

**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: **March 31, 2022**

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

<u>Class</u>	<u>Outstanding at April 30, 2022</u>
Common Stock, \$0.01 par value	215,604,418

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 "Litigation Reform Act"). 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 working capital adjustment related to the Midas divestiture will not be material, expectations regarding the proposed separation of the Transportation business, 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 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; volatility of our stock price and the risk of litigation following a decline in the price of our stock; uncertainty regarding whether the proposed separation of the Transportation business will be commenced or completed and the timing and value of such transaction; 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 2021 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 because of new information, subsequent events or otherwise, except as required by law.

CONDUENT INCORPORATED

FORM 10-Q

March 31, 2022

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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 March 31,	
	2022	2021
Revenue	\$ 967	\$ 1,028
Operating Costs and Expenses		
Cost of services (excluding depreciation and amortization)	755	787
Selling, general and administrative (excluding depreciation and amortization)	102	126
Research and development (excluding depreciation and amortization)	1	—
Depreciation and amortization	61	95
Restructuring and related costs	9	13
Interest expense	19	13
(Gain) loss on divestitures and transaction costs	(163)	2
Litigation settlements (recoveries), net	(28)	1
Other (income) expenses, net	1	—
Total Operating Costs and Expenses	757	1,037
Income (Loss) Before Income Taxes	210	(9)
Income tax expense (benefit)	74	2
Net Income (Loss)	\$ 136	\$ (11)
Net Income (Loss) per Share:		
Basic	\$ 0.62	\$ (0.06)
Diluted	\$ 0.61	\$ (0.06)

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 March 31,	
	2022	2021
Net Income (Loss)	\$ 136	\$ (11)
Other Comprehensive Income (Loss), Net⁽¹⁾		
Currency translation adjustments, net	(5)	(11)
Unrecognized gains (losses), net	(1)	(1)
Other Comprehensive Income (Loss), Net	(6)	(12)
Comprehensive Income (Loss), Net	<u>\$ 130</u>	<u>\$ (23)</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)

	March 31, 2022	December 31, 2021
Assets		
Cash and cash equivalents	\$ 588	\$ 415
Accounts receivable, net	661	699
Assets held for sale	—	184
Contract assets	160	154
Other current assets	234	228
Total current assets	1,643	1,680
Land, buildings and equipment, net	272	281
Operating lease right-of-use assets	219	231
Intangible assets, net	46	52
Goodwill	1,335	1,339
Other long-term assets	464	453
Total Assets	\$ 3,979	\$ 4,036
Liabilities and Equity		
Current portion of long-term debt	\$ 30	\$ 30
Accounts payable	189	198
Accrued compensation and benefits costs	206	243
Unearned income	75	82
Liabilities held for sale	—	29
Other current liabilities	426	443
Total current liabilities	926	1,025
Long-term debt	1,277	1,383
Deferred taxes	102	75
Operating lease liabilities	179	184
Other long-term liabilities	91	95
Total Liabilities	2,575	2,762
Contingencies (See Note 12)		
Series A convertible preferred stock	142	142
Common stock	2	2
Additional paid-in capital	3,912	3,910
Retained earnings (deficit)	(2,217)	(2,351)
Accumulated other comprehensive loss	(435)	(429)
Total Equity	1,262	1,132
Total Liabilities and Equity	\$ 3,979	\$ 4,036
Shares of common stock issued and outstanding	215,604	215,381
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)	Three Months Ended March 31,	
	2022	2021
Cash Flows from Operating Activities:		
Net income (loss)	\$ 136	\$ (11)
Adjustments required to reconcile net income (loss) to cash flows from operating activities:		
Depreciation and amortization	61	95
Deferred income taxes	31	(1)
Amortization of debt financing costs	1	2
(Gain) loss on divestitures and sales of fixed assets, net	(164)	1
Stock-based compensation	2	3
Changes in operating assets and liabilities:		
Accounts receivable	27	2
Other current and long-term assets	(69)	(58)
Accounts payable and accrued compensation and benefits costs	(33)	(39)
Other current and long-term liabilities	(17)	—
Net change in income tax assets and liabilities	36	4
Net cash provided by (used in) operating activities	11	(2)
Cash Flows from Investing Activities:		
Cost of additions to land, buildings and equipment	(34)	(14)
Cost of additions to internal use software	(16)	(16)
Proceeds from divestitures	323	1
Net cash provided by (used in) investing activities	273	(29)
Cash Flows from Financing Activities:		
Payments on revolving credit facility	(100)	—
Payments on debt	(8)	(23)
Dividends paid on preferred stock	(2)	(2)
Net cash provided by (used in) financing activities	(110)	(25)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1)	(3)
Increase (decrease) in cash, cash equivalents and restricted cash	173	(59)
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	420	458
Cash, Cash Equivalents and Restricted Cash at End of period⁽¹⁾	\$ 593	\$ 399

(1) Includes \$5 million and \$10 million of restricted cash as of March 31, 2022 and 2021, 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 March 31, 2022				
(in millions)	Common Stock	Additional Paid-in Capital	Retained Earnings (Deficit)	AOCL ⁽¹⁾	Shareholders' Equity
Balance at December 31, 2021	\$ 2	\$ 3,910	\$ (2,351)	\$ (429)	\$ 1,132
Dividends - preferred stock, \$20/share	—	—	(2)	—	(2)
Stock incentive plans, net	—	2	—	—	2
Comprehensive Income (Loss):					
Net Income (Loss)	—	—	136	—	136
Other comprehensive income (loss), net	—	—	—	(6)	(6)
Total Comprehensive Income (Loss), Net	—	—	136	(6)	130
Balance at March 31, 2022	\$ 2	\$ 3,912	\$ (2,217)	\$ (435)	\$ 1,262

	Three Months Ended March 31, 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, \$20/share	—	—	(2)	—	(2)
Stock incentive plans, net	—	3	—	—	3
Comprehensive Income (Loss):					
Net Income (Loss)	—	—	(11)	—	(11)
Other comprehensive income (loss), net	—	—	—	(12)	(12)
Total Comprehensive Income (Loss), Net	—	—	(11)	(12)	(23)
Balance at March 31, 2021	\$ 2	\$ 3,902	\$ (2,326)	\$ (410)	\$ 1,168

(1) AOCL - Accumulated other comprehensive loss. Refer to Note 11 – Accumulated Other Comprehensive Loss for the components of AOCL.

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

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 diversified business process services companies in the world, Conduent delivers mission-critical solutions and services on behalf of businesses and governments – creating exceptional outcomes for its clients and the millions of people who count on them. Through its dedicated people, processes and technologies, Conduent's services and solutions enhance customer experience, increase efficiencies, reduce costs and improve performance for most Fortune 100 companies and more than 500 government entities.

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, 2021. 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, 2021.

The Company has evaluated subsequent events through May 3, 2022 and no material subsequent events were identified.

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.

Although as of March 31, 2022, many government-imposed restrictions have been lightened or removed, the future impact of the COVID-19 pandemic continues to be highly uncertain. 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.

Contingencies and Litigation

The Company is currently involved in various claims and legal proceedings. At least quarterly, it reviews the status of each significant matter and assesses its potential financial exposure considering all available information including, but not limited to, the impact of negotiations, settlements, rulings, advice of legal counsel and other updated information and events pertaining to a particular matter. If the potential loss from any claim or legal proceeding is considered probable and the amount can be reasonably estimated, the Company accrues a liability for the estimated loss. The estimated losses are recorded within Litigation settlements (recoveries), net in the Company's income statement. Significant judgment is required in both the determination of probability and the determination as to whether an exposure is reasonably estimable. Because of uncertainties related to these matters, accruals are based only on the best information available at the time. As additional information becomes available, the Company reassesses the potential liability related to pending claims and litigation and may revise its estimates. These revisions in the estimates of the potential liabilities could have a material impact on the results of operations and financial position. The Company's policy is to expense legal defense costs related to such matters as incurred. These costs are recorded within Selling, general and administrative expenses in the Company's income statement. Any insurance recoveries for litigation settlements and defense costs are recorded when such recoveries are deemed probable and collectability is reasonably assured. Such recoveries are recorded in the same financial statement line as the related costs to which the recoveries relate.

Refer to Note 12 – Contingencies and Litigation to the Condensed Consolidated Financial Statements for additional information regarding loss contingencies.

Goodwill

For acquired businesses, the Company records the acquired assets and assumed liabilities based on their relative fair values at the date of acquisitions (commonly referred to as the purchase price allocation). Goodwill represents the excess of the purchase price paid in excess of the fair value of net tangible and intangible assets acquired. For the Company's business acquisitions, the purchase price is allocated to identifiable intangible assets separate from goodwill if they are from contractual or other legal rights, or if they could be separated from the acquired business and sold, transferred, licensed, rented or exchanged.

The Company tests goodwill for impairment annually or more frequently if an event or change in circumstances indicate the asset may be impaired. Impairment testing for goodwill is done at the reporting unit level.

As of January 1, 2022, the Company underwent an internal reorganization in its Commercial reportable segment resulting in the previous four Commercial operating segments being combined into one single operating segment and reporting unit, led by a single segment manager.

The Company considered the reorganization a triggering event and performed an interim qualitative goodwill impairment assessment of the reporting units before and after the reorganization and concluded no impairment existed at the time of change.

Additionally, as part of this reorganization, certain clients were reassigned from the Government Services reportable segment to the Commercial reportable segment (refer to Note 4 – Segment Reporting to the Condensed Consolidated Financial Statements for additional information). This change resulted in less than 1% of goodwill being reallocated between the reporting units within the two reportable segments.

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, 2021.

New Accounting Standards Adopted

The Company has not adopted any new accounting standards in 2022 that had a material impact on its Consolidated Financial Statements.

New Accounting Standards To Be Adopted

The Company has considered all recent accounting standards issued, but not yet effective, and does not expect any to have a material impact on its Consolidated Financial Statements.

Note 3 – Revenue

Disaggregation of Revenue

During the first quarter of 2022, certain clients were reclassified from the Government Services segment to the Commercial segment. Additionally, revenue for the Midas business divested in the first quarter of 2022 has been reclassified from the Commercial segment to the Divestitures segment. These changes have no impact on the timing of revenue recognition. All prior periods presented have been revised to reflect these changes.

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 March 31,	
	2022	2021
Commercial:		
Customer experience management	\$ 161	\$ 161
Business operations solutions	151	142
Commercial healthcare solutions	90	94
Human resource and learning services	110	115
Total Commercial	512	512
Government Services:		
Government healthcare solutions	145	149
Government services solutions	141	165
Total Government Services	286	314
Transportation:		
Roadway charging & management services	76	83
Transit solutions	49	64
Curbside management solutions	19	18
Public safety solutions	16	17
Commercial vehicles	2	2
Total Transportation	162	184
Divestitures	7	18
Total Consolidated Revenue	\$ 967	\$ 1,028
Timing of Revenue Recognition:		
Point in time	\$ 19	\$ 32
Over time	948	996
Total Revenue	\$ 967	\$ 1,028

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:

<i>(in millions)</i>	March 31, 2022	December 31, 2021
Contract Assets (Unearned Income)		
Current contract assets	\$ 160	\$ 154
Long-term contract assets ⁽¹⁾	9	8
Current unearned income	(75)	(82)
Long-term unearned income ⁽²⁾	(47)	(48)
Net Contract Assets	\$ 47	\$ 32
Accounts receivable, net	\$ 661	\$ 699

(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 \$35 million were recognized during the three months ended March 31, 2022 related to the Company's unearned income at December 31, 2021. Additionally, the Company recognized \$7 million of revenue related to the unearned income of the divested Midas business for the three months ended March 31, 2022. Such amount was included in Liabilities Held for Sale on the December 31, 2021 consolidated balance sheet.

Revenues of \$58 million were recognized during the three months ended March 31, 2021 related to the Company's unearned income at December 31, 2020.

The Company had no material asset impairment charges related to contract assets for the three months ended March 31, 2022 or 2021.

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 March 31, 2022 was approximately \$1.1 billion. The Company expects to recognize approximately 72% of this revenue over the next two years and the remainder thereafter.

Note 4 – Segment Reporting

The Company's reportable segments correspond to how it organizes and manages the business, as defined by the Company's Chief Executive Officer, who is also the Company's Chief Operating Decision Maker (CODM). 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.

In the first quarter of 2022, the Company realigned certain clients between reportable segments to reflect how the Company currently manages its business. Certain clients were reclassified from the Government Services reportable segment to the Commercial reportable segment to align with a product view of the business. Additionally, in the first quarter of 2022, in order to provide greater visibility into the profitability of the Company's segments, certain real estate costs that were previously included in Unallocated Costs have been allocated to each of the reportable segments.

As described in Note 5 – Assets/Liabilities Held for Sale and Divestiture, the Company sold its Midas Suite of patient safety, quality and advanced analytics solutions to a third party in the first quarter of 2022. Accordingly, the results of this disposed business, which had previously been reported in the Commercial segment have been reclassified to the Divestitures segment. All prior periods presented have been recast to reflect these changes.

The Company's financial performance is based on Segment Profit/(Loss) for its three reportable segments (Commercial, Government Services and Transportation), Divestitures and Unallocated Costs. The Company's CODM does not evaluate operating segments using discrete asset information.

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Commercial: The Commercial segment provides business process services and customized solutions to clients in a variety of industries. Across the Commercial 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.

Divestitures includes the Company's Midas Suite of patient safety, quality and advanced analytics solutions which it sold to a third party in the first quarter of 2022. Refer to Note 5 – Assets/Liabilities Held for Sale and Divestiture for additional information.

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 March 31,					
	Commercial	Government Services	Transportation	Divestitures	Unallocated Costs	Total
2022						
Revenue	\$ 512	\$ 286	\$ 162	\$ 7	\$ —	\$ 967
Segment profit (loss)	\$ 28	\$ 75	\$ 8	\$ 2	\$ (59)	\$ 54
2021						
Revenue	\$ 512	\$ 314	\$ 184	\$ 18	\$ —	\$ 1,028
Segment profit (loss)	\$ 24	\$ 85	\$ 21	\$ 9	\$ (79)	\$ 60

(in millions)	Three Months Ended March 31,	
	2022	2021
Segment Profit (Loss) Reconciliation to Pre-tax Income (Loss)		
Income (Loss) Before Income Taxes	\$ 210	\$ (9)
Reconciling items:		
Amortization of acquired intangible assets	6	40
Restructuring and related costs	9	13
Interest expense	19	13
(Gain) loss on divestitures and transaction costs	(163)	2
Litigation settlements (recoveries), net	(28)	1
Other (income) expenses, net	1	—
Segment Pre-tax Income (Loss)	\$ 54	\$ 60

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

Note 5 – Assets/Liabilities Held for Sale and Divestiture

Assets/Liabilities Held for Sale

As of December 31, 2021, the sale of the Midas Suite of patient safety, quality and advanced analytics solutions to Symplr Software, Inc. had not yet closed. Accordingly, the assets and liabilities of this portfolio, collectively referred to as the Disposal Group, were reclassified as held for sale and measured at the lower of carrying value or fair value less costs to sell. As described below, the sale closed in the first quarter of 2022 and the assets and liabilities held for sale have been removed from the Company's Condensed Consolidated Balance Sheet.

Divestiture

On February 8, 2022, the Company completed the sale of its Midas Suite of patient safety, quality and advanced analytics solutions to Symplr Software, Inc. The Company received \$321 million of cash consideration for this divestiture, subject to customary working capital adjustments. Working capital adjustments are expected to be finalized in the second quarter of 2022 and are not expected to be material. The divestiture generated a pre-tax gain of \$165 million, which is included in (Gain) loss on divestitures and transaction costs. The Company recorded approximately \$62 million of income taxes in connection with the divestiture. The revenue generated by this business was \$7 million and \$18 million for the three months ended March 31, 2022 and 2021, respectively.

Note 6 – 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 \$4 million and \$7 million for the three months ended March 31, 2022 and 2021, 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 the Company has either a formal severance plan or a history of consistently providing severance benefits representing a substantive plan, it recognizes 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 three months ended March 31, 2022 and 2021 is as follows:

<i>(in millions)</i>	Severance and Related Costs	Termination and Other Costs	Asset Impairments	Total
Accrued Balance at December 31, 2021	\$ 5	\$ 1	\$ —	\$ 6
Provision	1	4	4	9
Changes in estimates	(1)	—	—	(1)
Total Net Current Period Charges ⁽¹⁾	—	4	4	8
Charges against reserve and currency	(4)	(4)	(4)	(12)
Accrued Balance at March 31, 2022	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ —</u>	<u>\$ 2</u>

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(in millions)	Severance and Related Costs	Termination and Other Costs	Asset Impairments	Total
Accrued Balance at December 31, 2020	\$ 3	\$ 3	\$ —	\$ 6
Provision	—	8	3	11
Changes in estimates	—	1	—	1
Total Net Current Period Charges ⁽¹⁾	—	9	3	12
Charges against reserve and currency	(2)	(10)	(3)	(15)
Accrued Balance at March 31, 2021	\$ 1	\$ 2	\$ —	\$ 3

(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 \$1 million for the three months ended March 31, 2022 and 2021, 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 March 31,	
	2022	2021
Commercial	\$ —	\$ —
Government Services	—	—
Transportation	—	—
Divestitures	—	—
Unallocated Costs ⁽¹⁾	8	12
Total Net Restructuring Charges	\$ 8	\$ 12

(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 7 – Debt

Long-term debt was as follows:

(in millions)	March 31, 2022	December 31, 2021
2021 Term loan A due 2026	\$ 262	\$ 265
2021 Term loan B due 2028	514	515
2021 Senior notes due 2029	520	520
2021 Revolving credit facility maturing 2026	—	100
Finance lease obligations	14	16
Other	23	24
Principal debt balance	1,333	1,440
Debt issuance costs and unamortized discounts	(26)	(27)
Less: current maturities	(30)	(30)
Total Long-term Debt	\$ 1,277	\$ 1,383

During the first quarter of 2022, the Company repaid \$100 million that was outstanding as of December 31, 2021 under its 2021 Revolving Credit Facility maturing in 2026 (Revolver). As of March 31, 2022, the Company had no outstanding borrowings under its Revolver. However, the Company utilized \$10 million of the Revolver to issue letters of credit. The net Revolver available to be drawn upon as of March 31, 2022 was \$540 million.

At March 31, 2022, the Company was in compliance with all debt covenants related to the borrowings in the table above.

Note 8 – 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 March 31, 2022 and December 31, 2021, the Company had outstanding forward exchange contracts with gross notional values of \$139 million and \$150 million, respectively. At March 31, 2022, 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 9 – Fair Value of Financial Assets and Liabilities for additional information regarding the fair value of the Company's foreign exchange forward contracts.

Note 9 – 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)	March 31, 2022	December 31, 2021
Assets:		
Foreign exchange contract - forward	\$ 1	\$ 1
Total Assets	<u>\$ 1</u>	<u>\$ 1</u>
Liabilities:		
Foreign exchange contracts - forward	\$ 1	\$ 2
Total Liabilities	<u>\$ 1</u>	<u>\$ 2</u>

Summary of Other Financial Assets and Liabilities

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

(in millions)	March 31, 2022		December 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Liabilities:				
Long-term debt	\$ 1,277	\$ 1,247	\$ 1,383	\$ 1,374

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 using quoted market prices for identical or similar instruments (Level 2 inputs).

Note 10 – 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. The Company, at its discretion, matches a portion of employee contributions.

The Company recognized an expense related to its defined contribution plans of \$5 million and \$5 million for the three months ended March 31, 2022 and 2021, respectively. The balance sheet and income statement impacts of any remaining defined benefit plans are immaterial for all periods presented in these Condensed Consolidated Financial Statements.

Note 11 – 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, 2021	\$ (431)	\$ 2	\$ —	\$ (429)
Other comprehensive income (loss)	(5)	(1)	—	(6)
Balance at March 31, 2022	<u>\$ (436)</u>	<u>\$ 1</u>	<u>\$ —</u>	<u>\$ (435)</u>

(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)	(11)	(1)	—	(12)
Balance at March 31, 2021	<u>\$ (411)</u>	<u>\$ 2</u>	<u>\$ (1)</u>	<u>\$ (410)</u>

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

Note 12 – 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 March 31, 2022. 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 more than 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 Consolidated Financial position or liquidity. As of March 31, 2022, 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. The Court granted Class Certification on February 28, 2022. 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 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 LLC (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 alleged 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 alleged 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 refiling 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 was stayed pending the outcome of parallel litigation the plaintiffs were 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. In August 2018, the Company sold Buck; however, the Company retained this liability after the sale. On April 26, 2019, plaintiffs in the parallel litigation filed an appeal. On December 8, 2021, the appellate court affirmed the trial court's decision, and the judgment became final on January 7, 2022. On January 18, 2022, Plaintiffs in the parallel litigation filed a petition for review to the California Supreme Court. On March 16, 2022, the California Supreme Court denied Plaintiffs' petition, thereby foreclosing further avenues for Plaintiffs. Plaintiffs filed their Notice of Dismissal, which the Court entered on March 22, 2022. As a result, during the first quarter of 2022, the Company reversed the reserve pertaining to this matter.

[Conduent Business Services, LLC v. Cognizant Business Services Corporation:](#) On April 12, 2017, 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

During the first quarter of 2022, the Company entered into settlement agreements with six of its insurers under its 2012–2013 errors and omission insurance policy in which the Company agreed to resolve its claims for insurance coverage in connection with the previously disclosed State of Texas matter that settled in February 2019, as included in the Company's Annual Report on Form 10-K for the year ended December 31, 2020. As a result of the settlement agreements entered with the insurers, the Company received an aggregate sum of \$38 million, of which \$14 million was recognized as defense costs recovery in Selling, general and administrative and \$24 million was recognized in Litigation settlements (recoveries), net.

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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 one remaining state attorney general inquiry, the Company has resolved all investigations by the CFPB, several state agencies, the Department and the U.S. Department of Justice. The Company cannot provide assurance that the CFPB, another regulator, a financial institution on behalf of which XES 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 March 31, 2022, the Company had \$559 million of outstanding surety bonds issued to secure its performance of contractual obligations with its clients and \$105 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 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 to allow it to respond to future requests for proposals that require such credit support.

Note 13 – 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 14 – 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 March 31,	
	2022	2021
Basic Net Earnings (Loss) per Share:		
Net Income (Loss)	\$ 136	\$ (11)
Dividend - Preferred Stock	(2)	(2)
Adjusted Net Income (Loss) Available to Common Shareholders - Basic	\$ 134	\$ (13)
Diluted Net Earnings (Loss) per Share:		
Net Income (Loss)	\$ 136	\$ (11)
Dividend - Preferred Stock	—	(2)
Adjusted Net Income (Loss) Available to Common Shareholders - Diluted	\$ 136	\$ (13)
Weighted Average Common Shares Outstanding - Basic	215,503	212,250
Common Shares Issuable With Respect To:		
Restricted Stock And Performance Units / Shares	2,994	—
8% Convertible Preferred Stock	5,393	—
Weighted Average Common Shares Outstanding - Diluted	223,890	212,250
Net Earnings (Loss) per Share:		
Basic	\$ 0.62	\$ (0.06)
Diluted	\$ 0.61	\$ (0.06)
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	2,698	11,011
Convertible preferred stock	—	5,393
Total Anti-Dilutive and Contingently Issuable Securities	2,698	16,404

Note 15 – Supplementary Financial Information

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

(in millions)	March 31, 2022	December 31, 2021
Other Current Assets		
Prepaid expenses	\$ 121	\$ 84
Income taxes receivable	11	46
Value-added tax (VAT) receivable	13	12
Restricted cash	5	5
Current portion of capitalized cloud computing implementation costs, net	6	6
Other	78	75
Total Other Current Assets	\$ 234	\$ 228
Other Current Liabilities		
Accrued liabilities	\$ 232	\$ 246
Litigation related accruals	54	64
Current operating lease liabilities	67	71
Restructuring liabilities	2	6
Income tax payable	17	10
Other taxes payable	17	14
Accrued interest	17	10
Other	20	22
Total Other Current Liabilities	\$ 426	\$ 443
Other Long-term Assets		
Internal use software, net	\$ 184	\$ 181
Deferred contract costs, net	78	73
Product software, net	95	93
Cloud computing implementation costs, net	7	8
Other	100	98
Total Other Long-term Assets	\$ 464	\$ 453
Other Long-term Liabilities		
Income tax liabilities	12	15
Unearned income	47	48
Other	32	32
Total Other Long-term Liabilities	\$ 91	\$ 95

Note 16 – 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. Revenue and purchases from these entities were included in Revenue and Costs of services or Selling, general and administrative, respectively, on the Company's Condensed Consolidated Statements of Income (Loss).

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Transactions with related parties were as follows:

<u>(in millions)</u>	Three Months Ended March 31,			
	2022		2021	
Revenue from related parties	\$	3	\$	5
Purchases from related parties	\$	5	\$	7

The Company's receivable and payable balances with related party entities were not material as of March 31, 2022 and December 31, 2021.

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 provide a reader of our financial statements with a narrative from the perspective of management on our financial condition, results of operations, liquidity, and certain other factors that may affect our future results. Unless otherwise noted, transactions and other factors significantly impacting our financial condition, results of operations and liquidity are discussed in order of magnitude. Our MD&A is presented in six sections:

- Overview;
- Financial Information and Analysis of Results of Operations;
- Metrics;
- Capital Resources and Liquidity;
- Critical Accounting Estimates and Policies; and
- Recent Accounting Changes.

The 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 58,000 associates as of March 31, 2022, servicing customers from service centers in 24 countries.

Our reportable segments correspond to how we organize and manage the business and are aligned to the solutions we offer our clients.

We organize and manage our businesses through three reportable segments.

- **Commercial** – Our Commercial segment provides business process services and customized solutions to clients in a variety of industries. Across the Commercial 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 first quarter of 2022, 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 months ended March 31, 2022, our strategy is showing results, including the following:

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- Net income of \$136 million for the three months ended March 31, 2022, as compared to net loss of \$11 million for the same period in the prior year.
- Net Annual Recurring Revenue (ARR) activity metric (as defined in "Metrics") of \$102 million, a 17% increase over the first quarter of 2021.
- New business signings results:
 - New business total contract value (TCV) signings of \$464 million for the three months ended March 31, 2022, representing an increase of 32% compared to the same period of the prior year.
 - Annual recurring revenue signings of \$107 million for the three months ended March 31, 2022, representing an increase of 14% compared to the same period of the prior year.
- Renewal TCV of \$936 million for the three months ended March 31, 2022, substantially higher than the same period of the prior year.
- The Company completed the sale of its Midas suite of solutions on February 8, 2022 for cash consideration of \$321 million and, subsequent to the end of the first quarter of 2022, announced the planned separation of the Transportation segment.

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 throughout the pandemic, 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.
- Increased sanitation and social distancing for on-site essential associates.

At the end of the first quarter of 2022, we continued to have most of our workforce in a work-from-home environment. We will continue to assess when to bring associates back to our offices, as appropriate, based on the specific COVID-19 conditions in certain geographies, as well as business requirements.

As the pandemic continues, we may revise our approach to these initiatives or take additional actions to meet the needs of our employees, customers and their end-users as well as the Company's needs and to continue to provide our mission-critical services and solutions.

Financial Review of Operations

(\$ in millions)	Three Months Ended March 31,		2022 vs. 2021	
	2022	2021	\$ Change	% Change
Revenue	\$ 967	\$ 1,028	\$ (61)	(6)%
Operating Costs and Expenses				
Cost of services (excluding depreciation and amortization)	755	787	(32)	(4)%
Selling, general and administrative (excluding depreciation and amortization)	102	126	(24)	(19)%
Research and development (excluding depreciation and amortization)	1	—	1	n/m
Depreciation and amortization	61	95	(34)	(36)%
Restructuring and related costs	9	13	(4)	(31)%
Interest expense	19	13	6	46%
(Gain) loss on divestitures and transaction costs	(163)	2	(165)	n/m
Litigation settlements (recoveries), net	(28)	1	(29)	n/m
Other (income) expenses, net	1	—	1	n/m
Total Operating Costs and Expenses	757	1,037	(280)	
Income (Loss) Before Income Taxes	210	(9)	219	
Income tax expense (benefit)	74	2	72	
Net Income (Loss)	\$ 136	\$ (11)	\$ 147	

Revenue

Revenue for the three months ended March 31, 2022 was down, compared to the prior year period, primarily due to lower federal stimulus revenue in the Government Services segment, as well as lost business from prior years partially offset by new business ramp across all segments.

Cost of Services (excluding depreciation and amortization)

Cost of services for the three months ended March 31, 2022 decreased, compared to the prior year period, driven by lost business from prior years as well as increased operational efficiency, slightly offset by an increase in hiring activity to support new deal ramp in the Commercial segment.

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

SG&A for the three months ended March 31, 2022 decreased, compared to the prior year period, primarily driven by the recovery of \$14 million of defense costs as part of the settlement with insurance carriers relating to the previously disclosed State of Texas matter.

Depreciation and Amortization

Depreciation and amortization for the three months ended March 31, 2022 decreased, compared to the prior year period, primarily due to portions of certain customer relationship intangible assets being fully amortized during both the first quarters of 2022 and 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 March 31,	
	2022	2021
Severance and related costs	\$ —	\$ —
Data center consolidation	4	7
Termination and asset impairment costs	4	5
Total net current period charges	8	12
Consulting and other costs ⁽¹⁾	1	1
Restructuring and related costs	\$ 9	\$ 13

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

Refer to Note 6 – 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. On October 15, 2021, we completed the refinancing of our previously outstanding debt, which extended the maturity profile of our debt. The increase in Interest expense for the three months ended March 31, 2022, compared to the prior year period, was driven by higher interest rates on our refinanced credit facilities, partially offset by a lower total outstanding debt balance.

(Gain) Loss on Divestitures and Transaction Costs

The divestiture of the Midas business in the first quarter of 2022 resulted in a gain of \$165 million. Additionally, professional fees and other costs related to certain consummated and non-consummated transactions considered by the Company are included in this financial statement line item.

Litigation Settlements (Recoveries), Net

Litigation settlements (recoveries), net for the three months ended March 31, 2022 primarily consist of \$24 million of insurance recoveries related to the previously disclosed State of Texas matter.

Refer to Note 12 – Contingencies and Litigation to the Condensed Consolidated Financial Statements for additional information.

Income Taxes

The effective tax rate for the three months ended March 31, 2022 was 35.2%, compared to (23.4)% for the three months ended March 31, 2021. The March 31, 2022 rate was higher than the U.S. statutory rate of 21%, primarily due to the geographic mix of income, state and local taxes and permanently non-deductible amounts related to the divestiture transaction, partially offset by the tax benefit of valuation allowances released due to the gain from divestiture and tax credits.

The effective tax rate for the three months ended March 31, 2021 was negative as compared to the U.S. statutory rate of 21%, primarily due to pre-tax loss and tax expense resulting from geographic mix of income, valuation allowances, and tax charges recognized on employee equity award vestings, partially offset by tax credits.

Excluding the impact of the Midas divestiture, the litigation insurance recoveries, amortization of intangible assets, restructuring costs and certain discrete tax items, the normalized effective tax rate for the three months ended March 31, 2022 was 29.6%. The normalized effective tax rate for the three months ended March 31, 2021 was 23.4%, predominantly due to excluding the impact of valuation allowances, equity award vesting, amortization of intangible assets and restructuring costs. The normalized effective tax rate for the three months ended March 31, 2022 was higher than the three months ended March 31, 2021 rate due to the geographic mix of income.

The Company believes it is reasonably possible that unrecognized tax benefits of approximately \$11 million will reverse within 12 months due to an anticipated audit settlement.

In recent years, government agencies and global organizations have had an increased focus on the issues of taxation of multinational corporations. In March 2022, the Organization for Economic Co-operation and Development (OECD) released the Commentary to the Pillar 2 Model Rules as agreed by the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting. The Pillar 2 Model Rules, released on December 20, 2021, define the scope and key mechanics for the Pillar 2 system of global minimum tax rules. The Company is monitoring the development and assessing any potential impact. We do not anticipate a material impact based on current guidance.

Operations Review of Segment Revenue and Profit

In the first quarter of 2022, we realigned certain clients between reportable segments to reflect how we currently manage our business. Certain clients were reclassified from the Government Services reportable segment to the Commercial reportable segment to align with a product view of the business. This change had an insignificant impact. Additionally, in the first quarter of 2022, in order to provide greater visibility into the profitability of our segments, certain real estate costs that were previously included in Unallocated Costs have been allocated to each of the reportable segments. As described in Note 5 – Assets/Liabilities Held for Sale and Divestiture, we sold our Midas Suite of patient safety, quality and advanced analytics solutions to a third party in the first quarter of 2022. Accordingly, the results of this disposed business, which had been reported in the Commercial segment have been reclassified to the Divestitures segment. All prior periods presented have been recast to reflect these changes.

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

- Commercial;
- Government Services; and
- Transportation.

Divestitures includes our Midas business which was sold in the first quarter of 2022.

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. See Part I, Item 1A – Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2021 for additional information.

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Results of financial performance by segment were:

(in millions)	Three Months Ended March 31,						Total
	Commercial	Government Services	Transportation	Divestitures	Unallocated Costs		
2022							
Revenue	\$ 512	\$ 286	\$ 162	\$ 7	\$ —	\$ 967	
Segment profit (loss)	\$ 28	\$ 75	\$ 8	\$ 2	\$ (59)	\$ 54	
Segment depreciation and amortization	\$ 26	\$ 8	\$ 9	\$ —	\$ 12	\$ 55	
Adjusted EBITDA	\$ 54	\$ 83	\$ 17	\$ 2	\$ (47)	\$ 109	
% of Total Revenue	52.9 %	29.6 %	16.8 %	0.7 %	— %	100.0 %	
Adjusted EBITDA Margin	10.5 %	29.0 %	10.5 %	34.7 %	— %	11.3 %	
2021							
Revenue	\$ 512	\$ 314	\$ 184	\$ 18	\$ —	\$ 1,028	
Segment profit (loss)	\$ 24	\$ 85	\$ 21	\$ 9	\$ (79)	\$ 60	
Segment depreciation and amortization	\$ 27	\$ 5	\$ 9	\$ 1	\$ 13	\$ 55	
Adjusted EBITDA	\$ 51	\$ 90	\$ 30	\$ 10	\$ (66)	\$ 115	
% of Total Revenue	49.8 %	30.5 %	17.9 %	1.8 %	— %	100.0 %	
Adjusted EBITDA Margin	10.0 %	28.7 %	16.3 %	59.8 %	— %	11.2 %	

(in millions)	Three Months Ended March 31,	
	2022	2021
Segment Profit (Loss) Reconciliation to Pre-tax Income (Loss)		
Income (Loss) Before Income Taxes	\$ 210	\$ (9)
Reconciling items:		
Amortization of acquired intangible assets	6	40
Restructuring and related costs	9	13
Interest expense	19	13
(Gain) loss on divestitures and transaction costs	(163)	2
Litigation costs	(28)	1
Other (income) expenses, net	1	—
Segment Pre-tax Income (Loss)	\$ 54	\$ 60
Segment depreciation and amortization (including contract inducements)	\$ 55	\$ 55
Adjusted EBITDA	\$ 109	\$ 115

Commercial Segment

Revenue

Commercial revenue for the three months ended March 31, 2022 was substantially unchanged, compared to the prior year period, due to new business ramp, which was especially strong in Customer Experience Management, being offset by lost business from prior years.

Segment Profit and Adjusted EBITDA

Increases in the Commercial segment profit and adjusted EBITDA margin for the three months ended March 31, 2022, compared to the prior year period, were mainly driven by increased operational efficiency and expense reductions resulting from progress in our efficiency initiatives, more than offsetting the dynamics of a challenging labor market in both North America and Europe.

Government Services Segment

Revenue

Government Services revenue for the three months ended March 31, 2022 decreased, compared to the prior year period. This decrease was primarily driven by significantly lower Federal stimulus revenue, while increases in volume, price and new business offset lost business from prior years.

Segment Profit and Adjusted EBITDA

Decreases in the Government Services segment profit and adjusted EBITDA margin for the three months ended March 31, 2022, compared to the prior year period, were mainly driven by lower Federal stimulus revenue, partially offset by expense reductions resulting from progress in our efficiency initiatives.

Transportation Segment

Revenue

Transportation revenue for the three months ended March 31, 2022 decreased, compared to the prior year period, primarily driven by the impact of lower volume and project timing in our International transit business, unfavorable exchange rate movement, a one-time revenue benefit in the prior year period and lost business from prior years, partially offset by new business.

Segment Profit and Adjusted EBITDA

Transportation segment profit and adjusted EBITDA margin decreased for the three months ended March 31, 2022, compared to the prior year period, mainly driven by the impact of lost business, project timing in the International business, and a one-time item benefiting the prior year period, partially offset by new business.

Divestitures

Revenue, Segment Profit (Loss) and Adjusted EBITDA

The decline in revenue, segment profit and Adjusted EBITDA for the three months ended March 31, 2022 was primarily due to the sale of the Midas Suite of products. The current year includes slightly more than one month of activity versus the prior year includes a full quarter of activity.

Unallocated Costs

Unallocated Costs for the three months ended March 31, 2022 decreased, compared to the prior year period primarily due to a portion of the recovery of defense costs as part of the settlement with insurance carriers relating to the previously disclosed State of Texas matter that settled in February 2019 that was allocated to SG&A and progress with 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. Due to the inconsistency of when existing contracts end, quarterly and yearly comparisons are not a good measure of renewal performance.

For the three months ended March 31, 2022, the Company signed \$464 million of new business, representing a 32% increase compared to the prior year period. Renewal TCV for the three months ended March 31, 2022 was \$936 million.

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(\$ in millions)	Three Months Ended March 31,		2022 vs. 2021	
	2022 ⁽³⁾	2021 ⁽³⁾	\$ Change	% Change
New business TCV	\$ 464	\$ 352	\$ 112	32 %
Renewals TCV	936	273	663	243 %
Total Signings	\$ 1,400	\$ 625	\$ 775	124 %
Annual recurring revenue signings ⁽¹⁾	\$ 107	\$ 94	\$ 13	14 %
Non-recurring revenue signings ⁽²⁾	\$ 62	\$ 126	\$ (64)	(51)%

(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.

(3) Adjusted to remove Midas new business signings.

The total new business pipeline at the end of March 31, 2022 and 2021 was \$22.0 billion and \$21.0 billion, respectively. Total new business pipeline is defined as total new business TCV 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.

[Net ARR Activity](#)

The Net ARR Activity metric is defined as Projected Annual Recurring Revenue for contracts signed in the prior 12 months, less the annualized impact of any client losses, contractual volume and price changes, and other known impacts for which the Company was notified in that same time period, which could positively or negatively impact results. The metric annualizes the net impact to revenue. Timing of revenue impact varies and may not be realized within the forward 12-month timeframe. The metric is for indicative purposes only. This metric excludes COVID-related volume impacts and non-recurring revenue signings. This metric is not indicative of any specific 12-month timeframe.

The Net ARR activity metric for the trailing twelve months for each of the prior five quarters was as follows:

(in millions)	Net ARR Activity metric
March 31, 2022	\$ 102
December 31, 2021	128
September 30, 2021	132
June 30, 2021	106
March 31, 2021	87

[Capital Resources and Liquidity](#)

As of March 31, 2022 and December 31, 2021, total cash and cash equivalents were \$588 million and \$415 million, respectively. We also have a \$550 million revolving line of credit for our various cash needs, of which \$10 million was used for letters of credit. In the first quarter of 2022, we repaid \$100 million that was outstanding as of December 31, 2021 under our revolving line of credit. The net amount available to be drawn upon under our revolving line of credit as of March 31, 2022, was \$540 million.

As of March 31, 2022, our total debt outstanding was \$1.3 billion of which \$30 million was due within one year. Refer to Note 7 – 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 our 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)	Three Months Ended March 31,		Better (Worse)
	2022	2021	
Net cash provided by (used in) operating activities	\$ 11	\$ (2)	\$ 13
Net cash provided by (used in) investing activities	\$ 273	\$ (29)	\$ 302
Net cash provided by (used in) financing activities	\$ (110)	\$ (25)	\$ (85)

Operating activities

The net improvement in cash used in operating activities of \$13 million, compared to the prior year period, was primarily related to the \$38 million of insurance recoveries related to the previously disclosed State of Texas matter, partially offset by lower Adjusted EBITDA and higher cash taxes.

Investing activities

The increase in cash provided by investing activities of \$302 million was primarily due to the proceeds from the divestiture of the Midas business, partially offset by 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 repayment of the \$100 million borrowed under the revolver partially offset by lower Term loan principal payments.

Material Cash Requirements from Contractual Obligations

The Company believes its balances of cash and cash equivalents, which totaled \$588 million as of March 31, 2022, along with cash generated by operations and amounts available for borrowing under its 2021 Revolving Credit Facility, will be sufficient to satisfy its cash requirements over the next 12 months and beyond.

At March 31, 2022, the Company's material cash requirements include debt, leases and estimated purchase commitments. See Part II, Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operation of our Annual Report on Form 10-K for the year ended December 31, 2021 for additional information on our material cash requirements.

Critical Accounting Estimates and Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires us to make estimates and assumptions in certain circumstances that affect amounts reported in the accompanying Condensed Consolidated Financial Statements and notes thereto. There have been no significant changes during the three months ended March 31, 2022 to our critical accounting estimates and policies from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2021.

Recent Accounting Changes

See Note 2 – Recent Accounting Pronouncements for information on accounting standards adopted during the current year, as well as recently issued accounting standards not yet required to be adopted and the expected impact of the adoption of these accounting standards.

ITEM 3 — QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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 8 – Financial Instruments in the Condensed Consolidated Financial Statements for additional discussion on our financial risk management.

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, 2021.

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 March 31, 2022, 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 12 – 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, 2021. 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, 2021.

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

(a) Sales of Unregistered Securities during the Quarter ended March 31, 2022

During the quarter ended March 31, 2022, 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 March 31, 2022

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 Registrant's Current Report on Form 8-K dated December 23, 2016.
10.6(a)(ix)	Form of Restricted Stock Unit Award Agreement 2022 under the 2021 PIP.
10.6(a)(x)	Form of Performance Restricted Stock Unit Award Agreement 2022 under the 2021 PIP.
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: May 3, 2022

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 December 31, 2022, December 31, 2023 and December 31, 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 the 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 December 31, 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 the Employee within two years of the occurrence of any of the following circumstances, provided that (1) such circumstance occurs without the Employee’s express written consent after a Change in Control, and (2) the 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 the 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 the 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 the Employee’s annual base salary and/or annual target bonus, (2) a failure by the Company to increase the 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 the Employee’s base salary for the three merit pay periods immediately preceding such Change in Control, or (3) the failure to increase the 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 the Employee to be based anywhere other than in the metropolitan area in which the Employee was based immediately before the Change in Control (except for required travel on the Company’s business to an extent substantially consistent with the Employee’s present business travel obligations), provided that such required relocation constitutes a material change in the geographic location at which the 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 the 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 the 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 the 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 the Employee of his or her employment shall not fail to be a Termination for Good Reason merely because of the Employee's incapacity due to physical or mental illness, or because the 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 the Employee shall not mean the Company's reasonable accommodation or modification of the Employee's authority, duties, or responsibilities because of the 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 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 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 December 31, 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 January 1, 2022 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, and subject to company procedures, 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(c) 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 the Employee's employment relationship at any time; further, the RSU award and the 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, and 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: April 1, 2022

EXHIBIT A

Non-Competition and Non-Solicitation Agreement

This Non-Competition and Non-Solicitation Agreement ("Agreement") is made effective as of April 1, 2022 ("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 such 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 does not obligate Conduent 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 reasonable attorneys' fees and costs 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 9) 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 11); 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.

	Each tranche vests after <i>both</i> conditions are satisfied			
	Portion of PRSUs	Share Price Condition		Service Condition
First Vesting Tranche	1/3	15%	<i>and</i>	December 31, 2022
Second Vesting Tranche	1/3	30%	<i>and</i>	December 31, 2023
Third Vesting Tranche	1/3	50%	<i>and</i>	December 31, 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 9 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 9) 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 9) as provided under Section 3. Payments under this Section shall be net of any required withholding taxes.

5. **Relative TSR Modifier.** After each Service Vesting Date, the number of shares of Common Stock deliverable with respect to such related Vesting Tranche shall be adjusted based on a relative total shareholder return modifier (the "**Relative TSR Modifier**"), which shall be based on the Company's total shareholder return ("**TSR**") relative to the peer group identified on the Company's 2022 Definitive Proxy Statement (the "**Proxy Peer Group**"), during the Relative TSR Modifier performance period applicable to each Vesting Tranche. The Relative TSR Modifier shall increase or decrease the number of deliverable shares as set forth in the table below:

Company TSR Relative to Proxy Peer Group	Relative TSR Modifier
75th Percentile or Above	105%
Median	100%
25th Percentile or Below	95%

Linear interpolation will be used for results between points set forth above.

The Relative TSR Modifier applicable to each Vesting Tranche shall be measured during the performance periods set forth in the table below:

	Relative TSR Modifier Performance Period
First Vesting Tranche	April 1, 2022 to December 31, 2022
Second Vesting Tranche	April 1, 2022 to December 31, 2023
Third Vesting Tranche	April 1, 2022 to December 31, 2024

With respect to each Relative TSR Modifier performance period, the TSR for the Company and each of the companies in the Proxy Peer Group shall be calculated as to each company as follows: (i) the Ending Stock Price, minus the Beginning Stock Price, plus the Reinvested Dividends, divided by (ii) the Beginning Stock Price.

For purposes of the preceding sentence, the following terms shall have the meanings set forth below:

“Beginning Stock Price” shall mean the average closing price per share of common stock during the consecutive 20-trading day period immediately preceding the first day of the Relative TSR Modifier performance period.

“Ending Stock Price” shall mean the average closing price per share of common stock during the consecutive 20-trading day period ending on the last day of the Relative TSR Modifier performance period.

“Reinvested Dividends” shall mean the dividends paid to common stock owners from the profits of the company as of the trading date on (and after) which the dividend is not owed to new buyers of the company’s stock.

The Committee, in its sole discretion, reserves the right to modify the companies included in the Proxy Peer Group during each Relative TSR Modifier performance period based on the occurrence of certain corporate transactions and events, including, but not limited to, merger and acquisitions, bankruptcies, and corporate spin-offs.

OTHER TERMS

6. 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.

7. 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.

8. 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 8 and Section 7(d)(ii) of the Plan shall be void.

9. Effect of Termination of Employment or Death.

(a) Effect on PRSUs. In the event of the Employee's termination of employment prior to December 31, 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 December 31, 2022	All	Forfeited
Between December 31, 2022 and December 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 December 31, 2023
	Second Vesting Tranche	Pro-Rata Amount (defined below) if Vesting Date is on December 31, 2023
	Third Vesting Tranche	Forfeited
Between December 30, 2023 and December 31, 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 December 31, 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 December 31, 2024
	Third Vesting Tranche	Pro-Rata Amount (defined below) if Vesting Date is on December 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 the Employee within two years of the occurrence of any of the following circumstances, provided that (1) such circumstance occurs without the Employee's express written consent after a Change in Control, and (2) the 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 the 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 the 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 the Employee's annual base salary and/or annual target bonus, (2) a failure by the Company to increase the 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 the Employee's base salary for the three merit pay periods immediately preceding such Change in Control, or (3) the failure to increase the 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 the Employee to be based anywhere other than in the metropolitan area in which the Employee was based immediately before the Change in Control (except for required travel on the Company's business to an extent substantially consistent with the Employee's present business travel obligations), provided that such required relocation constitutes a material change in the geographic location at which the 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 the 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 the 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 the 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 the Employee of his or her employment shall not fail to be a Termination for Good Reason merely because of the Employee's incapacity due to physical or mental illness, or because the 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 the Employee shall not mean the Company's reasonable accommodation or modification of the Employee's authority, duties, or responsibilities because of the 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 9(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 9(a)(ii) above; provided, however, that in the event such Termination Date occurs prior to December 31, 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 December 31, 2023, prorated based on a fraction, the numerator of which is the number of full months elapsed since January 1, 2022 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.

10. 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.

11. 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, and subject to company procedures, 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.

12. 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 the Employee's employment relationship at any time; further, the PRSU award and the 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.

13. 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.

14. 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.

15. 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**").

16. 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.

17. Cancellation and Rescission of Award. Without limiting the foregoing Section 16, 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 17 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.

18. 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.

19. 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.

20. 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.

21. 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.

22. 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.

23. 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, and agree that such litigation shall be conducted in the state or federal courts located in Delaware.

24. 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 9 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.

25. 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.

26. 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.

27. 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.

28. 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: April, 1, 2022

EXHIBIT A

Non-Competition and Non-Solicitation Agreement

This Non-Competition and Non-Solicitation Agreement ("Agreement") is made effective as of April 1, 2022 ("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 such 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 does not obligate Conduent 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 reasonable attorneys' fees and costs 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.

May 3, 2022

/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.

May 3, 2022

/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 March 31, 2022, 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

May 3, 2022

/s/ STEPHEN WOOD

Stephen Wood
Chief Financial Officer

May 3, 2022

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.