

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended: June 30, 2021

OR

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

For the transition period from _____ to _____

Commission File Number 001-37817



CONDUENT INCORPORATED
(Exact Name of Registrant as specified in its charter)

New York
(State or other jurisdiction of
incorporation or organization)

81-2983623
(IRS Employer
Identification No.)

100 Campus Drive, Suite 200,
Florham Park, New Jersey
(Address of principal executive offices)

07932
(Zip Code)

(844) 663-2638
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	CNDT	NASDAQ Global Select Market

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

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

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

Large accelerated filer Accelerated filer Non-accelerated filer Small reporting company Emerging growth company

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

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

Class	Outstanding at July 31, 2021
Common Stock, \$0.01 par value	212,651,045

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (Form 10-Q) and any exhibits to this Form 10-Q may contain "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. The words "anticipate," "believe," "estimate," "expect," "plan," "intend," "will," "aim," "should," "could," "forecast," "target," "may," "continue to," "if," "growing," "projected," "potential," "likely," and similar expressions, as they relate to us, are intended to identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. In addition, all statements regarding the anticipated effects of the novel coronavirus, or COVID-19, pandemic and the responses thereto, including the pandemic's impact on general economic and market conditions, as well as on our business, customers, and markets, results of operations and financial condition and anticipated actions to be taken by management to sustain our business during the economic uncertainty caused by the pandemic and related governmental and business actions, as well as other statements that are not strictly historical in nature, are forward looking. These statements reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those expressed or implied herein as anticipated, believed, estimated, expected or intended or using other similar expressions.

In accordance with the provisions of the Litigation Reform Act, we are making investors aware that such forward-looking statements, because they relate to future events, are by their very nature subject to many important factors and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements contained in this Form 10-Q, any exhibits to this Form 10-Q and other public statements we make. Our actual results may vary materially from those expressed or implied in our forward-looking statements. These forward-looking statements are also subject to the significant continuing impact of the COVID-19 pandemic on our business, operations, financial results and financial condition, which is dependent on developments which are highly uncertain and cannot be predicted.

Important factors and uncertainties that could cause our actual results to differ materially from those in our forward-looking statements include, but are not limited to: the significant continuing effects of the ongoing COVID-19 pandemic on our business, operations, financial results and financial condition, which is dependent on developments which are highly uncertain and cannot be predicted; government appropriations and termination rights contained in our government contracts; our ability to renew commercial and government contracts, including contracts awarded through competitive bidding processes; our ability to recover capital and other investments in connection with our contracts; our reliance on third-party providers; our ability to deliver on our contractual obligations properly and on time; changes in interest in outsourced business process services; risk and impact of geopolitical events, natural disasters and other factors (such as pandemics, including coronavirus) in a particular country or region on our workforce, customers and vendors; claims of infringement of third-party intellectual property rights; our ability to estimate the scope of work or the costs of performance in our contracts; the loss of key senior management and our ability to attract and retain necessary technical personnel and qualified subcontractors; increases in the cost of telephone and data services or significant interruptions in such services; our failure to develop new service offerings and protect our intellectual property rights; our ability to modernize our information technology infrastructure and consolidate data centers; the failure to comply with laws relating to individually identifiable information and personal health information; the failure to comply with laws relating to processing certain financial transactions, including payment card transactions and debit or credit card transactions; breaches of our information systems or security systems or any service interruptions; our ability to comply with data security standards; changes in tax and other laws and regulations; risk and impact of potential goodwill and other asset impairments; our significant indebtedness; our ability to obtain adequate pricing for our services and to improve our cost structure; our ability to collect our receivables, including those for unbilled services; a decline in revenues from, or a loss of, or a reduction in business from or failure of significant clients; fluctuations in our non-recurring revenue; our failure to maintain a satisfactory credit rating; our ability to receive dividends or other payments from our subsidiaries; developments in various contingent liabilities that are not reflected on our balance sheet, including those arising as a result of being involved in a variety of claims, lawsuits, investigations and proceedings; conditions abroad, including local economics, political environments, fluctuating foreign currencies and shifting regulatory schemes; changes in government regulation and economic, strategic, political and social conditions; changes in the volatility of our stock price and the risk of litigation following a decline in the price of our stock; the impact of the ongoing COVID-19 pandemic; and other factors that are set forth in the "Risk Factors" section, the "Legal Proceedings" section, the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section and other sections of this Quarterly Report on Form 10-Q as well as in our 2020 Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC) and any subsequent Quarterly Report on Form 10-Q and Current Report on Form 8-K. Any forward-looking statements made by us in this Quarterly Report on Form 10-Q speak only as of the date on which they are made. We are under no obligation to, and expressly disclaim any obligation to, update or alter our forward-looking statements, whether as a result of new information, subsequent events or otherwise.

CONDUENT INCORPORATED

FORM 10-Q

June 30, 2021

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For additional information about Conduent Incorporated and access to our Annual Reports to Shareholders and SEC filings, free of charge, please visit our website at <https://investor.conduent.com/>. Any information on or linked from the website is not incorporated by reference into this Form 10-Q.

PART I — FINANCIAL INFORMATION

ITEM 1 — FINANCIAL STATEMENTS (UNAUDITED)

**CONDUENT INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS) (UNAUDITED)**

(in millions, except per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenue	\$ 1,026	\$ 1,016	\$ 2,054	\$ 2,067
Operating Costs and Expenses				
Cost of services (excluding depreciation and amortization)	772	795	1,559	1,627
Selling, general and administrative (excluding depreciation and amortization)	125	111	251	227
Research and development (excluding depreciation and amortization)	1	—	1	1
Depreciation and amortization	86	115	181	232
Restructuring and related costs	8	29	21	36
Interest expense	13	15	26	32
(Gain) loss on divestitures and transaction costs	(1)	2	1	6
Litigation costs	1	14	2	20
Loss on extinguishment of debt	2	—	2	—
Other (income) expenses, net	—	(1)	—	1
Total Operating Costs and Expenses	1,007	1,080	2,044	2,182
Income (Loss) Before Income Taxes	19	(64)	10	(115)
Income tax expense (benefit)	7	(13)	9	(15)
Net Income (Loss)	\$ 12	\$ (51)	\$ 1	\$ (100)
Net Earnings (Loss) per Share:				
Basic	\$ 0.05	\$ (0.25)	\$ (0.02)	\$ (0.50)
Diluted	\$ 0.04	\$ (0.25)	\$ (0.02)	\$ (0.50)

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

CONDUENT INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net Income (Loss)	\$ 12	\$ (51)	\$ 1	\$ (100)
Other Comprehensive Income (Loss), Net⁽¹⁾				
Currency translation adjustments, net	4	2	(7)	(26)
Unrecognized gains (losses), net	—	2	(1)	(1)
Changes in benefit plans, net	(1)	—	(1)	1
Other Comprehensive Income (Loss), Net	<u>3</u>	<u>4</u>	<u>(9)</u>	<u>(26)</u>
Comprehensive Income (Loss), Net	<u>\$ 15</u>	<u>\$ (47)</u>	<u>\$ (8)</u>	<u>\$ (126)</u>

(1) All amounts are net of tax. Tax effects were immaterial.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

CONDUENT INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(in millions, except share data in thousands)

	June 30, 2021	December 31, 2020
Assets		
Cash and cash equivalents	\$ 397	\$ 450
Accounts receivable, net	664	670
Contract assets	159	151
Other current assets	267	306
Total current assets	1,487	1,577
Land, buildings and equipment, net	281	305
Operating lease right-of-use assets	246	246
Intangible assets, net	116	187
Goodwill	1,519	1,528
Other long-term assets	474	413
Total Assets	\$ 4,123	\$ 4,256
Liabilities and Equity		
Current portion of long-term debt	\$ 89	\$ 90
Accounts payable	161	182
Accrued compensation and benefits costs	234	237
Unearned income	124	133
Other current liabilities	446	450
Total current liabilities	1,054	1,092
Long-term debt	1,340	1,420
Deferred taxes	90	97
Operating lease liabilities	199	207
Other long-term liabilities	113	108
Total Liabilities	2,796	2,924
Contingencies (See Note 11)		
Series A convertible preferred stock	142	142
Common stock	2	2
Additional paid-in capital	3,907	3,899
Retained earnings (deficit)	(2,317)	(2,313)
Accumulated other comprehensive loss	(407)	(398)
Total Equity	1,185	1,190
Total Liabilities and Equity	\$ 4,123	\$ 4,256
Shares of common stock issued and outstanding	212,556	212,074
Shares of series A convertible preferred stock issued and outstanding	120	120

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

CONDUENT INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in millions)	Six Months Ended June 30,	
	2021	2020
Cash Flows from Operating Activities:		
Net income (loss)	\$ 1	\$ (100)
Adjustments required to reconcile net income (loss) to cash flows from operating activities:		
Depreciation and amortization	181	232
Contract inducement amortization	—	1
Deferred income taxes	(6)	(29)
(Gain) loss from investments	—	(2)
Amortization of debt financing costs	4	3
Loss on extinguishment of debt	2	—
Loss on divestitures and sales of fixed assets, net	1	—
Stock-based compensation	9	9
Changes in operating assets and liabilities:		
Accounts receivable	4	(44)
Other current and long-term assets	(48)	(41)
Accounts payable and accrued compensation and benefits costs	(21)	(18)
Restructuring liabilities	(2)	6
Other current and long-term liabilities	(29)	(152)
Net change in income tax assets and liabilities	7	17
Net cash provided by (used in) operating activities	<u>103</u>	<u>(118)</u>
Cash Flows from Investing Activities:		
Cost of additions to land, buildings and equipment	(39)	(30)
Cost of additions to internal use software	(32)	(30)
Proceeds from divestitures	2	2
Net cash provided by (used in) investing activities	<u>(69)</u>	<u>(58)</u>
Cash Flows from Financing Activities:		
Proceeds from revolving credit facility and other loans	—	150
Payments on debt	(79)	(28)
Premium on debt redemption	(2)	—
Taxes paid for settlement of stock-based compensation	(1)	(3)
Dividends paid on preferred stock	(5)	(5)
Net cash provided by (used in) financing activities	<u>(87)</u>	<u>114</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	<u>(2)</u>	<u>(6)</u>
Increase (decrease) in cash, cash equivalents and restricted cash	(55)	(68)
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	458	505
Cash, Cash Equivalents and Restricted Cash at End of period⁽¹⁾	<u>\$ 403</u>	<u>\$ 437</u>

(1) Includes \$6 million and \$9 million of restricted cash as of June 30, 2021 and 2020, respectively, that were included in Other current assets on their respective Condensed Consolidated Balance Sheets.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

CONDUENT INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (UNAUDITED)

	Three Months Ended June 30, 2021				
(in millions)	Common Stock	Additional Paid-in Capital	Retained Earnings (Deficit)	AOCL ⁽¹⁾	Shareholders' Equity
Balance at March 31, 2021	\$ 2	\$ 3,902	\$ (2,326)	\$ (410)	\$ 1,168
Dividends - preferred stock, \$20/share	—	—	(3)	—	(3)
Stock incentive plans, net	—	5	—	—	5
Comprehensive Income (Loss):					
Net Income (Loss)	—	—	12	—	12
Other comprehensive income (loss), net	—	—	—	3	3
Total Comprehensive Income (Loss), Net	—	—	12	3	15
Balance at June 30, 2021	\$ 2	\$ 3,907	\$ (2,317)	\$ (407)	\$ 1,185

	Three Months Ended June 30, 2020				
(in millions)	Common Stock	Additional Paid-in Capital	Retained Earnings (Deficit)	AOCL ⁽¹⁾	Shareholders' Equity
Balance at March 31, 2020	\$ 2	\$ 3,891	\$ (2,236)	\$ (437)	\$ 1,220
Dividends - preferred stock, \$20/share	—	—	(3)	—	(3)
Stock incentive plans, net	—	5	—	—	5
Comprehensive Income (Loss):					
Comprehensive Income (Loss):	—	—	(51)	—	(51)
Other comprehensive income (loss), net	—	—	—	4	4
Total Comprehensive Income (Loss), Net	—	—	(51)	4	(47)
Balance at June 30, 2020	\$ 2	\$ 3,896	\$ (2,290)	\$ (433)	\$ 1,175

	Six Months Ended June 30, 2021				
(in millions)	Common Stock	Additional Paid-in Capital	Retained Earnings (Deficit)	AOCL ⁽¹⁾	Shareholders' Equity
Balance at December 31, 2020	\$ 2	\$ 3,899	\$ (2,313)	\$ (398)	\$ 1,190
Dividends - preferred stock, \$40/share	—	—	(5)	—	(5)
Stock incentive plans, net	—	8	—	—	8
Comprehensive Income (Loss):					
Net Income (Loss)	—	—	1	—	1
Other comprehensive income (loss), net	—	—	—	(9)	(9)
Total Comprehensive Income (Loss), Net	—	—	1	(9)	(8)
Balance at June 30, 2021	\$ 2	\$ 3,907	\$ (2,317)	\$ (407)	\$ 1,185

	Six Months Ended June 30, 2020				
(in millions)	Common Stock	Additional Paid-in Capital	Retained Earnings (Deficit)	AOCL ⁽¹⁾	Shareholders' Equity
Balance at December 31, 2019	2	3,890	(2,185)	(407)	1,300
Dividends - preferred stock, \$40/share	—	—	(5)	—	(5)
Stock incentive plans, net	—	6	—	—	6
Comprehensive Income (Loss):					
Net Income (Loss)	—	—	(100)	—	(100)
Other comprehensive income (loss), net	—	—	—	(26)	(26)
Total Comprehensive Income (Loss), Net	—	—	(100)	(26)	(126)
Balance at June 30, 2020	\$ 2	\$ 3,896	\$ (2,290)	\$ (433)	\$ 1,175

(1) AOCL - Accumulated other comprehensive loss. Refer to Note 10 – Accumulated Other Comprehensive Loss for the components of AOCL.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

CONDUENT INCORPORATED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Note 1 – Basis of Presentation

References herein to “we,” “us,” “our,” the “Company” and “Conduent” refer to Conduent Incorporated and its consolidated subsidiaries unless the context suggests otherwise.

Description of Business

As one of the largest business process services companies in the world, Conduent delivers mission-critical services and solutions on behalf of businesses and governments – creating exceptional outcomes for its clients and the millions of people who count on them. Through people, process, expertise in transaction-intensive processing and technology such as analytics and automation, Conduent’s services and solutions create value by improving efficiencies, reducing costs and enabling revenue growth. A majority of Fortune 100 companies and over 500 government entities depend on Conduent every day to manage their business processes and essential interactions with their end-users. The Company’s portfolio includes industry-focused solutions in attractive growth markets such as healthcare and transportation, as well as solutions that serve multiple industries such as transaction processing, customer care, human resource solutions and payment services.

Basis of Presentation

The unaudited interim Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) on a basis consistent with reporting interim financial information in accordance with instructions to Form 10-Q and Article 10 of Regulation S-X of the Securities and Exchange Commission (SEC). Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. The year-end Condensed Consolidated Balance Sheet was derived from the audited Consolidated Financial Statements included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2020. Certain reclassifications have been made to prior year information to conform to current year presentation. Intercompany balances and transactions have been eliminated. In the opinion of management, all adjustments necessary for a fair statement of the financial position, results of operations and cash flows have been made. These adjustments consist of normal recurring items. The interim results of operations are not necessarily indicative of the results of the full year. These financial statements should be read in conjunction with the Company’s Consolidated Financial Statements included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2020.

Use of Estimates

Preparation of financial statements in conformity with U.S. GAAP requires the Company to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements and the accompanying notes. Actual results could differ materially from these estimates. On an ongoing basis, the Company evaluates its estimates, including those related to fair values of financial instruments, goodwill and intangible assets, income taxes and contingent liabilities, among others. The Company bases its estimates on assumptions, both historical and forward looking, that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

As of June 30, 2021, the impact of the COVID-19 pandemic, the mitigating impact of the rollout of a vaccine for it and emerging cases of new variants of the virus continue to unfold. As a result, many of the Company’s estimates and assumptions continue to require increased judgment and carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, the Company’s estimates may change materially in the future.

Note 2 – Recent Accounting Pronouncements

The Company's significant accounting policies are described in Note 1–Basis of Presentation and Summary of Significant Accounting Policies in the Company's Annual Report on Form 10-K for the year ended December 31, 2020. Summarized below are the applicable accounting pronouncements adopted or to be adopted subsequent to December 31, 2020.

New Accounting Standards Adopted

Income Taxes: In December 2019, the Financial Accounting Standards Board (FASB) issued final guidance that simplified the accounting for income taxes by eliminating some exceptions to the general approach in Accounting Standards Codification (ASC) 740, Income Taxes. This final guidance was effective for fiscal years beginning January 1, 2021. The Company adopted the final income taxes guidance as of January 1, 2021. The adoption did not have any material impact on the Company's Condensed Consolidated Financial Statements.

New Accounting Standards To Be Adopted

Reference Rate Reform: In March 2020, the FASB issued updated guidance relating to the accounting for the discontinuation of the London Inter-bank Offered Rate (LIBOR), referred to as reference rate reform. This guidance provides optional practical expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions affected by reference rate reform if certain criteria are met. This guidance is applicable to contract modifications that replace a reference LIBOR rate affected by reference rate reform. The amendments may be applied through December 31, 2022. The Company is currently evaluating the impact of this guidance on its Condensed Consolidated Financial Statements.

Note 3 – Revenue

Disaggregation of Revenue

The following table provides information about disaggregated revenue by major service offering, the timing of revenue recognition and a reconciliation of the disaggregated revenue by reportable segment. Refer to Note 4 – Segment Reporting for additional information on the Company's reportable segments.

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Commercial Industries:				
Customer experience management	\$ 146	\$ 157	\$ 307	\$ 325
Business operations solutions	137	133	279	286
Commercial healthcare solutions	109	103	220	216
Human resource and learning services	111	127	223	265
Total Commercial Industries	503	520	1,029	1,092
Government Services:				
Government healthcare solutions	140	154	289	306
Government services solutions	198	177	367	315
Total Government Services	338	331	656	621
Transportation:				
Roadway charging & management services	75	71	158	149
Transit solutions	70	61	134	128
Curbside management solutions	20	14	38	36
Public safety solutions	18	17	35	37
Commercial vehicles	2	2	4	4
Total Transportation	185	165	369	354
Total Consolidated Revenue	\$ 1,026	\$ 1,016	\$ 2,054	\$ 2,067
Timing of Revenue Recognition:				
Point in time	\$ 25	\$ 32	\$ 57	\$ 62
Over time	1,001	984	1,997	2,005
Total Revenue	\$ 1,026	\$ 1,016	\$ 2,054	\$ 2,067

Contract Balances

The Company receives payments from customers based upon contractual billing schedules. Accounts receivable are recorded when the right to consideration becomes unconditional. Contract assets are the Company's rights to consideration for services provided when the right is conditioned on something other than passage of time (for example, meeting a milestone for the right to bill under the cost-to-cost measure of progress). Contract assets are transferred to Accounts receivable, net when the rights to consideration become unconditional. Unearned income includes payments received in advance of performance under the contract, which are realized when the associated revenue is recognized under the contract.

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The following table provides information about the balances of the Company's contract assets, unearned income and receivables from contracts with customers:

(in millions)

	June 30, 2021	December 31, 2020
Contract Assets (Unearned Income)		
Current contract assets	\$ 159	\$ 151
Long-term contract assets ⁽¹⁾	9	13
Current unearned income	(124)	(133)
Long-term unearned income ⁽²⁾	(40)	(29)
Net Contract Assets (Unearned Income)	<u>\$ 4</u>	<u>\$ 2</u>
Accounts receivable, net	\$ 664	\$ 670

(1) Presented in Other long-term assets in the Condensed Consolidated Balance Sheets.

(2) Presented in Other long-term liabilities in the Condensed Consolidated Balance Sheets.

Revenues of \$30 million and \$88 million were recognized during the three and six months ended June 30, 2021, respectively, related to the Company's unearned income at December 31, 2020. Revenues of \$22 million and \$64 million were recognized during the three and six months ended June 30, 2020, respectively, related to the Company's unearned income at December 31, 2019. The Company had no material asset impairment charges related to contract assets for the three and six months ended June 30, 2021 or 2020.

Transaction Price Allocated to the Remaining Performance Obligations

Estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied or partially satisfied at June 30, 2021 was approximately \$1.3 billion. The Company expects to recognize approximately 76% of this revenue over the next two years and the remainder thereafter.

Note 4 – Segment Reporting

The Company's reportable segments correspond to how we organize and manage the business, as defined by the Company's Chief Executive Officer, who is also the Company's Chief Operating Decision Maker (CODM), and are aligned to the industries in which the Company's clients operate. The Company's segments involve the delivery of business process services and include service arrangements where it manages a customer's business activity or process.

The Company's financial performance is based on Segment Profit/(Loss) and Segment Adjusted Earnings Before Income Taxes, Depreciation and Amortization (EBITDA) for its three reportable segments (Commercial Industries, Government Services and Transportation), Other and Unallocated Costs. The Company's CODM does not evaluate operating segments using discrete asset information.

Commercial Industries: The Commercial Industries segment provides business process services and customized solutions to clients in a variety of industries. Across the Commercial Industries segment, the Company operates on its clients' behalf to deliver mission-critical solutions and services to reduce costs, improve efficiencies and enable revenue growth for the Company's clients and their consumers and employees.

Government Services: The Government Services segment provides government-centric business process services to U.S. federal, state and local and foreign governments for public assistance program administration, transaction processing and payment services. The solutions in this segment help governments respond to changing rules for eligibility and increasing citizen expectations.

Transportation: The Transportation segment provides systems and support, as well as revenue-generating services, to government clients. On behalf of government agencies and authorities in the transportation industry, the Company delivers mission-critical mobility and payment solutions that improve automation, interoperability and decision-making to streamline operations, increase revenue and reduce congestion while creating safer communities and seamless travel experiences for consumers.

Other includes the Company's Student Loan business, which the Company exited in the third quarter of 2018.

Unallocated Costs includes IT infrastructure costs that are shared by multiple reportable segments, enterprise application costs and certain corporate overhead expenses not directly attributable or allocated to the reportable segments.

Selected financial information for the Company's reportable segments was as follows:

(in millions)	Three Months Ended June 30,					
	Commercial Industries	Government Services	Transportation	Other	Unallocated Costs	Total
2021						
Revenue	\$ 503	\$ 338	\$ 185	\$ —	\$ —	\$ 1,026
Segment profit (loss)	\$ 29	\$ 110	\$ 17	\$ —	\$ (82)	\$ 74
Segment depreciation and amortization	\$ 25	\$ 8	\$ 8	\$ —	\$ 13	\$ 54
Adjusted EBITDA	\$ 54	\$ 118	\$ 25	\$ —	\$ (69)	\$ 128
2020						
Revenue	\$ 520	\$ 331	\$ 165	\$ —	\$ —	\$ 1,016
Segment profit (loss)	\$ 25	\$ 90	\$ 20	\$ (1)	\$ (79)	\$ 55
Segment depreciation and amortization	\$ 27	\$ 6	\$ 9	\$ —	\$ 13	\$ 55
Adjusted EBITDA	\$ 52	\$ 96	\$ 29	\$ (1)	\$ (66)	\$ 110
(in millions)	Six Months Ended June 30,					
	Commercial Industries	Government Services	Transportation	Other	Unallocated Costs	Total
2021						
Revenue	\$ 1,029	\$ 656	\$ 369	\$ —	\$ —	\$ 2,054
Segment profit (loss)	\$ 64	\$ 197	\$ 38	\$ —	\$ (165)	\$ 134
Segment depreciation and amortization	\$ 52	\$ 13	\$ 17	\$ —	\$ 27	\$ 109
Adjusted EBITDA	\$ 116	\$ 210	\$ 55	\$ —	\$ (138)	\$ 243
2020						
Revenue	\$ 1,092	\$ 621	\$ 354	\$ —	\$ —	\$ 2,067
Segment profit (loss)	\$ 67	\$ 160	\$ 30	\$ 3	\$ (160)	\$ 100
Segment depreciation and amortization	\$ 55	\$ 13	\$ 18	\$ —	\$ 27	\$ 113
Adjusted EBITDA	\$ 122	\$ 173	\$ 48	\$ (4)	\$ (133)	\$ 206

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(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Segment Profit (Loss) Reconciliation to Pre-tax Income (Loss)				
Income (Loss) Before Income Taxes	\$ 19	\$ (64)	\$ 10	\$ (115)
Reconciling items:				
Amortization of acquired intangible assets	32	60	72	120
Restructuring and related costs	8	29	21	36
Interest expense	13	15	26	32
(Gain) loss on divestitures and transaction costs	(1)	2	1	6
Litigation costs	1	14	2	20
Loss on extinguishment of debt	2	—	2	—
Other (income) expenses, net	—	(1)	—	1
Segment Pre-tax Income (Loss)	<u>\$ 74</u>	<u>\$ 55</u>	<u>\$ 134</u>	<u>\$ 100</u>
Segment depreciation and amortization (including contract inducements)	\$ 54	\$ 55	\$ 109	\$ 113
CA MMIS charge (credit)	—	—	—	(7)
Adjusted EBITDA	<u>\$ 128</u>	<u>\$ 110</u>	<u>\$ 243</u>	<u>\$ 206</u>

Refer to Note 3 – Revenue for additional information on disaggregated revenues of the reportable segments.

Note 5 – Restructuring Programs and Related Costs

The Company engages in a series of restructuring programs related to downsizing its employee base, exiting certain activities, outsourcing certain internal functions and engaging in other actions designed to reduce its cost structure and improve productivity. The implementation of the Company's operational efficiency improvement initiatives has reduced the Company's real estate footprint across all geographies and segments resulting in lease right-of-use asset impairments and other related costs. Also included in Restructuring and related costs are incremental, non-recurring costs related to the consolidation of the Company's data centers, which totaled \$8 million and \$6 million for the three months ended June 30, 2021 and 2020, respectively, and \$15 million and \$8 million for the six months ended June 30, 2021 and 2020, respectively. Management continues to evaluate the Company's businesses, and in the future, there may be additional provisions for new plan initiatives and/or changes in previously recorded estimates as payments are made, or actions are completed.

Costs associated with restructuring, including employee severance and lease termination costs, are generally recognized when it has been determined that a liability has been incurred, which is generally upon communication to the affected employees or exit from the leased facility. In those geographies where we have either a formal severance plan or a history of consistently providing severance benefits representing a substantive plan, we recognize employee severance costs when they are both probable and reasonably estimable. Asset impairment costs related to the reduction of our real estate footprint include impairment of operating lease right-of-use (ROU) assets and associated leasehold improvements.

A summary of the Company's restructuring program activity during the six months ended June 30, 2021 and 2020 is as follows:

(in millions)	Severance and Related Costs	Termination and Other Costs	Asset Impairments	Total
Accrued Balance at December 31, 2020	\$ 3	\$ 3	\$ —	\$ 6
Provision	2	16	4	22
Changes in estimates	—	(3)	—	(3)
Total Net Current Period Charges ⁽¹⁾	2	13	4	19
Charges against reserve and currency	(2)	(15)	(4)	(21)
Accrued Balance at June 30, 2021	<u>\$ 3</u>	<u>\$ 1</u>	<u>\$ —</u>	<u>\$ 4</u>

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(in millions)	Severance and Related Costs	Termination and Other Costs	Asset Impairments	Total
Accrued Balance at December 31, 2019	\$ 15	\$ 6	\$ —	\$ 21
Provision	10	10	11	31
Changes in estimates	—	1	—	1
Total Net Current Period Charges ⁽¹⁾	10	11	11	32
Charges against reserve and currency	(13)	(13)	(11)	(37)
Accrued Balance at June 30, 2020	\$ 12	\$ 4	\$ —	\$ 16

(1) Represents amounts recognized within the Consolidated Statements of Income (Loss) for the years shown.

In addition, the Company recorded professional support costs associated with the implementation of certain strategic transformation programs of \$1 million and \$2 million for the three months ended June 30, 2021 and 2020, respectively, and \$2 million and \$4 million for the six months ended June 30, 2021 and 2020, respectively.

The following table summarizes the total amount of costs incurred in connection with these restructuring programs by reportable and non-reportable segment:

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Commercial Industries	\$ 2	\$ 5	\$ 2	\$ 7
Government Services	—	1	—	1
Transportation	—	3	—	3
Unallocated Costs ⁽¹⁾	5	18	17	21
Total Net Restructuring Charges	\$ 7	\$ 27	\$ 19	\$ 32

(1) Represents costs related to the consolidation of the Company's data centers, operating lease ROU assets impairment, termination and other costs not allocated to the segments.

Note 6 – Debt

Long-term debt was as follows:

(in millions)	June 30, 2021	December 31, 2020
Term loan A due December 2022	\$ 610	\$ 654
Term loan B due December 2023	812	816
Senior notes due 2024	—	34
Finance lease obligations	18	20
Other loans	4	4
Principal debt balance	1,444	1,528
Debt issuance costs and unamortized discounts	(15)	(18)
Less: current maturities	(89)	(90)
Total Long-term Debt	\$ 1,340	\$ 1,420

As of June 30, 2021, the Company had no outstanding borrowings under its \$750 million Senior Revolving Credit Facility (Revolver). However, the Company has utilized \$7 million of the Revolver to issue letters of credit. The net Revolver available to be drawn upon as of June 30, 2021 was \$743 million. On May 1, 2021, the Company redeemed all the previously outstanding \$34 million 10.50% Senior Notes due 2024 and incurred \$2 million of loss on extinguishment of debt.

At June 30, 2021 and December 31, 2020, the Company was in compliance with all debt covenants related to the borrowings in the table above.

Note 7 – Financial Instruments

The Company is a global company that is exposed to foreign currency exchange rate fluctuations in the normal course of its business. As a part of the Company's foreign exchange risk management strategy, the Company uses derivative instruments, primarily forward contracts, to hedge the funding of foreign entities which have a non-dollar functional currency, thereby reducing volatility of earnings or protecting fair values of assets and liabilities.

At June 30, 2021 and December 31, 2020, the Company had outstanding forward exchange contracts with gross notional values of \$143 million and \$180 million, respectively. At June 30, 2021, approximately 71% of these contracts mature within three months, 11% in three to six months, 14% in six to twelve months and 4% in greater than twelve months. Most of these foreign currency derivative contracts are designated as cash flow hedges and did not have a material impact on the Company's balance sheet, income statement or cash flows for the periods presented.

Refer to Note 8 – Fair Value of Financial Assets and Liabilities for additional information regarding the fair value of the Company's foreign exchange forward contracts.

Note 8 – Fair Value of Financial Assets and Liabilities

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP established a hierarchy framework to classify the fair value based on the observability of significant inputs to the measurement. The levels of the fair value hierarchy are as follows:

Level 1: Fair value is determined using an unadjusted quoted price in an active market for identical assets or liabilities.

Level 2: Fair value is estimated using inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

Level 3: Fair value is estimated using unobservable inputs that are significant to the fair value of the assets or liabilities.

Summary of Financial Assets and Liabilities Accounted for at Fair Value on a Recurring Basis

The following table represents assets and liabilities measured at fair value on a recurring basis. The basis for the measurement at fair value in all cases was Level 2.

(in millions)	June 30, 2021	December 31, 2020
Assets:		
Foreign exchange contract - forward	\$ 1	\$ 2
Total Assets	\$ 1	\$ 2
Liabilities:		
Foreign exchange contracts - forward	\$ —	\$ —
Total Liabilities	\$ —	\$ —

Summary of Other Financial Assets and Liabilities

The estimated fair values of other financial assets and liabilities were as follows:

(in millions)	June 30, 2021		December 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Liabilities:				
Long-term debt	\$ 1,340	\$ 1,316	\$ 1,420	\$ 1,378

The fair value amounts for Cash and cash equivalents, Restricted cash, Accounts receivable, net and Short-term debt approximate carrying amounts due to the short-term maturities of these instruments.

The fair value of Long-term debt was estimated based on the current rates offered to the Company for debt of similar maturities (Level 2).

Note 9 – Employee Benefit Plans

The Company has post-retirement savings and investment plans in several countries, including the U.S., U.K. and Canada. In many instances, employees participating in defined benefit pension plans that have been amended to freeze future service accruals were transitioned to an enhanced defined contribution plan. In these plans, employees are permitted to contribute a portion of their salaries and bonuses to the plans. Historically, the Company matched a portion of employee contributions. Beginning in 2019, the Company suspended its match to the 401(k) plan for all U.S. salaried employees and extended the suspension to all U.S. hourly employees in the second quarter of 2020. However, the Company match was reinstated for all U.S. employees in November of 2020.

The Company recognized an expense related to its defined contribution plans of \$5 million and \$0 million for the three months ended June 30, 2021 and 2020, respectively. The Company recognized an expense related to its defined contribution plans of \$10 million and \$1 million for the six months ended June 30, 2021 and 2020, respectively. The balance sheet and income statement impacts of any remaining defined benefit plans are immaterial for all periods presented in these Consolidated Condensed Financial Statements.

Note 10 – Accumulated Other Comprehensive Loss (AOCL)

Below are the balances and changes in AOCL⁽¹⁾:

(in millions)	Currency Translation Adjustments	Gains (Losses) on Cash Flow Hedges	Defined Benefit Pension Items	Total
Balance at December 31, 2020	\$ (400)	\$ 3	\$ (1)	\$ (398)
Other comprehensive income (loss)	(7)	(1)	(1)	(9)
Balance at June 30, 2021	<u>\$ (407)</u>	<u>\$ 2</u>	<u>\$ (2)</u>	<u>\$ (407)</u>

(in millions)	Currency Translation Adjustments	Gains (Losses) on Cash Flow Hedges	Defined Benefit Pension Items	Total
Balance at December 31, 2019	\$ (408)	\$ 3	\$ (2)	\$ (407)
Other comprehensive income (loss)	(26)	(1)	1	(26)
Balance at June 30, 2020	<u>\$ (434)</u>	<u>\$ 2</u>	<u>\$ (1)</u>	<u>\$ (433)</u>

(1) All amounts are net of tax. Tax effects were immaterial.

Note 11 – Contingencies and Litigation

As more fully discussed below, the Company is involved in a variety of claims, lawsuits, investigations and proceedings concerning a variety of matters, including: governmental entity contracting, servicing and procurement law; intellectual property law; employment law; commercial and contracts law; the Employee Retirement Income Security Act (ERISA); and other laws and regulations. The Company determines whether an estimated loss from a contingency should be accrued by assessing whether a loss is deemed probable and can be reasonably estimated. The Company assesses its potential liability by analyzing its litigation and regulatory matters using available information. The Company develops its view on estimated losses in consultation with outside counsel handling its defense in these matters, which involves an analysis of potential results, assuming a combination of litigation and settlement strategies. Should developments in any of these matters cause a change in the Company's determination as to an unfavorable outcome and result in the need to recognize a material accrual, or should any of these matters result in a final adverse judgment or be settled for significant amounts in excess of any accrual for such matter or matters, this could have a material adverse effect on the Company's results of operations, cash flows and financial position in the period or periods in which such change in determination, judgment or settlement occurs. The Company believes it has recorded adequate provisions for any such matters as of June 30, 2021. Litigation is inherently unpredictable, and it is not possible to predict the ultimate outcome of these matters and such outcome in any such matters could be in excess of any amounts accrued and could be material to the Company's results of operations, cash flows or financial position in any reporting period.

Additionally, guarantees, indemnifications and claims arise during the ordinary course of business from relationships with suppliers, customers and non-consolidated affiliates when the Company undertakes an obligation to guarantee the performance of others if specified triggering events occur. Nonperformance under a contract could trigger an obligation of the Company. These potential claims include actions based upon alleged exposures to products, real estate, intellectual property such as patents, environmental matters and other indemnifications. The ultimate effect on future financial results is not subject to reasonable estimation because considerable uncertainty exists as to the outcome of these claims. However, while the ultimate liabilities resulting from such claims may be significant to results of operations in the period recognized, management does not anticipate they will have a material adverse effect on the Company's condensed consolidated financial position or liquidity. As of June 30, 2021, the Company had accrued its estimate of liability incurred under its indemnification arrangements and guarantees.

Litigation Against the Company

Employees' Retirement System of the Puerto Rico Electric Power Authority et al v. Conduent Inc. et al.: On March 8, 2019, a putative class action lawsuit alleging violations of certain federal securities laws in connection with our statements and alleged omissions regarding our financial guidance and business and operations was filed against us, our former Chief Executive Officer, and our former Chief Financial Officer in the United States District Court for the District of New Jersey. The complaint seeks certification of a class of all persons who purchased or otherwise acquired our securities from February 21, 2018 through November 6, 2018, and also seeks unspecified monetary damages, costs, and attorneys' fees. We moved to dismiss the class action complaint in its entirety. In June 2020, the court denied the motion to dismiss and allowed the claims to proceed. We intend to defend the litigation vigorously. The Company maintains insurance that may cover any costs arising out of this litigation up to the insurance limits, and subject to meeting certain deductibles and to other terms and conditions thereof. The Company is not able to determine or predict the ultimate outcome of this proceeding or reasonably provide an estimate or range of estimate of the possible outcome or loss, if any, in excess of currently recorded reserves.

[Skyview Capital LLC and Continuum Global Solutions, LLC v. Conduent Business Services, LLC:](#) On February 3, 2020, plaintiffs filed a lawsuit in the Superior Court of New York County, New York. The lawsuit relates to the sale of a portion of Conduent Business Service, LLC's (CBS) select standalone customer care call center business (Business) to plaintiffs, which sale closed in February 2019. Under the terms of the sale agreement, CBS received approximately \$23 million of notes from plaintiffs (Notes). The lawsuit alleges various causes of action in connection with the acquisition, including: indemnification for breach of representation and warranty; indemnification for breach of contract; and fraud. Plaintiffs allege that their obligation to mitigate damages and their contractual right of set-off permits them to withhold and deduct from any amounts that are owed to CBS under the Notes, and plaintiffs seek a judgement that they have no obligation to pay the Notes. On August 20, 2020, Conduent filed a counterclaim against Skyview seeking the outstanding balance on the notes, the amounts owed for the Jamaica deferred closing, and other transition services agreement and late rent payment obligations. Conduent also moved to dismiss Skyview's claims in 2020. In May 2021, the court denied the motion and allowed the claims to proceed. Conduent denies all of the plaintiffs' allegations, believes that it has strong defenses to all of plaintiffs' claims and it intends to defend the litigation vigorously. The Company is not able to determine or predict the ultimate outcome of this proceeding or reasonably provide an estimate or range of estimate of the possible outcome or loss, if any, in excess of currently recorded reserves.

[Dennis Nasrawi v. Buck Consultants et al.:](#) On October 8, 2009, plaintiffs filed a lawsuit in the Superior Court of California, Stanislaus County, and on November 24, 2009, the case was removed to the U.S. Court for the Eastern District of California, Fresno Division. Plaintiffs allege actuarial negligence against Buck Consultants, LLC (Buck), which was a wholly-owned subsidiary of Conduent, for the use of faulty actuarial assumptions in connection with the 2007 actuarial valuation for the Stanislaus County Employees Retirement Association (StanCERA). Plaintiffs allege that the employer contribution rate adopted by StanCERA based on Buck's valuation was insufficient to fund the benefits promised by the County. On July 13, 2012, the Court entered its ruling that the plaintiffs lacked standing to sue in a representative capacity on behalf of all plan participants. The Court also ruled that plaintiffs had adequately pleaded their claim that Buck allegedly aided and abetted StanCERA in breaching its fiduciary duty. Plaintiffs then filed their Fifth Amended Complaint and added StanCERA to the litigation. Buck and StanCERA filed demurrers to the amended complaint. On September 13, 2012, the Court sustained both demurrers with prejudice, completely dismissing the matter and barring plaintiffs from refileing their claims. Plaintiffs appealed, and ultimately the California Court of Appeals (Sixth District) reversed the trial court's ruling and remanded the case back to the trial court as to Buck only, and only with respect to plaintiff's claim of aiding and abetting StanCERA in breaching its fiduciary duty. This case has been stayed pending the outcome of parallel litigation the plaintiffs are pursuing against StanCERA. The parallel litigation was tried before the bench in June 2018, and on January 24, 2019, the court found in favor of StanCERA, holding that it had not breached its fiduciary duty to plaintiffs. On April 26, 2019, plaintiffs in the parallel litigation filed an appeal. Nasrawi remains stayed until the parallel litigation is finally concluded. Absent the court finding that StanCERA breached its fiduciary duty, plaintiffs' claim against Buck for aiding and abetting said breach would not appear viable. Buck will continue to aggressively defend these lawsuits. In August 2018, Conduent sold Buck; however, the Company retained this liability after the sale. The Company is not able to determine or predict the ultimate outcome of this proceeding or reasonably provide an estimate or range of estimate of the possible outcome or loss, if any, in excess of currently recorded reserves.

Conduent Business Services, LLC v. Cognizant Business Services Corporation: On April 12, 2017, Conduent Business Service LLC (CBS) filed a lawsuit against Cognizant Business Services Corporation (Cognizant) in the Supreme Court of New York County, New York. The lawsuit relates to the Amended and Restated Master Outsourcing Services Agreement effective as of October 24, 2012, and the service delivery contracts and work orders thereunder, between CBS and Cognizant, as amended and supplemented (Contract). The Contract contains certain minimum purchase obligations by CBS through the date of expiration. The lawsuit alleges that Cognizant committed multiple breaches of the Contract, including Cognizant's failure to properly perform its obligations as subcontractor to CBS under CBS's contract with the New York Department of Health to provide Medicaid Management Information Systems. In the lawsuit, CBS seeks damages in excess of \$150 million. During the first quarter of 2018, CBS provided notice to Cognizant that it was terminating the Contract for cause and recorded in the same period certain charges associated with the termination. CBS also alleges that it terminated the Contract for cause, because, among other things, Cognizant violated the Foreign Corrupt Practices Act. In its answer, Cognizant asserted two counterclaims for breach of contract seeking recovery of damages in excess of \$47 million, which includes amounts alleged not paid to Cognizant under the Contract and an alleged \$25 million termination fee. Cognizant's second amended counterclaim increased Cognizant's damages to \$89 million. CBS will continue to vigorously defend itself against the counterclaims but the Company is not able to determine or predict the ultimate outcome of this proceeding or reasonably provide an estimate or range of estimate of the possible outcome or loss, if any, in excess of currently recorded reserves.

Other Matters

Since 2014, Xerox Education Services, Inc. (XES) has cooperated with several federal and state agencies regarding a variety of matters, including XES' self-disclosure to the U.S. Department of Education (Department) and the Consumer Financial Protection Bureau (CFPB) that some third-party student loans under outsourcing arrangements for various financial institutions required adjustments. With the exception of an inquiry the Illinois Attorney General's Office recently commenced, the Company has resolved the investigations the CFPB and several state agencies commenced and continues to work with the Department and the U.S. Department of Justice to resolve all outstanding issues, including a number of operational projects that XES discovered and disclosed since 2014. The Company cannot provide assurance that the CFPB, another regulator, a financial institution on behalf of which the Company serviced third-party student loans, or another party will not ultimately commence a legal action against XES in which fines, penalties or other liabilities are sought from XES. Nor is the Company able to predict the likely outcome of these matters, should any such matter be commenced, or reasonably provide an estimate or range of estimates of any loss in excess of currently recorded reserves. The Company could, in future periods, incur judgments or enter into settlements to resolve these potential matters for amounts in excess of current reserves and there could be a material adverse effect on the Company's results of operations, cash flows and financial position in the period in which such change in judgment or settlement occurs.

Other Contingencies

Certain contracts, primarily in the Company's Government Services and Transportation segments, require the Company to provide a surety bond or a letter of credit as a guarantee of performance. As of June 30, 2021, the Company had \$620 million of outstanding surety bonds used to secure its performance of contractual obligations with its clients and \$95 million of outstanding letters of credit issued to secure the Company's performance of contractual obligations to its clients as well as other corporate obligations. In general, the Company would only be liable for the amount of these guarantees in the event of default in the Company's performance of its obligations under each contract. The Company believes it has sufficient capacity in the surety markets and liquidity from its cash flow and its various credit arrangements (including its Revolver) to allow it to respond to future requests for proposals that require such credit support.

Note 12 – Preferred Stock

Series A Preferred Stock

In December 2016, the Company issued 120,000 shares of Series A convertible perpetual preferred stock with an aggregate liquidation preference of \$120 million and an initial fair value of \$142 million. The convertible preferred stock earns quarterly cash dividends at a rate of 8% per year (\$9.6 million per year). Each share of convertible preferred stock is convertible at any time, at the option of the holder, into 44.9438 shares of common stock for a total of 5,393,000 shares (reflecting an initial conversion price of approximately \$22.25 per share of common stock), subject to customary anti-dilution adjustments.

Note 13 – Earnings (Loss) per Share

The Company did not declare any common stock dividends in the periods presented.

The following table sets forth the computation of basic and diluted earnings (loss) per share of common stock:

(in millions, except per share data in whole dollars and shares in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net Income (Loss)	\$ 12	\$ (51)	\$ 1	\$ (100)
Dividend - Preferred Stock	(3)	(3)	(5)	(5)
Adjusted Net Income (Loss) Available to Common Shareholders	\$ 9	\$ (54)	\$ (4)	\$ (105)
Weighted Average Common Shares Outstanding - Basic	212,450	209,129	212,344	210,261
Common Shares Issuable With Respect To:				
Restricted Stock And Performance Units / Shares	7,715	—	—	—
Weighted Average Common Shares Outstanding - Diluted	220,165	209,129	212,344	210,261
Net Earnings (Loss) per Share:				
Basic	\$ 0.05	\$ (0.25)	\$ (0.02)	\$ (0.50)
Diluted	\$ 0.04	\$ (0.25)	\$ (0.02)	\$ (0.50)

The following securities were not included in the computation of diluted earnings per share as they were either contingently issuable shares or shares that if included would have been anti-dilutive (shares in thousands):

Restricted stock and performance shares/units	2,762	16,444	13,783	16,444
Convertible preferred stock	5,393	5,393	5,393	5,393
Total Anti-Dilutive and Contingently Issuable Securities	8,155	21,837	19,176	21,837

Note 14 – Supplementary Financial Information

The components of Other assets and Other liabilities were as follows:

(in millions)	June 30, 2021	December 31, 2020
Other Current Assets		
Prepaid expenses	\$ 99	\$ 73
Income taxes receivable	45	48
Value-added tax (VAT) receivable	17	21
Restricted cash	6	8
Current portion of capitalized cloud computing implementation costs, net	8	8
Other	92	148
Total Other Current Assets	\$ 267	\$ 306
Other Current Liabilities		
Accrued liabilities	\$ 238	\$ 229
Litigation related accruals	64	73
Current operating lease liabilities	72	81
Restructuring liabilities	4	1
Income tax payable	21	16
Other taxes payable	14	16
Other	33	34
Total Other Current Liabilities	\$ 446	\$ 450
Other Long-term Assets		
Internal use software, net	\$ 173	\$ 163
Deferred contract costs, net	73	76
Product software, net	84	72
Cloud computing implementation costs, net	33	33
Other	111	69
Total Other Long-term Assets	\$ 474	\$ 413
Other Long-term Liabilities		
Deferred payroll tax related to the CARES Act ⁽¹⁾	\$ 24	\$ 24
Income tax liabilities	15	15
Unearned income	40	29
Restructuring liabilities	—	5
Other	34	35
Total Other Long-term Liabilities	\$ 113	\$ 108

(1) The CARES Act allowed for deferred payment of the employer-paid portion of social security taxes through the end of 2020, with 50% due on December 31, 2021 and the remainder due on December 31, 2022. The current portion of this liability is included in Accrued compensation and benefits costs.

Note 15 – Related Party Transactions

In the normal course of business, the Company provides services to, and purchases from, certain related parties with the same shareholders. The services provided to these entities included those related to human resources, end-user support and other services and solutions. The purchases from these entities included office equipment and related services and supplies. In addition, we have a receivable related to certain income tax matters with our former parent company, Xerox Corporation. Revenue and purchases from these entities were included in Revenue and Costs of services / Selling, General and administrative, respectively, on the Company's Condensed Consolidated Statements of Income (Loss).

Transactions with related parties were as follows:

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenue from related parties	\$ 4	\$ 7	\$ 9	\$ 13
Purchases from related parties	\$ 9	\$ 6	\$ 16	\$ 16

The Company's receivable and payable balances with related party entities were not material as of June 30, 2021 and December 31, 2020.

Note 16 – Goodwill

The following table presents the changes in the carrying amount of goodwill, by reportable segment:

(in millions)	Commercial Industries	Government Services	Transportation	Total
Balance at December 31, 2020	\$ 837	\$ 623	\$ 68	\$ 1,528
Foreign currency translation	(4)	(3)	(2)	(9)
Balance at June 30, 2021	<u>\$ 833</u>	<u>\$ 620</u>	<u>\$ 66</u>	<u>\$ 1,519</u>
Gross goodwill	\$ 2,386	\$ 1,374	\$ 646	\$ 4,406
Accumulated impairment	(1,553)	(754)	(580)	(2,887)
Balance at June 30, 2021	<u>\$ 833</u>	<u>\$ 620</u>	<u>\$ 66</u>	<u>\$ 1,519</u>

In the first and second quarters of 2021, the Company performed its ongoing assessment to consider whether events or circumstances had occurred that could more likely than not reduce the fair value of a reporting unit below its carrying value. After evaluating and weighing all relevant events and circumstances, the Company concluded that it is not more likely than not that the fair values of any of its reporting units were less than their carrying values. Consequently, the Company determined that it was not necessary to perform an interim impairment test for any of its reporting units.

To the extent the COVID-19 pandemic continues to disrupt the economic environment, such as a decline in the performance of the reporting units or loss of a significant contract or multiple significant contracts, the fair value of one or more of the reporting units could fall below their carrying value, resulting in a goodwill impairment charge.

ITEM 2 — MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management’s Discussion and Analysis (MD&A) is intended to help the reader understand the results of operations and financial condition of Conduent Incorporated and its consolidated subsidiaries. MD&A is provided as a supplement to, and should be read in conjunction with, our Condensed Consolidated Financial Statements and the accompanying Notes.

Overview

We are a leading provider of business process services with expertise in transaction-intensive processing, analytics and automation. We serve as a trusted business partner in both the front office and back office, enabling personalized, seamless interactions on a massive scale that improve end-user experience.

Headquartered in Florham Park, New Jersey, we have a team of approximately 59,000 associates as of June 30, 2021, servicing customers from service centers in 23 countries.

Our reportable segments correspond to how we organize and manage the business and are aligned to the industries in which our clients operate.

We organize and manage our businesses through three reportable segments.

- **Commercial Industries** – Our Commercial Industries segment provides business process services and customized solutions to clients in a variety of industries. Across the Commercial Industries segment, we operate on our clients’ behalf to deliver mission-critical solutions and services to reduce costs, improve efficiencies and enable revenue growth for our clients and their consumers and employees.
- **Government Services** – Our Government Services segment provides government-centric business process services to U.S. federal, state and local and foreign governments for public assistance, health services, program administration, transaction processing and payment services. Our solutions in this segment help governments respond to changing rules for eligibility and increasing citizen expectations.
- **Transportation** – Our Transportation segment provides systems and support, as well as revenue-generating services, to government clients. On behalf of government agencies and authorities in the transportation industry, we deliver mission-critical mobility and payment solutions that improve automation, interoperability and decision-making to streamline operations, increase revenue and reduce congestion while creating safer communities and seamless travel experiences for consumers.

Executive Summary

We continue to transform our business through an intense focus on growth, quality, and efficiency – utilizing a programmatic and project management approach. Beginning in the first quarter of 2020 and through the second quarter of 2021, we have expanded the focus of our project portfolio to include both efficiency and growth initiatives, aimed to position the company to pivot to revenue growth and margin expansion over time.

We intend to drive portfolio focus, operating discipline, sales and delivery excellence and innovation, complemented by tightly aligned investments to achieve this mission and purpose. Our strategy is designed to deliver value by delivering profitable growth, expanding operating margins and deploying a disciplined capital allocation strategy. During the three and six months ended June 30, 2021, our strategy is showing results, including the following:

- Revenue of \$1,026 million and \$2,054 million for the three and six months ended June 30, 2021, respectively, was an increase of 1.0% and a decrease of less than 1.0%, respectively, a significantly improved trend compared with the same periods last year.
- Positive net income of \$12 million and \$1 million for the three and six months ended June 30, 2021, respectively, as compared to net loss of \$51 million and \$100 million for the same periods in the prior year.
- Strong new business signings results:

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- New business total contract value (TCV) signings of \$775 million for the three months ended June 30, 2021, representing an increase of 24% compared to that of the prior year period.
- Annual recurring revenue signings of \$115 million for the three months ended June 30, 2021, an increase of 10% compared to that of the prior year period.
- The Company has shown year-over-year operational progress, including an improvement to technology platform uptime, improvements in associate satisfaction survey results and increases in performance incentives from customers.
- The Company redeemed the remainder of its previously outstanding \$34 million Senior Notes.

COVID-19 Pandemic

Throughout the COVID-19 pandemic, we have continued to provide critical and best-in-class services to our customers and their end-users, while ensuring the health and safety of our greatest assets - our associates. To address the potential impact to our business over the near-term, our Business Continuity team established a proactive plan in the first quarter of 2020 that has continued into the second quarter of 2021, which includes:

- Supporting our associates with a number of specific initiatives, including making improvements to our policies to extend short-term disability, providing extra supplemental sick leave coverage and introducing a hardship leave policy.
- At the end of 2020, approximately 75% of our workforce had been shifted to work-from-home. In 2021, we have started a slow and measured approach to bringing associates back to Conduent offices, as appropriate. This is an ongoing phased process and is based on the specific COVID-19 conditions in certain geographies, as well as business requirements.
- Increased sanitation and social distancing for required on-site essential associates.

As the world increasingly becomes vaccinated, we will evolve our approach to various initiatives or take additional actions to meet the needs of our employees, customers and their end-users and the Company to continue to provide our mission-critical services and solutions.

Financial Review of Operations

(\$ in millions)	Three Months Ended June 30,		2021 vs. 2020	
	2021	2020	\$ Change	% Change
Revenue	\$ 1,026	\$ 1,016	\$ 10	1 %
Operating Costs and Expenses				
Cost of services (excluding depreciation and amortization)	772	795	(23)	(3)%
Selling, general and administrative (excluding depreciation and amortization)	125	111	14	13 %
Research and development (excluding depreciation and amortization)	1	—	1	n/m
Depreciation and amortization	86	115	(29)	(25)%
Restructuring and related costs	8	29	(21)	(72)%
Interest expense	13	15	(2)	(13)%
(Gain) loss on divestitures and transaction costs	(1)	2	(3)	(150)%
Litigation costs	1	14	(13)	(93)%
Loss on extinguishment of debt	2	—	2	n/m
Other (income) expenses, net	—	(1)	1	(100)%
Total Operating Costs and Expenses	1,007	1,080	(73)	
Income (Loss) Before Income Taxes	19	(64)	83	
Income tax expense (benefit)	7	(13)	20	
Net Income (Loss)	\$ 12	\$ (51)	\$ 63	

(\$ in millions)	Six Months Ended June 30,		2021 vs. 2020	
	2021	2020	\$ Change	% Change
Revenue	\$ 2,054	\$ 2,067	\$ (13)	(1)%
Operating Costs and Expenses				
Cost of services (excluding depreciation and amortization)	1,559	1,627	(68)	(4)%
Selling, general and administrative (excluding depreciation and amortization)	251	227	24	11 %
Research and development (excluding depreciation and amortization)	1	1	—	— %
Depreciation and amortization	181	232	(51)	(22)%
Restructuring and related costs	21	36	(15)	(42)%
Interest expense	26	32	(6)	(19)%
(Gain) loss on divestitures and transaction costs	1	6	(5)	(83)%
Litigation costs	2	20	(18)	(90)%
Loss on extinguishment of debt	2	—	2	n/m
Other (income) expenses, net	—	1	(1)	(100)%
Total Operating Costs and Expenses	2,044	2,182	(138)	
Income (Loss) Before Income Taxes	10	(115)	125	
Income tax expense (benefit)	9	(15)	24	
Net Income (Loss)	\$ 1	\$ (100)	\$ 101	

Revenue

Revenue for the three months ended June 30, 2021 increased by 1%, compared to the prior year period, primarily due to lesser impacts of the COVID-19 pandemic across our Transportation and Commercial Industries segments, increased volumes in our Government Services Solutions offering within our Government Services segment, primarily increased payments activity because of Federal stimulus, and the ramp of new business. These increases were partially offset by lost business from prior years.

Revenue for the six months ended June 30, 2021 decreased by less than 1%, compared to the prior year period, primarily due to lost business from prior years and the effect of the COVID-19 pandemic across our Commercial Industries and our Transportation segments, which had only a minimal impact on the first quarter of 2020. These unfavorable impacts were partially offset by increased volumes in our Government Services Solutions service offering within our Government Services segment, primarily increased payments activity because of Federal stimulus, and the ramp of new business.

Cost of Services (excluding depreciation and amortization)

Cost of services for the three months ended June 30, 2021 decreased, compared to the prior year period, driven by lost business from prior years as well as increased operational efficiency, which led to reductions in information technology, labor and real estate costs.

Cost of services for the six months ended June 30, 2021 decreased, compared to the prior year period, driven by lost business from prior years and lower volumes as well as increased operational efficiency, which led to reductions in information technology, labor and real estate costs. Also contributing to the decline were lower costs to support volume loss resulting from the effect of the COVID-19 pandemic.

Selling, General and Administrative (SG&A) (excluding depreciation and amortization)

SG&A for the three and six months ended June 30, 2021 increased, compared to the prior year periods, driven by an increase in certain employee-related costs and growth in the sales organization and higher recruiting expenses.

Depreciation and Amortization

Depreciation and amortization for the three and six months ended June 30, 2021 decreased, compared to the prior year periods, primarily due to a portion of certain customer relationship intangible assets being fully amortized in the first quarter of 2021.

Restructuring and Related Costs

We engage in a series of restructuring programs related to optimizing our employee base, reducing our real estate footprint, exiting certain activities, outsourcing certain internal functions, consolidating our data centers and engaging in other actions designed to reduce our cost structure and improve productivity. The following are the components of our Restructuring and related costs:

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Severance and related costs	\$ 2	\$ 10	\$ 2	\$ 10
Data center consolidation	8	6	15	8
Termination, asset impairment and other costs	(3)	11	2	14
Total net current period charges	7	27	19	32
Consulting and other costs ⁽¹⁾	1	2	2	4
Restructuring and related costs	\$ 8	\$ 29	\$ 21	\$ 36

(1) Represents professional support costs associated with certain strategic transformation programs.

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Refer to Note 5 – Restructuring Programs and Related Costs to the Condensed Consolidated Financial Statements for additional information regarding our restructuring programs.

Interest Expense

Interest expense represents interest on long-term debt and the amortization of debt issuance costs. The decreases in Interest expense for the three and six months ended June 30, 2021, compared to the prior year periods, was driven primarily by lower interest rates, a lower Term Loan A principal balance and the May 1, 2021 repayment of the previously outstanding \$34 million Senior Notes. Additionally, the three and six months ended June 30, 2020 included interest expense attributable to the drawdown on our Senior Revolving Credit Facility (Revolver) in March 2020, which was repaid in December 2020. Refer to Note 6 – Debt in the Condensed Consolidated Financial Statements for additional information.

(Gain) Loss on Divestitures and Transaction Costs

These costs consist of professional fees and other costs related to certain consummated and non-consummated transactions considered by the Company.

Litigation Costs

Net litigation costs for the three and six months ended June 30, 2021 primarily consist of reserves for various matters that are subject to litigation; the three and six months ended June 30, 2020 amount also included costs related to certain reimbursement matters with our former parent company, Xerox Corporation.

Refer to Note 11 – Contingencies and Litigation to the Condensed Consolidated Financial Statements for additional information.

Income Taxes

The effective tax rate for the three months ended June 30, 2021 was 38.2%, compared to 20.3% for the three months ended June 30, 2020. The June 30, 2021 rate was higher than the U.S. statutory rate of 21%, primarily due to geographic mix of income, other non-deductible permanent differences, valuation allowances and tax audit reserves, partially offset by tax credits. The June 30, 2020 rate was slightly lower than the U.S. statutory rate of 21%, primarily due to the geographic mix of income.

Excluding the impact of discrete tax adjustments, amortization of intangible assets and restructuring costs, the normalized effective tax rate for the three months ended June 30, 2021 was 25.7%. The normalized effective tax rate for the three months ended June 30, 2020 was 32.5%, predominately due to excluding the impact of amortization and restructuring costs. The normalized effective tax rate for the three months ended June 30, 2021 was lower than the three months ended June 30, 2020 rate predominantly due to earnings mix.

The effective tax rate for the six months ended June 30, 2021 was 94.3% compared with 13.0% for the six months ended June 30, 2020. The June 30, 2021 rate was higher than the U.S. statutory rate of 21% primarily due to geographic mix of income, other non-deductible permanent differences, valuation allowances, and tax audit reserve partially offset by tax credits. The June 30, 2020 rate was lower than the U.S. statutory rate of 21% primarily due to the geographic mix of income, valuation allowances, and tax charges recognized on the vesting of employee equity awards partially offset by tax credits.

Excluding the impact of discrete tax adjustments, amortization of intangible assets and restructuring, the normalized effective tax rate for the six months ended June 30, 2021 was 24.7%. The normalized effective tax rate for the six months ended June 30, 2020 was 32.8%, predominantly due to excluding the impact of valuation allowances, vesting of equity awards, charges for amortization of intangible assets and restructuring. The normalized effective tax rate for the six months ended June 30, 2021 was lower than the six months ended June 30, 2020 rate predominantly due to earnings mix.

The Company believes it is reasonably possible that unrecognized tax benefits of approximately \$14 million will reverse within 12 months due to an anticipated audit settlement.

Operations Review of Segment Revenue and Profit

Our financial performance is based on Segment Profit/(Loss) and Segment Adjusted EBITDA for the following three segments:

- Commercial Industries,
- Government Services, and
- Transportation.

Other includes our Student Loan business, which the Company exited in the third quarter of 2018.

Unallocated Costs includes IT infrastructure costs that are shared by multiple reportable segments, enterprise application costs and certain corporate overhead expenses not directly attributable or allocated to our reportable segments.

We continue to modernize a significant portion of our infrastructure with new systems and processes and consolidate our data centers as part of our transformation initiatives. There is a risk, however, that our modernization efforts and data center consolidations could materially and adversely disrupt our operations. In addition, the Company's COVID-19 response has also resulted in diversion of management's time and delayed investments from strategic, transformational and technology initiatives which had been planned. See Part I, Item 1A – Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2020 for additional information.

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Results of financial performance by segment were:

(in millions)	Three Months Ended June 30,					
	Commercial Industries	Government Services	Transportation	Other	Unallocated Costs	Total
2021						
Revenue	\$ 503	\$ 338	\$ 185	\$ —	\$ —	\$ 1,026
Segment profit (loss)	\$ 29	\$ 110	\$ 17	\$ —	\$ (82)	\$ 74
Segment depreciation and amortization	\$ 25	\$ 8	\$ 8	\$ —	\$ 13	\$ 54
Adjusted EBITDA	\$ 54	\$ 118	\$ 25	\$ —	\$ (69)	\$ 128
% of Total Revenue	49.0 %	33.0 %	18.0 %	— %	— %	100.0 %
Adjusted EBITDA Margin	10.7 %	34.9 %	13.5 %	— %	— %	12.5 %
2020						
Revenue	\$ 520	\$ 331	\$ 165	\$ —	\$ —	\$ 1,016
Segment profit (loss)	\$ 25	\$ 90	\$ 20	\$ (1)	\$ (79)	\$ 55
Segment depreciation and amortization	\$ 27	\$ 6	\$ 9	\$ —	\$ 13	\$ 55
Adjusted EBITDA	\$ 52	\$ 96	\$ 29	\$ (1)	\$ (66)	\$ 110
% of Total Revenue	51.2 %	32.6 %	16.2 %	— %	— %	100.0 %
Adjusted EBITDA Margin	10.0 %	29.0 %	17.6 %	— %	— %	10.8 %

(in millions)	Six Months Ended June 30,					
	Commercial Industries	Government Services	Transportation	Other	Unallocated Costs	Total
2021						
Revenue	\$ 1,029	\$ 656	\$ 369	\$ —	\$ —	\$ 2,054
Segment profit (loss)	\$ 64	\$ 197	\$ 38	\$ —	\$ (165)	\$ 134
Segment depreciation and amortization	\$ 52	\$ 13	\$ 17	\$ —	\$ 27	\$ 109
Adjusted EBITDA	\$ 116	\$ 210	\$ 55	\$ —	\$ (138)	\$ 243
% of Total Revenue	50.1 %	31.9 %	18.0 %	— %	— %	100.0 %
Adjusted EBITDA Margin	11.3 %	32.0 %	14.9 %	— %	— %	11.8 %
2020						
Revenue	\$ 1,092	\$ 621	\$ 354	\$ —	\$ —	\$ 2,067
Segment profit (loss)	\$ 67	\$ 160	\$ 30	\$ 3	\$ (160)	\$ 100
Segment depreciation and amortization	\$ 55	\$ 13	\$ 18	\$ —	\$ 27	\$ 113
Adjusted EBITDA	\$ 122	\$ 173	\$ 48	\$ (4)	\$ (133)	\$ 206
% of Total Revenue	52.8 %	30.1 %	17.1 %	— %	— %	100.0 %
Adjusted EBITDA Margin	11.2 %	27.9 %	13.6 %	— %	— %	10.0 %

Commercial Industries Segment

Revenue

Commercial Industries revenue for the three months ended June 30, 2021 decreased, compared to the prior year period, due to lost business from prior years, partially offset by higher volumes as the impacts from COVID-19 were lesser in the second quarter of 2021 as many regions began to loosen restrictions.

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Commercial Industries revenue for the six months ended June 30, 2021 decreased, compared to the prior year period, due to COVID-19 related volume declines in our Business Operations Solutions service offering and reduced revenue from our HSA offering "Benefit Wallet" (within our HRLS business) as a result of Federal Reserve initiated interest rate reductions, as well as lost business from prior years.

Segment Profit and Adjusted EBITDA

Increases in the Commercial Industries segment profit and adjusted EBITDA margin for the three months ended June 30, 2021, compared to the prior year period, were mainly driven by the result of progress in our efficiency initiatives and one-time contract exit costs in the second quarter of 2020.

Commercial Industries segment profit decreased and adjusted EBITDA margin increased for the six months ended June 30, 2021, compared to the prior year period, mainly driven by overall revenue declines, partially offset by the result of progress in our efficiency initiatives and one-time contract exit costs in the second quarter of 2020.

Government Services Segment

Revenue

Government Services revenue for the three months ended June 30, 2021 increased, compared to the prior year period, primarily driven by COVID-19 related volume increases. These increases were partially offset by lost business from prior years. The increased volumes from the COVID-19 pandemic were largely driven by the increases in the Supplemental Nutrition Assistance Program (SNAP) volumes and Pandemic SNAP volumes.

Government Services revenue for the six months ended June 30, 2021 increased, compared to the prior year period, primarily driven by COVID-19 related volume increases. These increases were partially offset by lost business from prior years. The increased volumes from the COVID-19 pandemic was largely driven by the increases in the Supplemental Nutrition Assistance Program (SNAP) volumes and Pandemic SNAP volumes, an increase in the number of citizens to which we distribute unemployment insurance benefits, and additional unemployment insurance benefit distributions as a result of Federal stimulus. Within the unemployment benefit business, we generate revenue based on the amount of spending by card holders.

Segment Profit and Adjusted EBITDA

Increases in the Government Services segment profit and adjusted EBITDA margin for the three and six months ended June 30, 2021, compared to the prior year period, were mainly driven by increased COVID-19 related volume increases at strong margins and expense reductions resulting from progress in our efficiency initiatives.

Transportation Segment

Revenue

Transportation revenue for the three and six months ended June 30, 2021 increased, compared to the prior year period, primarily driven by the impact of loosening of numerous COVID-19 related restrictions, particularly in the United States, and the ramp of new business, partially offset by lost business from prior years.

Segment Profit and Adjusted EBITDA

Transportation segment profit and adjusted EBITDA margin decreased for the three months ended June 30, 2021, compared to the prior year period, mainly driven by unfavorable revenue mix in the quarter and short term cost savings in the prior year. Transportation segment profit and adjusted EBITDA margin increased for the six months ended June 30, 2021, compared to the prior year period, mainly driven by progress in our efficiency initiatives and beneficial revenue mix.

Other

Segment Profit (Loss) and Adjusted EBITDA

The segment profit in the 2020 period was primarily due to an adjustment to the then remaining California Medicaid Management Information System settlement liability of \$7 million as a result of the contract expiring in March 2020. This benefit was excluded from adjusted EBITDA for segment reporting purposes due to its non-recurring nature.

Unallocated Costs

Unallocated Costs for the three and six months ended June 30, 2021 increased, compared to the prior year period. This was primarily driven by increases in certain employee costs, partially offset by progress in our efficiency initiatives.

Metrics

Signings

Signings are defined as estimated future revenues from contracts signed during the period, including renewals of existing contracts. TCV is the estimated total contractual revenue related to signed contracts. TCV signings is defined as estimated future revenues from contracts signed during the period, including renewals of existing contracts.

For the three months ended June 30, 2021, the Company signed \$775 million of new business, representing a 24% increase compared to the prior year period. This increase was driven by the signing of large contracts in the Transportation and Governments segments. Renewal TCV for the three months ended June 30, 2021 was \$825 million, a decrease of 10% compared to the prior year period, primarily as a result of fewer renewal opportunities in the quarter. The Company continues to scale the centralized Sales and Account Management functions to deliver on our growth objectives.

For the six months ended June 30, 2021, the Company signed \$1,131 million of new business, representing a 19% increase compared to the prior year period. Renewal TCV for the six months ended June 30, 2021 was \$1,098 million, a decrease of 23% compared to the prior year period, primarily as a result of fewer renewal opportunities in the quarter.

(\$ in millions)	Three Months Ended June 30,		2021 vs. 2020	
	2021	2020	\$ Change	% Change
New business TCV	\$ 775	\$ 623	\$ 152	24 %
Renewals TCV	825	912	(87)	(10)%
Total Signings	\$ 1,600	\$ 1,535	\$ 65	4 %
Annual recurring revenue signings ⁽¹⁾	\$ 115	\$ 105	\$ 10	10 %
Non-recurring revenue signings ⁽²⁾	\$ 152	\$ 76	\$ 76	100 %

(\$ in millions)	Six Months Ended June 30,		2021 vs. 2020	
	2021	2020	\$ Change	% Change
New business TCV	\$ 1,131	\$ 947	\$ 184	19 %
Renewals TCV	1,098	1,427	(329)	(23)%
Total Signings	\$ 2,229	\$ 2,374	\$ (145)	(6)%
Annual recurring revenue signings ⁽¹⁾	\$ 210	\$ 162	\$ 48	30 %
Non-recurring revenue signings ⁽²⁾	\$ 279	\$ 120	\$ 159	133 %

(1) Recurring revenue signings are for new business contracts longer than one year.

(2) Non-recurring revenue signings are for contracts shorter than one year.

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The total new business pipeline at the end of June 30, 2021 and 2020 was \$21.0 billion and \$22.0 billion, respectively. Total new business pipeline is defined as total new business TCW pipeline of deals in all sell stages. This extends past the next twelve-month period to include total pipeline, excluding the impact of divested business as required.

Capital Resources and Liquidity

As of June 30, 2021 and December 31, 2020, total cash and cash equivalents were \$397 million and \$450 million, respectively. The Company also has a \$750 million Revolver for its various cash needs, of which \$7 million was used for letters of credit. The net amount available to be drawn upon under our Revolver as of June 30, 2021, was \$743 million.

As of June 30, 2021, our total debt outstanding was \$1.4 billion of which \$89 million was due within one year. Refer to Note 6 – Debt in the Condensed Consolidated Financial Statements for additional debt information.

In order to provide financial flexibility and finance certain investments and projects, we may continue to utilize external financing arrangements. However, we believe that our cash on hand, projected cash flow from operations, sound balance sheet and revolving line of credit will continue to provide sufficient financial resources to meet our expected business obligations for at least the next twelve months.

Cash Flow Analysis

The following table summarizes our cash flows, as reported in our Condensed Consolidated Statement of Cash Flows in the accompanying Condensed Consolidated Financial Statements:

(in millions)	Six Months Ended June 30,		Better (Worse)
	2021	2020	
Net cash provided by (used in) operating activities	\$ 103	\$ (118)	\$ 221
Net cash provided by (used in) investing activities	\$ (69)	\$ (58)	(11)
Net cash provided by (used in) financing activities	\$ (87)	\$ 114	(201)

Operating activities

The net improvement in cash used in operating activities of \$221 million, compared to the prior year period, was primarily related to the absence of the 2020 Texas Litigation payment of \$118 million, improved collections of Accounts receivable and other working capital timing of \$126 million, partly offset by higher cash used on product software and deferred contract costs for new business activities of \$9 million and higher income tax net payments of \$14 million.

Investing activities

The increase in cash used in investing activities of \$11 million was primarily due to increased spending related to modernizing our infrastructure and productivity tools.

Financing activities

The increase in cash used in financing activities was primarily related to the absence of the March 2020 \$150 million draw down from our \$750 million revolving credit facility, which was subsequently repaid in December 2020. Additionally, we repaid the previously outstanding \$34 million of Senior Notes on May 1, 2021 and made higher scheduled payments on Term loans of \$18 million in 2021.

Market Risk Management

We are exposed to market risk from changes in foreign currency exchange rates which could affect operating results, financial position and cash flows. We manage our exposure to these market risks through our regular operating and financing activities and, when appropriate, through the use of derivative financial instruments. We may utilize derivative financial instruments to hedge economic exposures, as well as to reduce earnings and cash flow volatility resulting from shifts in market rates. We also may hedge the cost to fund material non-dollar entities by buying currencies periodically in advance of the funding date. This is accounted for using derivative accounting.

Recent market and economic events, including the effects of the COVID-19 pandemic, have not caused us to materially modify nor change our financial risk management strategies with respect to our exposures to foreign currency risk. Refer to Note 7 – Financial Instruments in the Condensed Consolidated Financial Statements for additional discussion on our financial risk management.

ITEM 3 — QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information set forth under the “Market Risk Management” section in Item 2 of this Form 10-Q is hereby incorporated by reference in answer to this Item. During the reporting period, there have been no material changes to the quantitative and qualitative disclosures regarding our market risk set forth in our Annual Report on Form 10-K for the year ended December 31, 2020.

ITEM 4 — CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

The Company's management evaluated, with the participation of our principal executive officer and principal financial officer, or persons performing similar functions, the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (“Exchange Act”), as of the end of the period covered by this Form 10-Q. Based on this evaluation, our principal executive officer and principal financial officer have concluded that, as of the end of the period covered by this Form 10-Q, our disclosure controls and procedures were effective to ensure that information we are required to disclose in the reports that we file or submit under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms relating to the Company, including our consolidated subsidiaries, and was accumulated and communicated to the Company's management, including the principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

(b) Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended June 30, 2021, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1 — LEGAL PROCEEDINGS

The information set forth under Note 11 – Contingencies and Litigation in the Condensed Consolidated Financial Statements of this Form 10-Q is incorporated herein by reference in answer to this Item.

ITEM 1A — RISK FACTORS

Reference is made to the Risk Factors set forth in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2020. There have been no material changes to our risk factors as previously reported in our Annual Report on Form-10-K for the year ended December 31, 2020.

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

(a) Sales of Unregistered Securities during the Quarter ended June 30, 2021

During the quarter ended June 30, 2021, the Company did not issue any securities in transactions that were not registered under the Securities Act of 1933, as amended.

(b) Issuer Purchases of Equity Securities during the Quarter ended June 30, 2021

None.

ITEM 6 — EXHIBITS

3.1	Restated Certificate of Incorporation of Registrant filed with the Department of the State of New York on December 31, 2016. Incorporated by reference to Exhibit 3.1 to Registrant's Current Report on Form 8-K dated December 23, 2016.
3.2	Amended and Restated By-Laws of Registrant as amended through December 31, 2016. Incorporated by reference to Exhibit 3.2 to Registrants Current Report on Form 8-K dated December 23, 2016.
10.6(a)(ix)	Registrant's 2021 Performance Incentive Plan. Incorporated by reference to Annex A to Registrant's Proxy Filing on Schedule 14 dated April 9, 2021.
10.6(a)(x)	Form of Restricted Stock Unit Award Agreement 2021 under the 2021 PIP.
10.6(a)(xi)	Form of Performance Stock Unit Award Agreement 2021 (Revenue Metric) under the 2021 PIP.
10.6(a)(xii)	Form of Performance Stock Unit Award Agreement 2021 (Share Hurdle Metric) under the 2021 PIP.
10.6(a)(xiii)	Form of Agreement For Non-Employee Directors under 2021 PIP.
10.6(h)	Letter Agreement dated May 5, 2021, between Registrant and Stephen Wood Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K dated May 4, 2021.
31(a)	Certification of CEO pursuant to Rule 13a-14(a) or Rule 15d-14(a).
31(b)	Certification of CFO pursuant to Rule 13a-14(a) or Rule 15d-14(a).
32	Certification of CEO and CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase.
101.SCH	Inline XBRL Taxonomy Extension Schema Linkbase.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

SIGNATURES

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

CONDUENT INCORPORATED
(Registrant)

By: /S/ STEPHEN WOOD

Stephen Wood
Chief Financial Officer
(Principal Financial Officer)

Date: August 5, 2021

**PERFORMANCE RESTRICTED STOCK UNIT AWARD AGREEMENT PURSUANT TO
CONDUENT INCORPORATED 2021 PERFORMANCE INCENTIVE PLAN**

This Performance Restricted Stock Unit Award Agreement (“**Agreement**”) is made by Conduent Incorporated, a New York corporation (the “**Company**”), as of the date that appears in the Award Summary (as defined below) and the individual whose name appears on the Award Summary (the “**Employee**”), who is an employee of the Company, one of the Company’s subsidiaries or one of its affiliates (the Company, or such subsidiary or affiliate, the “**Employer**”).

In accordance with the provisions of the Conduent Incorporated 2021 Performance Incentive Plan (the “**Plan**”), the Compensation Committee of the Board of Directors of the Company (the “**Committee**”) or the Chief Executive Officer of the Company has authorized the execution and delivery of this Agreement.

Terms used herein that are defined in the Plan or in this Agreement shall have the meanings assigned to them in the Plan or this Agreement, respectively.

The “**Award Summary**” is a separate document, posted to GEMS or any other applicable Human Resources information system, that provides for the effective date hereof (the “**Date of Grant**”), the applicable number of Performance Restricted Stock Units granted pursuant hereto, and the value of a share of Common Stock on the Date of Grant (the “**Share Base Price**”). The Award Summary is incorporated herein in its entirety.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration the Company agrees as follows:

AWARDS

1. **Award of Performance Restricted Stock Units.** Subject to all terms and conditions of the Plan and this Agreement, the Company has awarded to the Employee on the Date of Grant the number of Performance Restricted Stock Units (the “**PRSUs**”) as shown on the Award Summary.

TERMS OF THE PERFORMANCE SHARE UNITS

2. **Entitlement to Shares.** As soon as practicable and within 60 days following each applicable Vesting Date (as defined below) (or such earlier date provided in Section 8) in connection with the PRSUs, the Company shall deliver to the Employee, in such manner as the Company shall determine, a number of shares of Common Stock equal to the number of vested PRSUs (subject to reduction for withholding of the Employee’s taxes in relation to the award as described in Section 10); provided that any fractional shares shall be delivered in the form of cash equal to the value of such fractional shares on the applicable Vesting Date.

3. **Vesting.** The PRSUs will be subject to a performance-based vesting condition (the “**Revenue Hurdle Condition**”) which will be satisfied based on the achievement of revenue hurdle conditions specified below. The PRSUs are divided into three equal tranches (the “**First Vesting Tranche**”, the “**Second Vesting Tranche**” and the “**Third Vesting Tranche**”, each a “**Vesting Tranche**”), with each Vesting Tranche covering 1/3 of the PRSUs. The “**Measurement Date**” for each applicable Vesting Tranche shall be December 31 of each applicable year, as set forth in the table below, and the “**Vesting Date**” for each applicable Vesting Tranche shall be the date set forth in the table below.

	Portion of PRSUs	Revenue Hurdle Condition			Measurement Date	Vesting Date
		Threshold	Target	Maximum		
First Vesting Tranche	1/3	-3.0%	-1.5%	0.5%	December 31, 2021	June 30, 2022
Second Vesting Tranche	1/3	-1.0%	0.5%	2.0%	December 31, 2022	June 30, 2023
Third Vesting Tranche	1/3	0.5%	2.0%	3.5%	December 31, 2023	June 30, 2024

The Revenue Hurdle Condition will be satisfied at the Threshold, Target, or Maximum level if the Company’s revenue for the fiscal year that ends on the applicable Measurement Date increases by the percentage set forth

in the table above over the Company's revenue for the immediate prior fiscal year. For purposes of calculating the Company's revenue for a fiscal year, the Committee may make adjustments for unanticipated or unbudgeted changes, such as a disposition.

In the event the achievement of the Revenue Hurdle Condition for a Vesting Tranche:

- (a) is below the "threshold" level specified above, then all of the PRSUs with respect to such Vesting Tranche will be forfeited;
- (b) is between "threshold" and "target" level specified above, then a percentage of the PRSUs with respect to such Vesting Tranche equal to the percentage linearly interpolated between 50% and 100% will be eligible to vest on the applicable Vesting Date;
- (c) is exactly at the "target" level specified above, then 100% of the PRSUs with respect to such Vesting Tranche will be eligible to vest on the applicable Vesting Date;
- (d) is between "target" and "maximum" level specified above, then a percentage of the PRSUs with respect to such Vesting Tranche equal to the percentage linearly interpolated between 100% and 150% will be eligible to vest on the applicable Vesting Date; and
- (e) is equal to or greater than the "maximum" level specified above, then 150% of the PRSUs with respect to such Vesting Tranche will be eligible to vest on the applicable Vesting Date;

in each case as set forth in the Award Summary and subject to the Employee's continued employment through the applicable Vesting Date.

Notwithstanding the foregoing, no PRSUs in a Vesting Tranche will vest in the event that the Adjusted EBITDA Margin with respect to the fiscal year that ends on the applicable Measurement Date is not greater than or equal to 11% (the "EBITDA Qualifier"). For purposes of this Agreement, "Adjusted EBITDA Margin" means the Company's adjusted EBITDA for a fiscal year as a percentage of the Company's revenue for such fiscal year.

Upon the occurrence of an event constituting a Change in Control, notwithstanding anything to the contrary in Section 8 of the Plan, the PRSUs outstanding on the date of such Change in Control, and any dividend equivalents with respect thereto, shall be assumed by the successor company (or its parent company) and remain outstanding and thereafter the vesting of such PRSUs, and any dividend equivalents with respect thereto, shall be subject to Employee's continued employment with the Company or a subsidiary or an affiliate through each applicable Vesting Date (while the Revenue Hurdle Conditions shall each be deemed to have been achieved at the "Target" level set forth above and the EBITDA Qualifier deemed satisfied with respect to all outstanding Vesting Tranches as of the date of the Change in Control), and in such instance such PRSUs shall be paid in cash in accordance with the terms of the Plan at the earliest time set forth in the Plan that will not trigger a tax or penalty under Section 409A of the Code, as determined by the Committee; provided that the PRSUs, and any dividend equivalents with respect thereto, shall vest and shall be paid to the extent provided in Section 8 in the event of the Employee's termination of employment following such Change in Control and prior to a Vesting Date. Upon payment pursuant to the terms of the Plan, such awards shall be cancelled.

4. Dividend Equivalents. The Employee shall become entitled to receive from the Company on each applicable Vesting Date (or such earlier date provided in Section 8) a cash payment equaling the same amount(s) that the holder of record of a number of shares of Common Stock equal to the number of vested PRSUs (if any) would have been entitled to receive as dividends on such Common Stock during the period commencing on the effective date hereof and ending on each applicable Vesting Date (or such earlier date provided in Section 8) as provided under Section 3. Payments under this Section shall be net of any required withholding taxes.

OTHER TERMS

5. Ownership Guidelines. Guidelines pertaining to the Employee's required ownership of Common Stock and related holding requirements (the "**Stock Ownership Guidelines**") shall be determined by the Committee or its

authorized delegate, as applicable, in its sole discretion from time to time as communicated to the Employee in writing.

6. Voting Rights/Dividends. Except as otherwise provided herein, the Employee shall have no rights as a shareholder with respect to the PRSUs until the date of issuance of a stock certificate to him for such PRSUs and no adjustment shall be made for dividends or other rights for which the record date is prior to the date the PRSUs become vested.

7. Non-Assignability. Unless otherwise provided by the Committee in its discretion, PRSUs may not be sold, assigned, alienated, transferred, pledged, attached or otherwise encumbered except as provided in Section 7(d)(ii) of the Plan. Any purported sale, assignment, alienation, transfer, pledge, attachment or other encumbrance of a PRSU in violation of the provisions of this Section 7 and Section 7(d)(ii) of the Plan shall be void.

8. Effect of Termination of Employment or Death.

(a) Effect on PRSUs. In the event of the Employee's termination of employment prior to June 30, 2024, the PRSUs will be treated as set forth below.

(i) *Voluntary Resignation*. In the event the Employee voluntarily ceases to be an employee of the Employer for any reason other than Termination For Good Reason following a Change in Control, the PRSUs that have not vested in accordance with Section 3 shall be canceled and forfeited on the date of such voluntary termination of employment.

(ii) *Termination without Cause*. In the event the Employee involuntarily ceases to be an employee of the Employer on or after the nine-month anniversary of the grant date and prior to a Change in Control for any reason other than due to death, Disability or a termination for Cause, the Employee will remain eligible to vest in a prorated portion of the Vesting Tranche of PRSUs that is scheduled to vest on the Vesting Date immediately following such termination, and any dividend equivalents with respect thereto, based on the achievement of the applicable Revenue Hurdle Condition and satisfaction of the EBITDA Qualifier on the applicable Measurement Date. The number of PRSUs that the Employee will be eligible to vest in shall be prorated based on a fraction, the numerator of which is the number of full months elapsed since the most recent Vesting Date and the denominator of which is 12, and any remaining PRSUs shall be forfeited. Such prorated number of PRSUs, and any dividend equivalents with respect thereto, shall be settled within 60 days following the Vesting Date in accordance with Section 2; provided that such vesting shall be contingent, at the discretion of the Company, upon the Employee executing a general release (which may include an agreement with respect to engagement in detrimental activity in a form acceptable to the Company) and such release becoming effective and irrevocable within the 60-day period following such Termination Date.

In the event the Employee involuntarily ceases to be an employee of the Employer prior to the nine-month anniversary of the grant date, the PRSUs shall be cancelled and forfeited on the date of such termination.

(iii) *Qualifying Termination Following Change in Control*. In the event the Employee involuntarily ceases to be an employee of the Employer following a Change in Control for any reason other than a termination for Cause, or voluntarily ceases to be an employee due to a Termination for Good Reason following a Change in Control, then the PRSUs covered by this Agreement, and any dividend equivalents with respect thereto, shall immediately vest (without proration based on the portion of the vesting period elapsed prior to such termination) and shall be paid in cash in accordance with the terms of the Plan within 60 days following the earliest time set forth in the Plan that will not trigger a tax or penalty under Section 409A of the Code, as determined by the Committee. Such vesting shall be contingent, at the discretion of the Company, upon the Employee executing a general release (which may include an agreement with respect to engagement in detrimental activity, in a form acceptable to the Company) and such release becoming effective and irrevocable within the 60-day period following such Termination Date.

(iv) *Death or Disability*. In the event the Employee involuntarily ceases to be an employee of the Employer by reason of death or Disability prior to a Change in Control, the PRSUs covered by this Agreement, and any dividend equivalents with respect thereto, shall remain eligible to vest pursuant to Section 3 as if such Employee remained employed through each applicable Vesting Date and shall be settled within 60 days following the applicable Vesting Date in accordance with Section 2, without proration.

(v) *Termination for Cause*. In the event the Employee involuntarily ceases to be an employee of the Employer due to termination for Cause, the PRSUs shall be cancelled and forfeited on the date of such termination of employment, in addition to any other rights reserved under the Conduent Incorporated Compensation Recoupment Policy, as may be amended from time to time, or any successor policy.

- (b) Definitions. “**Cause**” has the meaning set forth in the Conduent Incorporated Compensation Recoupment Policy, as may be amended from time to time, or any successor policy.

“**Termination For Good Reason**” shall mean the termination of Employee within two years of the occurrence of any of the following circumstances, provided that (1) such circumstance occurs without Employee’s express written consent after a Change in Control, and (2) Employee gives the Company notice of the occurrence of the offending circumstance(s) within 90 days of the first occurrence of the circumstance(s), and the Company fails to cure the circumstance(s) within 30 days of receipt of this notice (or the Company notifies Employee in writing prior to the expiration of such 30-day period that the circumstance(s) will not be cured):

(a) The material diminution of Employee’s authority, duties, or responsibilities from those in effect immediately prior to a Change in Control;

(b) Any of the following: (1) A material reduction in Employee’s annual base salary and/or annual target bonus, (2) a failure by the Company to increase Employee’s annual base salary following a Change in Control at such periodic intervals not materially inconsistent with the Company’s practice prior thereto by at least a percentage equal to the average of the percentage increases in Employee’s base salary for the three merit pay periods immediately preceding such Change in Control, or (3) the failure to increase Employee’s salary as the same may be increased from time to time for similarly situated individuals, except that this clause (b) shall not apply to across-the-board salary reductions similarly affecting all similarly situated employees of the Company and all similarly situated employees of any person in control of the Company;

(c) The Company’s requiring Employee to be based anywhere other than in the metropolitan area in which Employee was based immediately before the Change in Control (except for required travel on the Company’s business to an extent substantially consistent with Employee’s present business travel obligations), provided that such required relocation constitutes a material change in the geographic location at which Employee is required to perform the services;

(d) The failure by the Company to continue in effect any material compensation or benefit plan, vacation policy or any material perquisites in which Employee participates immediately before the Change in Control, (except to the extent such plan terminates in accordance with its terms), unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan in connection with the Change in Control, or the failure by the Company to continue Employee’s participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount of benefits provided and the level of Employee’s participation relative to other employees, than existed at the time of the Change in Control; or

(e) The failure of the Company to obtain a satisfactory agreement from any successor to assume responsibility to perform under this Plan.

A termination by Employee of his or her employment shall not fail to be a Termination for Good Reason merely because of Employee’s incapacity due to physical or mental illness, or because Employee’s employment continued after the occurrence of any of the events listed in this

subsection. For the avoidance of doubt, a Termination for Good Reason by Employee shall not mean the Company's reasonable accommodation or modification of Employee's authority, duties, or responsibilities because of Employee's Disability.

"Disability" shall include cessation of active employment due to commencement of long-term disability under the Employer's long-term disability plan or under a disability policy of any subsidiary or Affiliate, as applicable; provided that a Disability shall not be deemed to have occurred for such purposes unless the circumstances would also result in a "disability" within the meaning of Section 409A of the Code.

"Termination Date" means the date of the Employee's termination of employment with the Employer.

"Change in Control" has the meaning set forth in the Plan, except that for Section 8(a) only, an increase in ownership by Permitted Holders shall not be deemed a Change in Control.

"Permitted Holders" has the meaning set forth in the Conduent Incorporated Compensation Recoupment Policy, as may be amended from time to time, or any successor policy.

(c) Divestiture. Notwithstanding the above, the termination of the Employee's employment with the Employer in connection with the Employer's sale (whether by sale of assets or a subsidiary, or both) of a line of business within which the Employee was employed immediately prior to such sale as determined by the Committee in its sole discretion, that does not constitute a Change in Control, shall be treated as an involuntary termination of employment for purposes of this Agreement and the PRSUs shall vest and be paid as provided in Section 8(a)(ii) above; provided, however, that in the event such Termination Date occurs prior to the nine-month anniversary of the Date of Grant, the Employee shall be eligible to vest in a portion of the PRSUs with respect to the First Vesting Tranche to the extent that the Revenue Hurdle Condition is achieved and the EBITDA Qualifier is satisfied prorated based on a fraction, the numerator of which is the number of full months elapsed since the Date of Grant and the denominator of which is 12; and provided, further, that, in the event the Employee is offered a comparable position (as determined by the Committee in accordance with the Company's severance policy) with the acquirer of such line of business and does not accept such offer, the PRSUs shall be cancelled and forfeited on the date of termination of employment.

9. General Restrictions. If at any time the Committee or its authorized delegate, as applicable, shall determine, in its discretion, that the listing, registration or qualification of any shares of Common Stock subject to this Agreement upon any securities exchange or under any state or Federal law, or the consent or approval of any government regulatory body, is necessary or desirable as a condition of, or in connection with, the awarding of the PRSUs or the issue or purchase of shares of Common Stock hereunder, the certificates for shares of Common Stock may not be issued in respect of PRSUs in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee or its authorized delegate, as applicable, and any delay caused thereby shall in no way affect the date of termination of the PRSUs.

10. Responsibility for Taxes. The Employee acknowledges that the ultimate responsibility for the Employee's Federal, state and municipal individual income taxes, the Employee's portion of social security and other payroll taxes, and any other taxes related to the Employee's participation in the Plan and legally applicable to the Employee, is and remains his or her responsibility and may exceed the amount actually withheld by the Company or the Employer. In the event that there is withholding tax liability in connection with the vesting or settlement of PRSUs, the Employee may satisfy, in whole or in part, any withholding tax liability: (a) by cash payment of an amount equal to such withholding liability; or (b) by having the Company withhold from the number of PRSUs in which the Employee would be entitled to vest a number of shares of Common Stock having a fair value equal to such withholding tax liability in accordance with the Company's share withholding procedures.

11. Nature of Award. In accepting the award, the Employee acknowledges that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time in a manner consistent with Section

9(e) of the Plan regarding Plan amendment and termination and, in addition, the PRSUs are subject to modification and adjustment under Section 9(c) of the Plan;

- (b) the award of the PRSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of PRSUs, or benefits in lieu of PRSUs, even if PRSUs have been granted repeatedly in the past;
- (c) all decisions with respect to future PRSU awards, if any, will be at the sole discretion of the Committee or its authorized delegate, as applicable;
- (d) the Employee's participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate Employee's employment relationship at any time; further, the PRSU award and Employee's participation in the Plan will not be interpreted to form an employment contract or relationship with the Employer;
- (e) the Employee is voluntarily participating in the Plan;
- (f) the PRSUs and the shares of Common Stock subject to the PRSUs are an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Employer, and which is outside the scope of the Employee's employment contract, if any;
- (g) the PRSUs and the shares of Common Stock subject to the PRSUs are not intended to replace any pension rights or compensation;
- (h) the PRSUs and the shares of Common Stock subject to the PRSUs are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Employer;
- (i) the future value of the underlying shares of Common Stock is unknown and cannot be predicted with certainty;
- (j) in consideration of the award of the PRSUs, no claim or entitlement to compensation or damages shall arise from forfeiture of the PRSUs, including, but not limited to, forfeiture resulting from termination of the Employee's employment with the Employer (for any reason whatsoever and whether or not in breach of local labor laws) and the Employee irrevocably releases the Company and the Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, the Employee shall be deemed irrevocably to have waived the Employee's entitlement to pursue such claim; and
- (k) subject to the provisions in the Plan regarding Change in Control, PRSUs and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability.

12. No Advice Regarding Award. Neither the Company nor the Employer is providing any tax, legal or financial advice, nor is the Company or Employer making any recommendations regarding the Employee's participation in the Plan, or his or her acquisition or sale of the underlying shares of Common Stock. The Employee is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

13. Amendment of This Agreement. With the consent of the Employee, the Committee or its authorized delegate, as applicable, may amend this Agreement in a manner not inconsistent with the Plan.

14. Restrictive Covenants. Other than with respect to an Employee who is located in California or another jurisdiction where such restrictive covenants are not permitted under applicable law, this Award and the delivery of any shares of Common Stock hereunder are contingent on the Employee executing, and the Employee's continued compliance with, the Non-Competition and Non-Solicitation Agreement set forth as Exhibit A to this Agreement (the "**Restrictive Covenants**").

15. Recoupments. This Award shall be subject to the Conduent Incorporated Compensation Recoupment Policy, as may be amended from time to time, or any successor policy.

16. Cancellation and Rescission of Award. Without limiting the foregoing Section 15, the Company may cancel any award provided hereunder if the Employee is not in compliance with all of the following conditions:

- (a) The Employee shall not render services for any organization or engage directly or indirectly in any business which would cause the Employee to breach any of the post-employment prohibitions contained in any agreement between the Employer and the Employee.
- (b) The Employee shall not, without prior written authorization from the Employer, disclose to anyone outside the Employer, or use in other than the Employer's business, any confidential information or material, as specified in any agreement between the Employer and the Employee which contains post-employment prohibitions, relating to the business of the Employer acquired by the Employee either during or after employment with the Employer.

Notwithstanding the above, this Agreement does not in any manner restrict the Employee from reporting possible violations of federal, state or local laws or regulations to any governmental agency or entity, and shall not, and not be interpreted to, impair the participant from exercising any legally protected whistleblower rights (including under Rule 21F under the Exchange Act). Similarly, the Employer does not in any manner restrict the Employee from participating in any proceeding or investigation by a federal, state or local government agency or entity responsible for enforcing such laws. The Employee is not required to notify the Employer that he or she has made such report or disclosure, or of his or her participation in an agency investigation or proceeding.

- (c) The Employee, pursuant to any agreement between the Employer and the Employee which contains post-employment prohibitions, shall disclose promptly and assign to the Employer all right, title and interest in any invention or idea, patentable or not, made or conceived by the Employee during employment with the Employer, relating in any manner to the actual or anticipated business, research or development work of the Employer, and shall do anything reasonably necessary to enable the Employer to secure a patent where appropriate in the United States and in foreign countries.
- (d) Failure to comply with the provision of subparagraphs (a), (b) or (c) of this Section 16 prior to, or during the six months after, any payment or delivery shall cause such payment or delivery to be rescinded. The Company shall notify the Employee in writing of any such rescission within two years after such payment or delivery. Within ten days after receiving such a notice from the Company, the Employee shall pay to the Company the amount of any payment received as a result of the rescinded payment or delivery pursuant to an award. Such payment to the Company by the Employee shall be made either in cash or by returning to the Company the number of shares of Common Stock that the Employee received in connection with the rescinded payment or delivery.

17. Notices. Notices hereunder shall be in writing and if to the Company shall be mailed to the Company at 100 Campus Drive, Suite 200, Florham Park, NJ 07932 USA, addressed to the attention of Stock Plan Administrator, and if to the Employee shall be delivered personally or mailed to the Employee at his address as the same appears on the records of the Company.

18. Language. If the Employee has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

19. Electronic Delivery and Acceptance. The Company will deliver any documents related to current or future participation in the Plan by electronic means. The Employee hereby consents to receive such documents by electronic delivery, and agrees to participate in the Plan and be bound by the terms and conditions of this Agreement, through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. Electronic acceptance by the Employee is required and the award will be cancelled for any employee who fails to comply with the Company's acceptance requirement within 90 days of the effective date of the award.

20. Interpretation of This Agreement. The Committee or its authorized delegate, as applicable, shall have the authority to interpret the Plan and this Agreement and to take whatever administrative actions, including correction of administrative errors in the awards subject to this Agreement and in this Agreement, as the Committee or its authorized delegate, as applicable, in its sole good faith judgment shall determine to be advisable. All decisions, interpretations and administrative actions made by the Committee or its authorized delegate, as applicable, hereunder or under the Plan shall be binding and conclusive on the Company and the Employee. In the event there is inconsistency between the provisions of this Agreement and of the Plan, the provisions of the Plan shall govern.

21. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and the successors and assigns of the Company and to the extent provided in Section 9(b) of the Plan to the Beneficiary(ies) or transferee of the Employee.

22. Governing Law and Venue. The validity, construction and effect of the Agreement and any actions taken under or relating to this Agreement shall be determined in accordance with the laws of the State of Delaware and applicable Federal law. This grant is made and/or administered in the United States. For purposes of litigating any dispute that arises under this grant or the Agreement the parties hereby submit to and consent to the jurisdiction of the State of Delaware, agree that such litigation shall be conducted in the state or federal courts located in Delaware.

23. Section 409A. It is intended that the provisions of this Agreement comply with, or are exempt from, Section 409A, and all provisions of this Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A.

Except as permitted under Section 409A, any deferred compensation (within the meaning of Section 409A) payable to the Employee or for the Employee's benefit under this Agreement may not be reduced by, or offset against, any amount owing by the Employee to the Company or any of its Affiliates. In the event that any 60-day period described in Section 8 of this Agreement straddles two calendar years, then any PRSUs, and any dividends with respect thereto, that are settled within such 60-day period in accordance with this Agreement shall be settled in the second calendar year.

If, at the time of the Employee's separation from service (within the meaning of Section 409A), (a) the Employee shall be a specified employee (within the meaning of Section 409A and using the identification methodology selected by the Company from time to time) and (b) the Company shall make a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A in order to avoid taxes or penalties under Section 409A, then the Company shall not pay such amount on the otherwise scheduled payment date but shall instead pay it, without interest, on the first business day after such six-month period.

Notwithstanding any provision of this Agreement to the contrary, in light of the uncertainty with respect to the proper application of Section 409A, the Company reserves the right to make amendments to this Agreement as the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A. In any case, the Employee shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on the Employee or for the Employee's account in connection with this Agreement (including any taxes and penalties under Section 409A), and neither the Company nor any of its Affiliates shall have any obligation to indemnify or otherwise hold the Employee harmless from any or all of such taxes or penalties.

24. Separability. In case any provision in the Agreement, or in any other instrument referred to herein, shall become invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in the Agreement, or in any other instrument referred to herein, shall not in any way be affected or impaired thereby.

25. Integration of Terms. Except as otherwise provided in this Agreement, this Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes any and all oral statements and prior writings with respect thereto.

26. Appendix for Non-U.S. Countries. Notwithstanding any provisions in this Agreement, the PRSU award shall be subject to any special terms and conditions set forth in any appendix to this Agreement for the Employee's

country (the "**Appendix**"). Moreover, if the Employee relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to the Employee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Appendix constitutes part of this Agreement.

27. Imposition of Other Requirements. The Committee or its authorized delegate, as applicable, reserves the right to impose other requirements on the Employee's participation in the Plan, on the PRSUs and on any shares of Common Stock acquired under the Plan, to the extent the Committee or its authorized delegate, as applicable, determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Employee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

IN WITNESS WHEREOF, the Company has executed this Agreement as of the day and year set forth on the Award Summary.

CONDUENT INCORPORATED

By: /s/ CHRISTOPHER KUJAWA

Christopher Kujawa, Chief Human Resources Officer

Date: June 30, 2021

EXHIBIT A

Non-Competition and Non-Solicitation Agreement

This Non-Competition and Non-Solicitation Agreement (“Agreement”) is made effective as of June 30, 2021 (“Effective Date”) between Conduent Business Services, LLC, its parent, subsidiaries, divisions and affiliates (collectively, “Conduent”) and the individual whose name appears in the Award Summary (“Employee”).

WHEREAS, Employee acknowledges that Conduent is in a competitive industry in which the creation, maintenance, and use of confidential or proprietary information and innovation are critical to Conduent’s success, and that the protection of that information and innovation is reasonably necessary to protect the goodwill and other legitimate business interests of Conduent; and

WHEREAS, Employee further acknowledges the receipt and sufficiency of the consideration provided to Employee in exchange for Employee’s obligations under this Agreement, including, but not limited to, Employee’s employment or continued employment with Conduent in Employee’s current or a newly promoted role, Employee’s access to and receipt of trade secrets and confidential and proprietary information relating to Conduent’s business and clients, and, if applicable, Employee’s participation in Conduent incentive programs.

NOW, THEREFORE, Conduent and Employee agree as follows:

1. **Non-Competition.** (a) During the Non-Compete Period, Employee will not, directly or indirectly, own (beneficially or otherwise), manage, operate, or render any services for (including, but not limited to, as an employee, proprietor, partner, agent, contractor, or consultant) any Entity that is engaged in any Competitive Activity in the Geographical Area.
 - (b) For purposes of this Agreement, the following terms will have the meaning set forth below:
 - (i) “Non-Compete Period” means during Employee’s employment and for twelve (12) months following the Employment Cessation Date, provided, however, that the Non-Compete Period shall be shortened to end six (6) months following the Employment Cessation Date in either of the following two (2) situations: (A) immediately prior to the Employment Cessation Date, Employee’s employment job grade is C10 or lower and Employee has fully complied with each of the provisions of this Agreement, or (B) Employee’s termination is due specifically to a reduction in force and Employee has fully complied with each of the provisions of this Agreement.
 - (ii) “Employment Cessation Date” means the earlier of Employee’s last day of active employment with Conduent or Employee’s termination date as reflected in Conduent’s records.
 - (iii) “Entity” means an individual, partnership, corporation, association, limited liability company, joint stock company, trust, joint venture, unincorporated organization or any other entity.
 - (iv) “Competitive Activity” means offering, selling or providing any product or service that competes with a product or service that Conduent offers, sells, or provides at any time during the twenty-four (24) months before the Employee’s Employment Cessation Date.

- (v) “Geographical Area” means the United States of America and any other country in which the Employee had responsibility for the business activity of Conduent in the twelve (12) months preceding the Employment Cessation Date.

Nothing in this Section 1 prohibits Employee from being or becoming an owner of less than five percent (5%) of the outstanding stock of any company listed on a national securities exchange or actively traded on in the over the counter market, so long as, the Employee has no direct or indirect participation in any business of such company that offers any product or service that competes with any product or service offered by Conduent.

2. **Non-Solicitation of Customers.** During the term of Employee’s employment and for a period of twelve (12) months following the Employment Cessation date (“Non-Solicit Period”), Employee will not, directly or indirectly, solicit, service, handle, or accept business from any customer or potential customer of Conduent, or solicit, induce or encourage any customer or potential customer to terminate or reduce the level of business it does with Conduent. This covenant shall only apply to (i) customers of Conduent with whom Employee had contact or for whom Employee was responsible, in whole or part, for providing (or assisting or supervising the performance of) services or products on behalf of Conduent during the last twelve (12) months of Employee’s active employment with Conduent, and (ii) those prospective customers of Conduent with whom Employee had contact or solicited business on behalf of Conduent during the last twelve (12) months of Employee’s active employment,
3. **Non-Solicitation of Employees.** During the Non-Solicit Period, as defined above, Employee will not, directly or indirectly, recruit, solicit, induce, encourage or assist any employee of Conduent to leave Employee’s employment with Conduent.
4. **Non-Disparagement.** During the Non-Compete Period, Employee agrees that Employee will not, directly or indirectly, in any capacity or manner, publicly make, express, transmit, speak, write, verbalize or otherwise communicate in any way (or cause, further, assist, solicit, encourage, support or participate in any of the foregoing), any remark, comment, message, information, declaration, communication or other statement of any kind, whether verbal or in writing, electronically transmitted or otherwise, with respect to the Company, or any of its respective directors, officers or employees, (collectively “Company Parties”), which would malign, harm, disparage, defame or damage the reputation or good name of any of the Company Parties; provided, that this Section 4 shall not restrict Employee from disclosing any information to Employee’s attorneys or in response to a lawful subpoena or court order requiring disclosure of information or otherwise responding in any legal proceeding or legal or regulatory process or in connection with initiating any legal proceeding.
5. **At Will Employment.** Employee and Conduent agree and acknowledge that Employee’s employment with Conduent is at-will and that this Agreement doesn’t obligate Employer to employ Employee for a predetermined period of time. Employee has the right to terminate Employee’s employment at any time for any reason, and Conduent has the same right. The post-employment obligations of this Agreement shall survive the termination of Employee’s employment with Conduent.
6. **Termination Of Certain Other Obligations.** Employee and Conduent agree that any prior agreement between Employee and Conduent containing a non-compete obligation, a non-solicitation of customers obligation or a non-solicitation of employees obligation is hereby terminated and Employee shall only be subject to this Agreement with respect to such matters.

Except as provided by the preceding sentence, all other terms of all agreements between Employee and Conduent shall remain in full effect.

7. **Equitable Relief.** Employee and Conduent agree that, in the event of breach of this Agreement by Employee, Conduent would be irreparably harmed but the amount of damages to Conduent would be difficult to ascertain. Conduent and Employee agree that in the event of such breach, Conduent shall have the right to an injunction or other equitable relief and to all other appropriate legal remedies, including damages. In the event any lawsuit is brought to enforce any of the provisions of this Agreement, the prevailing party shall be entitled to recover its, Employee's reasonable attorneys' fees and cost from the other party.
8. **Governing Law:** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflict of law principles. Employee and Conduent agree that any claims or suits arising out of or relating to this Agreement shall be commenced and maintained in the state or federal courts located in Delaware, and Employee hereby submits to the jurisdiction and venue of any such court.
9. **Enforceability.** In the event that any of the provisions of this Agreement is deemed unenforceable or to exceed the protections afforded employers under applicable law, then such provision(s) shall be deleted and/or revised to provide Conduent the maximum protections permitted by applicable law and still be valid and enforceable, and all remaining provisions of this Agreement shall remain in full force and effect.
10. **Binding Effect:** Employee acknowledges that Employee had the opportunity to review this Agreement with an attorney of Employee's own choosing and that Employee carefully reviewed the terms of this Agreement before knowingly and voluntarily executing it.
11. **No Waiver.** Any failure by Conduent to exercise any of its rights under this Agreement in the event of any breach of the Agreement by Employee shall not be construed as a waiver of any such breach, nor act to prevent Conduent from requiring strict compliance with the terms of this Agreement.
12. **Assignment:** This Agreement shall be assignable to and shall inure to the benefit of Conduent's successors and assigns, including, but not limited to, subsidiaries and/or successors through mergers, name change, consolidation or sale of the majority of Conduent's stock or assets and shall be binding upon Employee. Employee shall not have the right to assign the Employee's rights or obligations under this Agreement. The covenants contained in this Agreement shall survive termination of Employee's employment regardless of who causes the termination of employment or the reason for the termination.

**PERFORMANCE RESTRICTED STOCK UNIT AWARD AGREEMENT PURSUANT TO
CONDUENT INCORPORATED 2021 PERFORMANCE INCENTIVE PLAN**

This Performance Restricted Stock Unit Award Agreement (“**Agreement**”) is made by Conduent Incorporated, a New York corporation (the “**Company**”), as of the date that appears in the Award Summary (as defined below) and the individual whose name appears on the Award Summary (the “**Employee**”), who is an employee of the Company, one of the Company’s subsidiaries or one of its affiliates (the Company, or such subsidiary or affiliate, the “**Employer**”).

In accordance with the provisions of the Conduent Incorporated 2021 Performance Incentive Plan (the “**Plan**”), the Compensation Committee of the Board of Directors of the Company (the “**Committee**”) or the Chief Executive Officer of the Company has authorized the execution and delivery of this Agreement.

Terms used herein that are defined in the Plan or in this Agreement shall have the meanings assigned to them in the Plan or this Agreement, respectively.

The “**Award Summary**” is a separate document, posted to GEMS or any other applicable Human Resources information system, that provides for the effective date hereof (the “**Date of Grant**”), the applicable number of Performance Restricted Stock Units granted pursuant hereto, and the value of a share of Common Stock on the Date of Grant (the “**Share Base Price**”). The Award Summary is incorporated herein in its entirety.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration the Company agrees as follows:

AWARDS

1. Award of Performance Restricted Stock Units. Subject to all terms and conditions of the Plan and this Agreement, the Company has awarded to the Employee on the Date of Grant the number of Performance Restricted Stock Units (the “**PRSUs**”) as shown on the Award Summary.

TERMS OF THE PERFORMANCE RESTRICTED STOCK UNITS

2. Entitlement to Shares. As soon as practicable and within 60 days following each applicable Vesting Date (as defined below) (or such earlier date provided in Section 8) in connection with the PRSUs, the Company shall deliver to the Employee, in such manner as the Company shall determine, a number of shares of Common Stock equal to the number of vested PRSUs (subject to reduction for withholding of the Employee’s taxes in relation to the award as described in Section 10); provided that any fractional shares shall be delivered in the form of cash equal to the value of such fractional shares on the applicable Vesting Date.

3. Vesting. The PRSUs will be subject to both a service-based vesting condition (the “**Service Condition**”), which will be satisfied based on the Employee’s employment with the Company or a subsidiary or Affiliate, and a performance-based vesting condition (the “**Share Price Condition**”) which will be satisfied based on the achievement of share price conditions specified below. The PRSUs are divided into three equal tranches (the “**First Vesting Tranche**”, the “**Second Vesting Tranche**” and the “**Third Vesting Tranche**”, each a “**Vesting Tranche**”), with each Vesting Tranche covering 1/3 of the PRSUs.

The “**Vesting Date**” for each applicable Vesting Tranche shall be the first day upon which both the Service Condition and the Share Price Condition related to such Vesting Tranche are satisfied, as set forth in the table below.

	Portion of PRSUs	Each tranche vests after <i>both</i> conditions are satisfied		
		Share Price Condition		Service Condition
First Vesting Tranche	1/3	20%	<i>and</i>	June 30, 2022
Second Vesting Tranche	1/3	40%	<i>and</i>	June 30, 2023
Third Vesting Tranche	1/3	60%	<i>and</i>	June 30, 2024

The Service Condition shall be satisfied with respect to the applicable Vesting Tranche on the date set forth in the table above, subject to the Employee's continued employment with the Company or a subsidiary or Affiliate on such date (each such date, a "**Service Vesting Date**").

The Share Price Condition shall be satisfied with respect to the applicable Vesting Tranche when the average closing price per share of Common Stock exceeds the Share Base Price by the percentage set forth above (each, a "**Share Price Condition**") during a consecutive 20-trading day period. The Share Base Price may be equitably adjusted as provided in Section 6 of the Plan. Notwithstanding, to the extent all or a portion of the PRSUs have not vested as of the last Service Vesting Date, the unvested PRSUs will be forfeited. For purposes of calculating the average closing price per share, an amount shall be added to each such closing price equal to the aggregate dividends, if any, paid in respect of a share of Common Stock between the Date of Grant and the applicable measurement date for calculating the average closing price.

Upon the occurrence of an event constituting a Change in Control, notwithstanding anything to the contrary in Section 8 of the Plan, the PRSUs outstanding on the date of such Change in Control, and any dividend equivalents with respect thereto, shall be assumed by the successor company (or its parent company) and remain outstanding and thereafter the vesting of such PRSUs, and any dividend equivalents with respect thereto, shall be subject to the Service Conditions set forth in this Section 3 (while the Share Price Conditions shall each be deemed to have been achieved as of the date of the Change in Control), and in such instance such PRSUs shall be paid in cash in accordance with the terms of the Plan at the earliest time set forth in the Plan that will not trigger a tax or penalty under Section 409A of the Code, as determined by the Committee; provided that the PRSUs, and any dividend equivalents with respect thereto, shall vest and shall be paid to the extent provided in Section 8 in the event of the Employee's termination of employment following such Change in Control and prior to a Vesting Date. Upon payment pursuant to the terms of the Plan, such awards shall be cancelled.

4. Dividend Equivalents. The Employee shall become entitled to receive from the Company on each applicable Vesting Date (or such earlier date provided in Section 8) a cash payment equaling the same amount(s) that the holder of record of a number of shares of Common Stock equal to the number of vested PRSUs (if any) would have been entitled to receive as dividends on such Common Stock during the period commencing on the effective date hereof and ending on each applicable Vesting Date (or such earlier date provided in Section 8) as provided under Section 3. Payments under this Section shall be net of any required withholding taxes.

OTHER TERMS

5. Ownership Guidelines. Guidelines pertaining to the Employee's required ownership of Common Stock and related holding requirements (the "**Stock Ownership Guidelines**") shall be determined by the Committee or its authorized delegate, as applicable, in its sole discretion from time to time as communicated to the Employee in writing.

6. Voting Rights/Dividends. Except as otherwise provided herein, the Employee shall have no rights as a shareholder with respect to the PRSUs until the date of issuance of a stock certificate to him for such PRSUs and no adjustment shall be made for dividends or other rights for which the record date is prior to the date the PRSUs become vested.

7. Non-Assignability. Unless otherwise provided by the Committee in its discretion, PRSUs may not be sold, assigned, alienated, transferred, pledged, attached or otherwise encumbered except as provided in Section 7(d)(ii) of the Plan. Any purported sale, assignment, alienation, transfer, pledge, attachment or other encumbrance of a PRSU in violation of the provisions of this Section 7 and Section 7(d)(ii) of the Plan shall be void.

8. Effect of Termination of Employment or Death.

(a) Effect on PRSUs. In the event of the Employee's termination of employment prior to June 30, 2024, the PRSUs will be treated as set forth below.

(i) *Voluntary Resignation*. In the event the Employee voluntarily ceases to be an employee of the Employer for any reason other than Termination For Good Reason following a Change in Control, the PRSUs that have not vested in accordance with Section 3 shall be canceled and forfeited on the date of such voluntary termination of employment.

(ii) *Termination without Cause*. In the event the Employee involuntarily ceases to be an employee of the Employer prior to a Change in Control for any reason other than due to death, Disability or a termination for Cause, the Employee will remain eligible to vest in the PRSUs that are unvested as of the Termination Date, and any dividend equivalents with respect thereto, as set forth below:

Date of Termination	Vesting Tranche	Treatment of Vesting Tranche
Prior to March 31, 2022	All	Forfeited
Between March 31, 2022 and June 29, 2022	First Vesting Tranche	Pro-Rata Amount (defined below) if Vesting Date is on June 30, 2022
	Second Vesting Tranche	Forfeited
	Third Vesting Tranche	Forfeited
Between June 30, 2022 and June 30, 2023	First Vesting Tranche	To the extent not vested as of the Termination Date, full number of PRSUs in such Vesting Tranche if Vesting Date is on or prior to June 30, 2023
	Second Vesting Tranche	Pro-Rata Amount (defined below) if Vesting Date is on June 30, 2023
	Third Vesting Tranche	Forfeited
Between June 30, 2023 and June 30, 2024	First Vesting Tranche	To the extent not vested as of the Termination Date, full number of PRSUs in such Vesting Tranche if Vesting Date is on or prior to June 30, 2024
	Second Vesting Tranche	To the extent not vested as of the Termination Date, full number of PRSUs in such Vesting Tranche if Vesting Date is on or prior to June 30, 2024
	Third Vesting Tranche	Pro-Rata Amount (defined below) if Vesting Date is on June 30, 2024

The "**Pro-Rata Amount**" will be equal to the number of PRSUs subject to the applicable Vesting Tranche, multiplied by a fraction, the numerator of which is the number of full months elapsed since the most recent Service Vesting Date immediately preceding such Termination Date (or, where the Termination Date is prior to the first Service Vesting Date, the Date of Grant) and the denominator of which is 12.

The vesting of such PRSUs, and any dividend equivalents with respect thereto, shall remain subject to the achievement of the applicable Share Price Condition on or prior to the date indicated in the table above, and shall be settled within 60 days following the Vesting Date in

accordance with Section 2; provided that such vesting shall be contingent, at the discretion of the Company, upon the Employee executing a general release (which may include an agreement with respect to engagement in detrimental activity in a form acceptable to the Company) and such release becoming effective and irrevocable within the 60-day period following such Termination Date. Any PRSUs that do not vest pursuant to the table set forth above shall be forfeited.

(iii) *Qualifying Termination Following Change in Control.* In the event the Employee involuntarily ceases to be an employee of the Employer following a Change in Control for any reason other than a termination for Cause, or voluntarily ceases to be an employee due to a Termination for Good Reason following a Change in Control, then the PRSUs covered by this Agreement, and any dividend equivalents with respect thereto, shall immediately vest (without proration based on the portion of the vesting period elapsed prior to such termination) and shall be paid in cash in accordance with the terms of the Plan within 60 days following the earliest time set forth in the Plan that will not trigger a tax or penalty under Section 409A of the Code, as determined by the Committee. Such vesting shall be contingent, at the discretion of the Company, upon the Employee executing a general release (which may include an agreement with respect to engagement in detrimental activity, in a form acceptable to the Company) and such release becoming effective and irrevocable within the 60-day period following such Termination Date.

(iv) *Death or Disability.* In the event the Employee involuntarily ceases to be an employee of the Employer by reason of death or Disability prior to a Change in Control, the PRSUs covered by this Agreement, and any dividend equivalents with respect thereto, shall remain eligible to vest pursuant to Section 3 as if such Employee remained employed through each applicable Service Vesting Date and shall be settled within 60 days following the applicable Vesting Date in accordance with Section 2, without proration.

(v) *Termination for Cause.* In the event the Employee involuntarily ceases to be an employee of the Employer due to termination for Cause, the PRSUs shall be cancelled and forfeited on the date of such termination of employment, in addition to any other rights reserved under the Conduent Incorporated Compensation Recoupment Policy, as may be amended from time to time, or any successor policy.

(b) Definitions. "**Cause**" has the meaning set forth in the Conduent Incorporated Compensation Recoupment Policy, as may be amended from time to time, or any successor policy.

"**Termination For Good Reason**" shall mean the termination of Employee within two years of the occurrence of any of the following circumstances, provided that (1) such circumstance occurs without Employee's express written consent after a Change in Control, and (2) Employee gives the Company notice of the occurrence of the offending circumstance(s) within 90 days of the first occurrence of the circumstance(s), and the Company fails to cure the circumstance(s) within 30 days of receipt of this notice (or the Company notifies Employee in writing prior to the expiration of such 30-day period that the circumstance(s) will not be cured):

(a) The material diminution of Employee's authority, duties, or responsibilities from those in effect immediately prior to a Change in Control;

(b) Any of the following: (1) A material reduction in Employee's annual base salary and/or annual target bonus, (2) a failure by the Company to increase Employee's annual base salary following a Change in Control at such periodic intervals not materially inconsistent with the Company's practice prior thereto by at least a percentage equal to the average of the percentage increases in Employee's base salary for the three merit pay periods immediately preceding such Change in Control, or (3) the failure to increase Employee's salary as the same may be increased from time to time for similarly situated individuals, except that this clause (b) shall not apply to across-the-board salary reductions similarly affecting all similarly situated employees of the Company and all similarly situated employees of any person in control of the Company;

(c) The Company's requiring Employee to be based anywhere other than in the metropolitan area in which Employee was based immediately before the Change in Control (except for required travel on the Company's business to an extent substantially consistent with Employee's present business travel obligations), provided that such required relocation constitutes a material change in the geographic location at which Employee is required to perform the services;

(d) The failure by the Company to continue in effect any material compensation or benefit plan, vacation policy or any material perquisites in which Employee participates immediately before the Change in Control, (except to the extent such plan terminates in accordance with its terms), unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan in connection with the Change in Control, or the failure by the Company to continue Employee's participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount of benefits provided and the level of Employee's participation relative to other employees, than existed at the time of the Change in Control; or

(e) The failure of the Company to obtain a satisfactory agreement from any successor to assume responsibility to perform under this Plan.

A termination by Employee of his or her employment shall not fail to be a Termination for Good Reason merely because of Employee's incapacity due to physical or mental illness, or because Employee's employment continued after the occurrence of any of the events listed in this subsection. For the avoidance of doubt, a Termination for Good Reason by Employee shall not mean the Company's reasonable accommodation or modification of Employee's authority, duties, or responsibilities because of Employee's Disability.

"Disability" shall include cessation of active employment due to commencement of long-term disability under the Employer's long-term disability plan or under a disability policy of any subsidiary or Affiliate, as applicable; provided that a Disability shall not be deemed to have occurred for such purposes unless the circumstances would also result in a "disability" within the meaning of Section 409A of the Code.

"Termination Date" means the date of the Employee's termination of employment with the Employer.

"Change in Control" has the meaning set forth in the Plan, except that for Section 8(a) only, an increase in ownership by Permitted Holders shall not be deemed a Change in Control.

"Permitted Holders" has the meaning set forth in the Conduent Incorporated Compensation Recoupment Policy, as may be amended from time to time, or any successor policy.

(c) Divestiture. Notwithstanding the above, the termination of the Employee's employment with the Employer in connection with the Employer's sale (whether by sale of assets or a subsidiary, or both) of a line of business within which the Employee was employed immediately prior to such sale as determined by the Committee in its sole discretion, that does not constitute a Change in Control, shall be treated as an involuntary termination of employment for purposes of this Agreement and the PRSUs shall vest and be paid as provided in Section 8(a)(ii) above; provided, however, that in the event such Termination Date occurs prior to June 30, 2022, the Employee shall be eligible to vest with respect to the First Vesting Tranche to the extent that the Vesting Date for such tranche occurs on or prior to June 30, 2023, prorated based on a fraction, the numerator of which is the number of full months elapsed since the Date of Grant and the denominator of which is 12, and the remaining PRSUs shall be forfeited; and provided, further, that, in the event the Employee is offered a comparable position (as determined by the Committee in accordance with the Company's severance policy) with the acquirer of such line of business and does not accept such offer, the PRSUs shall be cancelled and forfeited on the date of termination of employment.

9. **General Restrictions.** If at any time the Committee or its authorized delegate, as applicable, shall determine, in its discretion, that the listing, registration or qualification of any shares of Common Stock subject to this Agreement upon any securities exchange or under any state or Federal law, or the consent or approval of any government regulatory body, is necessary or desirable as a condition of, or in connection with, the awarding of the PRSUs or the issue or purchase of shares of Common Stock hereunder, the certificates for shares of Common Stock may not be issued in respect of PRSUs in whole or in part unless such listing, registration,

qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee or its authorized delegate, as applicable, and any delay caused thereby shall in no way affect the date of termination of the PRSUs.

10. Responsibility for Taxes. The Employee acknowledges that the ultimate responsibility for the Employee's Federal, state and municipal individual income taxes, the Employee's portion of social security and other payroll taxes, and any other taxes related to the Employee's participation in the Plan and legally applicable to the Employee, is and remains his or her responsibility and may exceed the amount actually withheld by the Company or the Employer. In the event that there is withholding tax liability in connection with the vesting or settlement of PRSUs, the Employee may satisfy, in whole or in part, any withholding tax liability: (a) by cash payment of an amount equal to such withholding liability; or (b) by having the Company withhold from the number of PRSUs in which the Employee would be entitled to vest a number of shares of Common Stock having a fair value equal to such withholding tax liability in accordance with the Company's share withholding procedures.

11. Nature of Award. In accepting the award, the Employee acknowledges that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time in a manner consistent with Section 9(e) of the Plan regarding Plan amendment and termination and, in addition, the PRSUs are subject to modification and adjustment under Section 9(c) of the Plan;

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

(c) all decisions with respect to future PRSU awards, if any, will be at the sole discretion of the Committee or its authorized delegate, as applicable;

(d) the Employee's participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate Employee's employment relationship at any time; further, the PRSU award and Employee's participation in the Plan will not be interpreted to form an employment contract or relationship with the Employer;

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

(f) the PRSUs and the shares of Common Stock subject to the PRSUs are an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Employer, and which is outside the scope of the Employee's employment contract, if any;

(g) the PRSUs and the shares of Common Stock subject to the PRSUs are not intended to replace any pension rights or compensation;

(h) the PRSUs and the shares of Common Stock subject to the PRSUs are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Employer;

(i) the future value of the underlying shares of Common Stock is unknown and cannot be predicted with certainty;

(j) in consideration of the award of the PRSUs, no claim or entitlement to compensation or damages shall arise from forfeiture of the PRSUs, including, but not limited to, forfeiture resulting from termination of the Employee's employment with the Employer (for any reason whatsoever and whether or not in breach of local labor laws) and the Employee irrevocably releases the Company and the Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, the Employee shall be deemed irrevocably to have waived the Employee's entitlement to pursue such claim; and

(k) subject to the provisions in the Plan regarding Change in Control, PRSUs and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability.

12. No Advice Regarding Award. Neither the Company nor the Employer is providing any tax, legal or financial advice, nor is the Company or Employer making any recommendations regarding the Employee's participation in the Plan, or his or her acquisition or sale of the underlying shares of Common Stock. The Employee is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

13. Amendment of This Agreement. With the consent of the Employee, the Committee or its authorized delegate, as applicable, may amend this Agreement in a manner not inconsistent with the Plan.

14. Restrictive Covenants. Other than with respect to an Employee who is located in California or another jurisdiction where such restrictive covenants are not permitted under applicable law, this Award and the delivery of any shares of Common Stock hereunder are contingent on the Employee executing, and the Employee's continued compliance with, the Non-Competition and Non-Solicitation Agreement set forth as Exhibit A to this Agreement (the "**Restrictive Covenants**").

15. Recoupments. This Award shall be subject to the Conduent Incorporated Compensation Recoupment Policy, as may be amended from time to time, or any successor policy.

16. Cancellation and Rescission of Award. Without limiting the foregoing Section 15, the Company may cancel any award provided hereunder if the Employee is not in compliance with all of the following conditions:

(a) The Employee shall not render services for any organization or engage directly or indirectly in any business which would cause the Employee to breach any of the post-employment prohibitions contained in any agreement between the Employer and the Employee.

(b) The Employee shall not, without prior written authorization from the Employer, disclose to anyone outside the Employer, or use in other than the Employer's business, any confidential information or material, as specified in any agreement between the Employer and the Employee which contains post-employment prohibitions, relating to the business of the Employer acquired by the Employee either during or after employment with the Employer.

Notwithstanding the above, this Agreement does not in any manner restrict the Employee from reporting possible violations of federal, state or local laws or regulations to any governmental agency or entity, and shall not, and not be interpreted to, impair the participant from exercising any legally protected whistleblower rights (including under Rule 21F under the Exchange Act). Similarly, the Employer does not in any manner restrict the Employee from participating in any proceeding or investigation by a federal, state or local government agency or entity responsible for enforcing such laws. The Employee is not required to notify the Employer that he or she has made such report or disclosure, or of his or her participation in an agency investigation or proceeding.

(c) The Employee, pursuant to any agreement between the Employer and the Employee which contains post-employment prohibitions, shall disclose promptly and assign to the Employer all right, title and interest in any invention or idea, patentable or not, made or conceived by the Employee during employment with the Employer, relating in any manner to the actual or anticipated business, research or development work of the Employer, and shall do anything reasonably necessary to enable the Employer to secure a patent where appropriate in the United States and in foreign countries.

(d) Failure to comply with the provision of subparagraphs (a), (b) or (c) of this Section 16 prior to, or during the six months after, any payment or delivery shall cause such payment or delivery to be rescinded. The Company shall notify the Employee in writing of any such rescission within two years after such payment or delivery. Within ten days after receiving such a notice from the Company, the Employee shall pay to the Company the amount of any payment received as a result of the rescinded payment or delivery pursuant to an award. Such payment to the Company by the Employee shall be made either in cash or by returning to the Company the number of shares of Common Stock that the Employee received in connection with the rescinded payment or delivery.

17. Notices. Notices hereunder shall be in writing and if to the Company shall be mailed to the Company at 100 Campus Drive, Suite 200, Florham Park, NJ 07932 USA, addressed to the attention of Stock Plan Administrator, and if to the Employee shall be delivered personally or mailed to the Employee at his address as the same appears on the records of the Company.

18. Language. If the Employee has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

19. Electronic Delivery and Acceptance. The Company will deliver any documents related to current or future participation in the Plan by electronic means. The Employee hereby consents to receive such documents by electronic delivery, and agrees to participate in the Plan and be bound by the terms and conditions of this Agreement, through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. Electronic acceptance by the Employee is required and the award will be cancelled for any employee who fails to comply with the Company's acceptance requirement within 90 days of the effective date of the award.

20. Interpretation of This Agreement. The Committee or its authorized delegate, as applicable, shall have the authority to interpret the Plan and this Agreement and to take whatever administrative actions, including correction of administrative errors in the awards subject to this Agreement and in this Agreement, as the Committee or its authorized delegate, as applicable, in its sole good faith judgment shall determine to be advisable. All decisions, interpretations and administrative actions made by the Committee or its authorized delegate, as applicable, hereunder or under the Plan shall be binding and conclusive on the Company and the Employee. In the event there is inconsistency between the provisions of this Agreement and of the Plan, the provisions of the Plan shall govern.

21. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and the successors and assigns of the Company and to the extent provided in Section 9(b) of the Plan to the Beneficiary(ies) or transferee of the Employee.

22. Governing Law and Venue. The validity, construction and effect of the Agreement and any actions taken under or relating to this Agreement shall be determined in accordance with the laws of the State of Delaware and applicable Federal law. This grant is made and/or administered in the United States. For purposes of litigating any dispute that arises under this grant or the Agreement the parties hereby submit to and consent to the jurisdiction of the State of Delaware, agree that such litigation shall be conducted in the state or federal courts located in Delaware.

23. Section 409A. It is intended that the provisions of this Agreement comply with, or are exempt from, Section 409A, and all provisions of this Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A.

Except as permitted under Section 409A, any deferred compensation (within the meaning of Section 409A) payable to the Employee or for the Employee's benefit under this Agreement may not be reduced by, or offset against, any amount owing by the Employee to the Company or any of its Affiliates. In the event that any 60-day period described in Section 8 of this Agreement straddles two calendar years, then any PRSUs, and any dividends with respect thereto, that are settled within such 60-day period in accordance with this Agreement shall be settled in the second calendar year.

If, at the time of the Employee's separation from service (within the meaning of Section 409A), (a) the Employee shall be a specified employee (within the meaning of Section 409A and using the identification methodology selected by the Company from time to time) and (b) the Company shall make a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A in order to avoid taxes or penalties under Section 409A, then the Company shall not pay such amount on the otherwise scheduled payment date but shall instead pay it, without interest, on the first business day after such six-month period.

Notwithstanding any provision of this Agreement to the contrary, in light of the uncertainty with respect to the proper application of Section 409A, the Company reserves the right to make amendments to this Agreement as

the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A. In any case, the Employee shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on the Employee or for the Employee's account in connection with this Agreement (including any taxes and penalties under Section 409A), and neither the Company nor any of its Affiliates shall have any obligation to indemnify or otherwise hold the Employee harmless from any or all of such taxes or penalties.

24. Separability. In case any provision in the Agreement, or in any other instrument referred to herein, shall become invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in the Agreement, or in any other instrument referred to herein, shall not in any way be affected or impaired thereby.

25. Integration of Terms. Except as otherwise provided in this Agreement, this Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes any and all oral statements and prior writings with respect thereto.

26. Appendix for Non-U.S. Countries. Notwithstanding any provisions in this Agreement, the PRSU award shall be subject to any special terms and conditions set forth in any appendix to this Agreement for the Employee's country (the "**Appendix**"). Moreover, if the Employee relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to the Employee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Appendix constitutes part of this Agreement.

27. Imposition of Other Requirements. The Committee or its authorized delegate, as applicable, reserves the right to impose other requirements on the Employee's participation in the Plan, on the PRSUs and on any shares of Common Stock acquired under the Plan, to the extent the Committee or its authorized delegate, as applicable, determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Employee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

IN WITNESS WHEREOF, the Company has executed this Agreement as of the day and year set forth on the Award Summary.

CONDUENT INCORPORATED

By: /s/ CHRISTOPHER KUJAWA
Christopher Kujawa, Chief Human Resources Officer
Date: June 30, 2021

EXHIBIT A

Non-Competition and Non-Solicitation Agreement

This Non-Competition and Non-Solicitation Agreement (“Agreement”) is made effective as of June 30, 2021 (“Effective Date”) between Conduent Business Services, LLC, its parent, subsidiaries, divisions and affiliates (collectively, “Conduent”) and the individual whose name appears in the Award Summary (“Employee”).

WHEREAS, Employee acknowledges that Conduent is in a competitive industry in which the creation, maintenance, and use of confidential or proprietary information and innovation are critical to Conduent’s success, and that the protection of that information and innovation is reasonably necessary to protect the goodwill and other legitimate business interests of Conduent; and

WHEREAS, Employee further acknowledges the receipt and sufficiency of the consideration provided to Employee in exchange for Employee’s obligations under this Agreement, including, but not limited to, Employee’s employment or continued employment with Conduent in Employee’s current or a newly promoted role, Employee’s access to and receipt of trade secrets and confidential and proprietary information relating to Conduent’s business and clients, and, if applicable, Employee’s participation in Conduent incentive programs.

NOW, THEREFORE, Conduent and Employee agree as follows:

1. **Non-Competition.** (a) During the Non-Compete Period, Employee will not, directly or indirectly, own (beneficially or otherwise), manage, operate, or render any services for (including, but not limited to, as an employee, proprietor, partner, agent, contractor, or consultant) any Entity that is engaged in any Competitive Activity in the Geographical Area.
 - (b) For purposes of this Agreement, the following terms will have the meaning set forth below:
 - (i) “Non-Compete Period” means during Employee’s employment and for twelve (12) months following the Employment Cessation Date, provided, however, that the Non-Compete Period shall be shortened to end six (6) months following the Employment Cessation Date in either of the following two (2) situations: (A) immediately prior to the Employment Cessation Date, Employee’s employment job grade is C10 or lower and Employee has fully complied with each of the provisions of this Agreement, or (B) Employee’s termination is due specifically to a reduction in force and Employee has fully complied with each of the provisions of this Agreement.
 - (ii) “Employment Cessation Date” means the earlier of Employee’s last day of active employment with Conduent or Employee’s termination date as reflected in Conduent’s records.
 - (iii) “Entity” means an individual, partnership, corporation, association, limited liability company, joint stock company, trust, joint venture, unincorporated organization or any other entity.
 - (iv) “Competitive Activity” means offering, selling or providing any product or service that competes with a product or service that Conduent offers, sells, or provides at any time during the twenty-four (24) months before the Employee’s Employment Cessation Date.

- (v) “Geographical Area” means the United States of America and any other country in which the Employee had responsibility for the business activity of Conduent in the twelve (12) months preceding the Employment Cessation Date.

Nothing in this Section 1 prohibits Employee from being or becoming an owner of less than five percent (5%) of the outstanding stock of any company listed on a national securities exchange or actively traded on in the over the counter market, so long as, the Employee has no direct or indirect participation in any business of such company that offers any product or service that competes with any product or service offered by Conduent.

2. **Non-Solicitation of Customers.** During the term of Employee’s employment and for a period of twelve (12) months following the Employment Cessation date (“Non-Solicit Period”), Employee will not, directly or indirectly, solicit, service, handle, or accept business from any customer or potential customer of Conduent, or solicit, induce or encourage any customer or potential customer to terminate or reduce the level of business it does with Conduent. This covenant shall only apply to (i) customers of Conduent with whom Employee had contact or for whom Employee was responsible, in whole or part, for providing (or assisting or supervising the performance of) services or products on behalf of Conduent during the last twelve (12) months of Employee’s active employment with Conduent, and (ii) those prospective customers of Conduent with whom Employee had contact or solicited business on behalf of Conduent during the last twelve (12) months of Employee’s active employment,
3. **Non-Solicitation of Employees.** During the Non-Solicit Period, as defined above, Employee will not, directly or indirectly, recruit, solicit, induce, encourage or assist any employee of Conduent to leave Employee’s employment with Conduent.
4. **Non-Disparagement.** During the Non-Compete Period, Employee agrees that Employee will not, directly or indirectly, in any capacity or manner, publicly make, express, transmit, speak, write, verbalize or otherwise communicate in any way (or cause, further, assist, solicit, encourage, support or participate in any of the foregoing), any remark, comment, message, information, declaration, communication or other statement of any kind, whether verbal or in writing, electronically transmitted or otherwise, with respect to the Company, or any of its respective directors, officers or employees, (collectively “Company Parties”), which would malign, harm, disparage, defame or damage the reputation or good name of any of the Company Parties; provided, that this Section 4 shall not restrict Employee from disclosing any information to Employee’s attorneys or in response to a lawful subpoena or court order requiring disclosure of information or otherwise responding in any legal proceeding or legal or regulatory process or in connection with initiating any legal proceeding.
5. **At Will Employment.** Employee and Conduent agree and acknowledge that Employee’s employment with Conduent is at-will and that this Agreement doesn’t obligate Employer to employ Employee for a predetermined period of time. Employee has the right to terminate Employee’s employment at any time for any reason, and Conduent has the same right. The post-employment obligations of this Agreement shall survive the termination of Employee’s employment with Conduent.
6. **Termination Of Certain Other Obligations.** Employee and Conduent agree that any prior agreement between Employee and Conduent containing a non-compete obligation, a non-solicitation of customers obligation or a non-solicitation of employees obligation is hereby terminated and Employee shall only be subject to this Agreement with respect to such matters.

Except as provided by the preceding sentence, all other terms of all agreements between Employee and Conduent shall remain in full effect.

7. **Equitable Relief.** Employee and Conduent agree that, in the event of breach of this Agreement by Employee, Conduent would be irreparably harmed but the amount of damages to Conduent would be difficult to ascertain. Conduent and Employee agree that in the event of such breach, Conduent shall have the right to an injunction or other equitable relief and to all other appropriate legal remedies, including damages. In the event any lawsuit is brought to enforce any of the provisions of this Agreement, the prevailing party shall be entitled to recover its, Employee's reasonable attorneys' fees and cost from the other party.
8. **Governing Law:** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflict of law principles. Employee and Conduent agree that any claims or suits arising out of or relating to this Agreement shall be commenced and maintained in the state or federal courts located in Delaware, and Employee hereby submits to the jurisdiction and venue of any such court.
9. **Enforceability.** In the event that any of the provisions of this Agreement is deemed unenforceable or to exceed the protections afforded employers under applicable law, then such provision(s) shall be deleted and/or revised to provide Conduent the maximum protections permitted by applicable law and still be valid and enforceable, and all remaining provisions of this Agreement shall remain in full force and effect.
10. **Binding Effect:** Employee acknowledges that Employee had the opportunity to review this Agreement with an attorney of Employee's own choosing and that Employee carefully reviewed the terms of this Agreement before knowingly and voluntarily executing it.
11. **No Waiver.** Any failure by Conduent to exercise any of its rights under this Agreement in the event of any breach of the Agreement by Employee shall not be construed as a waiver of any such breach, nor act to prevent Conduent from requiring strict compliance with the terms of this Agreement.
12. **Assignment:** This Agreement shall be assignable to and shall inure to the benefit of Conduent's successors and assigns, including, but not limited to, subsidiaries and/or successors through mergers, name change, consolidation or sale of the majority of Conduent's stock or assets and shall be binding upon Employee. Employee shall not have the right to assign the Employee's rights or obligations under this Agreement. The covenants contained in this Agreement shall survive termination of Employee's employment regardless of who causes the termination of employment or the reason for the termination.

AGREEMENT FOR NON-EMPLOYEE DIRECTORS PURSUANT TO CONDUENT
INCORPORATED
2021 PERFORMANCE INCENTIVE PLAN

AGREEMENT, by Conduent Incorporated, a New York corporation (the "Company"), dated as of the date which appears as the "Date of Agreement and Award" in the Award Summary attached hereto (the "Award Summary") in favor of the individual whose name appears on the Award Summary, a non-employee Director of the Company (the "Director").

In accordance with the provisions of the "Conduent Incorporated 2021 Performance Incentive Plan," as amended and restated (the "Plan"), the Board of Directors of the Company (the "Board") has authorized the execution and delivery of this Agreement.

Terms used herein which are defined in the Plan or in this Agreement shall have the meanings assigned to them in the Plan or this Agreement, respectively.

The Award Summary contains the details of the awards covered by this Agreement and is incorporated herein in its entirety.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration the Company agrees as follows:

AWARD OF DEFERRED STOCK UNITS

1. Award of Deferred Stock Units. Subject to all terms and conditions of the Plan and this Agreement, the Company has awarded to the Director on the date indicated on the Award Summary the number of Deferred Stock Units (individually, the "DSU") as shown on the Award Summary.

TERMS OF THE DEFERRED STOCK UNIT

2. Deferral Period and Entitlement to Shares. Upon the lapse of the "Deferral Period", as indicated on the Award Summary in connection with the DSUs, which shall be the period commencing on the date of this Agreement through the earliest of: (1) the date of termination of Board service, so long as such termination of Board service occurs following the first anniversary of the date of this Agreement (the "First Anniversary"), (2) a date certain after the First Anniversary elected by Director in accordance with the procedures established for elections under the Plan, or if no such election is made, the First Anniversary, (3) the date of death, (4) the date necessary for any Federal officer or employee in the executive branch to comply with an ethics agreement with the Federal government in accordance with Section 1.409A-3(j)(4)(iii) of the Treasury Regulations and (5) the date of a Change in Control that is also a transaction described in Section 409A(a)(2) of the Code) (such period, the "Deferral Period"), the Company shall deliver to such person a certificate or certificates for a number of shares of Common Stock equal to the number of DSUs as to which a Deferral Period has lapsed. No fractional shares shall be issued. If service as a Director of the Company ends prior to the one-year anniversary of the first day of the month of the date of this Agreement, the number of shares issuable at the end of the Deferral Period will be prorated in the following manner: for each month of Board service following the date of the award, Director or his or her estate, as the case may be, will receive a prorated number of shares of one-twelfth of the total award provided pursuant to this Agreement. Termination of Board service prior to the end of a month will be treated as though Director served on the Board for the entire month for purposes of

the award.

3. Dividend Equivalents. Director shall be entitled to receive from the Company dividend equivalents, which are credited in the form of additional DSUs payable in Common Stock following the lapse of the Deferral Period, at the same time and in the same amounts that the holder of record of a number of shares of Common Stock equal to the number of DSUs covered by the Agreement would be entitled to receive as dividends on such Common Stock. Such right to dividend equivalents on a DSU covered hereby shall apply to all dividends the record date for which occurs at any time during the period commencing on the date hereof and ending on the date that Director becomes a shareholder of record with respect to such DSU as a result of the lapse of a Deferral Period as provided under Paragraph 2.

OTHER TERMS

4. Ownership Guidelines. Guidelines pertaining to Director's required ownership of Common Stock (the "Stock Ownership Guidelines") shall be determined by the Board or its authorized delegate, as applicable, in its sole discretion from time to time as communicated to Director in writing.

5. Holding Requirements. To the extent a Director is not in compliance with the Stock Ownership Guidelines under Section 4 hereof, the Director must retain fifty percent (50%) of the net shares of Common Stock acquired in connection with the settlement of DSUs (net of withholding tax and any applicable fees) until the threshold set forth in the Stock Ownership Guidelines is satisfied. Such shares shall be held in the Director's Morgan Stanley account or in another account acceptable to the Company. In addition, shares used to maintain the Director's ownership level pursuant to this award should be held with Morgan Stanley or in another account acceptable to the Company.

6. Rights of a Shareholder. Director shall have no rights as a shareholder with respect to any shares covered by this Agreement until the date of issuance of a stock certificate to him for such shares. Except as otherwise provided herein, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such stock certificate is issued.

7. Non-Assignability. This Agreement shall not be assignable or transferable by Director except by will or by the laws of descent and distribution except pursuant to a domestic relations order entered by a court of competent jurisdiction. During the lifetime of Director the shares of Common Stock issued in connection with DSUs shall be delivered only to Director.

8. General Restrictions. If at any time the Chief Executive Officer of the Company ("CEO") shall determine, in his discretion, that the listing, registration or qualification of any shares subject to this Agreement upon any securities exchange or under any state or Federal law, or the consent or approval of any government regulatory body, is necessary or desirable as a condition of, or in connection with, the awarding of or the issuance of DSUs or shares hereunder, the DSUs or shares may not be awarded or issued unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the CEO and any delay caused thereby shall in no way affect the date of termination of the award.

9. Tax Withholding and Information Reporting. Whenever the Plan provides that shares of Common Stock are to be delivered following the lapse of the Deferral Period, the Company shall have the right to require Director to remit to the Company an amount sufficient to satisfy any federal, state, and/or local withholding tax requirements prior to the delivery of such certificates. In addition, the Company shall have the right to satisfy any withholding requirements by withholding shares of Common Stock from the

shares of Common Stock otherwise deliverable to Director, provided, however, that no shares of Common Stock are to be withheld with a value exceeding the minimum amount of tax required to be withheld by law. The Company will report income to Director on IRS Form 1099, 1042-S, or other appropriate information form or return.

10. Amendment of this Agreement. With the consent of Director, the Board may amend this Agreement in a manner not inconsistent with the Plan.

11. Notices. Notices hereunder shall be in writing and if to the Company shall be mailed to the Company at 100 Campus Drive, Suite 200E, Florham Park, New Jersey 07932, addressed to the attention of Office of Corporate Secretary, and if to Director shall be delivered personally or mailed to Director at the address as the same appears on the records of the Company.

12. Section 409A. It is intended that the provisions of this Agreement comply with Section 409A of the Code ("Section 409A"), and all provisions of this Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. Neither Director nor any of Director's creditors or beneficiaries shall have the right to subject any deferred compensation (within the meaning of Section 409A) payable under this Agreement to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A, any deferred compensation (within the meaning of Section 409A) payable to Director or for Director's benefit under this Agreement may not be reduced by, or offset against, any amount owing by Director to the Company or any of its Affiliates. If, at the time of Director's separation from service (within the meaning of Section 409A), (a) Director shall be a specified employee (within the meaning of Section 409A and using the identification methodology selected by the Company from time to time) and (b) the Company shall make a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A in order to avoid taxes or penalties under Section 409A, then the Company shall not pay such amount on the otherwise scheduled payment date but shall instead pay it, without interest, on the first business day after such six-month period.

13. Interpretation of This Agreement. The Board shall have the authority to interpret the Plan and this Agreement and to take whatever administrative actions, including correction of administrative errors in the awards subject to this Agreement and in this Agreement, as the Board in its or his sole good faith judgment shall be determined to be advisable. All decisions, interpretations and administrative actions made by the Board hereunder or under the Plan shall be binding and conclusive on the Company and Director. In the event there is inconsistency between the provisions of this Agreement and of the Plan, the provisions of the Plan shall govern.

14. Successors and Assigns. This Agreement shall be binding and inure to the benefit of the parties hereto and the successors and assigns of the Company and to the extent provided in Paragraph 5 to the personal representatives, legatees and heirs of Director.

IN WITNESS WHEREOF, the Company has executed this Agreement as of the day and year set forth on the Award Summary.

CONDUENT INCORPORATED

By: ___

**RESTRICTED STOCK UNIT AWARD AGREEMENT PURSUANT TO
CONDUENT INCORPORATED 2021 PERFORMANCE INCENTIVE PLAN**

This Restricted Stock Unit Award Agreement (“**Agreement**”) is made by Conduent Incorporated, a New York corporation (the “**Company**”), as of the date that appears in the Award Summary (as defined below) and the individual whose name appears on the Award Summary (the “**Employee**”), who is an employee of the Company, one of the Company’s subsidiaries or one of its affiliates (the Company, or such subsidiary or affiliate, the “**Employer**”).

In accordance with the provisions of the Conduent Incorporated 2021 Performance Incentive Plan (the “**Plan**”), the Compensation Committee of the Board of Directors of the Company (the “**Committee**”) or the Chief Executive Officer of the Company (the “**CEO**”) has authorized the execution and delivery of this Agreement.

Terms used herein that are defined in the Plan or in this Agreement shall have the meanings assigned to them in the Plan or this Agreement, respectively.

The “**Award Summary**” is a separate document, posted to GEMS or any other applicable Human Resources information system, that provides for the effective date hereof (the “**Date of Grant**”) and the applicable number of Restricted Stock Units granted pursuant hereto. The Award Summary is incorporated herein in its entirety.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration the Company agrees as follows:

AWARDS

1. Award of Restricted Stock Units. Subject to all terms and conditions of the Plan and this Agreement, the Company has awarded to the Employee on the date indicated on the Award Summary the number of Restricted Stock Units (individually, a “**RSU**”) as shown on the Award Summary.

TERMS OF THE RESTRICTED STOCK UNITS

2. Entitlement to Shares. As soon as practicable on or after each applicable Vesting Date (as defined below) (or such earlier date provided in Section 8), the Company shall deliver to the Employee, in such manner as the Company shall determine, a number of shares of common stock of the Company (“**Common Stock**”) equal to the number of vested RSUs (subject to reduction for withholding of the Employee’s taxes in relation to the award as described in Section 10) within 60 days following each applicable Vesting Date (or, if earlier, a distribution event set forth in Section 8 that satisfies the requirements of Section 409A(a)(2) of the Code); provided that any fractional shares shall be delivered in the form of cash equal to the value of such fractional shares on the applicable Vesting Date.

3. Vesting. Except as otherwise determined by the Committee in its sole discretion (subject to Section 6 of the Plan) or as otherwise provided in this Section 3 or Section 8, the vesting of RSUs covered hereby shall be subject to the Employee’s continued employment with the Company or a subsidiary or affiliate through the applicable Vesting Date. The Employee shall be eligible to vest in one-third of the shares of Common Stock covered by this Agreement as set forth in the Award Summary on each of June 30, 2022, June 30, 2023 and June 30, 2024 (each, a “**Vesting Date**”).

Upon the occurrence of an event constituting a Change in Control, notwithstanding anything to the contrary in Section 8 of the Plan, the RSUs outstanding on the date of such Change in Control, and any dividend equivalents with respect thereto, shall be assumed by the successor company (or its parent company) and remain outstanding and thereafter the vesting of such RSUs, and any dividend equivalents with respect thereto, shall be subject to Employee’s continued employment with the Company or a subsidiary or an affiliate through each applicable Vesting Date as provided in this Section 3, at which time such RSUs shall vest and shall be paid in accordance with the terms of the Plan at the earliest time set forth in the Plan that will not trigger a tax or penalty under Section 409A of the Code, as determined by the Committee; provided that the RSUs, and any dividend equivalents with respect thereto, shall vest and shall be paid to the extent provided in Section 8 in the event of the Employee’s termination of employment following such Change in Control and prior to a Vesting Date. Upon payment pursuant to the terms of the Plan, such awards shall be cancelled.

4. Dividend Equivalents. The Employee shall become entitled to receive from the Company on each applicable Vesting Date (or such earlier date provided in Section 8) a cash payment equaling the same amount(s) that the holder of record of a number of shares of Common Stock equal to the number of vested RSUs (if any) would have been entitled to receive as dividends on such Common Stock during the period commencing on the effective date hereof and ending on each applicable Vesting Date (or such earlier date provided in Section 8) as provided under Section 3. Payments under this Section shall be net of any required withholding taxes.

OTHER TERMS

5. Ownership Guidelines. Guidelines pertaining to the Employee's required ownership of Common Stock and related holding requirements (the "***Stock Ownership Guidelines***") shall be determined by the Committee or its authorized delegate, as applicable, in its sole discretion from time to time as communicated to the Employee in writing.

6. Voting Rights/Dividends. Except as otherwise provided herein, the Employee shall have no rights as a shareholder with respect to the RSUs until the date of issuance of a stock certificate to him for such RSUs and no adjustment shall be made for dividends or other rights for which the record date is prior to the date the RSUs become vested.

7. Non-Assignability. Unless otherwise provided by the Committee in its discretion, RSUs may not be sold, assigned, alienated, transferred, pledged, attached or otherwise encumbered except as provided in Section 7(d)(ii) of the Plan. Any purported sale, assignment, alienation, transfer, pledge, attachment or other encumbrance of a RSU in violation of the provisions of this Section 7 and Section 7(d)(ii) of the Plan shall be void.

8. Effect of Termination of Employment or Death.

(a) Effect on RSUs. In the event of the Employee's termination of employment prior to June 30, 2024, the RSUs will be treated as set forth below.

(i) Voluntary Resignation. In the event the Employee voluntarily ceases to be an employee of the Employer for any reason other than a Termination For Good Reason following a Change in Control, the RSUs that have not vested in accordance with Section 3 shall be canceled and forfeited on the date of such voluntary termination of employment.

(ii) Termination without Cause. In the event the Employee involuntarily ceases to be an employee of the Employer on or after the nine-month anniversary of the grant date and prior to a Change in Control for any reason other than due to death, Disability or a termination for Cause, the number of RSUs scheduled to vest on the Vesting Date immediately following such termination, and any dividend equivalents with respect thereto, shall be prorated based on a fraction, the numerator of which is the number of full months elapsed since the most recent Vesting Date immediately preceding such date of termination (or, in the event such termination is prior to the first Vesting Date, the number of full months elapsed since the Date of Grant) and the denominator of which is 12, and any remaining RSUs shall be forfeited. Such prorated number of RSUs, and any dividend equivalents with respect thereto, shall immediately vest and shall be settled in accordance with Section 2 within 60 days following the Vesting Date immediately following such termination; provided that such vesting shall be contingent, at the discretion of the Company, upon the Employee executing a general release (which may include an agreement with respect to engagement in detrimental activity in a form acceptable to the Company) and such release becoming effective and irrevocable within the 60-day period following such termination. In the event the Employee involuntarily ceases to be an employee of the Employer prior to the nine-month anniversary of the grant date, the RSUs shall be cancelled and forfeited on the date of such termination.

(iii) Qualifying Termination Following Change in Control. In the event the Employee involuntarily ceases to be an employee of the Employer following a Change in Control for any reason other than a termination for Cause, or voluntarily ceases to be an employee due to a Termination for Good Reason following a Change in Control, then the RSUs covered by this Agreement, and any dividend equivalents with respect thereto, shall immediately vest (without proration based on the portion of the vesting period elapsed prior to such termination) and shall be paid in cash in accordance with the

terms of the Plan within 60 days following the earliest time set forth in the Plan that will not trigger a tax or penalty under Section 409A of the Code, as determined by the Committee. Such vesting shall be contingent, at the discretion of the Company, upon the Employee executing a general release (which may include an agreement with respect to engagement in detrimental activity, in a form acceptable to the Company) and such release becoming effective and irrevocable within the 60-day period following such termination.

(iv) **Death or Disability.** In the event the Employee involuntarily ceases to be an employee of the Employer by reason of death or Disability, the RSUs covered by this Agreement, and any dividend equivalents with respect thereto, shall immediately vest if such termination of employment occurs prior to a Change in Control and shall be settled within 60 days following the Vesting Date immediately following such termination in accordance with Section 2, without proration.

(v) **Termination for Cause.** In the event the Employee involuntarily ceases to be an employee of the Employer due to termination for Cause, the RSUs shall be cancelled and forfeited on the date of such termination of employment, in addition to any other rights reserved under the Conduent Incorporated Compensation Recoupment Policy, as may be amended from time to time, or any successor policy.

- (b) **Definitions.** “**Cause**” has the meaning set forth in the Conduent Incorporated Compensation Recoupment Policy, as may be amended from time to time, or any successor policy.

“**Termination For Good Reason**” shall mean the termination of Employee within two years of the occurrence of any of the following circumstances, provided that (1) such circumstance occurs without Employee’s express written consent after a Change in Control, and (2) Employee gives the Company notice of the occurrence of the offending circumstance(s) within 90 days of the first occurrence of the circumstance(s), and the Company fails to cure the circumstance(s) within 30 days of receipt of this notice (or the Company notifies Employee in writing prior to the expiration of such 30-day period that the circumstance(s) will not be cured):

(a) The material diminution of Employee’s authority, duties, or responsibilities from those in effect immediately prior to a Change in Control;

(b) Any of the following: (1) A material reduction in Employee’s annual base salary and/or annual target bonus, (2) a failure by the Company to increase Employee’s annual base salary following a Change in Control at such periodic intervals not materially inconsistent with the Company’s practice prior thereto by at least a percentage equal to the average of the percentage increases in Employee’s base salary for the three merit pay periods immediately preceding such Change in Control, or (3) the failure to increase Employee’s salary as the same may be increased from time to time for similarly situated individuals, except that this clause (b) shall not apply to across-the-board salary reductions similarly affecting all similarly situated employees of the Company and all similarly situated employees of any person in control of the Company;

(c) The Company’s requiring Employee to be based anywhere other than in the metropolitan area in which Employee was based immediately before the Change in Control (except for required travel on the Company’s business to an extent substantially consistent with Employee’s present business travel obligations), provided that such required relocation constitutes a material change in the geographic location at which Employee is required to perform the services;

(d) The failure by the Company to continue in effect any material compensation or benefit plan, vacation policy or any material perquisites in which Employee participates immediately before the Change in Control, (except to the extent such plan terminates in accordance with its terms), unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan in connection with the Change in Control, or the failure by the Company to continue Employee’s participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount of benefits provided and the level of Employee’s participation relative to other employees, than existed at the time of the Change in Control; or

(e) The failure of the Company to obtain a satisfactory agreement from any successor to assume responsibility to perform under this Plan.

A termination by Employee of his or her employment shall not fail to be a Termination for Good Reason merely because of Employee's incapacity due to physical or mental illness, or because Employee's employment continued after the occurrence of any of the events listed in this subsection. For the avoidance of doubt, a Termination for Good Reason by Employee shall not mean the Company's reasonable accommodation or modification of Employee's authority, duties, or responsibilities because of Employee's Disability.

"Disability" shall include cessation of active employment due to commencement of long-term disability under the Employer's long-term disability plan or under a disability policy of any subsidiary or Affiliate, as applicable; provided that a Disability shall not be deemed to have occurred for such purposes unless the circumstances would also result in a "disability" within the meaning of Section 409A of the Code.

"Change in Control" has the meaning set forth in the Plan, except that for Section 8(a) only, an increase in ownership by Permitted Holders shall not be deemed a Change in Control.

"Permitted Holders" has the meaning set forth in the Conduent Incorporated Compensation Recoupment Policy, as may be amended from time to time, or any successor policy.

(c) Divestiture. Notwithstanding the above, the termination of Employee's employment with Employer in connection with the Employer's sale (whether by sale of assets or a subsidiary, or both) of a line of business within which the Employee was employed immediately prior to such sale as determined by the Committee in its sole discretion, that does not constitute a Change in Control, shall be treated as an involuntary termination of employment for purposes of this Agreement and the RSUs shall vest and be paid as provided in Section 8(a)(ii) above, whether or not such termination occurs after the nine-month anniversary of the grant date of the RSUs; provided, however, that in the event such termination occurs prior to June 30, 2022, the Employee shall vest in the RSUs scheduled to vest on the Vesting Date immediately following such termination, prorated based on a fraction, the numerator of which is the number of full months elapsed since the Date of Grant and the denominator of which is 12, and the remaining RSUs shall be forfeited; and provided, further, that, in the event the Employee is offered a comparable position (as determined by the Committee in accordance with the Company's severance policy) with the acquirer of such line of business and does not accept such offer, the RSUs shall be cancelled and forfeited on the date of termination of employment.

9. General Restrictions. If at any time the Committee or its authorized delegate, as applicable, shall determine, in its discretion, that the listing, registration or qualification of any shares of Common Stock subject to this Agreement upon any securities exchange or under any state or Federal law, or the consent or approval of any government regulatory body, is necessary or desirable as a condition of, or in connection with, the awarding of the RSUs or the issue or purchase of shares of Common Stock hereunder, the certificates for shares of Common Stock may not be issued in respect of RSUs in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee or its authorized delegate, as applicable, and any delay caused thereby shall in no way affect the date of termination of the RSUs.

10. Responsibility for Taxes. The Employee acknowledges that the ultimate responsibility for the Employee's Federal, state and municipal individual income taxes, the Employee's portion of social security and other payroll taxes, and any other taxes related to the Employee's participation in the Plan and legally applicable to the Employee, is and remains his or her responsibility and may exceed the amount actually withheld by the Company or the Employer. In the event that there is withholding tax liability in connection with the vesting or settlement of RSUs, the Employee may satisfy, in whole or in part, any withholding tax liability: (a) by cash payment of an amount equal to such withholding liability; or (b) by having the Company withhold from the number of RSUs in which the Employee would be entitled to vest a number of shares of Common Stock having a fair value equal to such withholding tax liability in accordance with the Company's share withholding procedures.

11. Nature of Award. In accepting the award, the Employee acknowledges that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time in a manner consistent with Section 9(e) of the Plan regarding Plan amendment and termination and, in addition, the RSUs are subject to modification and adjustment under Section 9(c) of the Plan.
- (b) the award of the RSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted repeatedly in the past;
- (c) all decisions with respect to future RSU awards, if any, will be at the sole discretion of the Committee or its authorized delegate, as applicable;
- (d) the Employee's participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate Employee's employment relationship at any time; further, the RSU award and Employee's participation in the Plan will not be interpreted to form an employment contract or relationship with the Employer;
- (e) the Employee is voluntarily participating in the Plan;
- (f) the RSUs and the shares of Common Stock subject to the RSUs are an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Employer, and which is outside the scope of the Employee's employment contract, if any;
- (g) the RSUs and the shares of Common Stock subject to the RSUs are not intended to replace any pension rights or compensation;
- (h) the RSUs and the shares of Common Stock subject to the RSUs are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Employer;
- (i) the future value of the underlying shares of Common Stock is unknown and cannot be predicted with certainty;
- (j) in consideration of the award of the RSUs, no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs, including, but not limited to, forfeiture resulting from termination of the Employee's employment with the Employer (for any reason whatsoever and whether or not in breach of local labor laws) and the Employee irrevocably releases the Company and the Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, the Employee shall be deemed irrevocably to have waived the Employee's entitlement to pursue such claim; and
- (k) subject to the provisions in the Plan regarding Change in Control, RSUs and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability.

12. No Advice Regarding Award. Neither the Company nor the Employer is providing any tax, legal or financial advice, nor is the Company or Employer making any recommendations regarding the Employee's participation in the Plan, or his or her acquisition or sale of the underlying shares of Common Stock. The Employee is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

13. Amendment of This Agreement. With the consent of the Employee, the Committee or its authorized delegate, as applicable, may amend this Agreement in a manner not inconsistent with the Plan.

14. Restrictive Covenants. Other than with respect to an Employee who is located in California or another jurisdiction where such restrictive covenants are not permitted under applicable law, this Award and the delivery

of any shares of Common Stock hereunder are contingent on the Employee executing, and the Employee's continued compliance with, the Non-Competition and Non-Solicitation Agreement set forth as Exhibit A to this Agreement (the "**Restrictive Covenants**").

15. Recoupments. This Award shall be subject to the Conduent Incorporated Compensation Recoupment Policy, as may be amended from time to time, or any successor policy.

16. Cancellation and Rescission of Award. Without limiting the foregoing Section 15, the Company may cancel any award provided hereunder if the Employee is not in compliance with all of the following conditions:

- (a) The Employee shall not render services for any organization or engage directly or indirectly in any business which would cause the Employee to breach any of the post-employment prohibitions contained in any agreement between the Employer and the Employee.
- (b) The Employee shall not, without prior written authorization from the Employer, disclose to anyone outside the Employer, or use in other than the Employer's business, any confidential information or material, as specified in any agreement between the Employer and the Employee which contains post-employment prohibitions, relating to the business of the Employer acquired by the Employee either during or after employment with the Employer.

Notwithstanding the above, this Agreement does not in any manner restrict the Employee from reporting possible violations of federal, state or local laws or regulations to any governmental agency or entity, and shall not, and not be interpreted to, impair the participant from exercising any legally protected whistleblower rights (including under Rule 21F under the Exchange Act). Similarly, the Employer does not in any manner restrict the Employee from participating in any proceeding or investigation by a federal, state or local government agency or entity responsible for enforcing such laws. The Employee is not required to notify the Employer that he or she has made such report or disclosure, or of his or her participation in an agency investigation or proceeding.

- (c) The Employee, pursuant to any agreement between the Employer and the Employee which contains post-employment prohibitions, shall disclose promptly and assign to the Employer all right, title and interest in any invention or idea, patentable or not, made or conceived by the Employee during employment with the Employer, relating in any manner to the actual or anticipated business, research or development work of the Employer, and shall do anything reasonably necessary to enable the Employer to secure a patent where appropriate in the United States and in foreign countries.
- (d) Failure to comply with the provision of subparagraphs (a), (b) or (c) of this Section 16 prior to, or during the six months after, any payment or delivery shall cause such payment or delivery to be rescinded. The Company shall notify the Employee in writing of any such rescission within two years after such payment or delivery. Within ten days after receiving such a notice from the Company, the Employee shall pay to the Company the amount of any payment received as a result of the rescinded payment or delivery pursuant to an award. Such payment to the Company by the Employee shall be made either in cash or by returning to the Company the number of shares of Common Stock that the Employee received in connection with the rescinded payment or delivery.

17. Notices. Notices hereunder shall be in writing and if to the Company shall be mailed to the Company at 100 Campus Drive, Suite 200 Florham Park, NJ 07932, USA, addressed to the attention of Stock Plan Administrator, and if to the Employee shall be delivered personally or mailed to the Employee at his address as the same appears on the records of the Company.

18. Language. If the Employee has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

19. Electronic Delivery and Acceptance. The Company will deliver any documents related to current or future participation in the Plan by electronic means. The Employee hereby consents to receive such documents by electronic delivery, and agrees to participate in the Plan and be bound by the terms and conditions of this Agreement, through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. Electronic acceptance by the Employee is required and the award will be

cancelled for any employee who fails to comply with the Company's acceptance requirement within 90 days of the effective date of the award.

20. Interpretation of This Agreement. The Committee or its authorized delegate, as applicable, shall have the authority to interpret the Plan and this Agreement and to take whatever administrative actions, including correction of administrative errors in the awards subject to this Agreement and in this Agreement, as the Committee or its authorized delegate, as applicable, in its sole good faith judgment shall determine to be advisable. All decisions, interpretations and administrative actions made by the Committee or its authorized delegate, as applicable, hereunder or under the Plan shall be binding and conclusive on the Company and the Employee. In the event there is inconsistency between the provisions of this Agreement and of the Plan, the provisions of the Plan shall govern.

21. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and the successors and assigns of the Company and to the extent provided in Section 9(b) of the Plan to the Beneficiary(ies) or transferee of the Employee.

22. Governing Law and Venue. The validity, construction and effect of the Agreement and any actions taken under or relating to this Agreement shall be determined in accordance with the laws of the State of Delaware and applicable Federal law. This grant is made and/or administered in the United States. For purposes of litigating any dispute that arises under this grant or the Agreement the parties hereby submit to and consent to the jurisdiction of the State of Delaware, agree that such litigation shall be conducted in the state or federal courts located in Delaware.

23. Section 409A. It is intended that the provisions of this Agreement comply with, or are exempt from, Section 409A, and all provisions of this Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A.

Except as permitted under Section 409A, any deferred compensation (within the meaning of Section 409A) payable to the Employee or for the Employee's benefit under this Agreement may not be reduced by, or offset against, any amount owing by the Employee to the Company or any of its Affiliates. In the event that any 60-day period described in Section 8 of this Agreement straddles two calendar years, then any RSUs, and any dividends with respect thereto, that are settled within such 60-day period in accordance with this Agreement shall be settled in the second calendar year.

If, at the time of the Employee's separation from service (within the meaning of Section 409A), (a) the Employee shall be a specified employee (within the meaning of Section 409A and using the identification methodology selected by the Company from time to time) and (b) the Company shall make a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A in order to avoid taxes or penalties under Section 409A, then the Company shall not pay such amount on the otherwise scheduled payment date but shall instead pay it, without interest, on the first business day after such six-month period.

Notwithstanding any provision of this Agreement to the contrary, in light of the uncertainty with respect to the proper application of Section 409A, the Company reserves the right to make amendments to this Agreement as the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A. In any case, the Employee shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on the Employee or for the Employee's account in connection with this Agreement (including any taxes and penalties under Section 409A), and neither the Company nor any of its Affiliates shall have any obligation to indemnify or otherwise hold the Employee harmless from any or all of such taxes or penalties.

24. Separability. In case any provision in the Agreement, or in any other instrument referred to herein, shall become invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in the Agreement, or in any other instrument referred to herein, shall not in any way be affected or impaired thereby.

25. Integration of Terms. Except as otherwise provided in this Agreement, this Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes any and all oral statements and prior writings with respect thereto.

26. Appendix for Non-U.S. Countries. Notwithstanding any provisions in this Agreement, the RSU award shall be subject to any special terms and conditions set forth in any appendix to this Agreement for the Employee's country (the "**Appendix**"). Moreover, if the Employee relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to the Employee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Appendix constitutes part of this Agreement.

27. Imposition of Other Requirements. The Committee or its authorized delegate, as applicable, reserves the right to impose other requirements on the Employee's participation in the Plan, on the RSUs and on any shares of Common Stock acquired under the Plan, to the extent the Committee or its authorized delegate, as applicable, determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Employee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

IN WITNESS WHEREOF, the Company has executed this Agreement as of the day and year set forth on the Award Summary.

CONDUENT INCORPORATED

By: /s/ CHRISTOPHER KUJAWA
Christopher Kujawa, Chief Human Resources Officer
Date: June 30, 2021



Non-Competition and Non-Solicitation Agreement

This Non-Competition and Non-Solicitation Agreement (“Agreement”) is made effective as of June 30, 2021 (“Effective Date”) between Conduent Business Services, LLC, its parent, subsidiaries, divisions and affiliates (collectively, “Conduent”) and the individual whose name appears in the Award Summary (“Employee”).

WHEREAS, Employee acknowledges that Conduent is in a competitive industry in which the creation, maintenance, and use of confidential or proprietary information and innovation are critical to Conduent’s success, and that the protection of that information and innovation is reasonably necessary to protect the goodwill and other legitimate business interests of Conduent; and

WHEREAS, Employee further acknowledges the receipt and sufficiency of the consideration provided to Employee in exchange for Employee’s obligations under this Agreement, including, but not limited to, Employee’s employment or continued employment with Conduent in Employee’s current or a newly promoted role, Employee’s access to and receipt of trade secrets and confidential and proprietary information relating to Conduent’s business and clients, and, if applicable, Employee’s participation in Conduent incentive programs.

NOW, THEREFORE, Conduent and Employee agree as follows:

1. **Non-Competition.** (a) During the Non-Compete Period, Employee will not, directly or indirectly, own (beneficially or otherwise), manage, operate, or render any services for (including, but not limited to, as an employee, proprietor, partner, agent, contractor, or consultant) any Entity that is engaged in any Competitive Activity in the Geographical Area.

(b) For purposes of this Agreement, the following terms will have the meaning set forth below:

(i) “Non-Compete Period” means during Employee’s employment and for twelve (12) months following the Employment Cessation Date, provided, however, that the Non-Compete Period shall be shortened to end six (6) months following the Employment Cessation Date in either of the following two (2) situations: (A) immediately prior to the Employment Cessation Date, Employee’s employment job grade is C10 or lower and Employee has fully complied with each of the provisions of this Agreement, or (B) Employee’s termination is due specifically to a reduction in force and Employee has fully complied with each of the provisions of this Agreement.

(ii) “Employment Cessation Date” means the earlier of Employee’s last day of active employment with Conduent or Employee’s termination date as reflected in Conduent’s records.

(iii) “Entity” means an individual, partnership, corporation, association, limited liability company, joint stock company, trust, joint venture, unincorporated organization or any other entity.

(iv) “Competitive Activity” means offering, selling or providing any product or service that competes with a product or service that Conduent offers, sells, or provides at any time during the twenty-four (24) months before the Employee’s Employment Cessation Date.

(v) “Geographical Area” means the United States of America and any other country in which the Employee had responsibility for the business activity of Conduent in the twelve (12) months preceding the Employment Cessation Date.

Nothing in this Section 1 prohibits Employee from being or becoming an owner of less than five percent (5%) of the outstanding stock of any company listed on a national securities exchange or actively traded on in the over the counter market, so long as, the Employee has no direct or indirect participation in any business of such company that offers any product or service that competes with any product or service offered by Conduent.

2. **Non-Solicitation of Customers.** During the term of Employee’s employment and for a period of twelve (12) months following the Employment Cessation date (“Non-Solicit Period”), Employee will not, directly or indirectly, solicit, service, handle, or accept business from any customer or potential customer of Conduent, or solicit, induce or encourage any customer or potential customer to terminate or reduce the level of business it does with Conduent. This covenant shall only apply to (i) customers of Conduent with whom Employee had contact or for whom Employee was responsible, in whole or part, for providing (or assisting or supervising the performance of) services or products on behalf of Conduent during the last twelve (12) months of Employee’s active employment with Conduent, and (ii) those prospective customers of Conduent with whom Employee had contact or solicited business on behalf of Conduent during the last twelve (12) months of Employee’s active employment,
3. **Non-Solicitation of Employees.** During the Non-Solicit Period, as defined above, Employee will not, directly or indirectly, recruit, solicit, induce, encourage or assist any employee of Conduent to leave Employee’s employment with Conduent.
4. **Non-Disparagement.** During the Non-Compete Period, Employee agrees that Employee will not, directly or indirectly, in any capacity or manner, publicly make, express, transmit, speak, write, verbalize or otherwise communicate in any way (or cause, further, assist, solicit, encourage, support or participate in any of the foregoing), any remark, comment, message, information, declaration, communication or other statement of any kind, whether verbal or in writing, electronically transmitted or otherwise, with respect to the Company, or any of its respective directors, officers or employees, (collectively “Company Parties”), which would malign, harm, disparage, defame or damage the reputation or good name of any of the Company Parties; provided, that this Section 4 shall not restrict Employee from disclosing any information to Employee’s attorneys or in response to a lawful subpoena or court order requiring disclosure of information or otherwise responding in any legal proceeding or legal or regulatory process or in connection with initiating any legal proceeding.
5. **At Will Employment.** Employee and Conduent agree and acknowledge that Employee’s employment with Conduent is at-will and that this Agreement doesn’t obligate Employer to employ Employee for a predetermined period of time. Employee has the right to terminate Employee’s employment at any time for any reason, and Conduent has the same right. The post-employment obligations of this Agreement shall survive the termination of Employee’s employment with Conduent.

6. **Termination Of Certain Other Obligations**. Employee and Conduent agree that any prior agreement between Employee and Conduent containing a non-compete obligation, a non-solicitation of customers obligation or a non-solicitation of employees obligation is hereby terminated and Employee shall only be subject to this Agreement with respect to such matters. Except as provided by the preceding sentence, all other terms of all agreements between Employee and Conduent shall remain in full effect.
7. **Equitable Relief**. Employee and Conduent agree that, in the event of breach of this Agreement by Employee, Conduent would be irreparably harmed but the amount of damages to Conduent would be difficult to ascertain. Conduent and Employee agree that in the event of such breach, Conduent shall have the right to an injunction or other equitable relief and to all other appropriate legal remedies, including damages. In the event any lawsuit is brought to enforce any of the provisions of this Agreement, the prevailing party shall be entitled to recover its, Employee's reasonable attorneys' fees and cost from the other party.
8. **Governing Law**: This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflict of law principles. Employee and Conduent agree that any claims or suits arising out of or relating to this Agreement shall be commenced and maintained in the state or federal courts located in Delaware, and Employee hereby submits to the jurisdiction and venue of any such court.
9. **Enforceability**. In the event that any of the provisions of this Agreement is deemed unenforceable or to exceed the protections afforded employers under applicable law, then such provision(s) shall be deleted and/or revised to provide Conduent the maximum protections permitted by applicable law and still be valid and enforceable, and all remaining provisions of this Agreement shall remain in full force and effect.
10. **Binding Effect**: Employee acknowledges that Employee had the opportunity to review this Agreement with an attorney of Employee's own choosing and that Employee carefully reviewed the terms of this Agreement before knowingly and voluntarily executing it.
11. **No Waiver**. Any failure by Conduent to exercise any of its rights under this Agreement in the event of any breach of the Agreement by Employee shall not be construed as a waiver of any such breach, nor act to prevent Conduent from requiring strict compliance with the terms of this Agreement.
12. **Assignment**: This Agreement shall be assignable to and shall inure to the benefit of Conduent's successors and assigns, including, but not limited to, subsidiaries and/or successors through mergers, name change, consolidation or sale of the majority of Conduent's stock or assets and shall be binding upon Employee. Employee shall not have the right to assign the Employee's rights or obligations under this Agreement. The covenants contained in this Agreement shall survive termination of Employee's employment regardless of who causes the termination of employment or the reason for the termination.

CEO CERTIFICATIONS

I, Clifford Skelton, certify that:

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

August 5, 2021

/s/ CLIFFORD SKELTON

Clifford Skelton
Principal Executive Officer

CFO CERTIFICATIONS

I, Stephen Wood, certify that:

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

August 5, 2021

/s/ STEPHEN WOOD

Stephen Wood
Principal Financial Officer

**CERTIFICATION OF CEO AND CFO PURSUANT TO 18 U.S.C. § 1350,
AS ADOPTED PURSUANT TO § 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Form 10-Q of Conduent Incorporated, a New York corporation (the "Company"), for the quarter ended June 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Clifford Skelton, Chief Executive Officer of the Company, and Stephen Wood, Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of his/her knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ CLIFFORD SKELTON

Clifford Skelton
Chief Executive Officer

August 5, 2021

/s/ STEPHEN WOOD

Stephen Wood
Chief Financial Officer

August 5, 2021

This certification accompanies this Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of § 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by § 906 has been provided to Conduent Incorporated and will be retained by Conduent Incorporated and furnished to the Securities and Exchange Commission or its staff upon request.