

**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, 2023**

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, 2023</u>
Common Stock, \$0.01 par value	218,443,105

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"). These forward-looking statements and other information are based on our beliefs as well as assumptions made by us using information currently available. The words "anticipate," "believe," "estimate," "expect," "plan," "intend," "will," "aim," "should," "could," "forecast," "target," "may," "continue to," "endeavor," "if," "growing," "projected," "potential," "likely," "see," "ahead," "further," "going forward," "on the horizon," 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. 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.

Important factors and uncertainties that could cause our actual results to differ materially from those in our forward-looking statements include, but are not limited to: 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; risk and impact of geopolitical events and increasing geopolitical tensions (such as the war in Ukraine), macroeconomic conditions, natural disasters and other factors (such as pandemics, including coronavirus) in a particular country or region on our workforce, customers and vendors; conditions abroad, including local economics, political environments, fluctuating foreign currencies and shifting regulatory schemes; relying on third party providers; our ability to deliver on our contractual obligations properly and on time; changes in interest in outsourced business process services; 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; 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 continuing effects of the COVID-19 pandemic on our business, operations, financial results and financial condition, which is dependent on developments which are uncertain and cannot be predicted; 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; 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; changes in tax and other laws and regulations; risk and impact of potential goodwill and other asset impairments; our significant indebtedness and the terms of such indebtedness; our failure to obtain or maintain a satisfactory credit rating and financial performance; our ability to receive dividends or other payments from our subsidiaries; 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; increases in the cost of voice and data services or significant interruptions in such services; 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; economic factors such as inflation, the level of economic activity and labor market conditions, as well as rising interest rates; 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 2022 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, 2023

TABLE OF CONTENTS

	<u>Page</u>
Part I — Financial Information	
Item 1. Financial Statements (Unaudited)	3
Condensed Consolidated Statements of Income (Loss)	3
Condensed Consolidated Statements of Comprehensive Income (Loss)	4
Condensed Consolidated Balance Sheets	5
Condensed Consolidated Statements of Cash Flows	6
Condensed Consolidated Statements of Shareholders' Equity	7
Notes to the Condensed Consolidated Financial Statements	8
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	21
Item 3. Quantitative and Qualitative Disclosures About Market Risk	29
Item 4. Controls and Procedures	29
Part II — Other Information	
Item 1. Legal Proceedings	29
Item 1A. Risk Factors	29
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	30
Item 6. Exhibits	30
Signatures	31

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,	
	2023	2022
Revenue	\$ 922	\$ 967
Operating Costs and Expenses		
Cost of services (excluding depreciation and amortization)	720	755
Selling, general and administrative (excluding depreciation and amortization)	111	102
Research and development (excluding depreciation and amortization)	2	1
Depreciation and amortization	61	61
Restructuring and related costs	29	9
Interest expense	27	19
(Gain) loss on divestitures and transaction costs, net	2	(163)
Litigation settlements (recoveries), net	(21)	(28)
Other (income) expenses, net	(1)	1
Total Operating Costs and Expenses	930	757
Income (Loss) Before Income Taxes	(8)	210
Income tax expense (benefit)	(2)	74
Net Income (Loss)	\$ (6)	\$ 136
Net Income (Loss) per Share:		
Basic	\$ (0.04)	\$ 0.62
Diluted	\$ (0.04)	\$ 0.61

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,	
	2023	2022
Net Income (Loss)	\$ (6)	\$ 136
Other Comprehensive Income (Loss), Net⁽¹⁾		
Currency translation adjustments, net	17	(5)
Unrecognized gains (losses), net	1	(1)
Other Comprehensive Income (Loss), Net	<u>18</u>	<u>(6)</u>
Comprehensive Income (Loss), Net	<u>\$ 12</u>	<u>\$ 130</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.

[Table of Contents](#)

CONDUENT INCORPORATED CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(in millions, except share data in thousands)

	March 31, 2023	December 31, 2022
Assets		
Cash and cash equivalents	\$ 526	\$ 582
Accounts receivable, net	590	630
Contract assets	163	171
Other current assets	277	242
Total current assets	1,556	1,625
Land, buildings and equipment, net	259	266
Operating lease right-of-use assets	192	197
Intangible assets, net	37	39
Goodwill	965	955
Other long-term assets	494	489
Total Assets	\$ 3,503	\$ 3,571
Liabilities and Equity		
Current portion of long-term debt	\$ 38	\$ 35
Accounts payable	176	228
Accrued compensation and benefits costs	174	197
Unearned income	79	81
Other current liabilities	375	382
Total current liabilities	842	923
Long-term debt	1,277	1,277
Deferred taxes	85	83
Operating lease liabilities	158	160
Other long-term liabilities	70	69
Total Liabilities	2,432	2,512
Contingencies (See Note 12)		
Series A convertible preferred stock	142	142
Common stock	2	2
Additional paid-in capital	3,926	3,924
Retained earnings (deficit)	(2,551)	(2,543)
Accumulated other comprehensive loss	(448)	(466)
Total Equity	929	917
Total Liabilities and Equity	\$ 3,503	\$ 3,571
Shares of common stock issued and outstanding	218,443	218,348
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.

CNDT Q1 2023 Form 10-Q

CONDUENT INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in millions)	Three Months Ended March 31,	
	2023	2022
Cash Flows from Operating Activities:		
Net income (loss)	\$ (6)	\$ 136
Adjustments required to reconcile net income (loss) to cash flows from operating activities:		
Depreciation and amortization	61	61
Contract inducement amortization	1	—
Deferred income taxes	(8)	31
Amortization of debt financing costs	1	1
(Gain) loss on divestitures and sales of fixed assets, net	—	(164)
Stock-based compensation	2	2
Changes in operating assets and liabilities:		
Accounts receivable	42	27
Other current and long-term assets	(33)	(69)
Accounts payable and accrued compensation and benefits costs	(65)	(33)
Other current and long-term liabilities	(9)	(17)
Net change in income tax assets and liabilities	2	36
Net cash provided by (used in) operating activities	(12)	11
Cash Flows from Investing Activities:		
Cost of additions to land, buildings and equipment	(11)	(34)
Cost of additions to internal use software	(11)	(16)
Proceeds from divestitures	—	323
Net cash provided by (used in) investing activities	(22)	273
Cash Flows from Financing Activities:		
Payments on revolving credit facility	—	(100)
Payments on debt	(10)	(8)
Taxes paid for settlement of stock-based compensation	(7)	—
Dividends paid on preferred stock	(2)	(2)
Net cash provided by (used in) financing activities	(19)	(110)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	2	(1)
Increase (decrease) in cash, cash equivalents and restricted cash	(51)	173
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	598	420
Cash, Cash Equivalents and Restricted Cash at End of period⁽¹⁾	\$ 547	\$ 593

(1) Includes \$21 million and \$5 million of restricted cash as of March 31, 2023 and 2022, 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, 2023				
(in millions)	Common Stock	Additional Paid-in Capital	Retained Earnings (Deficit)	AOCL ⁽¹⁾	Shareholders' Equity
Balance at December 31, 2022	\$ 2	\$ 3,924	\$ (2,543)	\$ (466)	\$ 917
Dividends - preferred stock, \$20/share	—	—	(2)	—	(2)
Stock incentive plans, net	—	2	—	—	2
Comprehensive Income (Loss):					
Net Income (Loss)	—	—	(6)	—	(6)
Other comprehensive income (loss), net	—	—	—	18	18
Total Comprehensive Income (Loss), Net	—	—	(6)	18	12
Balance at March 31, 2023	\$ 2	\$ 3,926	\$ (2,551)	\$ (448)	\$ 929

	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

(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

Conduent Incorporated is a New York corporation, organized in 2016. As a global technology-led business process solutions company, Conduent delivers digital business solutions and services spanning the commercial, government and transportation spectrum – creating exceptional outcomes for its clients and the millions of people who count on them. Through a dedicated global team of associates, process expertise, and advanced technologies, Conduent’s solutions and services digitally transform its clients’ operations to enhance customer experiences, improve performance, increase efficiencies and reduce costs.

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, 2022. 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, 2022.

In the first quarter of 2023, the Company identified an error and recorded an out-of-period adjustment to correct the recognition of revenue on a Government segment contract that originated in 2020 and impacted all quarterly periods through December 31, 2022. This adjustment resulted in a reduction to revenue and income (loss) before income taxes of \$7 million and a corresponding decrease to accounts receivable of \$1 million and an increase to other current liabilities of \$6 million in the first quarter of 2023. The Company evaluated the impact of the out-of-period adjustment and concluded it was not material to any previously issued interim or annual consolidated financial statements and the adjustment is not expected to be material to the year ending December 31, 2023.

The Company has evaluated subsequent events through May 3, 2023, 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.

As of March 31, 2023, the effects of global macroeconomic and geopolitical uncertainty on the Company’s business, results of operations and financial condition continue to evolve. As a result, many of the Company’s estimates and assumptions continue to require increased judgment and carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, the Company’s estimates may change materially in the future.

Note 2 – Recent Accounting Pronouncements

The Company's significant accounting policies are described in Note 1 – Basis of Presentation and Summary of Significant Accounting Policies in the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

New Accounting Standards Adopted

The Company has not adopted any new accounting standards in 2023 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

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,	
	2023	2022
Commercial:		
Customer experience management	\$ 177	\$ 161
Business operations solutions	135	151
Healthcare claims and administration solutions	90	90
Human capital solutions	106	110
Total Commercial	508	512
Government:		
Government healthcare solutions	143	145
Government services solutions	121	141
Total Government	264	286
Transportation:		
Road usage charging & management solutions	75	76
Transit solutions	40	49
Curbside management solutions	19	19
Public safety solutions	14	16
Commercial vehicles	2	2
Total Transportation	150	162
Divestitures	—	7
Total Consolidated Revenue	\$ 922	\$ 967
Timing of Revenue Recognition:		
Point in time	\$ 27	\$ 19
Over time	895	948
Total Revenue	\$ 922	\$ 967

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.

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

(in millions)	March 31, 2023	December 31, 2022
Contract Assets (Unearned Income)		
Current contract assets	\$ 163	\$ 171
Long-term contract assets ⁽¹⁾	14	12
Current unearned income	(79)	(81)
Long-term unearned income ⁽²⁾	(40)	(42)
Net Contract Assets	\$ 58	\$ 60
Accounts receivable, net	\$ 590	\$ 630

(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 \$29 million were recognized during the three months ended March 31, 2023 related to the Company's unearned income at December 31, 2022. 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.

The Company had no material asset impairment charges related to contract assets for the three months ended March 31, 2023 or 2022.

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, 2023 was approximately \$1.1 billion. The Company expects to recognize approximately 75% 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.

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

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: The Government 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. The solutions in this segment help governments respond to changing rules for eligibility and increasing citizen expectations.

[Table of Contents](#)

Transportation: The Transportation segment provides systems, support, and revenue-generating solutions, to government transportation agency clients. The Company delivers mission-critical public safety, mobility and digital payment solutions that streamline operations, have a positive impact on the environment and increase revenue and reduce congestion while creating safe, 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.

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	Transportation	Divestitures	Unallocated Costs	Total
2023						
Revenue	\$ 508	\$ 264	\$ 150	\$ —	\$ —	\$ 922
Segment profit (loss)	\$ 35	\$ 73	\$ (8)	\$ —	\$ (70)	\$ 30
2022						
Revenue	\$ 512	\$ 286	\$ 162	\$ 7	\$ —	\$ 967
Segment profit (loss)	\$ 28	\$ 75	\$ 8	\$ 2	\$ (59)	\$ 54

(in millions)	Three Months Ended March 31,	
	2023	2022
Segment Profit (Loss) Reconciliation to Pre-tax Income (Loss)		
Income (Loss) Before Income Taxes	\$ (8)	\$ 210
Reconciling items:		
Amortization of acquired intangible assets	2	6
Restructuring and related costs	29	9
Interest expense	27	19
(Gain) loss on divestitures and transaction costs, net	2	(163)
Litigation settlements (recoveries), net	(21)	(28)
Other (income) expenses, net	(1)	1
Segment Profit (Loss)	\$ 30	\$ 54

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

Note 5 – Divestiture

On February 8, 2022, the Company completed the sale of its Midas business to Symplr Software, Inc. The Company received \$322 million of cash consideration for this divestiture (\$321 million in the first quarter of 2022 and \$1 million in the second quarter of 2022). The divestiture generated a pre-tax gain of \$166 million (\$165 million in the first quarter of 2022 and \$1 million in the second quarter of 2022), which is included in (Gain) loss on divestitures and transaction costs, net. The Company recorded approximately \$62 million of income taxes in connection with the divestiture. The revenue generated by this business was \$7 million for the three months ended March 31, 2022.

Note 6 – Restructuring Programs and Related Costs

The Company engages in a series of restructuring programs related to exiting certain activities, downsizing its employee base, 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 (ROU) 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 \$2 million and \$4 million for the three months ended March 31, 2023 and 2022, 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 the Company's real estate footprint include impairment of operating lease ROU assets and associated leasehold improvements.

A summary of the Company's restructuring program activity during the three months ended March 31, 2023 and 2022 is as follows:

<i>(in millions)</i>	Severance and Related Costs	Termination and Other Costs	Asset Impairments	Total
Accrued Balance at December 31, 2022	\$ 10	\$ —	\$ —	\$ 10
Provision	20	7	2	29
Changes in estimates	—	—	—	—
Total Net Current Period Charges ⁽¹⁾	20	7	2	29
Charges against reserve and currency	(8)	(3)	(2)	(13)
Accrued Balance at March 31, 2023	<u>\$ 22</u>	<u>\$ 4</u>	<u>\$ —</u>	<u>\$ 26</u>
<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>

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

In addition, during the three months ended March 31, 2023, the Company also incurred \$4 million of professional support costs associated with bringing certain technology functions in-house.

[Table of Contents](#)

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,	
	2023	2022
Commercial	\$ 20	\$ —
Government	—	—
Transportation	—	—
Divestitures	—	—
Unallocated Costs ⁽¹⁾	9	8
Total Net Restructuring Charges	\$ 29	\$ 8

(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, 2023	December 31, 2022
Term loan A due 2026	\$ 249	\$ 252
Term loan B due 2028	509	510
Senior notes due 2029	520	520
Revolving credit facility maturing 2026	—	—
Finance lease obligations	28	20
Other	31	33
Principal debt balance	1,337	1,335
Debt issuance costs and unamortized discounts	(22)	(23)
Less: current maturities	(38)	(35)
Total Long-term Debt	\$ 1,277	\$ 1,277

As of March 31, 2023, the Company had no outstanding borrowings under its Revolver. However, the Company utilized \$2 million of the Revolver to issue letters of credit as of March 31, 2023. The net Revolver available to be drawn upon as of March 31, 2023 was \$548 million.

At March 31, 2023, 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, 2023 and December 31, 2022, the Company had outstanding forward exchange contracts with gross notional values of \$99 million and \$104 million, respectively. At March 31, 2023, approximately 59% of these contracts mature within three months, 17% in three to six months, 18% in six to twelve months and 6% 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, 2023		December 31, 2022	
Assets:				
Foreign exchange contract - forward	\$	1	\$	—
Total Assets	\$	1	\$	—
Liabilities:				
Foreign exchange contracts - forward	\$	—	\$	1
Total Liabilities	\$	—	\$	1

Summary of Other Financial Assets and Liabilities

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

(in millions)	March 31, 2023		December 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Liabilities:				
Long-term debt	\$ 1,277	\$ 1,162	\$ 1,277	\$ 1,155

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., India and the Philippines. 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 \$3 million and \$5 million for the three months ended March 31, 2023 and 2022, 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, 2022	\$ (472)	\$ 1	\$ 5	\$ (466)
Other comprehensive income (loss)	17	1	—	18
Balance at March 31, 2023	<u>\$ (455)</u>	<u>\$ 2</u>	<u>\$ 5</u>	<u>\$ (448)</u>

(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>

(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, 2023. 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, 2023, 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 the Company's financial guidance and business and operations was filed against the Company, its former Chief Executive Officer, and its former Chief Financial Officer in the United States District Court for the District of New Jersey (the Court). The complaint seeks certification of a class of all persons who purchased or otherwise acquired the Company's securities from February 21, 2018 through November 6, 2018, and also seeks unspecified monetary damages, costs, and attorneys' fees. The Company 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. Upon the substantial completion of document discovery, the parties agreed to engage in mediation, and the Court administratively terminated the litigation to permit those efforts to proceed. Without any admission of liability or damages, in the third quarter of 2022, the parties settled this matter following that mediation, and filed the necessary documentation for preliminary approval by the court, class notice, and the claims administration process. The Court granted preliminary approval of the settlement terms and related documentation on January 27, 2023, with a final Settlement Hearing scheduled for May 24, 2023. The Court's order notes that it "will likely be able to approve the proposed Settlement as fair, reasonable and adequate under Federal Rule of Civil Procedure 23(e)(2)." As a result, during the fourth quarter of 2022, the Company reversed the reserve pertaining to this matter. The Company maintains insurance that covers the costs arising out of this litigation and resulting settlement having met the deductible and other terms and conditions thereof.

Skyview Capital LLC and Continuum Global Solutions, LLC v. Conduent Business Services, LLC: On February 3, 2020, plaintiffs Skyview LLC (Skyview) 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 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. This matter has been proceeding through fact and expert discovery. Conduent denies all of the plaintiffs' allegations, believes that it has strong defenses to all of plaintiffs' claims and will continue 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.

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. The parties participated in a mediation in late February 2023, and this matter settled, following negotiations that continued thereafter. The parties executed the Settlement Agreement and Mutual Release on March 30, 2023, with no admission of liability or wrongdoing by either party. In April 2023, each side made reciprocal payments of \$6 million to the other, with Conduent's payment made toward the termination fee payable under the applicable service delivery contract. As a result of the settlement, during the first quarter of 2023, the Company adjusted the balance sheet amounts recorded pertaining to this matter. As such, the Company recognized a \$17 million benefit in Cost of services (excluding depreciation and amortization) and a \$26 million benefit in Litigation settlements (recoveries), net.

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, in the three months ended March 31, 2022, 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.

Since 2014, Conduent Education Services, LLC, formerly Xerox Education Services LLC (CES), has cooperated with several federal and state agencies regarding a variety of matters, including CES' 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 CES serviced third-party student loans, or another party will not ultimately commence a legal action against CES in which fines, penalties or other liabilities are sought from CES. 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 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, 2023, the Company had \$631 million of outstanding surety bonds issued to secure its performance of contractual obligations with its clients and \$91 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,	
	2023	2022
Basic Net Earnings (Loss) per Share:		
Net Income (Loss)	\$ (6)	\$ 136
Dividend - Preferred Stock	(2)	(2)
Adjusted Net Income (Loss) Available to Common Shareholders - Basic	\$ (8)	\$ 134
Diluted Net Earnings (Loss) per Share:		
Net Income (Loss)	\$ (6)	\$ 136
Dividend - Preferred Stock	(2)	—
Adjusted Net Income (Loss) Available to Common Shareholders - Diluted	\$ (8)	\$ 136
Weighted Average Common Shares Outstanding - Basic	218,410	215,503
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	218,410	223,890
Net Earnings (Loss) per Share:		
Basic	\$ (0.04)	\$ 0.62
Diluted	\$ (0.04)	\$ 0.61
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	5,574	2,698
Convertible preferred stock	5,393	—
Total Anti-Dilutive and Contingently Issuable Securities	10,967	2,698

Note 15 – Supplementary Financial Information

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

(in millions)	March 31, 2023	December 31, 2022
Other Current Assets		
Prepaid expenses	\$ 101	\$ 88
Income taxes receivable	40	41
Value-added tax (VAT) receivable	11	10
Restricted cash	21	16
Current portion of capitalized cloud computing implementation costs, net	4	5
Other	100	82
Total Other Current Assets	\$ 277	\$ 242
Other Current Liabilities		
Accrued liabilities	\$ 190	\$ 211
Litigation related accruals	21	37
Current operating lease liabilities	55	57
Restructuring liabilities	26	10
Income tax payable	2	2
Other taxes payable	15	16
Accrued interest	14	6
Other	52	43
Total Other Current Liabilities	\$ 375	\$ 382
Other Long-term Assets		
Internal use software, net	\$ 188	\$ 189
Deferred contract costs, net	80	82
Product software, net	104	110
Cloud computing implementation costs, net	3	4
Deferred tax assets	30	20
Other	89	84
Total Other Long-term Assets	\$ 494	\$ 489
Other Long-term Liabilities		
Income tax liabilities	8	7
Unearned income	40	42
Other	22	20
Total Other Long-term Liabilities	\$ 70	\$ 69

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).

[Table of Contents](#)

Transactions with related parties were as follows:

_(in millions)	Three Months Ended March 31,			
	2023		2022	
Revenue from related parties	\$	2	\$	3
Purchases from related parties	\$	6	\$	5

The Company's receivable and payable balances with related party entities were not material as of March 31, 2023 and December 31, 2022.

[CNDT Q1 2023 Form 10-Q](#)

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](#)

As a global technology-led business process solutions company, we deliver digital business solutions and services spanning the commercial, government and transportation spectrum – creating exceptional outcomes for our clients and the millions of people who count on them. Through a dedicated global team of associates, process expertise, and advanced technologies, our solutions and services digitally transform our clients’ operations to enhance customer experiences, improve performance, increase efficiencies and reduce costs. We add momentum to our clients’ missions in many ways including delivering 43 percent of nutrition assistance payments in the U.S., enabling 1.3 billion customer service interactions annually, empowering millions of employees through HR services every year and processing nearly 12 million tolling transactions every day.

Headquartered in Florham Park, New Jersey, we have a team of approximately 59,000 associates as of March 31, 2023, servicing customers from service centers in 25 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** – Our Government 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

During the first quarter of 2023, we held an investor briefing to communicate the next chapter in the Conduent journey. Our intense emphasis on growth, quality, and efficiency, beginning in the first quarter of 2020 resulted in a strengthened foundation and we remain focused on accelerating growth and enhancing value for our stakeholders. We intend to achieve this by doubling down on key themes outlined in the briefing, as well as through a process of portfolio rationalization, divesting certain solutions which have either scarcity value outside of Conduent or are capital intensive relative to their growth opportunity, enabling management bandwidth and capital investments to be focused on solutions where we believe we have competitive advantages or higher growth expectations.

This renewed portfolio focus will result in a more nimble and faster growing Conduent with modest levels of net leverage, enhanced valuation, and significant excess capital to be deployed over time.

Macroeconomic and Geopolitical Uncertainty

Given the nature of our business and our global operations, the effects of global macroeconomic and geopolitical uncertainty could have a materially adverse effect on our business, results of operations and financial condition.

Financial Information and Analysis of Results of Operations

(\$ in millions)	Three Months Ended March 31,		2023 vs. 2022	
	2023	2022	\$ Change	% Change
Revenue	\$ 922	\$ 967	\$ (45)	(5)%
Operating Costs and Expenses				
Cost of services (excluding depreciation and amortization)	720	755	(35)	(5)%
Selling, general and administrative (excluding depreciation and amortization)	111	102	9	9 %
Research and development (excluding depreciation and amortization)	2	1	1	100 %
Depreciation and amortization	61	61	—	— %
Restructuring and related costs	29	9	20	222 %
Interest expense	27	19	8	42 %
(Gain) loss on divestitures and transaction costs, net	2	(163)	165	n/m
Litigation settlements (recoveries), net	(21)	(28)	7	(25)%
Other (income) expenses, net	(1)	1	(2)	n/m
Total Operating Costs and Expenses	930	757	173	
Income (Loss) Before Income Taxes	(8)	210	(218)	
Income tax expense (benefit)	(2)	74	(76)	
Net Income (Loss)	\$ (6)	\$ 136	\$ (142)	

Revenue

Revenue for the three months ended March 31, 2023 decreased, compared to the prior year period, primarily due to non-repeating federal stimulus revenue, lost business in our Government and Commercial segments, extended completion timelines to meet client requirements in the Transit solutions division of our Transportation segment and the impact of an out of period adjustment in our Government segment further described below, partially offset by higher interest rates positively impacting our Benefit Wallet business and new business ramp.

In the first quarter of 2023, the Company identified an error and recorded an out-of-period adjustment to correct the recognition of revenue on a Government segment contract that originated in 2020 and impacted all quarterly periods through December 31, 2022. This adjustment resulted in a reduction to revenue and income (loss) before income taxes of \$7 million.

Cost of Services (excluding depreciation and amortization)

Cost of services for the three months ended March 31, 2023 decreased, compared to the prior year periods, primarily driven by the impact of reduced revenue and a \$17 million reversal of liabilities due to the settlement of the Cognizant matter described in Note 12 – Contingencies and Litigation to the Condensed Consolidated Financial Statements.

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

SG&A for the three months ended March 31, 2023 increased, compared to the prior year period, driven by the absence of 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 that occurred in 2022.

Depreciation and Amortization

Depreciation and amortization for the three months ended March 31, 2023 was unchanged from the prior year. This reflects new depreciation from recent capital expenditures being offset by run-off of depreciation on older assets.

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. In addition, during the three months ended March 31, 2023, the Company also incurred \$4 million of professional support costs associated with bringing certain technology functions in-house. The following are the components of our Restructuring and related costs:

(in millions)	Three Months Ended March 31,	
	2023	2022
Severance and related costs	\$ 20	\$ —
Data center consolidation costs	2	4
Termination, insourcing and asset impairment costs	7	4
Total net current period charges	29	8
Consulting and other costs ⁽¹⁾	—	1
Restructuring and related costs	\$ 29	\$ 9

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

The severance and related costs included costs related to the closure of one of our Commercial segment operations in Europe.

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. The increase in Interest expense for the three months ended March 31, 2023, compared to the prior year periods, was driven by higher interest rates on our 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 \$166 million (\$165 million in the first quarter of 2022 and \$1 million in the second quarter of 2022). 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 for both years.

Litigation Settlements (Recoveries), Net

Litigation settlements (recoveries), net for the three months ended March 31, 2023 primarily consist of a \$26 million reversal of reserves due to the settlement of the Cognizant matter.

Litigation settlements (recoveries), net for the three months ended March 31, 2022 primarily consist of \$24 million of insurance recoveries recorded in the first quarter of 2022 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, 2023 was 20.8%, compared to 35.2% for the three months ended March 31, 2022. The March 31, 2023 rate approximates the U.S. statutory rate of 21%.

The effective tax rate for the three months ended March 31, 2022 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.

Excluding the impact of restructuring costs, litigation reserve releases, valuation allowance and certain discrete tax items, the normalized effective tax rate for the three months ended March 31, 2023 was 35.0%. The normalized effective tax rate for the three months ended March 31, 2022 was 29.6%, predominantly due to 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, 2023 was higher than the three months ended March 31, 2022 due to the geographic mix of income.

Operations Review of Segment Revenue and Profit

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

- Commercial;
- Government; 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.

[Table of Contents](#)

Results of financial performance by segment were:

(in millions)	Three Months Ended March 31,						Total
	Commercial	Government	Transportation	Divestitures	Unallocated Costs		
2023							
Revenue	\$ 508	\$ 264	\$ 150	\$ —	\$ —	\$ 922	
Segment profit (loss)	\$ 35	\$ 73	\$ (8)	\$ —	\$ (70)	\$ 30	
Segment depreciation and amortization	\$ 30	\$ 10	\$ 11	\$ —	\$ 9	\$ 60	
Adjusted EBITDA	\$ 65	\$ 83	\$ 3	\$ —	\$ (61)	\$ 90	
% of Total Revenue	55.1 %	28.6 %	16.3 %	— %	— %	100.0 %	
Adjusted EBITDA Margin	12.8 %	31.4 %	2.0 %	— %	— %	9.8 %	
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 %	— %	— %	11.3 %	

(in millions)	Three Months Ended March 31,	
	2023	2022
Segment Profit (Loss) Reconciliation to Pre-tax Income (Loss)		
Income (Loss) Before Income Taxes	\$ (8)	\$ 210
Reconciling items:		
Amortization of acquired intangible assets	2	6
Restructuring and related costs	29	9
Interest expense	27	19
(Gain) loss on divestitures and transaction costs	2	(163)
Litigation settlements (recoveries)	(21)	(28)
Other (income) expenses, net	(1)	1
Segment Profit (Loss)	\$ 30	\$ 54
Segment depreciation and amortization (including contract inducements)	60	55
Adjusted EBITDA	\$ 90	\$ 109

Commercial Segment

Revenue

Commercial revenue for the three months ended March 31, 2023 was lower compared to the prior year period primarily due to the final impact of the merger of two of our clients disclosed in the second quarter of 2022 resulting in lower volumes, partially offset by higher interest rates positively impacting our Benefit Wallet business.

Segment Profit and Adjusted EBITDA

Increases in the Commercial segment profit, adjusted EBITDA and adjusted EBITDA margin for the three months ended March 31, 2023, compared to the prior year period, were mainly driven by higher interest rates positively impacting our Benefit Wallet business.

Government Segment

Revenue

Government revenue for the three months ended March 31, 2023 decreased, compared to the prior year period. This decrease was primarily driven by non-repeating federal stimulus revenue, lost business from prior years and the out of period adjustment mentioned above, partially offset by the ramping of new business in Government Healthcare solutions and higher volumes in Government services solutions.

Segment Profit and Adjusted EBITDA

Government segment profit and adjusted EBITDA for the three months ended March 31, 2023 were substantially unchanged compared to the prior year period with the \$17 million reversal of reserves due to the settlement of the Cognizant matter being offset by the out of period adjustment and lower revenue. Adjusted EBITDA margin improved due to the Cognizant matter partially offset by the out of period adjustment and the non-repeating federal stimulus revenue.

Transportation Segment

Revenue

Transportation revenue for the three months ended March 31, 2023 decreased compared to the prior year period, primarily driven by extended completion timelines to meet client requirements in our Transit solutions service offering, which affected the recognition timeframe for revenue.

Segment Profit and Adjusted EBITDA

Transportation segment profit, adjusted EBITDA and adjusted EBITDA margin for the three months ended March 31, 2023 decreased primarily due to extended completion timelines to meet client requirements in our Transit solutions service offering.

Divestitures

Revenue, Segment Profit (Loss) and Adjusted EBITDA

The decline in revenue, segment profit and Adjusted EBITDA for the three months ended March 31, 2023 was due to the sale of the Midas Suite of products. The prior year included activity through the date of disposition whereas there was no activity in the current year.

Unallocated Costs

Unallocated Costs for the three months ended March 31, 2023 increased compared to the prior year period primarily due to the prior year reflecting the recovery of defense costs as part of the settlement with insurance carriers relating to the previously disclosed State of Texas matter, partially offset by 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. New business ACV is calculated as TCV divided by the contract term, in months, multiplied by 12 for an annual measure.

For the three months ended March 31, 2023, the Company signed \$125 million of new business ACV.

[Table of Contents](#)

Signing information for the three months ended March 31, 2023 and 2022 is as follows:

(\$ in millions)	Three Months Ended March 31,		2023 vs. 2022	
	2023 ⁽³⁾	2022 ⁽³⁾	\$ Change	% Change
New business ACV	\$ 125	\$ 167	\$ (42)	(25)%
New business TCV	\$ 244	\$ 464	\$ (220)	(47)%
Renewals TCV	390	936	(546)	(58)%
Total Signings	\$ 634	\$ 1,400	\$ (766)	(55)%
Annual recurring revenue signings ⁽¹⁾	\$ 61	\$ 108	\$ (47)	(44)%
Non-recurring revenue signings ⁽²⁾	\$ 67	\$ 62	\$ 5	8 %

(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, 2023 and 2022 was \$23.2 billion and \$22.0 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, 2023	\$ 108
December 31, 2022	114
September 30, 2022	70
June 30, 2022	104
March 31, 2022	102

[Capital Resources and Liquidity](#)

As of March 31, 2023 and December 31, 2022, total cash and cash equivalents were \$526 million and \$582 million, respectively. We also have a \$550 million revolving line of credit for our various cash needs, of which \$2 million was used for letters of credit. The net amount available to be drawn upon under our revolving line of credit as of March 31, 2023, was \$548 million.

As of March 31, 2023, our total debt outstanding was \$1,277 million of which \$38 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)
	2023	2022	
Net cash provided by (used in) operating activities	\$ (12)	\$ 11	\$ (23)
Net cash provided by (used in) investing activities	\$ (22)	\$ 273	(295)
Net cash provided by (used in) financing activities	\$ (19)	\$ (110)	91

Operating activities

The net decrease in cash generated from operating activities of \$23 million, compared to the prior year period, was primarily related to the absence of the \$38 million of insurance recoveries related to the previously disclosed State of Texas matter.

Investing activities

Investing cash flow decreased by \$295 million primarily due to the proceeds from the divestiture of the Midas business in the prior year, partially offset by decreased capital spending in the current year.

Financing activities

The decrease in cash used in financing activities was primarily related to the repayment of the \$100 million borrowed under the revolver in the prior year partially offset by higher taxes paid for settlement of stock-based compensation.

Sales of Accounts Receivable

We have entered into a factoring agreement in the normal course of business as part of our cash and liquidity management, to sell certain accounts receivable without recourse to a third-party financial institution. The transactions under this agreement are treated as a sale and are accounted for as a reduction in accounts receivable because the agreement transfers effective control over, and risk related to, the receivables to the buyer. Cash proceeds from this arrangement are included in cash flow from operating activities in the Consolidated Statements of Cash Flows.

The net impact from the sales of accounts receivable on net cash provided by (used in) operating activities for the three months ended March 31, 2023 and 2022 was \$(27) million and \$(8) million, respectively.

Material Cash Requirements from Contractual Obligations

The Company believes its balances of cash and cash equivalents, which totaled \$526 million as of March 31, 2023, 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, 2023, 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, 2022 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, 2023 to our critical accounting estimates and policies from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022.

[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 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, 2022.

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, 2023, 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, 2022. 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, 2022.

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

(a) Sales of Unregistered Securities during the Quarter ended March 31, 2023

During the quarter ended March 31, 2023, 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, 2023

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)(i)	Form of Restricted Stock Unit Award Agreement 2023 under the 2021 PIP.
10.6(a)(ii)	Form of Performance Stock Unit Award Agreement 2023 (Revenue Growth) under the 2021 PIP.
10.6(a)(iii)	Form of Performance Stock Unit Award Agreement 2023 (rTSR) 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, 2023

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 or other provision of services to the Company or a subsidiary or affiliate through the applicable Vesting Date. For the avoidance of doubt, the change of the Employee’s status from employee to non-employee member of the Board of Directors of the Company, consultant or contractor who continues to provide services to the Company or a subsidiary or affiliate will not be considered a termination for purposes of this Agreement. 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, 2023, December 31, 2024 and December 31, 2025 (each, a “**Vesting Date**”).

Upon the occurrence of an event constituting a Change in Control, notwithstanding anything to the contrary in Section 8 of the Plan, the RSUs outstanding on the date of such Change in Control, and

any dividend equivalents with respect thereto, shall be assumed by the successor company (or its parent company) and remain outstanding and thereafter the vesting of such RSUs, and any dividend equivalents with respect thereto, shall be subject to Employee's continued employment with or provision of services to 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 or services 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 Services or Death.
- (a) Effect on RSUs. In the event of the Employee's termination of employment or services prior to December 31, 2025, the RSUs will be treated as set forth below.
- (i) Voluntary Resignation. In the event the Employee voluntarily ceases to be an employee of or otherwise provide services to the Employer for any reason other than a Termination For Good Reason following a Change in Control or a Qualifying Retirement, 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 or services.
- (ii) Termination without Cause. Except as otherwise set forth in a Company plan or policy, in the event the Employee involuntarily ceases to be an employee of or otherwise provide services to the Employer prior to a Change in Control for any reason other than due to death, Disability, or a termination for Cause, the RSUs shall continue to remain outstanding and vest for the number of months of cash severance (regardless of when such cash severance is delivered to the Employee) the Employee would be entitled to under the Company's applicable severance plan or policy (with any RSUs and dividend

equivalents with respect thereto that would otherwise vest and be settled out during such period being settled in accordance with Section 2) (the last day of such severance period, the "**Severance Ending Date**"), and the number of RSUs scheduled to vest on the Vesting Date immediately following the Severance Ending Date, 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 Vesting Date immediately preceding the Severance Ending Date (or, in the event such termination is prior to the first Vesting Date, the number of full months elapsed since January 1, 2023) 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 continue to vest and shall be settled in accordance with Section 2 within 60 days following the Vesting Date immediately following the Severance Ending Date. Notwithstanding the foregoing, the vesting provided here 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. For the avoidance of doubt, the Employee shall not be eligible to vest in an aggregate number of RSUs that is greater than the number of unvested RSUs shown in the Award Summary.

- (iii) **Qualifying Termination Following Change in Control.** In the event the Employee involuntarily ceases to be an employee of or otherwise provide services to 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 or otherwise provide services to 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 or services 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) **Qualifying Retirement.** In the event of the Employee's Qualifying Retirement, the RSUs shall continue to vest and shall be settled on the schedule set forth in Section 2 of this Agreement; provided that the Employee (A) completes a successful transition of responsibilities (as determined by the Board of Directors of the Company) and cooperates during the remaining vesting period, (B) complies with any applicable restrictive covenants and non-disparagement provisions during the remaining vesting period, (C) reasonably cooperates with the Company and its affiliates with respect to any investigation, litigation, arbitration, or regulatory proceeding regarding events that occurred during the Employee's tenure with the Company, and (D) does not accept full time employment at a public or private company (with the exception of (1) board service, teaching, public service, or consulting, (2) employment with a family business, non-profit, startup, or other materially similar enterprise, or (3) any other employment specifically

approved by the CEO (or, if the Employee was the CEO prior to such retirement, the Board).

- (vi) Termination for Cause. In the event the Employee involuntarily ceases to be an employee of or otherwise provide services to the Employer due to termination for Cause, the RSUs shall be cancelled and forfeited on the date of such termination of employment or services, 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.

“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.

“Disability” shall include cessation of active employment or services 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.

“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.

“Qualifying Retirement” shall mean voluntary termination of Employee’s employment with or services to Employer where (i) the Employee is at least age sixty (60) and has at least five (5) years of service with the Employer or its parents or subsidiaries and (ii) such Employee’s retirement has been agreed to and approved by the Chief Executive Officer of the Company (and, if Employee is a Section 16 officer of the Company, by the Board of Directors of the Company), who shall have the sole discretion to determine the date of retirement of such Employee.

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

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

- (c) The Company's requiring Employee to be based anywhere other than in the metropolitan area in which Employee was based immediately before the Change in Control (except for required travel on the Company's business to an extent substantially consistent with Employee's present business travel obligations), provided that such required relocation constitutes a material change in the geographic location at which Employee is required to perform the services;
- (d) The failure by the Company to continue in effect any material compensation or benefit plan, vacation policy or any material perquisites in which Employee participates immediately before the Change in Control (except to the extent such plan terminates in accordance with its terms), unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan in connection with the Change in Control, or the failure by the Company to continue Employee's participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount of benefits provided and the level of Employee's participation relative to other employees, than existed at the time of the Change in Control; or
- (e) The failure of the Company to obtain a satisfactory agreement from any successor to assume responsibility to perform under this Plan.

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

- (c) Divestiture. Notwithstanding the above, the termination of Employee's employment with or services to 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 or providing services 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 or services for purposes of this Agreement and the RSUs shall vest and be paid as provided in Section 8(a)(ii) above, provided, however, that in the event such termination occurs prior to December 31, 2023, 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, 2023 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 or services.
9. General Restrictions. If at any time the Committee or its authorized delegate, as applicable, shall determine, in its discretion, that the listing, registration or qualification of any shares of Common Stock subject to this Agreement upon any securities exchange or under any state or Federal law, or the consent or approval of any government regulatory body, is necessary or desirable as a condition of, or in connection with, the awarding of the RSUs or the issue or purchase of shares of Common Stock hereunder, the certificates for shares of Common Stock may not be issued in respect of RSUs in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee or its authorized delegate, as applicable, and any delay caused thereby shall in no way affect the date of termination of the RSUs.

10. Responsibility for Taxes. The Employee acknowledges that the ultimate responsibility for the Employee's Federal, state and municipal individual income taxes, the Employee's portion of social security and other payroll taxes, and any other taxes related to the Employee's participation in the Plan and legally applicable to the Employee, is and remains his or her responsibility and may exceed the amount actually withheld by the Company or the Employer. In the event that there is withholding tax liability in connection with the vesting or settlement of RSUs, the Employee may satisfy, in whole or in part, any withholding tax liability: (a) by cash payment of an amount equal to such withholding liability; or (b) by having the Company withhold from the number of RSUs in which the Employee would be entitled to vest a number of shares of Common Stock having a fair value equal to such withholding tax liability in accordance with the Company's share withholding procedures.
11. Nature of Award. In accepting the award, the Employee acknowledges that:
- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time in a manner consistent with Section 9(e) of the Plan regarding Plan amendment and termination and, in addition, the RSUs are subject to modification and adjustment under Section 9(c) of the Plan.
 - (b) the award of the RSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted repeatedly in the past;
 - (c) all decisions with respect to future RSU awards, if any, will be at the sole discretion of the Committee or its authorized delegate, as applicable;
 - (d) the Employee's participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate Employee's employment relationship at any time; further, the RSU award and Employee's participation in the Plan will not be interpreted to form an employment contract or relationship with the Employer;
 - (e) the Employee is voluntarily participating in the Plan;
 - (f) the RSUs and the shares of Common Stock subject to the RSUs are an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Employer, and which is outside the scope of the Employee's employment contract, if any;
 - (g) the RSUs and the shares of Common Stock subject to the RSUs are not intended to replace any pension rights or compensation;
 - (h) the RSUs and the shares of Common Stock subject to the RSUs are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Employer;
 - (i) the future value of the underlying shares of Common Stock is unknown and cannot be predicted with certainty;
 - (j) in consideration of the award of the RSUs, no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs, including, but not limited to, forfeiture resulting from termination of the Employee's employment or services 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 a jurisdiction where such restrictive covenants are not permitted under applicable law, by executing this Agreement and accepting this Award and the delivery of any shares of Common Stock hereunder, Employee is also agreeing to be bound by and to comply with all of the terms and conditions contained in the Non-Competition and Non-Solicitation Agreement set forth as Exhibit A to this Agreement and incorporated herein by reference ("**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 services with the Employer, relating in any manner to the actual or anticipated business, research or development work of the Employer, and shall do anything reasonably

necessary to enable the Employer to secure a patent where appropriate in the United States and in foreign countries.

- (d) Failure to comply with the provision of subparagraphs (a), (b) or (c) of this Section 16 prior to, or during the six months after, any payment or delivery shall cause such payment or delivery to be rescinded. The Company shall notify the Employee in writing of any such rescission within two years after such payment or delivery. Within ten days after receiving such a notice from the Company, the Employee shall pay to the Company the amount of any payment received as a result of the rescinded payment or delivery pursuant to an award. Such payment to the Company by the Employee shall be made either in cash or by returning to the Company the number of shares of Common Stock that the Employee received in connection with the rescinded payment or delivery.
17. Notices. Notices hereunder shall be in writing and if to the Company shall be mailed to the Company at 100 Campus Drive, Suite 200 Florham Park, NJ 07932, USA, addressed to the attention of Stock Plan Administrator, and if to the Employee shall be delivered personally or mailed to the Employee at his address as the same appears on the records of the Company.
18. Language. If the Employee has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.
19. Electronic Delivery and Acceptance. The Company will deliver any documents related to current or future participation in the Plan by electronic means. The Employee hereby consents to receive such documents by electronic delivery, and agrees to participate in the Plan and be bound by the terms and conditions of this Agreement, through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. Electronic acceptance by the Employee is required and the award will be cancelled for any employee who fails to comply with the Company's acceptance requirement within 90 days of the effective date of the award.
20. Interpretation of This Agreement. The Committee or its authorized delegate, as applicable, shall have the authority to interpret the Plan and this Agreement and to take whatever administrative actions, including correction of administrative errors in the awards subject to this Agreement and in this Agreement, as the Committee or its authorized delegate, as applicable, in its sole good faith judgment shall determine to be advisable. All decisions, interpretations and administrative actions made by the Committee or its authorized delegate, as applicable, hereunder or under the Plan shall be binding and conclusive on the Company and the Employee. In the event there is inconsistency between the provisions of this Agreement and of the Plan, the provisions of the Plan shall govern.
21. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and the successors and assigns of the Company and to the extent provided in Section 9(b) of the Plan to the Beneficiary(ies) or transferee of the Employee.
22. Governing Law and Venue. The validity, construction and effect of the Agreement and any actions taken under or relating to this Agreement shall be determined in accordance with the laws of the State of Delaware and applicable Federal law. This grant is made and/or administered in the United States. For purposes of litigating any dispute that arises under this grant or the Agreement the parties hereby submit to and consent to the jurisdiction of the State of Delaware, agree that such litigation shall be conducted in the state or federal courts located in Delaware.
23. Section 409A. It is intended that the provisions of this Agreement comply with, or are exempt from, Section 409A, and all provisions of this Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A.

Except as permitted under Section 409A, any deferred compensation (within the meaning of Section 409A) payable to the Employee or for the Employee's benefit under this Agreement may not be

reduced by, or offset against, any amount owing by the Employee to the Company or any of its Affiliates. In the event that any 60-day period described in Section 8 of this Agreement straddles two calendar years, then any RSUs, and any dividends with respect thereto, that are settled within such 60-day period in accordance with this Agreement shall be settled in the second calendar year.

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

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

24. Separability. In case any provision in the Agreement, or in any other instrument referred to herein, shall become invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in the Agreement, or in any other instrument referred to herein, shall not in any way be affected or impaired thereby.
25. Integration of Terms. Except as otherwise provided in this Agreement, this Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes any and all oral statements and prior writings with respect thereto.
26. Appendix for Non-U.S. Countries. Notwithstanding any provisions in this Agreement, the RSU award shall be subject to any special terms and conditions set forth in any appendix to this Agreement for the Employee's country (the "**Appendix**"). Moreover, if the Employee relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to the Employee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Appendix constitutes part of this Agreement.
27. Imposition of Other Requirements. The Committee or its authorized delegate, as applicable, reserves the right to impose other requirements on the Employee's participation in the Plan, on the RSUs and on any shares of Common Stock acquired under the Plan, to the extent the Committee or its authorized delegate, as applicable, determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Employee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

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

CONDUENT INCORPORATED

By: /s/ CHRISTOPHER KUJAWA

Christopher Kujawa, Chief Human Resources Officer
Date: April 1, 2023

EXHIBIT A

Non-Competition and Non-Solicitation Agreement

This Non-Competition and Non-Solicitation Agreement ("Agreement") is made effective as of April 1, 2023 ("Effective Date") between Conduent Business Services, LLC, its parent, subsidiaries, divisions and affiliates (collectively, "Conduent") and the individual whose name appears in the Award Summary ("Employee").

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

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

NOW, THEREFORE, Conduent and Employee agree as follows:

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

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

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

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

would be difficult to ascertain. Conduent and Employee agree that in the event of such breach, Conduent shall have the right to an injunction or other equitable relief and to all other appropriate legal remedies, including damages. In the event any lawsuit is brought to enforce any of the provisions of this Agreement, the prevailing party shall be entitled to recover its, Employee's reasonable attorneys' fees and 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 (the “**CEO**”) 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**”), and the target number of Performance 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 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 target 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 the Vesting Date (as defined below) (or such earlier date provided in Section 8) in connection with the PRSUs, the Company shall deliver to the Employee, in such manner as the Company shall determine, a number of shares of common stock of the Company (“**Common Stock**”) equal to the number of vested PRSUs as determined pursuant to Section 3 (subject to reduction for withholding of the Employee’s taxes in relation to the award as described in Section 10); provided that any fractional shares shall be delivered in the form of cash equal to the value of such fractional shares on the applicable Vesting Date.
3. Vesting. The PRSUs will be subject to performance-based vesting conditions (the “**Performance Conditions**”) which are set forth on Exhibit A. The PRSUs shall vest on December 31, 2025 or such earlier date as may be provided in Section 8 (the “**Vesting Date**”) and the number of PRSUs eligible to vest shall be based on the satisfaction of the Performance Conditions as set forth on Exhibit A and subject to the Employee’s continued employment with or provision of services to the Company or a subsidiary or affiliate through the Vesting Date or as otherwise provided in Section 8. For the avoidance of doubt, the change of the Employee’s status from employee to non-employee member of the Board of Directors of the Company, consultant or contractor who continues to provide services to the Company or a subsidiary or affiliate will not be considered a termination for purposes of this Agreement.

Notwithstanding, to the extent all or a portion of the PRSUs have not vested as of the Vesting Date, the unvested PRSUs will be forfeited.

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 eligible to vest on the Vesting Date, subject to the Employee's continued employment with or provision of services to the Company or a subsidiary or an affiliate through the Vesting Date (and the Performance Conditions shall each be deemed to have been achieved at the "Target" level as set forth on Exhibit A as of the date of the Change in Control), and in such instance such PRSUs shall be paid in cash in accordance with the terms of the Plan at the earliest time set forth in the Plan that will not trigger a tax or penalty under Section 409A of the Code, as determined by the Committee; provided that the PRSUs, and any dividend equivalents with respect thereto, shall vest and shall be paid to the extent provided in Section 8 in the event of the Employee's termination of employment or services following such Change in Control and prior to the 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 the Vesting Date (or such earlier date provided in Section 8) a cash payment equaling the same amount(s) that the holder of record of a number of shares of Common Stock equal to the number of vested PRSUs (if any) would have been entitled to receive as dividends on such Common Stock during the period commencing on the effective date hereof and ending on the Vesting Date (or such earlier date provided in Section 8) as provided under Section 3. Payments under this Section shall be net of any required withholding taxes.

OTHER TERMS

5. Ownership Guidelines. Guidelines pertaining to the Employee's required ownership of Common Stock and related holding requirements (the "**Stock Ownership Guidelines**") shall be determined by the Committee or its authorized delegate, as applicable, in its sole discretion from time to time as communicated to the Employee in writing.
6. Voting Rights/Dividends. Except as otherwise provided herein, the Employee shall have no rights as a shareholder with respect to the PRSUs until the date of issuance of a stock certificate to him for such PRSUs and no adjustment shall be made for dividends or other rights for which the record date is prior to the date the PRSUs become vested.
7. Non-Assignability. Unless otherwise provided by the Committee in its discretion, PRSUs may not be sold, assigned, alienated, transferred, pledged, attached or otherwise encumbered except as provided in Section 7(d)(ii) of the Plan. Any purported sale, assignment, alienation, transfer, pledge, attachment or other encumbrance of a PRSU in violation of the provisions of this Section 7 and Section 7(d)(ii) of the Plan shall be void.
8. Effect of Termination of Employment or Services or Death.
- (a) Effect on PRSUs. In the event of the Employee's termination of employment or services prior to December 31, 2025, the PRSUs will be treated as set forth below.
- (i) *Voluntary Resignation*. In the event the Employee voluntarily ceases to be an employee of or otherwise provide services to the Employer for any reason other than a Termination For Good Reason following a Change in Control or a Qualifying Retirement, the PRSUs shall be canceled and forfeited on the date of such voluntary termination of employment or services.
- (ii) *Qualifying Retirement*. In the event of a Qualifying Retirement, the Employee will remain eligible to vest in a Pro-Rata Amount of the PRSUs that otherwise vest on December 31, 2025 based on the achievement of the Performance Conditions, and any dividend equivalents with respect thereto; provided that the Employee (A) completes a successful

transition of responsibilities (as determined by the Board of Directors of the Company) and cooperates during the remaining vesting period, (B) complies with any applicable restrictive covenants and non-disparagement provisions during the remaining vesting period, (C) reasonably cooperates with the Company and its affiliates with respect to any investigation, litigation, arbitration, or regulatory proceeding regarding events that occurred during the Employee's tenure with the Company, and (D) does not accept full time employment at a public or private company (with the exception of (1) board service, teaching, public service, or consulting, (2) employment with a family business, non-profit, startup, or other materially similar enterprise, or (3) any other employment specifically approved by the CEO (or, if the Employee was the CEO prior to such retirement, the Board of Directors of the Company)).

- (iii) *Termination without Cause.* In the event the Employee involuntarily ceases to be an employee of or otherwise provide services to the Employer for any reason other than due to death, Disability, or a termination for Cause, the Employee will remain eligible to vest in a Pro-Rata Amount of PRSUs that otherwise vest on December 31, 2025 based on the achievement of the Performance Conditions, and any dividend equivalents with respect thereto, provided that the number of full months in the numerator of the Pro-Rata Amount will be increased by a number equal to the number of months of cash severance the Employee would be entitled to under the Company's applicable severance plan or policy, but shall in no event be greater than 36.
- (iv) *Qualifying Termination Following Change in Control.* In the event the Employee involuntarily ceases to be an employee of or otherwise provide services to 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 at the "Target" performance level as set forth on Exhibit A (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.
- (v) *Death or Disability.* In the event the Employee involuntarily ceases to be an employee of or otherwise provide services to 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 based on the satisfaction of the Performance Conditions and as if such Employee remained employed through the Vesting Date and shall be settled within 60 days following the applicable Vesting Date in accordance with Section 2, without proration.
- (vi) *Termination for Cause.* In the event the Employee involuntarily ceases to be an employee of or otherwise provide services to the Employer due to termination for Cause, the PRSUs shall be cancelled and forfeited on the date of such termination of employment or services, 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.

“**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.

“**Disability**” shall include cessation of active employment or services 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.

“**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.

“**Pro-Rata Amount**” will be equal to the number of PRSUs that would otherwise vest on December 31, 2025 based on the achievement of the Performance Conditions, multiplied by a fraction, the numerator of which is the number of full months elapsed between January 1, 2023 and the Termination Date and the denominator of which is 36; 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 as set forth above shall be forfeited.

“**Qualifying Retirement**” shall mean voluntary termination of Employee’s employment with or services to Employer where (i) the Employee is at least age sixty (60) and has at least five (5) years of service with the Employer or its parents or subsidiaries and (ii) such Employee’s retirement has been agreed to and approved by the Chief Executive Officer of the Company (and, if Employee is a Section 16 officer of the Company, by the Board of Directors of the Company), who shall have the sole discretion to determine the date of retirement of such Employee.

“**Termination Date**” means the date of the Employee’s termination of employment with or services to the Employer.

“**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 or services 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 or services 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.

- (c) Divestiture. Notwithstanding the above, the termination of the Employee's employment with or services to 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 or providing services 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 or services for purposes of this Agreement and the PRSUs shall vest and be paid as provided in Section 8(a)(iii) above; provided, 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 or services.
9. General Restrictions. If at any time the Committee or its authorized delegate, as applicable, shall determine, in its discretion, that the listing, registration or qualification of any shares of Common Stock subject to this Agreement upon any securities exchange or under any state or Federal law, or the consent or approval of any government regulatory body, is necessary or desirable as a condition of, or in connection with, the awarding of the PRSUs or the issue or purchase of shares of Common Stock hereunder, the certificates for shares of Common Stock may not be issued in respect of PRSUs in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee or its authorized delegate, as applicable, and any delay caused thereby shall in no way affect the date of termination of the PRSUs.

10. Responsibility for Taxes. The Employee acknowledges that the ultimate responsibility for the Employee's Federal, state and municipal individual income taxes, the Employee's portion of social security and other payroll taxes, and any other taxes related to the Employee's participation in the Plan and legally applicable to the Employee, is and remains his or her responsibility and may exceed the amount actually withheld by the Company or the Employer. In the event that there is withholding tax liability in connection with the vesting or settlement of PRSUs, the Employee may satisfy, in whole or in part, any withholding tax liability: (a) by cash payment of an amount equal to such withholding liability; or (b) by having the Company withhold from the number of PRSUs in which the Employee would be entitled to vest a number of shares of Common Stock having a fair value equal to such withholding tax liability in accordance with the Company's share withholding procedures.
11. Nature of Award. In accepting the award, the Employee acknowledges that:
- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time in a manner consistent with Section 9(e) of the Plan regarding Plan amendment and termination and, in addition, the PRSUs are subject to modification and adjustment under Section 9(c) of the Plan;
 - (b) the award of the PRSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of PRSUs, or benefits in lieu of PRSUs, even if PRSUs have been granted repeatedly in the past;
 - (c) all decisions with respect to future PRSU awards, if any, will be at the sole discretion of the Committee or its authorized delegate, as applicable;
 - (d) the Employee's participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate 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 or services to the Employer (for any reason whatsoever and whether or not in breach of local labor laws) and the Employee irrevocably releases the Company and the Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, the

Employee shall be deemed irrevocably to have waived the Employee's entitlement to pursue such claim; and

- (k) subject to the provisions in the Plan regarding Change in Control, PRSUs and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability.
12. No Advice Regarding Award. Neither the Company nor the Employer is providing any tax, legal or financial advice, nor is the Company or Employer making any recommendations regarding the Employee's participation in the Plan, or his or her acquisition or sale of the underlying shares of Common Stock. The Employee is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.
13. Amendment of This Agreement. With the consent of the Employee, the Committee or its authorized delegate, as applicable, may amend this Agreement in a manner not inconsistent with the Plan.
14. Restrictive Covenants. Other than with respect to an Employee who is located in a jurisdiction where such restrictive covenants are not permitted under applicable law, by executing this Agreement and accepting this Award and the delivery of any shares of Common Stock hereunder, Employee is also agreeing to be bound by and to comply with all of the terms and conditions contained in the Non-Competition and Non-Solicitation Agreement set forth as Exhibit B to this Agreement and incorporated herein by reference ("**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 services 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 PRSUs, and any dividends with respect thereto, that are settled within such 60-day period in accordance with this Agreement shall be settled in the second calendar year.

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

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

24. Separability. In case any provision in the Agreement, or in any other instrument referred to herein, shall become invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in the Agreement, or in any other instrument referred to herein, shall not in any way be affected or impaired thereby.
25. Integration of Terms. Except as otherwise provided in this Agreement, this Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes any and all oral statements and prior writings with respect thereto.
26. Appendix for Non-U.S. Countries. Notwithstanding any provisions in this Agreement, the PRSU award shall be subject to any special terms and conditions set forth in any appendix to this Agreement for the Employee's country (the "**Appendix**"). Moreover, if the Employee relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to the Employee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Appendix constitutes part of this Agreement.
27. Imposition of Other Requirements. The Committee or its authorized delegate, as applicable, reserves the right to impose other requirements on the Employee's participation in the Plan, on the PRSUs and on any shares of Common Stock acquired under the Plan, to the extent the Committee or its authorized delegate, as applicable, determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Employee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

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

CONDUENT INCORPORATED

By: /s/ CLIFFORD SKELTON

Clifford Skelton, President and Chief Executive Officer

Date: April 1, 2023

EXHIBIT A

Performance Conditions

The number of PRSUs that vest shall be based on the satisfaction of the revenue growth goals set forth below.

Performance is measured each year and annual results are determined. The average of the three annual results is used to determine payout at the end of the three-year period, as follows:

Performance	Payout
Threshold	50%
Target	100%
Max	200%

Linear interpolation will be used for results between points.

The goal may be adjusted for any unanticipated or unbudgeted changes.

Revenue Growth from Previous Year	<u>2023</u>	<u>2024</u>	<u>2025</u>
Threshold	- 4.0%	+0.7%	+0.2%
Target	-2.0%	+3.2%	+3.2%
Max	0.0%	+5.7%	+6.2%

EXHIBIT B**Non-Competition and Non-Solicitation Agreement**

This Non-Competition and Non-Solicitation Agreement ("Agreement") is made effective as of April 1, 2023 ("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 (the “**CEO**”) 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**”), and the target number of Performance 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 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 target 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 the Vesting Date (as defined below) (or such earlier date provided in Section 8) in connection with the PRSUs, the Company shall deliver to the Employee, in such manner as the Company shall determine, a number of shares of common stock of the Company (“**Common Stock**”) equal to the number of vested PRSUs as determined pursuant to Section 3 (subject to reduction for withholding of the Employee’s taxes in relation to the award as described in Section 10); provided that any fractional shares shall be delivered in the form of cash equal to the value of such fractional shares on the applicable Vesting Date.
3. Vesting. The PRSUs will be subject to performance-based vesting conditions (the “**Performance Conditions**”) which are set forth on Exhibit A. The PRSUs shall vest on December 31, 2025 or such earlier date as may be provided in Section 8 (the “**Vesting Date**”) and the number of PRSUs eligible to vest shall be based on the satisfaction of the Performance Conditions as set forth on Exhibit A and subject to the Employee’s continued employment with or provision of services to the Company or a subsidiary or affiliate through the Vesting Date or as otherwise provided in Section 8. For the avoidance of doubt, the change of the Employee’s status from employee to non-employee member of the Board of Directors of the Company, consultant or contractor who continues to provide services to the Company or a subsidiary or affiliate will not be considered a termination for purposes of this Agreement.

Notwithstanding, to the extent all or a portion of the PRSUs have not vested as of the Vesting Date, the unvested PRSUs will be forfeited.

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 eligible to vest on the Vesting Date, subject to the Employee's continued employment with or provision of services to the Company or a subsidiary or an affiliate through the Vesting Date (and the Performance Conditions shall be deemed to have been achieved at the "Median" level as set forth on Exhibit A as of the date of the Change in Control), and in such instance such PRSUs shall be paid in cash in accordance with the terms of the Plan at the earliest time set forth in the Plan that will not trigger a tax or penalty under Section 409A of the Code, as determined by the Committee; provided that the PRSUs, and any dividend equivalents with respect thereto, shall vest and shall be paid to the extent provided in Section 8 in the event of the Employee's termination of employment or services following such Change in Control and prior to the 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 the Vesting Date (or such earlier date provided in Section 8) a cash payment equaling the same amount(s) that the holder of record of a number of shares of Common Stock equal to the number of vested PRSUs (if any) would have been entitled to receive as dividends on such Common Stock during the period commencing on the effective date hereof and ending on the Vesting Date (or such earlier date provided in Section 8) as provided under Section 3. Payments under this Section shall be net of any required withholding taxes.

OTHER TERMS

5. Ownership Guidelines. Guidelines pertaining to the Employee's required ownership of Common Stock and related holding requirements (the "**Stock Ownership Guidelines**") shall be determined by the Committee or its authorized delegate, as applicable, in its sole discretion from time to time as communicated to the Employee in writing.
6. Voting Rights/Dividends. Except as otherwise provided herein, the Employee shall have no rights as a shareholder with respect to the PRSUs until the date of issuance of a stock certificate to him for such PRSUs and no adjustment shall be made for dividends or other rights for which the record date is prior to the date the PRSUs become vested.
7. Non-Assignability. Unless otherwise provided by the Committee in its discretion, PRSUs may not be sold, assigned, alienated, transferred, pledged, attached or otherwise encumbered except as provided in Section 7(d)(ii) of the Plan. Any purported sale, assignment, alienation, transfer, pledge, attachment or other encumbrance of a PRSU in violation of the provisions of this Section 7 and Section 7(d)(ii) of the Plan shall be void.
8. Effect of Termination of Employment or Services or Death.
 - (a) Effect on PRSUs. In the event of the Employee's termination of employment or services prior to December 31, 2025, the PRSUs will be treated as set forth below.
 - (i) *Voluntary Resignation*. In the event the Employee voluntarily ceases to be an employee of or otherwise provide services to the Employer for any reason other than a Termination For Good Reason following a Change in Control or a Qualifying Retirement, the PRSUs shall be canceled and forfeited on the date of such voluntary termination of employment or services.
 - (ii) *Qualifying Retirement*. In the event of a Qualifying Retirement, the Employee will remain eligible to vest in a Pro-Rata Amount of the PRSUs that otherwise vest on December 31, 2025 based on the achievement of the Performance Conditions, and any dividend equivalents with respect thereto; provided that the Employee (A) completes a successful

transition of responsibilities (as determined by the Board of Directors of the Company) and cooperates during the remaining vesting period, (B) complies with any applicable restrictive covenants and non-disparagement provisions during the remaining vesting period, (C) reasonably cooperates with the Company and its affiliates with respect to any investigation, litigation, arbitration, or regulatory proceeding regarding events that occurred during the Employee's tenure with the Company, and (D) does not accept full time employment at a public or private company (with the exception of (1) board service, teaching, public service, or consulting, (2) employment with a family business, non-profit, startup, or other materially similar enterprise, or (3) any other employment specifically approved by the CEO (or, if the Employee was the CEO prior to such retirement, the Board of Directors of the Company)).

- (iii) *Termination without Cause.* In the event the Employee involuntarily ceases to be an employee of or otherwise provide services to the Employer for any reason other than due to death, Disability, or a termination for Cause, the Employee will remain eligible to vest in a Pro-Rata Amount of PRSUs that otherwise vest on December 31, 2025 based on the achievement of the Performance Conditions, and any dividend equivalents with respect thereto, provided that the number of full months in the numerator of the Pro-Rata Amount will be increased by a number equal to the number of months of cash severance the Employee would be entitled to under the Company's applicable severance plan or policy, but shall in no event be greater than 36.
- (iv) *Qualifying Termination Following Change in Control.* In the event the Employee involuntarily ceases to be an employee of or otherwise provide services to 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 at the "Median" performance level as set forth on Exhibit A (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.
- (v) *Death or Disability.* In the event the Employee involuntarily ceases to be an employee of or otherwise provide services to 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 based on the satisfaction of the Performance Conditions and as if such Employee remained employed through the Vesting Date and shall be settled within 60 days following the applicable Vesting Date in accordance with Section 2, without proration.
- (vi) *Termination for Cause.* In the event the Employee involuntarily ceases to be an employee of or otherwise provide services to the Employer due to termination for Cause, the PRSUs shall be cancelled and forfeited on the date of such termination of employment or services, 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.

“**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.

“**Disability**” shall include cessation of active employment or services 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.

“**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.

“**Pro-Rata Amount**” will be equal to the number of PRSUs that would otherwise vest on December 31, 2025 based on the achievement of the Performance Conditions, multiplied by a fraction, the numerator of which is the number of full months elapsed between January 1, 2023 and the Termination Date and the denominator of which is 36; 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 as set forth above shall be forfeited.

“**Qualifying Retirement**” shall mean voluntary termination of Employee’s employment with or services to Employer where (i) the Employee is at least age sixty (60) and has at least five (5) years of service with the Employer or its parents or subsidiaries and (ii) such Employee’s retirement has been agreed to and approved by the Chief Executive Officer of the Company (and, if Employee is a Section 16 officer of the Company, by the Board of Directors of the Company), who shall have the sole discretion to determine the date of retirement of such Employee.

“**Termination Date**” means the date of the Employee’s termination of employment with or services to the Employer.

“**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 or services 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 or services 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.

- (c) Divestiture. Notwithstanding the above, the termination of the Employee's employment with or services to 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 or providing services 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 or services for purposes of this Agreement and the PRSUs shall vest and be paid as provided in Section 8(a)(iii) above; provided, 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 or services.
9. General Restrictions. If at any time the Committee or its authorized delegate, as applicable, shall determine, in its discretion, that the listing, registration or qualification of any shares of Common Stock subject to this Agreement upon any securities exchange or under any state or Federal law, or the consent or approval of any government regulatory body, is necessary or desirable as a condition of, or in connection with, the awarding of the PRSUs or the issue or purchase of shares of Common Stock hereunder, the certificates for shares of Common Stock may not be issued in respect of PRSUs in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee or its authorized delegate, as applicable, and any delay caused thereby shall in no way affect the date of termination of the PRSUs.

10. Responsibility for Taxes. The Employee acknowledges that the ultimate responsibility for the Employee's Federal, state and municipal individual income taxes, the Employee's portion of social security and other payroll taxes, and any other taxes related to the Employee's participation in the Plan and legally applicable to the Employee, is and remains his or her responsibility and may exceed the amount actually withheld by the Company or the Employer. In the event that there is withholding tax liability in connection with the vesting or settlement of PRSUs, the Employee may satisfy, in whole or in part, any withholding tax liability: (a) by cash payment of an amount equal to such withholding liability; or (b) by having the Company withhold from the number of PRSUs in which the Employee would be entitled to vest a number of shares of Common Stock having a fair value equal to such withholding tax liability in accordance with the Company's share withholding procedures.
11. Nature of Award. In accepting the award, the Employee acknowledges that:
- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time in a manner consistent with Section 9(e) of the Plan regarding Plan amendment and termination and, in addition, the PRSUs are subject to modification and adjustment under Section 9(c) of the Plan;
 - (b) the award of the PRSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of PRSUs, or benefits in lieu of PRSUs, even if PRSUs have been granted repeatedly in the past;
 - (c) all decisions with respect to future PRSU awards, if any, will be at the sole discretion of the Committee or its authorized delegate, as applicable;
 - (d) the Employee's participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate 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 or services to the Employer (for any reason whatsoever and whether or not in breach of local labor laws) and the Employee irrevocably releases the Company and the Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, the

Employee shall be deemed irrevocably to have waived the Employee's entitlement to pursue such claim; and

- (k) subject to the provisions in the Plan regarding Change in Control, PRSUs and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability.
12. No Advice Regarding Award. Neither the Company nor the Employer is providing any tax, legal or financial advice, nor is the Company or Employer making any recommendations regarding the Employee's participation in the Plan, or his or her acquisition or sale of the underlying shares of Common Stock. The Employee is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.
13. Amendment of This Agreement. With the consent of the Employee, the Committee or its authorized delegate, as applicable, may amend this Agreement in a manner not inconsistent with the Plan.
14. Restrictive Covenants. Other than with respect to an Employee who is located in a jurisdiction where such restrictive covenants are not permitted under applicable law, by executing this Agreement and accepting this Award and the delivery of any shares of Common Stock hereunder, Employee is also agreeing to be bound by and to comply with all of the terms and conditions contained in the Non-Competition and Non-Solicitation Agreement set forth as Exhibit B to this Agreement and incorporated herein by reference ("**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 services 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 PRSUs, and any dividends with respect thereto, that are settled within such 60-day period in accordance with this Agreement shall be settled in the second calendar year.

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

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

24. Separability. In case any provision in the Agreement, or in any other instrument referred to herein, shall become invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in the Agreement, or in any other instrument referred to herein, shall not in any way be affected or impaired thereby.
25. Integration of Terms. Except as otherwise provided in this Agreement, this Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes any and all oral statements and prior writings with respect thereto.
26. Appendix for Non-U.S. Countries. Notwithstanding any provisions in this Agreement, the PRSU award shall be subject to any special terms and conditions set forth in any appendix to this Agreement for the Employee's country (the "**Appendix**"). Moreover, if the Employee relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to the Employee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Appendix constitutes part of this Agreement.
27. Imposition of Other Requirements. The Committee or its authorized delegate, as applicable, reserves the right to impose other requirements on the Employee's participation in the Plan, on the PRSUs and on any shares of Common Stock acquired under the Plan, to the extent the Committee or its authorized delegate, as applicable, determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Employee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

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

CONDUENT INCORPORATED

By: /s/ CLIFFORD SKELTON

Clifford Skelton, President and Chief Executive Officer Date: April 1, 2023

EXHIBIT A

Performance Conditions & Rules

The number of PRSUs that vest shall be based on the satisfaction of the relative total shareholder return (rTSR) goal set forth below.

Conduent's TSR rank for the period from April 1, 2023 through December 31, 2025, as compared to the 2023 Proxy Peer Group as approved in August 2022 and as set forth in the table below:

rTSR	Payout (as % of Target)
75th Percentile	150%
Median	100%
25th Percentile	50%

- Linear interpolation will be used for results between points.
- Number of PRSUs vesting is capped at 100% of target if absolute TSR for Conduent during the period is negative.
- In the event that the number of PRSUs vesting have an aggregate fair market value as of the date of vesting that is greater than six times the aggregate fair market value of the target number of PRSUs on the date of grant (the "Vesting Limit"), the number of PRSUs vesting shall be reduced to the number of PRSUs with an aggregate fair market value as of the date of vesting equal to the Vesting Limit.

TSR for Conduent and the Proxy Peer Group are measured as follows:

$$\text{TSR} = \frac{\text{Ending Stock Price} - \text{Beginning Stock Price} + \text{Reinvested Dividends}}{\text{Beginning Stock Price}}$$

- Beginning Price = Average closing stock price for the 90 trading days preceding the start of the performance period
- Ending Price = Average closing stock price for the last 90 trading days of the performance period
- Reinvested Dividends = Dividends are assumed to be reinvested as of the ex-dividend date in the calculation

2023 Proxy Peer Group

Alight	ExlService
Allscripts	Genpact LT
Healthcare	ICF Intl
CACI Internationa	Leidos Holdings, In
CGI Grou	ManTech Int
Concentrix	Maximus, Inc
CSG Systems In	TELUS Int
	TriNet Grou

- Acquired peers (not the surviving company) will be removed from peer group for measurement.
- Bankrupt peers will be forced rank to the bottom (assume -100% TSR).
- Peer spins off business--keep peer and include in SpinCo distribution/dividend in calculation of the peer's TSR.

EXHIBIT B

Non-Competition and Non-Solicitation Agreement

This Non-Competition and Non-Solicitation Agreement ("Agreement") is made effective as of April 1, 2023 ("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, 2023

/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, 2023

/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 Quarterly Report on Form 10-Q of Conduent Incorporated, a New York corporation (the "Company"), for the quarter ended March 31, 2023, 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, 2023

/s/ STEPHEN WOOD

Stephen Wood
Chief Financial Officer
May 3, 2023

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.