Table of Contents**Employment Agreements**

From time to time, we have entered into employment agreements with senior executive officers, including all five of our Named Executive Officers: Messrs. Tuchman, DeGhetto and Jimenez and Meses. Paolillo, and Hand. As a matter of policy, the Company does not enter into employment agreements, except in circumstance when required to do so by law or in special circumstances when management believes that such agreements are necessary to attract an executive or retain an executive in light of market conditions. The Compensation Committee reviews, but is not required to approve, employment agreements with senior executive officers, except our Chief Executive Officer and Chief Financial Officer. The primary compensation terms of our employment agreements with those Named Executive Officers who have the agreements are summarized below.

Tuchman Agreement

- TeleTech entered into an employment agreement with Mr. Tuchman in 2001.
- **Base Salary and Incentives.** Pursuant to the terms of the agreement, Mr. Tuchman is entitled to base salary, annual cash and equity incentives. But beginning in 2012, Mr. Tuchman requested that the Compensation Committee limit his base compensation to \$1, and awarded him no annual cash or equity incentives.
- **Benefits.** Mr. Tuchman and members of his family are entitled to participate in all TeleTech employee benefits at the Company's expense.
- **Life Insurance.** The Company agreed to provide Mr. Tuchman with \$4,000,000 term life insurance policy, premiums fully paid by the company. The policy is owned by Mr. Tuchman and may continue post termination of employment, subject to Mr. Tuchman paying all the premiums.
- **Severance.** Subject to customary releases, Mr. Tuchman is entitled to severance in the amount of 24 months of base pay, if he is terminated without cause or terminates his employment for good reason.
- **Change in Control Provisions.** The employment agreement provides for change in control provisions that result in accelerated vesting of all unvested equity awarded to Mr. Tuchman, subject to certain conditions that have been superseded by change in control provisions of specific equity grant documents

Paolillo Agreement

- TeleTech entered into an employment agreement with Ms. Paolillo in 2011.
- **Base Salary.** Entitled to receive base salary of at least \$400,000 amended from time to time at the Company's discretion.
- **Annual Cash Incentives.** Guaranteed cash bonus during 2012, with the right to participate in the annual incentive plan starting in 2013 (for 2012 performance) and every year thereafter, with a target of 100% of base salary and an opportunity to a higher bonus as determined by the Compensation Committee based on the Company performance and the executive's performance. The agreement provides no cap on the bonus potential but states that the amount payable may be zero. In 2014, the Compensation Committee approved a 200% target for all members of TeleTech's senior executive team, including Ms. Paolillo.
- **Equity Grants.** The agreement provides for a time-based RSU grant in the amount of 100,000 shares vesting over four years with the first tranche vesting on the second anniversary of the grant (in 2013) and remainder vesting in 2014 and 2015 on the grant anniversary dates. The agreement also provides for a performance-based RSU grant in the amount of 100,000 units that vests based on targeted revenue and operating margin by the end of 2014. (The metrics with respect to this grant were not achieved and the grant was forfeited). Also, the agreement provides for the grant of 150,000 stock options vesting over a four-year period based on performance metrics tied to TeleTech's stock price (The metrics for this grant have not been met to date).

DeGhetto Agreement

- TeleTech entered into an employment agreement with Mr. DeGhetto in 2016, to replace his prior employment arrangement at will.
- **Base Salary.** Entitled to receive a base salary of at least \$400,000 amended from time to time at the discretion of the CEO to reflect his role in the business and contribution of the role to the Company.
- **Annual Cash Incentives.** Eligible to participate in the Company's annual variable incentive plan up to 200% of Base Salary. The opportunity is tied to the annual targets and goals of the business as set by the CEO and the Company's Board of Directors. Mr. DeGhetto's annual award, if any, will be based on a combination of metrics tied to the overall results of the business and his individual performance.
- **Equity Grants.** Eligible to participate in the Company's annual equity grant opportunity of up to 200% Base Salary. The actual amount of the annual equity grant to be awarded is discretionary and not guaranteed, and is based on TeleTech's performance overall, the performance of the business unit for which Mr. DeGhetto is responsible, and his individual performance against targets set by the Company's Board of Directors annually.
- **Benefits.** Mr. DeGhetto is entitled to participate in all customary benefits. In

Edgar Filing: TELETECH HOLDINGS INC - Form DEF 14A

(see, *Executive Compensation Tables - Potential Payments upon Termination or Change in Control* section of the Proxy Statement).

- Non-Disparagement. The agreement provides that on separation of affiliation, whatever the reason, TeleTech will refrain from any comments regarding Mr. Tuchman and his affiliation with TeleTech. A breach of this provision provides for a \$200,000 liquidated damages payment.

- Benefits. Employee is entitled to participate in all customary benefits; provided however that the Company will pay for \$4,000,000 of life insurance for the duration of Ms. Paolillo's employment with the company.

- Severance. Subject to customary releases, Ms. Paolillo is entitled to severance in the amount of 12 months of base pay if she is terminated without cause.

in addition, Mr. DeGhetto is also eligible to participate in the Company's annual executive physical program and the Company will pay premiums on his \$4,000,000 life insurance policy.

- Severance. Subject to customary releases, Mr. DeGhetto is entitled to severance in the amount of 12 months of Base Salary if he is terminated without cause.

Table of Contents

Hand Agreement

Jimenez Agreement

- TeleTech entered into an employment agreement with Ms. Hand in 2016, to replace her prior employment arrangement at will.
- Base Salary. Entitled to receive a base salary of at least \$400,000 amended from time to time at the discretion of the CEO to reflect her role in the business and contribution of the role to the Company.
- Annual Cash Incentives. Eligible to participate in the Company's annual variable incentive plan up to 200% of Base Salary. The opportunity is tied to the annual targets and goals of the business as set by the CEO and the Company's Board of Directors. Ms. Hand's annual award, if any, will be based on a combination of metrics tied to the overall results of the business and her individual performance.
- Equity Grants. Eligible to participate in the Company's annual equity grant opportunity of up to 200% Base Salary. The actual amount of the annual equity grant to be awarded is discretionary and not guaranteed, and is based on TeleTech's performance overall, the performance of the business function for which Ms. Hand is responsible, and Ms. Hand's individual performance against targets set by the Company Board of Directors annually.
- Benefits. Ms. Hand is entitled to participate in all customary benefits. In addition, Ms. Hand is also eligible to participate in the Company's annual executive physical program and the Company will pay premiums on her \$4,000,000 life insurance policy.
- Severance. Subject to customary releases, Ms. Hand is entitled to severance in the amount of 12 months of Base Salary, if she is terminated without cause.
- TeleTech entered into an employment agreement with Mr. Jimenez in 2015.
- Base Salary. Entitled to receive a base salary of at least \$400,000 amended from time to time at the discretion of the CEO to reflect his role in the business and contribution of the role to the Company.
- Annual Cash Incentives. Eligible to participate in the Company's annual variable incentive plan up to 200% of Base Salary. The opportunity is tied to annual targets and goals as set by the Board of Directors and the CEO. Mr. Jimenez's annual award, if any, will be based on TeleTech-wide business results, CSS business segment specific results, and Mr. Jimenez's individual performance.
- Equity Grants. The agreement provides for a welcome equity (RSU) grant in the amount of \$1,000,000 worth of shares vesting over five years with the first tranche vesting on the second anniversary of the executive's start date and 20% vesting on the 3rd, 4th, and 5th anniversaries thereafter. Between 2015 and 2017, Mr. Jimenez is also eligible to receive an annual performance-based RSU grant valued, in the aggregate, at up to \$8,000,000, based on performance against targets, including cross-sell in business segments outside of the CSS. Starting in 2018, Mr. Jimenez will be eligible to participate in the Company's annual equity grant program.
- Benefits. Mr. Jimenez is entitled to participate in all customary benefits, including miscellaneous benefits applicable to the Company's management employees.
- Severance. Subject to customary releases, Mr. Jimenez is entitled to severance in the amount of 12 months of Base Salary, if he is terminated without cause.

Provisions in our Named Executive Officers' employment agreements relating to severance, termination and change in control are discussed in greater detail in the under section below entitled *Executive Compensation Tables - Potential Payments Upon Termination or Change in Control*.

Compensation Risk Assessment

As discussed above under the heading *Board's Role in Our Risk Management*, we conduct an annual assessment of our compensation policies and practices for all employees. We review and discuss the results of this assessment with the Compensation Committee. Based upon this assessment, review and discussion, we believe that our compensation policies and practices do not create unreasonable risk to the business.

TAX AND ACCOUNTING CONSIDERATIONS

Limitations on the Deductibility of Compensation

Under Section 162(m) of the Code, unless certain exceptions apply, no tax deduction is allowed for annual compensation in excess of \$1 million paid to our principal executive officer, our principal financial officer and three other most highly compensated executive officers unless it qualifies as performance-based compensation, based upon performance criteria that have been disclosed to and approved by stockholders before the payment of such compensation is made. Performance-based compensation qualifying under Section 162(m), among other requirements, must be payable only upon attainment of pre-established, objective performance goals that were established by a Board or its committee that consists of outside directors only.

Table of Contents

Section 409A of the Code imposes additional income taxes on executive officers for certain types of deferred compensation that do not comply with Section 409A of the Code. In 2008, we revised several of our compensation plans and agreements with technical changes designed to cause any nonqualified deferred compensation payable under such plans and agreements to comply with, or be exempt from, Section 409A. We did so because we provide certain executives, including our Named Executive Officers, with the opportunity to contribute up to 75 percent of their salaries or cash incentives to a deferred compensation plan. We do not provide deferred compensation to the Named Executive Officers in excess of their individual contributions.

Accounting Considerations

The Compensation Committee also considers the accounting and cash flow implications of our executive compensation program. In our financial statements, we record salaries and cash incentives as expenses in the amount paid, or to be paid, to the Named Executive Officers. Accounting rules also require us to record equity awards as an expense in our financial statements even though equity awards are not paid as cash to employees. The accounting expense of equity awards to employees is calculated in accordance with the guidance in FASB ASC Topic 718. The Compensation Committee believes, however, that the advantages of equity compensation programs, as discussed above, outweigh the non-cash compensation expense associated with them.

EXECUTIVE COMPENSATION TABLES**Summary Compensation Table for 2016**

The following table sets forth the compensation for the services in all capacities to us and our subsidiary companies for the years ended December 31, 2016, 2015, and 2014 of our Named Executive Officers:

Name and Principal Position	Year	Salary (\$)	Bonus (\$) ²	Stock Awards (\$) ³	Option Awards (\$) ³	Non-Equity Incentive Plan Compensation (\$) ⁴	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) ⁵	All Other Compensation (\$) ⁶	Total (\$)
Kenneth D. Tuchman (Chief Executive Officer)	2016	1					155,220	59,859	215,080
	2015	1					29,374	61,610	90,985
	2014	1					99,503	61,720	161,224
Martin F. DeGhetto (Executive Vice President, Customer Management Services)	2016	400,000		999,980		221,500	804	39,024	1,661,308
	2015	415,385	1	750,008		370,000		43,528	1,578,921
	2014	392,692		999,990		500,000		38,942	1,931,624
Judi A. Hand (Executive Vice President, Customer Growth Services)	2016	375,000		999,980		325,000		32,557	1,732,537
	2015	363,462	1	750,008		325,000		37,646	1,476,116
	2014	350,000		999,990	7	150,000		65,180	1,565,170
	2016	400,000		400,900		128,000		8,130	937,030

Edgar Filing: TELETECH HOLDINGS INC - Form DEF 14A

Robert N. Jimenez (Executive Vice President, Customer Strategic Services)	2015	223,077	999,994			76	1,223,147
	2014						
Regina M. Paolillo (Executive Vice President, Chief Administrative and Financial Officer)	2016	400,000		221,500	197,555	15,305	834,360
	2015	410,577	750,008	392,066	3,150	15,639	1,571,440
	2013	375,000	1,640,250	400,000	88,404	12,106	2,515,760

1 Based on TeleTech's bi-weekly pay practice, the 2015 salaries shown above reflect 27 pay periods versus the customary 26, resulting in 2015 salaries reported that are greater than the annual base salaries.

2 Amounts are discretionary cash bonus payments and sign-on bonus payments outside of the discretionary performance-based cash incentive awards that are not subject to pre-established and communicated performance measures. Discretionary bonuses are paid in the first quarter of the year following the year for which such bonus was awarded and sign-on bonuses are generally paid at the time of hire.

3 Amounts were calculated pursuant to the guidance in FASB ASC Topic 718. We calculate the fair value for RSUs based on the closing price of our common stock on the date of grant multiplied by the number of shares granted and assume with regard to performance vesting RSUs, if any, achievement of the maximum performance targets.

4 Amounts are annual discretionary performance-based cash incentive awards payments that are awarded based upon the Compensation Committee's subjective assessment of each Named Executive Officer's performance under pre-established and communicated performance measures (specifically, the success factors described above in the section entitled "Compensation Discussion and Analysis" under the headings "How We Determine Executive Compensation" and "Compensation Committee Determines All Executive Compensation" and "How We Determine Executive Compensation - 2015 Cash Incentives-Strategic Objectives") and were paid during the first quarter of 2016 based on prior year performance.

5 Amounts are summarized below in the section entitled "Nonqualified Deferred Compensation Table." Pursuant to Instruction 3 to Item 402(c)(viii) of Regulation S-K, negative amounts are disclosed in the Non-Qualified Deferred Compensation table below, but are excluded from the Summary Compensation Table.

6 Amounts are summarized below under the heading "All Other Compensation Table."

7 In 2014, Ms. Hand was awarded a performance equity grant contingent on specific revenue and operating income targets for the Customer Growth Services business segment, which she leads. Based on the business segment's actual revenue and operating income performance in 2014, Ms. Hand earned 8,394 shares, valued at \$247,238 of the \$999,990.

Table of Contents

The **Summary Compensation Table** should be read in conjunction with additional tables and narrative descriptions that follow. The **Grants of Plan-Based Awards** table, and the accompanying description of the material terms of the RSU awards granted in 2016, provides information regarding the long-term equity incentives awarded to Named Executive Officers in 2016. The **Outstanding Equity Awards at Year-End and Option Exercises and Stock Vested** tables provide further information on the Named Executive Officers' potential realizable value and actual value realized with respect to their equity awards.

Nonqualified Deferred Compensation Table

Name	Executive Contributions in Last Fiscal Year (\$) ¹	Registrant Contributions in Last Fiscal Year (\$)	Aggregate Earnings in Last Fiscal Year (\$) ²	Aggregate Withdrawals/Distributions in Last Fiscal Year (\$)	Aggregate Balance at Last Fiscal Year End (\$) ³
Kenneth D. Tuchman			155,220		2,128,842
Martin F. DeGhetto	7,226		804		15,417
Judi A. Hand					
Robert N. Jimenez					
Regina M. Paolillo	357,805		197,555		2,505,630

¹ Amounts set forth in this column are included in Salary, Bonus and/or Non-Equity Incentive Plan compensation columns of the Summary Compensation Table above for the Named Executive Officers.

² Amounts set forth in this column are included in the Change in Pension Value and Non-Qualified Deferred Compensation Earnings column of the Summary Compensation Table above for the Named Executive Officers.

³ Amounts set forth in this column were reported as compensation to the Named Executive Officers in the Summary Compensation Table for 2016 and previous years.

All Other Compensation Table

The following table describes the perquisites and other compensation received by the Named Executive Officers during 2016:

Perquisite	Mr. Tuchman	Mr. DeGhetto	Mrs. Hand	Mr. Jimenez	Ms. Paolillo
Use of Aircraft					
Automobile	\$ 33,952				
Executive Health/Dental/Vision Premiums	\$ 20,323	\$ 20,323	\$ 23,833		\$ 6,581
Group Term/Executive Life Premiums	\$ 774	\$ 10,751	\$ 774	\$ 180	\$ 774
Deferred Death Benefit	\$ 4,810				
401(k) Plan Matching Contributions		\$ 7,950	\$ 7,950	\$ 7,950	\$ 7,950

Total	\$ 59,859	\$ 39,024	\$ 32,557	\$ 8,130	\$ 15,305
-------	-----------	-----------	-----------	----------	-----------

Grants of Plan-Based Awards

Each of the Non-Equity Incentive Plan Awards reported in this Grants of Plan-Based Awards table refers to discretionary performance-based cash incentive award payments. The material terms of these incentive awards are described in the section entitled [Compensation Discussion and Analysis](#). The following table sets forth information about the discretionary performance-based cash incentive awards or discretionary cash bonuses for the Named Executive Officers in 2016 and the RSU stock awards to each Named Executive Officer during 2016:

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ¹			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock Or Units (#) ²	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$) ³
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (\$)	Target (\$)	Maximum (\$)				
Kenneth D. Tuchman											
Martin F. DeGhetto	7/21/2016	0	800,000	No Maximum			34,794		28.74	999,980	
Judi A. Hand	7/21/2016	0	800,000	No Maximum			34,794		28.74	999,980	
Robert N. Jimenez	5/26/2016	0	800,000	No Maximum			14,920		26.87	400,900	
Regina M. Paolillo		0	800,000	No Maximum							

¹ Amounts set forth in these columns are based on estimated future payouts for 2016 discretionary performance-based cash incentive awards. Mr. Tuchman has elected not to participate in prior year discretionary performance-based cash incentive awards and he again elected not to receive such awards for 2016. However, on December 31, 2016, Mr. Tuchman was still eligible to receive payments for such awards.

² Amounts set forth in this column represent the number of shares underlying time-in-service-based RSU awards.

³ Amounts set forth in this column represent the grant date fair value as determined pursuant to the guidance in FASB ASC Topic 718. We calculate the fair value for RSUs based on the closing price of our common stock on the date of grant multiplied by the number of shares granted.

Table of Contents**Outstanding Equity Awards at Year-End**

The following table presents information regarding the outstanding equity awards held by each of the Named Executive Officers as of December 31, 2016, including the vesting dates for the portions of these awards that had not vested as of that date. All equity awards listed below were issued from our Equity Incentive Plans.

Name	Grant Date	Options Awards		Option Exercise Price (\$)	Option Expiration Date	Stock Awards		Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested (#)
		Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)			Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$) ¹		
Kenneth D. Tuchman									
Martin F. DeGhetto	3/5/2012					5,000	2	152,500	
	4/1/2013					5,974	3	182,207	
	7/1/2014					16,972	4	517,646	
	7/1/2015					20,772	5	633,546	
	7/21/2016					34,794	6	1,061,217	
Judi A. Hand	7/1/2014					4,197	7	128,009	
	7/1/2015					20,772	5	633,546	
	7/21/2016					34,794	6	1,061,217	
Robert N. Jimenez	6/8/2015					39,777	8	1,213,199	
	5/26/2016					14,920	9	455,060	
Regina M. Paolillo	11/1/2011		116,666	10	17.31				11/15/2021
	11/1/2012					20,000	11	610,000	
	4/1/2013					5,974	3	182,207	
	2/20/2014					45,000	12	1,372,500	
	7/1/2015					20,772	5	633,546	

¹ The dollar amounts are determined by multiplying (i) the number of shares or units reported by (ii) \$30.50 (the closing price of our common stock on December 30, 2016, the last trading day of 2016).

² The unvested portion of this time-in-service-based RSU is scheduled to vest on March 5, 2017, subject to continued employment.

³ The unvested portion of this time-in-service-based RSU award vests in two equal annual installments beginning on April 1, 2017 and on each anniversary thereafter, subject to continued employment.

- 4 The unvested portion of this time-in-service-based RSU award vests in two equal installments beginning on July 1, 2017 and on each anniversary thereafter, subject to continued employment.
- 5 The unvested portion of this time-in-service-based RSU award vests in three equal annual installments beginning on July 1, 2017 and on each anniversary thereafter, subject to continued employment.
- 6 The unvested portion of this time-in-service-based RSU award vests in four equal annual installments beginning on July 1, 2017 and on each anniversary thereafter, subject to continued employment.
- 7 The unvested portion of this earned performance-based RSU award vests in two equal installments beginning on July 1, 2017 and on each anniversary thereafter, subject to continued employment.
- 8 The unvested portion of this time-in-service-based RSU award vests in four installments beginning with 40 percent vesting on June 8, 2017 and three equal installments vesting on each anniversary thereafter, subject to continued employment.
- 9 The unvested portion of this earned performance-based RSU is scheduled to vest on May 26, 2017, subject to continued employment.
- 10 The unvested portion of these earned performance-based Nonqualified Stock Options vest over two years, with 16,666 shares eligible for vesting on December 31, 2016 and 100,000 shares eligible for vesting on December 31, 2017, with vesting of each tranche subject to satisfaction of performance-based criteria.
- 11 The unvested portion of this time-in-service-based RSU award is scheduled to vest on November 1, 2017, subject to continued employment.
- 12 The unvested portion of this time-in-service-based RSU award vests in three equal installments beginning on February 20, 2017 and on each anniversary thereafter, subject to continued employment.

Option Exercises and Stock Vested

The following table presents information regarding the exercise of stock options by Named Executive Officers during 2016, and on the vesting of RSUs held by Named Executive Officers during 2016.

Option Awards

Stock Awards

Edgar Filing: TELETECH HOLDINGS INC - Form DEF 14A

Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$) ¹
Kenneth D. Tuchman				
Martin F. DeGhetto			23,397	644,897
Judi A. Hand			9,022	244,135
Robert N. Jimenez				
Regina M. Paolillo			44,911	1,223,566

¹ The dollar amounts reflected above for value realized on stock awards vesting are determined by multiplying (i) the number of shares of common stock issued as a result of RSU vesting by (ii) the per-share price of our common stock as of market close on the date of vesting.

Table of Contents

Potential Payments Upon Termination or Change in Control

The stock option and RSU agreements with the Named Executive Officers have provisions for accelerated vesting, if there is a change in control of TeleTech. Such vesting occurs on the effective date of a change in control.

Change in Control Defined

A change in control is defined as the occurrence of any one of the following events:

- Business Combination. Any consolidation, merger or other similar transaction (a) involving TeleTech, if TeleTech is not the continuing or surviving corporation, or (b) which contemplates that all or substantially all of the business and/or assets of TeleTech will be controlled by another corporation;
- Sale of Substantially All Assets. Any sale, lease, exchange or transfer (in one transaction or several related transactions) of all or substantially all of the assets of TeleTech (a disposition); provided, however, that the foregoing shall not apply to any disposition to a corporation with respect to which, following such disposition, more than 51 percent of the combined voting power of the then outstanding voting securities of such corporation is beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners of at least 51 percent of the then outstanding common stock and/or other voting securities of TeleTech immediately prior to such disposition, in substantially the same proportion as their ownership immediately prior to such disposition;
- Liquidation. Approval by the stockholders of TeleTech of any plan or proposal for the liquidation or dissolution of TeleTech, unless such plan or proposal is abandoned within 60 days following such approval;
- Acquisition of 51% Interest. Acquisition by any person (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended), or two or more persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended) of 51 percent or more of the outstanding shares of voting stock of TeleTech; provided, however, that for purposes of the foregoing, person excludes Kenneth D. Tuchman and his affiliates; provided, further, that the foregoing shall exclude any such acquisition (a) by any person made directly from TeleTech, (b) made by TeleTech or any subsidiary, or (c) made by an employee benefit plan (or related trust) sponsored or maintained by TeleTech or any subsidiary; or

- Control of the Board. If, during any period of 15 consecutive calendar months commencing at any time on or after the RSU or option grant date, those individuals (the continuing directors) who either (a) were directors of TeleTech on the first day of each such 15-month period, or (b) subsequently became directors of TeleTech and whose actual election or initial nomination for election subsequent to that date was approved by a majority of the continuing directors then on TeleTech's Board of Directors, cease to constitute a majority of the Board of Directors of TeleTech.

As of December 31, 2016, our standard equity grant agreement (for options, RSUs or other forms of equity grants for the Named Executive Officers) contained a provision whereby the vesting of such equity grants (which typically have a four- or five-year vesting period) would accelerate immediately upon the occurrence of a change in control event without occurrence of any other triggering events.

Employment agreements of some of our Named Executive Officers include guaranteed severance provisions that may be different from amounts provided for in TeleTech's severance policy. The following table lists the Named Executive Officers and the estimated amounts they would have become entitled to on December 31, 2016: (a) upon termination without cause or resignation for good cause; (b) upon termination for cause or voluntary resignation; (c) upon death; (d) upon disability; and (e) upon a change in control occurring on such date:

Table of Contents**Change in Control Table**

Name		Termination Without Cause or Resignation for Good Cause (\$)	Termination for Cause or Voluntary Resignation (\$)	Death (\$)	Disability (\$) ¹	Change in Control (\$)
Kenneth D. Tuchman	Cash		2		3,000	2
	Equity Acceleration ²					
	Continued Benefits ³	122,330				122,330
	Accidental Death & Dismemberment Insurance (AD&D)			200,000	200,000	
	Life Insurance			200,000 ⁴		
	Total	122,332		400,000	203,000	122,332
Martin F. DeGhetto	Cash	400,000			33,333	400,000
	Equity Acceleration ²					2,547,116
	Continued Benefits AD&D			200,000	200,000	
	Life Insurance			3,649,000 ⁵		
	Total	400,000		3,849,000	233,333	2,947,116
Judi A. Hand	Cash	400,000			33,333	400,000
	Equity Acceleration ²					1,822,772
	Continued Benefits AD&D			200,000	200,000	
	Life Insurance			4,200,000 ⁶		
	Total	400,000		4,400,000	233,333	2,222,772
Robert N. Jimenez	Cash	400,000			33,333	400,000
	Equity Acceleration ²					1,668,259
	Continued Benefits AD&D			200,000	200,000	
	Life Insurance			200,000 ⁴		
	Total	400,000		400,000	233,333	2,068,259
Regina M. Paolillo	Cash	400,000			33,333	400,000
	Equity Acceleration ²					4,337,078
	Continued Benefits AD&D			200,000	200,000	
	Life Insurance			200,000 ⁴		
	Total	400,000		400,000	233,333	4,737,078

¹ Represents one month of short-term disability. Under the employment agreements of DeGhetto, Jimenez, Hand and Paolillo, they are eligible to receive their full salary for the first 90 days of disability.

² Dollar amounts set forth in this row represent the aggregate of: (i) the number of unvested RSUs that would vest upon a change in control multiplied by \$30.50, the closing price of our common stock on December 30, 2016; and (ii) the number of unvested stock options that would vest upon a change in control multiplied by the excess of \$30.50 over the exercise price of such stock options.

³ Pursuant to his employment agreement, Mr. Tuchman is entitled to receive the value of continued benefits, including personal use of the Company aircraft, an automobile allowance, executive health, dental and vision insurance premiums, life insurance premiums, deferred death

Edgar Filing: TELETECH HOLDINGS INC - Form DEF 14A

benefits and 401(k) plan matching contributions, equal to two times the value at time of separation. For purposes of the auto allowance and aircraft, each such benefit will be determined as reported in the summary compensation table of the Company's proxy statement for the prior year.

4 Includes \$200,000 of basic life insurance provided by the Company.

5 Includes \$200,000 of basic life insurance and a \$3,449,000 executive life insurance policy provided by the Company.

6 Includes \$200,000 of basic life insurance and a \$4,000,000 executive life insurance policy provided by the Company.

Table of Contents

Equity Compensation Plan Information

The following table sets forth, as of December 31, 2016, the number of shares of our common stock to be issued upon exercise of outstanding options, RSUs, warrants and rights, the weighted-average exercise price of outstanding options, warrants and rights, and the number of securities available for future issuance under equity-based compensation plans:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, RSUs, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (\$)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in the Second Column)
Equity compensation plans approved by security holders	1,359,287 ¹	22.83 ²	1,223,197 ³
Equity compensation plans not approved by security holders			
Total	1,359,287		1,223,197

¹ Includes options to purchase 191,666 shares and 1,167,621 RSUs issued under our equity incentive plans.

² Weighted average exercise price of outstanding stock options; excludes RSUs, which have no exercise price.

³ Shares available for issuance under the 2010 Plan takes into consideration future grant obligations under two outstanding performance-based RSU opportunities.

COMPENSATION COMMITTEE REPORT

We evaluate and establish compensation for TeleTech executive officers and oversee the equity-based compensation plans, performance-based cash incentive plans, and other management incentives and perquisite programs.

Management has primary responsibility for TeleTech's financial reporting and disclosure processes, including disclosure of executive compensation. Within the context of this division of responsibilities between the Compensation Committee and management, the Compensation Committee has reviewed and discussed with management the disclosures regarding executive compensation to be included in the Proxy Statement and is satisfied that the disclosure fairly and completely represents the philosophy, intent, and actions of the Compensation Committee with respect to TeleTech's executive compensation. The Compensation Committee, therefore, recommended to our Board that the section entitled [Executive Compensation Compensation Discussion and Analysis](#) be included in this Proxy Statement and incorporated by reference into our Annual Report on Form 10-K for the year ended December 31, 2016.

Compensation Committee

Tracy L. Bahl, Chair

Gregory A. Conley

Robert N. Frerichs

PROPOSALS TO BE VOTED ON AT THE ANNUAL MEETING

PROPOSAL 1: Election of Directors

We are seeking your support to elect seven candidates who we have nominated to serve on our Board. We believe that these candidates have qualifications and experience appropriate for a public business process outsourcing, technology, and strategic consulting company with operations throughout the world. The Board believes that the nominees have the experience and perspective to guide the Company as we continue our transformation from a customer care business process outsourcing company to a global integrated customer engagement service provider. The candidates also have the experience necessary to support TeleTech as we compete in global markets, innovate, and adjust to rapidly changing technologies, business cycles and client demands. Each member of our Board is elected for a term of one year. Our Board, on the recommendation of the Nominating and Governance Committee, is recommending to stockholders that the following candidates be elected to the Board at the 2016 Annual Meeting. Six of the seven candidates are currently TeleTech directors and each of the seven director-nominees has confirmed his or her willingness to serve. Mr. Mehta, a member of the Company's Board has indicated his intent to retire from our Board after the conclusion of the Annual Meeting of Stockholders and will not stand for election. Mr. Mehta's decision to retire is not due to any disagreements with the Board of the Company. The Company and the Board thank him for his dedicated service, valuable insights and his contributions over the last thirteen years.

Table of Contents

Director	Age	Director Since	Independent	Qualifications
Kenneth D. Tuchman	57	1994		<ul style="list-style-type: none"> • Global executive and entrepreneur • Customer experience innovator • TeleTech founder
Steven J. Anenen	64	2016	ii	<ul style="list-style-type: none"> • Global CEO experience • Public company director experience • Automotive industry experience • Technology industry experience
Tracy L. Bahl	55	2013	ii	<ul style="list-style-type: none"> • Private equity executive • Healthcare industry experience • Chief executive of a multi-billion-dollar subsidiary of a public company
Gregory A. Conley	62	2012	ii	<ul style="list-style-type: none"> • Global CEO experience • Technology industry experience • Public company audit committee experience
Robert N. Frerichs	65	2012	ii	<ul style="list-style-type: none"> • Public company director experience • Public audit experience • Consulting services industry experience
Marc L. Holtzman	57	2014	ii	<ul style="list-style-type: none"> • International board experience • Public company director experience • Financial sector experience
Ekta Singh-Bushell	45	-	ii	<ul style="list-style-type: none"> • Public audit experience • Global advisory experience • Financial sector and digital economy experience

If any of the nominees become unable or unwilling to serve, shares represented by valid proxies will be voted FOR the election of such other person as our Board may nominate, or the number of directors that constitutes the full Board may be reduced to eliminate the vacancy. Those elected to the TeleTech Board at the 2017 Annual Meeting of Stockholders are expected to hold office until the next Annual Meeting and until their respective successors are duly elected and qualified.

Nominations of Directors

While our Board and its Nominating and Governance Committee have not set specific minimum qualifications for director qualifications, they believe that it is important that TeleTech directors, as a group, have the following attributes:

- Exceptional business savvy and leadership experience;
- Highest integrity;
- Public company board experience;
- Diversity of perspectives;
- Global/international experience;
- Industry and technical experience relevant to TeleTech's business and aligned with its growth strategy;
- Financial expertise;
- Knowledge of our client verticals;
- Objective, independent and pragmatic approach to business decisions;
- Good business judgment proven in prior roles;
- Willingness to devote time and attention to TeleTech's affairs and its stockholders' interests; and
- Appreciation of the role of the corporation in society and commitment to sustainable business strategy.

As part of the nomination process, the Nominating and Governance Committee carefully considers strategic objectives of the Company and evaluates them against the Board composition and skill set of each director. The Nominating and Governance Committee considers potential candidates for membership on the Board of Directors throughout the year based on the recommendations brought forward by members of the Board, members of management, professional executive search firms, and stockholders. When evaluating candidates for recommendation to stand for election to the Board, the Nominating and Governance

Edgar Filing: TELETECH HOLDINGS INC - Form DEF 14A

Committee considers each potential nominee's skills, experience in areas of current significance to the Company, diversity, independence, the Board's skills as a group, and the candidates' ability to devote adequate time to the Board's duties. Candidates selected by the Nominating and Governance Committee are recommended to our Board for consideration and the Board recommends the candidates as a nominated slate to stockholders.

Table of Contents

The Nominating and Governance Committee will consider stockholder recommendations for Board candidates if the names and qualifications of such candidates are submitted in writing to our Corporate Secretary in accordance with our Amended and Restated Bylaws, applicable rules and regulations of the U.S. Securities and Exchange Commission and NASDAQ Stock Market and the notice provisions for stockholder proposals discussed in the section entitled [Additional Information - Next Annual Meeting of Stockholders](#). The Nominating and Governance Committee considers properly submitted stockholders nominees in the same manner as it evaluates other candidates.

[2017 Director Nominees](#)

Kenneth D. Tuchman

Age: 57

Director since 1994

Mr. Tuchman founded TeleTech's predecessor company in 1982 and has served as the Chairman of the Board since 1994. Mr. Tuchman served as TeleTech President and Chief Executive Officer from 1994 until 1999 and resumed the position in 2001. Mr. Tuchman is a director of the Tuchman Family Foundation and Wapiti Oil & Gas II, LLC.

Mr. Tuchman has more than 35 years of experience in the business process outsourcing industry, driving innovation growth and profitability in all economic cycles. As the founder and a controlling stockholder of TeleTech, Mr. Tuchman is an essential member of our Board of Directors.

Steven J. Anenen

Age: 64

Director since 2016

Mr. Anenen serves as a member of the Audit and Nominating and Governance Committees. Mr. Anenen served as CEO and a member of the board of directors for CDK Global, Inc. (NASDAQ: CDK) between September, 2014 and March, 2017. In 2014, Mr. Anenen led the spin-off of the Automatic Data Processing (NASDAQ:ADP) Dealer Services Group to create CDK Global. Prior to CDK spin-off, Mr. Anenen spent almost 40 years with ADP, serving as the president of ADP Dealer Services, a leading provider of technology solutions to the automotive industry, between 2004 and 2014, and senior vice president North America Systems between 1998 and 2004. During his tenure in the automotive industry, Mr. Anenen oversaw the global expansion of the business into more than 100 countries, and led the transition to digital through the transformational acquisition and integration of Cobalt, a leader in digital marketing for the North American automotive industry.

Mr. Anenen's extensive experience as a senior executive at a global public technology company, his chief executive experience, business process outsourcing, automotive industry, and technology experience provide necessary and desired skills, experience, and perspective to our Board.

Tracy L. Bahl

Age: 55

Director since 2013

Mr. Bahl serves as the Chair of the Compensation Committee and is a member of the Nominating and Governance Committee. Mr. Bahl currently serves as an executive vice president, health plans for CVS Health. Since 2007, Mr. Bahl has served as a special advisor to General Atlantic, a leading global growth equity firm with U.S. \$20 billion in capital, and its portfolio companies. Between 2013 and 2015, Mr. Bahl served as a member of the Board of Directors of MedExpress, a chain of urgent care service centers throughout the United States; and between 2008 and 2011 as the executive chairman for Emdeon, a provider of health information exchange and revenue cycle management solutions. Between 1998 and 2007, Mr. Bahl held various senior executive positions as part of UnitedHealth Group, including between 2004 and 2007 as the chief executive officer of Uniprise, a U.S. \$7 billion division of UnitedHealth Group; between 2002 and 2004 as chief marketing officer for UnitedHealth Group; and between 1998 and 2002 as the president of Uniprise Strategic Solutions. Prior to UnitedHealth Group, Mr. Bahl was an executive with CIGNA Healthcare. Mr. Bahl also serves as a Trustee and Vice Chairman of the Board of Trustees for Gustavus Adolphus College, in St. Peter, MN.

Mr. Bahl's extensive experience in the healthcare industry, his public company and private equity experience provide necessary and desired skills, experience and perspective to our Board.

Table of Contents

Gregory A. Conley

Age: 62

Director since 2012

Mr. Conley serves as Chair of the Audit Committee and is a member of the Compensation Committee. Mr. Conley is also a director of HaulHound.com, a trucking logistics company. Between 2012 and early 2014, Mr. Conley served as the chief executive officer of Aha! Software, LLC, a privately held predictive analytics and cloud computing company. Between 2009 and 2011, Mr. Conley served as the chief executive officer and a director of Odyssey Group, SA, a Switzerland-based technology services and software company, and oversaw the sale of the company to Temenos Group AG, a global provider of banking software systems. Between 2004 and 2005, Mr. Conley was the president, chief executive officer and a director of Verio, Inc., a leading global provider of hosting and network services and a subsidiary of Nippon Telephone & Telegraph. From 2001 to 2003, Mr. Conley was the president, chief executive officer and a director of Tanning Technology Corporation, NASDAQ listed information technology solutions provider, sold to Platinum Equity in 2003. Between 1995 and 2001, Mr. Conley was a senior executive responsible for e-markets and travel and transportation at International Business Machines, (NYSE:IBM) and an attorney at Covington & Burling LLP.

Mr. Conley's extensive experience as the chief executive officer and director of several technology companies with domestic and international operations, his leadership in technology innovation and his legal experience bring relevant and necessary skills, experience and perspective to our Board.

Robert N. Frerichs

Age: 65

Director since 2012

Mr. Frerichs serves as the Chair of the Nominating and Governance Committee and is a member of the Audit and Compensation Committees. Mr. Frerichs is a director of Merkle, Inc., a privately held customer relationship marketing agency, and a director of Wedgewood Enterprises Corporation, a privately held investment real estate and management company. Prior to joining our Board, Mr. Frerichs, was with Accenture (NYSE: ACN) between 1976 and 2012. During his tenure with Accenture, Mr. Frerichs held various leadership roles including group chief executive North America, chief risk officer and chief operating officer of the communication and high tech operating group, chairman of the capital committee, and a member of Accenture board of partners prior to the Company's initial public offering in 2001; culminating his 36 year career as the International Chairman of Accenture, Inc. Between 2004 and 2012, Mr. Frerichs served as chairman of the board of Avanade, a joint venture between Accenture and Microsoft. Between 2012 and 2013, Mr. Frerichs was the chairman of the Aricent Group, a global innovation and technology services company, and a director of Cyandia, Inc., an interactive consumer entertainment company. Mr. Frerichs is a Certified Public Accountant.

Mr. Frerichs' extensive global business experience, his public company and consulting industry experience and his financial credentials provide necessary and desired skills, experience and perspective to our Board.

Marc L. Holtzman

Age: 57

Director since 2014

Mr. Holtzman currently serves as chairman of the board of directors of Kazkommertsbank, the largest bank in Kazakhstan; and as chairman of the board of the Bank of Kigali Limited in Rwanda. From 2012 to 2015, Mr. Holtzman served on the board of FTI Consulting, Inc., (NYSE:FCN) a global financial and strategic consulting firm, where he was a member of the nominating and governance committee. Mr. Holtzman served as the chairman of Meridian Capital HK, a Hong Kong private equity firm from 2012 until 2014, and as the executive vice chairman of Barclays Capital between 2008 and 2012. Between 2003 and 2005, Mr. Holtzman was President of the University of Denver; and served in the cabinet of Colorado Governor Bill Owens as Colorado's first Secretary of Technology between 1999 and 2003.

Mr. Holtzman's extensive international experience, his financial, investment banking and public company board experience provide necessary skills, experience and perspective to our Board.

Table of Contents

Ekta Singh-Bushell

Age: 45

Newly nominated in 2017

Ms. Singh-Bushell currently serves as deputy first vice president, chief operating officer executive office, at the Federal Reserve Bank of New York. If elected to the Company Board, Ms. Singh-Bushell will step down from this role. From 2015 to 2016, she was a partner at DecisionGPS LLC, a business analytics start-up; she continues to serve as a strategic board advisor to the company. Since 2015, Ms. Singh-Bushell has been serving as a member of the board of directors for LifeStream (Taxonometrics, Inc). Between 1998 and 2015, Ms. Singh-Bushell worked at Ernst & Young, serving in various leadership roles including global client services partner between 2005 and 2015, global and Americas IT Effectiveness leader, Northeast advisory people leader, and US innovation & digital strategy leader. Ms. Singh-Bushell is a licensed certified public accountant (CPA) and holds advanced international certifications in governance, information systems security, audit, and control. From 2004 to 2014, Ms. Singh-Bushell served in various leadership roles including treasurer and audit committee chair for the Asian American Federation. During her extensive career, she lived and worked in India, London, and the US.

Ms. Singh-Bushell's international experience in finance, audit, technology, cybersecurity, multi-sector strategy and business launch provide necessary and desired skills, experience and perspective to our Board.

Required Vote

The seven director nominees receiving the highest number of affirmative votes of the outstanding shares of common stock present or represented by proxy and voting at the Annual Meeting, will be elected as directors to serve until the next annual meeting of stockholders and until their successors are duly elected and qualified.

Recommendation of the Board

Our Board recommends that you vote **FOR** all of the nominees for election to our Board.

PROPOSAL 2: Ratification of the Appointment of Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP (PwC) served as TeleTech's independent registered public accounting firm in 2016. The Audit Committee of the Board determined that the current audit team, supported by PwC's partners experienced

with TeleTech operations in key countries where TeleTech has material operations, and other PwC subject matter experts, have the appropriate level of professional expertise to oversee the conduct of the TeleTech annual independent audit. Although the Audit Committee has the sole authority to appoint the independent auditor, the Audit Committee continues its long-standing practice of recommending that the Board ask the stockholders to ratify the appointment of the independent auditor.

In accordance with its charter, the Audit Committee of our Board has selected PricewaterhouseCoopers LLP to serve as our independent registered public accounting firm for 2017 and recommends to the stockholders that they ratify this appointment. If the appointment is not ratified by our stockholders, the Audit Committee may consider whether it should appoint another independent registered public accounting firm. Representatives of PricewaterhouseCoopers LLP are expected to attend the Annual Meeting, where they will be available to respond to stockholders' questions.

Fees Paid to Accountants

PricewaterhouseCoopers LLP has served as our independent registered public accounting firm since May of 2007. The following table shows the fees for the audit and other services provided by PricewaterhouseCoopers LLP for the years ended December 31, 2016 and 2015 (amounts in thousands).

	2016	2015
Audit fees	\$4,124	\$3,534
Audit-related fees	\$ 0	\$ 0
Tax fees	\$ 44	\$ 86
All other fees	\$ 139	\$ 142
Total	\$4,307	\$3,762

Table of Contents

Audit Fees

This category includes the audit of our annual financial statements; review of financial statements included in our quarterly reports on Form 10-Q; the audit of management's assessment of the effectiveness of our internal controls over financial reporting, as well as the audit of the effectiveness of our internal control over financial reporting included in our 2016 Annual Report on Form 10-K and as required by Section 404 of the Sarbanes-Oxley Act of 2002; and services that are normally provided by the independent registered public accounting firm in connection with statutory and regulatory filings or engagements for current and prior years. This category also includes advice on accounting matters that arose during, or as a result of, the audit or the review of interim financial statements, statutory audits required by non-U.S. jurisdictions and the preparation of an annual management letter on internal control matters.

Audit-Related Fees

This category consists of assurance and related services provided by the independent registered public accounting firm that are reasonably related to the performance of the audit or review of our financial statements and are not reported above under Audit Fees. Audit-related fees included accounting consultations and other attestation procedures.

Tax Fees

This category consists of professional services rendered by the independent registered public accounting firm, primarily in connection with our tax planning and compliance activities, including the preparation of tax returns in certain overseas jurisdictions and technical tax advice related to the preparation of tax returns.

All Other Fees

This category consists of professional services related to human capital and expatriate services and other nonrecurring miscellaneous services.

The Audit Committee has considered whether the independent registered public accounting firm's provision of non-audit services is compatible with their independence and determined that it is compatible. All of the services provided by PricewaterhouseCoopers LLP were approved by the Audit Committee pursuant to its policy on pre-approval of audit and permissible non-audit services.

Policy on Audit Committee Pre-Approval of Audit and Non-Audit Services

All audit and non-audit services provided by PricewaterhouseCoopers LLP to us must be permissible under Section 10A of the Securities Exchange Act of 1934, as amended, and must be pre-approved in advance by the Audit Committee. The Audit Committee has delegated to the Chair of the Audit Committee the authority to pre-approve non-audit service projects with a total cost of up to \$200,000 per fiscal year. However, if pre-approval is obtained from the Audit Committee Chair, the service may be performed but must be ratified by the Audit Committee at the next scheduled meeting. In accordance with this policy, the Audit Committee pre-approved all services performed and to be performed by PricewaterhouseCoopers LLP.

Required Vote

Ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2017 requires the affirmative vote of a majority of the votes cast on the proposal. Unless marked to the contrary, proxies received will be voted FOR ratification of the appointment of PricewaterhouseCoopers LLP.

Recommendation of the Board and the Audit Committee

Our Board and the Audit Committee recommend that you vote FOR Proposal 2.

PROPOSAL 3: Advisory Vote on Executive Compensation

As required by the rules of the U.S. Securities and Exchange Commission, our stockholders are asked to provide an advisory, not-binding, vote on the compensation of our Named Executive Officers. To provide stockholders with the information necessary to express their view about our executive compensation, we included detailed information about the composition, design and effectiveness of our executive compensation program in the section entitled *Executive Compensation Compensation Discussion and Analysis* of these proxy materials.

As further described in the *Compensation Discussion and Analysis* section of the proxy materials, our executive compensation program is designed to attract, motivate and retain a talented, entrepreneurial and creative team of executives who provide leadership for our success in a competitive global market. Our compensation policies and practices are designed based on a pay-for-performance philosophy and are strongly aligned with our stockholders long-term interests. We believe that our executive compensation program, which emphasizes long-term equity awards, satisfies this goal. See the Executive Summary of the *Compensation Discussion and Analysis* section of the proxy materials for information on key components of our 2016 Named Executive Officer compensation; and read the entire *Compensation Discussion and Analysis* section of the proxy materials for details about our compensation philosophy and how it is achieved.

Table of Contents

We are asking our stockholders to indicate their support of our Named Executive Officer compensation as described in this Proxy Statement. This proposal (commonly known as say-on-pay proposal) gives our stockholders the opportunity to express their views on our executive compensation. The vote is not intended to address any specific element of compensation; rather, the vote relates to the overall compensation of our Named Executive Officers, as described in this Proxy Statement in accordance with the compensation disclosure rules of the U.S. Securities and Exchange Commission. Accordingly, our Board of Directors recommends that our stockholders vote FOR the following resolution:

RESOLVED, that the Company's stockholders approve, on an advisory basis, the compensation of the Named Executive Officers, as disclosed in the Company's Proxy Statement for the 2017 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the U.S. Securities and Exchange Commission, including the Executive Compensation -- Compensation Discussion and Analysis section of the Proxy Statement, the 2016 Summary Compensation Table, and the other related tables and disclosure.

It is important to note that this vote is advisory, which means that the vote is not binding on us, our Board of Directors or the Compensation Committee. We value the opinions expressed by our stockholders, however, our Board and the Compensation Committee will take the results of the vote into account in future compensation decisions.

At the Annual Meeting of Stockholders held in May 2016, our stockholders approved our executive compensation with a vote of 99.79 percent. Except as otherwise discussed in [Compensation Discussion and Analysis](#) section of the proxy materials, in light of the stockholder support, the Compensation Committee made no significant changes to the overall design of our compensation program during 2016.

Based on the stockholders' advisory preferences, expressed as part of the voting results at our 2011 Annual Meeting of Stockholders, our Board has determined to hold a stockholder advisory vote on executive compensation annually. The next stockholder advisory vote on executive compensation will be held at the 2017 Annual Meeting of Stockholders.

Required Vote

Proposal No. 3 is advisory and non-binding, but we will consider stockholders to have approved the compensation of our Named Executive Officers if the number of votes cast FOR the proposal exceeds the number of votes cast AGAINST the proposal.

Recommendation of the Board

Our Board recommends that you vote FOR Proposal No. 3.

PROPOSAL 4: Advisory Vote on Frequency of Say-on-Pay Votes Every Three Years

Pursuant to rules of the U.S. Securities and Exchange Commission, specifically Section 14A of the Exchange Act, we are required to submit to stockholders a non-binding, advisory vote to approve how often the Company votes on executive compensation.

The Board has recommended that the stockholders hold an advisory vote on executive compensation every three years, and you are being asked to approve or disapprove the Board's recommendation. As previously noted, the vote cast by the stockholders is an advisory vote only. Stockholder approval or disapproval of the Board's recommendation will not require the Company to implement the outcome of such advisory vote on executive compensation as the Compensation Committee is ultimately charged with determining the appropriate frequency of this advisory vote. The Board and the Compensation Committee do value the opinions of the Company's stockholders as expressed through their votes and other communications. Although the vote is non-binding, the Board and Compensation Committee will strongly consider the outcome of the frequency vote and other communications from stockholders when making future decisions regarding the frequency of say-on-pay votes.

Our shareholders voted on a similar proposal in 2011 when our Board of Directors recommended that the shareholders hold the say-on-pay vote every year. After careful consideration, the Board of Directors now recommends that you vote to recommend an advisory vote on executive compensation every three years, because a three-year cycle will provide investors with sufficient time to evaluate the effectiveness of the Company's short-term and long-term compensation programs, compensation strategies and Company performance and further will provide the Board of Directors and the Compensation Committee with sufficient time to evaluate thoughtfully and respond to stockholder input and implement effectively any desired changes to the Company's executive compensation program. In determining whether to vote in support of the Board's recommendation that the say-on-pay vote be conducted every three years, instead of every year, please take into account that in the last six years TeleTech shareholders approved our executive compensation by an average margin of more 95%.

Required Vote

Proposal No. 4 is advisory and non-binding, but we will consider stockholders to have approved the compensation of our Named Executive Officers if the number of votes cast FOR the proposal exceeds the number of votes cast AGAINST the proposal.

Recommendation of the Board

Our Board recommends that you vote FOR Proposal No. 4.

Table of Contents

ADDITIONAL INFORMATION

Stockholder Submission of Nominations and Proposals

In order for a proposal of a stockholder to be included in the proxy statement and form(s) of proxy relating to our 2017 Annual Meeting of Stockholders, the proposal must be in writing and received by our Corporate Secretary at 9197 South Peoria Street, Englewood, Colorado 80112, no later than December 14, 2017. Timely receipt of a stockholder's proposal will satisfy only one of the various conditions established by the U.S. Securities and Exchange Commission for inclusion in our proxy materials. Stockholders who wish to have their proposals included in our proxy materials must meet the eligibility requirements as provided in the U.S. Securities and Exchange Commission's Shareholder Proposal Rule (Rule 14a-8), and their proposals must comply with the requirements of the Rule and with our Bylaws to be included in our proxy materials.

If a stockholder wishes to present a proposal at the 2017 Annual Meeting of Stockholders and this proposal is not intended to be included in the related proxy statement and form of proxy, nor does this stockholder intend to submit a director nomination, our Bylaws require that the stockholder notify us in writing on or before February 27, 2018, but no earlier than January 28, 2018. The notice must include the information required by our Bylaws, which may be obtained on our website at telettech.com under the Investors and Corporate Governance tabs. If the stockholder does not meet the applicable deadline or comply with the requirements found in the U.S. Securities and Exchange Commission's Rule 14a-4, we may exercise discretionary voting authority under proxies we solicit to vote, in accordance with our best judgment, on any such proposal.

Other Business

We know of no other matter to be acted upon at the 2017 Annual Meeting of Stockholders. If any other matters are properly brought before the Annual Meeting, however, the persons named in the accompanying proxy card as proxies for the holders of our common stock will vote thereon in accordance with their best judgment.

Annual Report

Our 2016 Annual Report is being delivered to the stockholders together with this Proxy Statement. The Annual Report is not part of the proxy materials, however. Additional copies of our 2016 Annual Report may be obtained without charge upon request made to TeleTech Holdings, Inc., 9197 South Peoria Street, Englewood, Colorado 80112, Attention: Investor Relations.

By Order of the Board of Directors

KENNETH D. TUCHMAN
Chairman and Chief Executive Officer
Englewood, Colorado
April 13, 2017

