

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

FORM S-8  
REGISTRATION STATEMENT  
UNDER THE SECURITIES ACT OF 1933

TELETECH HOLDINGS, INC.  
(Exact name of registrant as specified in its charter)

Delaware 84-1291044  
(State or other jurisdiction of (I.R.S. Employee  
incorporation or organization) Identification No.)

1700 Lincoln Street, Suite 1400  
Denver, Colorado 80203  
(303) 894-4000  
(Address, including zip code, and telephone number, including area code,  
of registrant's executive offices)

TELETECH HOLDINGS, INC. AMENDED AND RESTATED EMPLOYEE STOCK PURCHASE PLAN

TELETECH HOLDINGS, INC. AMENDED AND RESTATED 1999 STOCK OPTION AND  
INCENTIVE PLAN  
(Full title of the plans)

James B. Kaufman, Esq.  
Senior Vice President,  
General Counsel and Secretary  
TeleTech Holdings, Inc.  
1700 Lincoln Street, Suite 1400  
Denver, Colorado 80203  
(303) 894-4000  
(Name, address, including zip code, and telephone number, including area code,  
of agent for service)

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be registered (1)	Proposed maximum Offering price per share (2)	Proposed Maximum Aggregate Offering Price (2)	Amount of Registration Fee (3)
Common Stock, par value \$.01 per share	5,200,000	\$ 24.15625	\$ 125,612,500	\$ 33,161.70

- (1) Pursuant to Rule 416 under the Securities Act of 1933, this registration statement covers, in addition to the number of shares of Common Stock shown above, an indeterminate number of shares that may be issued as a result of anti-dilution provisions contained in the Plans.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rules 457(c) and 457(h) under the Securities Act of 1933, as amended.
- (3) The registration fee, \$33,161.70, has been calculated as follows: 0.000264 of \$24.15625 (the average of the high and low sales prices of the Company's Common Stock as reported on the Nasdaq National Market on September 28, 2000) multiplied by 5,200,000 shares of Common Stock being registered hereby.

## EXPLANATORY NOTE

Pursuant to Instruction E of Form S-8, this Registration Statement registers (i) an additional 200,000 shares of Common Stock, \$.01 par value per share ("Common Stock"), of TeleTech Holdings, Inc. ("TeleTech" or the "Company"), issuable under the the Company's Amended and Restated Employee Stock Purchase Plan (the "ESPP"); and (ii) 5,000,000 additional shares of Common Stock under the Company's Amended and Restated 1999 Stock Option and Incentive Plan (the "1999 Plan"). On December 10, 1996, the Company filed Registration Statement No. 333-17569 with the Securities and Exchange Commission ("SEC") to register 200,000 shares under the ESPP, and on July 7, 1999, the Company filed Registration Statement No. 333-82405 with the SEC to register 5,000,000 shares under the 1999 Plan. We incorporate the contents of Registration Statement Nos. 333-17569 and 333-82405 by reference to the extent not amended hereby.

### PART I

#### INFORMATION REQUIRED IN SECTION 10(a) PROSPECTUS

Note: The document(s) containing the information concerning the ESPP and 1999 Plan required by Item 1 of Form S-8 and the statement of availability of registrant information, ESPP and 1999 Plan information and other information required by Item 2 of Form S-8 will be sent or given to employees as specified by Rule 428. In accordance with Rule 428 and the requirements of Part I of Form S-8, such documents are not being filed with the SEC either as part of this registration statement or as prospectuses or prospectus supplements pursuant to Rule 424. These documents and the documents incorporated by reference in the registration statement pursuant to Item 3 of Part II of this Form, taken together, constitute a prospectus that meets the requirements of Section 10(a) of the Securities Act of 1933. We will maintain a file of such documents in accordance with the provisions of Rule 428. Upon request, we will furnish the SEC or its staff with a copy or copies of any or all documents included in such file.

### PART II

#### INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

##### ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE.

The SEC allows us to "incorporate by reference" certain information that we file with the SEC. Information incorporated by reference is considered a part of this registration statement, and later information filed with the SEC pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this registration statement and to be part hereof from the date of filing of such documents. We incorporate by reference the documents listed below and any future filings made pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act.

1. Our annual report on Form 10-K for the year ended December 31, 1999;
2. Our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2000 and June 30, 2000;
3. Our current reports on Form 8-K filed on August 25, 2000, and September 6, 2000; and
4. The description of our Common Stock contained in our Registration Statement on Form 8-A which was filed on July 19, 1996 pursuant to Section 12 of the Exchange Act.

Any statement contained in a document incorporated herein by reference shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any other subsequently filed document that is incorporated herein by reference modifies or supersedes such earlier incorporated statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

##### ITEM 4. DESCRIPTION OF SECURITIES.

Not applicable. (The Common Stock is registered under Section 12 of the Exchange Act).

##### ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL.

Not applicable.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Under Delaware General Corporation Law, a corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful.

Although Delaware General Corporation Law permits a corporation to indemnify any person referred to above against expenses (including attorney fees) that are actually and reasonably incurred by such person ("Expenses"), in connection with the defense or settlement of an action by or in the right of the corporation, provided that such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the corporation's best interests, if such person has been judged liable to the corporation, indemnification is for such expenses only permitted to the extent that the Court of Chancery, or the court in which the action or suit was brought, determines that, despite the adjudication of liability, such person is entitled to indemnity for such Expenses as the Court of Chancery, or such other court, deems proper.

The determination, with respect to a person who is a director or officer at the time of such determination, as to whether a person seeking indemnification has met the required standard of conduct is to be made (i) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (ii) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (iv) by the stockholders.

Delaware General Corporation Law also provides that to the extent that a present or former director or officer of a corporation has been successful on the merits or otherwise defense of any action, suit or proceeding covered by the statute, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith. In addition, Delaware General Corporation Law provides for the general authorization of advancement of a director's or officer's litigation expenses, subject to an undertaking by such person to repay any such advancements if such person is ultimately found not to have been entitled to reimbursement for such expenses and that indemnification and advancement of expenses provided by the statute shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise. TeleTech's Restated Certificate of Incorporation provides that TeleTech shall indemnify its directors, officers, employees and agents to the fullest extent permitted by Delaware General Corporation Law. TeleTech also is authorized to secure insurance on behalf of any person it is required or permitted to indemnify. Pursuant to this provision, TeleTech maintains liability insurance for the benefit of its directors and officers.

The registrant maintains liability insurance for the benefit of its directors and officers.

ITEM 8. EXHIBITS

Exhibit No.	Description
5.1	Opinion of James B. Kaufman regarding the legality of the Common Stock being registered.
23.1	Consent of James B. Kaufman (included in Exhibit 5.1)
23.2	Consent of Arthur Andersen LLP
99.1	TeleTech Holdings, Inc. Amended and Restated Employee Stock Purchase Plan
99.2	TeleTech Holdings, Inc. Amended and Restated 1999 Stock Option and Incentive Plan

ITEM 9. UNDERTAKINGS.

(a) The Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933 (the "Securities Act");

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement.

PROVIDED, HOWEVER, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act, that are incorporated by reference in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than for the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant, TeleTech Holdings, Inc., certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement on Form S-8 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Denver, State of Colorado, on October 2, 2000.

TELETECH HOLDINGS, INC.

By: /s/ James B. Kaufman  
-----  
James B. Kaufman  
Secretary

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement on Form S-8 has been signed on October 2, 2000 by the following persons in the capacities indicated:

Signature	Title
-----	-----
PRINCIPAL EXECUTIVE OFFICER	
/s/ Scott D. Thompson	Chief Executive Officer and President
-----	
Scott D. Thompson	
PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER	
/s/ Michael E. Foss	Chief Financial Officer and President TeleTech Companies Group
-----	
Michael E. Foss	
DIRECTORS	
/s/ Kenneth D. Tuchman	Chairman of the Board
-----	
Kenneth D. Tuchman	
/s/ James E. Barlett	
-----	
James E. Barlett	
/s/ Rod Dammeyer	
-----	
Rod Dammeyer	
/s/ George Heilmeier	
-----	
George Heilmeier	
-----	
Morton H. Meyerson	
/s/ Alan Silverman	
-----	
Alan Silverman	
/s/ Scott D. Thompson	
-----	
Scott D. Thompson	

Dated: October 2, 2000

EXHIBIT INDEX

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TELETECH HOLDINGS, INC.  
1700 Lincoln Street, Suite 1400  
Denver, Colorado 80203

James B. Kaufman  
Senior Vice President, General Counsel  
and Secretary

September 29, 2000

TELETECH HOLDINGS, INC.  
1700 Lincoln Street, Suite 1400  
Denver, Colorado 80203

Ladies and Gentlemen:

I refer to the Form S-8 Registration Statement (the "Registration Statement") under the Securities Act of 1933, as amended, to be filed by TeleTech Holdings, Inc., a Delaware corporation (the "Company"), with the Securities and Exchange Commission (the "Commission") on October 2, 2000. The Registration Statement covers 5,200,000 shares of \$.01 par value per share Common Stock of the Company (the "Shares") which may be issued from time to time in connection with the TeleTech Holdings, Inc. Employee Stock Purchase Plan, as amended and restated, and the TeleTech Holdings, Inc. 1999 Stock Option and Incentive Plan, as amended and restated (the "Plans").

I have made such legal and factual examinations and inquiries as I have deemed advisable for the purpose of rendering this opinion. I am familiar with the proceedings taken and proposed to be taken in connection with the authorization, issuance and sale of the Shares. Based on my examination and inquiries, it is my opinion that the Shares, upon issuance thereof in accordance with the terms of the Plans will be validly issued, fully paid, and non-assessable.

I hereby consent to the filing of this opinion as an exhibit to the Registration Statement.

Very truly yours,

/s/ James B. Kaufman  
-----  
James B. Kaufman

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this registration statement of our reports dated February 14, 2000 included in TeleTech Holdings, Inc.'s Form 10-K for the year ended December 31, 1999 and to all references to our Firm included in this registration statement.

/s/ ARTHUR ANDERSEN LLP

Denver, Colorado  
September 27, 2000



TELETECH HOLDINGS, INC.  
AMENDED AND RESTATED EMPLOYEE STOCK PURCHASE PLAN

1. PURPOSE.

The purpose of the Plan (as defined herein) is to assist TeleTech Holdings, Inc., a Delaware corporation (the "Company"), and its Affiliates (as defined herein) in retaining the employment of qualified employees by offering them a greater stake in and a closer identity with the Company's success, and to aid in obtaining the services of individuals whose employment would be helpful to the Company and would contribute to its success. This is to be accomplished by providing employees a continuing opportunity to purchase Shares (as defined herein) from the Company through periodic offerings.

The Plan is intended to comply with the provisions of section 423 of the Code (as defined herein), and the Plan shall be administered, interpreted and construed accordingly. The Plan became effective on October 1, 1996 and was amended and restated (i) effective April 1, 2000, with the approval of the stockholders of the Company on May 3, 2000; and (ii) again on August 16, 2000 with the approval of the Company's Board of Directors.

2. DEFINITIONS.

For purposes of the Plan:

(a) "ACCOUNT" means the non-interest bearing account that the Company (or the Affiliate which employs the Participant) shall establish for Participants to which Participants' payroll deductions pursuant to the Plan shall be credited.

(b) "AFFILIATE" means any corporation that, at the time in question, is a "parent" of the Company within the meaning of section 424(e) of the Code, or is a "subsidiary" of the Company within the meaning of section 424(f) of the Code.

(c) "AGENT" means the person or persons appointed by the Board in accordance with Paragraph 3(d).

(d) "BOARD" means the Board of Directors of the Company.

(e) "CODE" means the Internal Revenue Code of 1986, as amended.

(f) "COMMITTEE" means the committee described in Paragraph 3(a).

(g) "COMPANY" means TeleTech Holdings, Inc.

(h) "COMPENSATION" means the total amount of compensation for services paid to a Participant for an Offering Period by the Company and the Affiliates that would be reportable on Internal Revenue Service Form W-2, including without limitation commissions and bonus paid to the Participant under the TeleTech Holdings, Inc.

Management Incentive Plan or otherwise, plus amounts that are not includible in income for federal income tax purposes that a Participant elects to contribute pursuant to an arrangement described in section 125 or section 401(k) of the Code.

(i) "DATE OF GRANT" means the first business day of an Offering Period.

(j) "ELIGIBLE EMPLOYEE" means any employee of the Company or any Affiliate who meets the eligibility requirements of Paragraph 4.

(k) "FAIR MARKET VALUE" means, on any given date, the closing price of the Shares on the principal national securities exchange on which the Shares are listed on such date, or, if the Shares are not listed on any national securities exchange, the closing price of the Shares as reported on the Nasdaq on such date, or if the Shares are not so reported, the fair market value of the Shares as determined by the Committee in good faith. If there are no sales reports or bid or ask quotations, as the case may be, for a given date, the closest preceding date on which there were sales reports shall be used.

(l) "INVESTMENT ACCOUNT" means the account established for a Participant pursuant to Paragraph 9(a) to hold Shares acquired for a Participant pursuant to the Plan.

(m) "NASDAQ" means The Nasdaq Stock Market, Inc.

(n) "OFFERING PERIOD" means (i) from October 1, 1996 through September 30, 2000, each semi-annual period ending on March 31 and September 30; (ii) beginning October 1, 2000, the semi-annual period from October 1, 2000 through and including April 15, 2001; and (iii) beginning April 16, 2001, the semi-annual periods beginning on April 16 and October 16 and ending on October 15 and April 15 respectively, unless otherwise terminated earlier pursuant to paragraph 16.

(o) "PARTICIPANT" means an Eligible Employee who makes an election to participate in the Plan in accordance with Paragraph 5.

(p) "PLAN" means the TeleTech Holdings, Inc. Employee Stock Purchase Plan as set forth in this document, and as may be amended from time to time.

(q) "PURCHASE DATE" means the last business day of an Offering Period.

(r) "PURCHASE PRICE" means, with respect to any Offering Period, the lesser of:

(i) eighty-five percent (85%) of the Fair Market Value of a Share on the Date of Grant of such Offering Period; or

(ii) eighty-five percent (85%) of the Fair Market Value of a Share on the Purchase Date of such Offering Period.

(s) "SHARE" or "SHARES" means a share or shares of Common Stock, \$.01 par value, of the Company.

(t) "SUBSCRIPTION AGREEMENT" means the agreement between the Participant

and the Company or Affiliate pursuant to which the Participant authorizes payroll deductions to the Account.

### 3. ADMINISTRATION.

(a) The Plan shall be administered by the Compensation Committee of the Board (the "Committee"), or such other committee as may be designated by the Board to serve as the administrative committee for the Plan. All Committee members shall serve, and may be removed, in accordance with the general rules applicable to the Committee.

(b) For purposes of administration of the Plan, a majority of the members of the Committee (but not less than two) shall constitute a quorum, and any action taken by a majority of such members of the Committee present at any meeting at which a quorum is present, or any action approved in writing by all members of the Committee, shall be the action of the Committee.

(c) Subject to the express provisions of the Plan, the Committee shall have full discretionary authority to interpret the Plan, to issue rules for administering the Plan, to change, alter, amend or rescind such rules, and to make all other determinations necessary or appropriate for the administration of the Plan. The Committee shall have the discretion at its election to impose a holding period during which the sale of Shares acquired under the Plan is restricted for a period of time after purchase; provided that reasonable advance notice is given to Participants. All determinations, interpretations and constructions made by the Committee with respect to the Plan shall be final and conclusive. No member of the Board of Directors or the Committee shall be liable for any action, determination or omission taken or made in good faith with respect to the Plan or any right granted thereunder.

(d) The Committee or its delegatee under Section 3(e) may engage an Agent to perform custodial and record keeping functions for the Plan, such as holding record title to the Participants' Share certificates, maintaining an individual Investment Account for each such Participant and providing periodic account status reports to such Participants.

(e) The Committee shall have full discretionary authority to delegate ministerial functions to the management of the Company.

### 4. ELIGIBILITY.

All employees of the Company and its Affiliates shall be eligible to participate in the Plan, except (a) an employee who has not worked for the Company or an Affiliate for at least three months, beginning at least three months prior to an Offering Period and ending on the first day of an Offering Period, (b) any employee who owns stock possessing 5% or more of the total combined voting power or value of all classes of stock of the Company or an Affiliate, (c) any employee whose customary employment does not exceed 20 hours per week, and (d) any employee whose customary employment does not exceed five months in any calendar year. In determining whether an employee owns

5% or more of the stock of the Company or an Affiliate, the rules of section 424(d) of the Code shall apply and stock which the employee may purchase under outstanding options, including rights to purchase stock under the Plan, shall be treated as stock owned by the employee.

For purposes of this Paragraph 4, the term "employment" shall be interpreted in accordance with the provisions of Treasury Regulation Section 1.421-7(h) (or any successor thereto).

5. ELECTION TO PARTICIPATE.

(a) SUBSCRIPTION AGREEMENTS. Each Eligible Employee may become a Participant by executing and submitting a Subscription Agreement to the Company at least seven (7) days prior to the beginning of the Offering Period in which payroll deductions will be made, authorizing specified regular payroll deductions. Subscription Agreements may not be retroactive. Subject to the limits of Paragraph 5(b), payroll deductions may be in any whole dollar amount, but not less than a rate of \$50 per month, and shall be made on an after-tax basis. All payroll deductions shall be recorded in the Accounts. All funds recorded in Accounts may be used by the Company and its Affiliates for any corporate purpose, subject to the Participant's right to withdraw at any time an amount equal to the entire cash balance accumulated in his or her Account as described in Paragraph 8. Once a Participant has withdrawn from participation in the Plan for an Offering Period, the former Participant must submit a new Subscription Agreement at least seven (7) days prior to the beginning of any subsequent Offering Period in which the former Participant elects to participate. Funds credited to Accounts shall not be required to be segregated from the general funds of the Company or any Affiliate.

(b) CONTRIBUTION LIMIT. The sum of all regular payroll deductions authorized under Paragraph 5(a) shall not exceed the lesser of (i) the maximum amount permitted by Section 423 of the Code, and (ii) 15% of the Participant's Compensation.

(c) NO INTEREST ON FUNDS IN ACCOUNTS. No interest shall accrue for the benefit of or be paid to any Participant with respect to funds held in any Account for such Participant.

6. DEDUCTION CHANGES.

A Participant may decrease (but may not increase) his or her payroll deduction by executing and submitting to the Company a new Subscription Agreement, subject to the minimum and maximum contribution limits set forth in Section 5 above. The change will become effective as soon as practicable following the receipt of such new Subscription Agreement by the Committee or its delegatee.

7. LIMIT ON PURCHASE OF SHARES.

(a) No Eligible Employee may be granted a right to purchase Shares under the Plan to the extent that, immediately following such grant, such Eligible Employee would have rights to purchase equity securities of the Company, under all plans of the Company and Affiliates that are intended to meet the requirements of section 423 of the Code, that

accrue at a rate which exceeds \$25,000 of Fair Market Value (determined at the time the rights are granted) for each calendar year in which such rights to purchase equity securities of the Company are outstanding at any time. For purposes of this Paragraph 7:

- (i) The right to purchase Shares accrues when the right (or any portion thereof) first becomes exercisable during the calendar year;
- (ii) A right to purchase Shares that has accrued under one grant of rights under the Plan may not be carried over to any other grant of rights under the Plan or any other plan; and
- (iii) The limits of this Paragraph 7 shall be interpreted by the Committee in accordance with applicable rules and regulations issued under section 423 of the Code.

(b) No Eligible Employee may be granted a right to purchase Shares under the Plan if, immediately following such grant, such Eligible Employee would own stock possessing 5% or more of the total combined voting power or value of all classes of stock of the Company or an Affiliate. In determining stock ownership for purposes of the preceding sentence, the rules of section 425(d) of the Code shall apply and stock that the Eligible Employee may purchase under outstanding options, including rights to purchase stock under the Plan, shall be treated as stock owned by the Participant.

#### 8. WITHDRAWAL OF FUNDS.

Notwithstanding anything contained herein to the contrary, a Participant may at any time prior to a Purchase Date and for any reason withdraw from participation in the Plan for an Offering Period, in which case the entire cash balance accumulated in his or her Account shall be paid to such Participant as soon as practicable thereafter. Partial withdrawals shall not be permitted. Any such withdrawing Participant may again commence participation in the Plan in a subsequent Offering Period by executing and submitting to the Company a Subscription Agreement at least seven (7) business days prior to the beginning of such Offering Period.

#### 9. METHOD OF PURCHASE AND INVESTMENT ACCOUNTS.

(a) EXERCISE OF OPTION FOR SHARES. Each Participant having funds credited to an Account on a Purchase Date shall be deemed, without any further action, to have exercised on such Purchase Date the option to purchase from the Company the number of whole Shares that the funds in such Account would purchase at the Purchase Price, subject to the limit:

- (i) on the aggregate number of Shares that may be made available for purchase to all Participants under the Plan; and

- (ii) on the number of Shares that may be made available for purchase to any individual Participant, as set forth in Paragraphs 5(b) and 7.

Such option shall be deemed exercised if the Participant does not withdraw such funds before the Purchase Date. All Shares so purchased shall be credited to a separate Investment Account established by the Agent for each Participant. The Agent shall hold in its name or the name of its nominee all certificates for Shares purchased until such Shares are withdrawn by a Participant pursuant to Paragraph 11. Fractional Shares may not be purchased under the Plan. Any funds remaining in the Account of a Participant after a Purchase Date shall be retained in the Account for the purchase of additional Shares in subsequent Offering Periods.

(b) DIVIDENDS ON SHARES HELD IN INVESTMENT ACCOUNTS. All cash dividends, if any, paid with respect to the Shares credited to a Participant's Investment Account shall, unless otherwise directed by the Committee, be credited to his or her Account and used, in the same manner as other funds credited to Accounts, to purchase additional Shares under the Plan on the next Purchase Date, subject to Participants' withdrawal rights against Accounts and the other limits of the Plan.

(c) ADJUSTMENT OF SHARES ON APPLICATION OF AGGREGATE LIMITS. If the total number of Shares that would be purchased pursuant to Paragraph 9(a) but for the limits described in Paragraph 9(a)(i) or Paragraph 10 exceeds the number of Shares available for purchase under the Plan for a particular Offering Period, then the number of available Shares shall be allocated among the Investment Accounts of Participants in the ratio that the amount credited to a Participant's Account as of the Purchase Date bears to the total amount credited to all Participants' Accounts as of the Purchase Date. The cash balance not applied to the purchase of Shares shall be held in Participants' Accounts subject to the terms and conditions of the Plan.

#### 10. STOCK SUBJECT TO PLAN.

The maximum number of Shares that may be issued pursuant to the Plan is 400,000, subject to adjustment in accordance with Section 19. The Shares delivered pursuant to the Plan may, at the option of the Company, be Shares purchased specifically for purposes of the Plan, shares otherwise held in treasury or Shares originally issued by the Company for such purposes. In addition, the Committee may impose such limitations as it deems appropriate on the number of Shares that shall be made available for purchase under the Plan during any Offering Period.

#### 11. WITHDRAWAL OF CERTIFICATES.

A Participant shall have the right at any time to receive a certificate or certificates for all or a portion of the Shares credited to his or her Investment Account by giving written notice to the Company; PROVIDED, HOWEVER, that no such request may be made more frequently than once per Offering Period.

12. REGISTRATION OF CERTIFICATES.

Each certificate for Shares withdrawn by a Participant may be registered only in the name of the Participant, or, if the Participant has so indicated in the manner designated by the Committee, in the Participant's name jointly with a member of the Participant's family, with right of survivorship. A Participant who is a resident of a jurisdiction which does not recognize such a joint tenancy may have certificates registered in the Participant's name as tenant in common or as community property with a member of the Participant's family without right of survivorship.

13. VOTING.

The Agent shall vote all Shares held in an Investment Account in accordance with the Participant's instructions.

14. TERMINATION OF EMPLOYMENT.

Any Participant (a) whose employment by the Company and all Affiliates is terminated for any reason (except death) or (b) who shall cease to be an Eligible Employee, in either case during an Offering Period, shall cease being a Participant as of the date of such termination of employment or cessation of eligibility. Upon such event, the entire cash balance in such Participant's Account shall be refunded as soon as practicable.

15. DEATH OF A PARTICIPANT.

If a Participant shall die during an Offering Period, no further payroll deductions shall be taken on behalf of the deceased Participant. The executor or administrator of the deceased Participant's estate may elect to withdraw the balance in said Participant's Account by notifying the Company in writing prior to the Purchase Date in respect of such Offering Period. In the event no election to withdraw has been made, the balance accumulated in the deceased Participant's Account shall be used to purchase Shares in accordance with the provisions of the Plan.

16. MERGER, REORGANIZATION, CONSOLIDATION OR LIQUIDATION.

In the event of a merger, reorganization or consolidation (regardless of whether the Company is the surviving entity) that results in any person or entity other than Kenneth Tuchman owning more than 50% of the combined voting power of all classes of stock then outstanding or the liquidation of all of the assets of the Company, the Committee in its sole discretion may either (a) require that the surviving entity provide to each Participant rights which are equivalent to such Participant's rights under the Plan, or (b) cause the Offering Period to end on the date immediately prior to the consummation of such merger or other transaction.

17. GOVERNING LAW; COMPLIANCE WITH LAW.

This Plan shall be construed in accordance with the laws of the State of Delaware. The Company's obligation to sell and deliver shares of Common Stock hereunder shall be subject to all applicable federal and state laws, rules and regulations and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel for the Company, be required.

18. ASSIGNMENT.

The purchase rights granted hereunder are not assignable or transferable by the Participants, other than by will or the laws of descent and distribution. Any attempted assignment, transfer or alienation not in compliance with the terms of this Plan shall be null and void for all purposes and respects.

19. NO RIGHTS AS STOCKHOLDER.

No Eligible Employee or Participant shall by reason of participation in this Plan have any rights of a stockholder of the Company until he or she acquires Shares on a Purchase Date as herein provided.

20. NO RIGHT TO CONTINUED EMPLOYMENT.

Neither the Plan nor any right granted under the Plan shall confer upon any Participant any right to continuance of employment with the Company or any Affiliate, or interfere in any way with the right of the Company or Affiliate to terminate the employment of such Participant.

21. ADJUSTMENTS IN CASE OF CHANGES AFFECTING SHARES.

In the event of a subdivision of outstanding Shares, or the payment of a stock dividend, the Share limit set forth in Paragraph 10 shall be adjusted proportionately, and such other adjustments shall be made as may be deemed equitable by the Committee. In the event of any other change affecting Shares (including any event described in section 424(a) of the Code), such adjustment, if any, shall be made as may be deemed equitable by the Committee to give proper effect to such event, subject to the limitations of section 424 of the Code.

22. AMENDMENT OF THE PLAN.

The Committee may at any time, or from time to time, amend this Plan in any respect; PROVIDED, HOWEVER, that any amendment to the Plan that is treated for purposes of section 423 of the Code and regulations issued pursuant thereto as the adoption of a new plan shall be effective only if such amendment is approved by the stockholders of the Company within 12 months of the adoption of such amendment in a manner that meets the requirements for stockholder approval under such Code section and regulations.



23. TERMINATION OF THE PLAN.

The Plan and all rights of employees under any offering hereunder shall terminate at such time as the Committee, at its discretion, chooses to terminate the Plan. Upon termination of this Plan, all amounts in the Accounts of Participants shall be carried forward into the Participant's Account under a successor plan, if any, or shall be promptly refunded and certificates for all Shares credited to a Participant's Investment Account shall be forwarded to him or her.

24. GOVERNMENTAL REGULATIONS.

(a) Anything contained in this Plan to the contrary notwithstanding, the Company shall not be obligated to sell or deliver any Share certificates under this Plan unless and until the Company is satisfied that such sale or delivery complies with (i) all applicable requirements of the governing body of the principal market in which such Shares are traded, (ii) all applicable provisions of the Securities Act of 1933, as amended, (the "Act") and the rules and regulations thereunder and (iii) all other laws or regulations by which the Company is bound or to which the Company is subject.

(b) The Company (or an Affiliate) may make such provisions as it may deem appropriate for the withholding of any taxes or payment of any taxes which it determines it may be required to withhold or pay in connection with any Shares. The obligation of the Company to deliver certificates under this Plan is conditioned upon the satisfaction of the provisions set forth in the preceding sentence.

25. REPURCHASE OF SHARES.

The Company shall not be required to repurchase from any Participant any Shares which such Participant acquires under the Plan.

AMENDED AND RESTATED  
TELETECH HOLDINGS, INC.  
1999 STOCK OPTION AND INCENTIVE PLAN

1. PREAMBLE.

TeleTech Holdings, Inc., a Delaware corporation (the "COMPANY"), hereby establishes the Amended and Restated TeleTech Holdings, Inc. 1999 Stock Option and Incentive Plan (the "PLAN") as a means whereby the Company may, through awards of (i) incentive stock options within the meaning of section 422 of the Code (as herein defined), (ii) stock appreciation rights, (iii) non-qualified stock options, (iv) restricted stock, and (v) phantom stock:

(a) provide employees of the Company and its subsidiaries with additional incentive to promote the success of the Company's and its subsidiaries' businesses and encourage such employees to remain in the employ of the Company and its subsidiaries;

(b) provide incentive for potential employees to accept employment with the Company; and

(c) provide directors of the Company who are not otherwise employees of the Company, and consultants and other independent contractors who provide services to the Company, with additional incentive to promote the success of the Company's business.

The provisions of this Plan do not apply to or affect any option, stock appreciation right, or stock heretofore or hereafter granted under any other stock plan of the Company or any subsidiary, and all such options, stock appreciation right or stock continue to be governed by and subject to the applicable provisions of the plan or agreement under which they were granted.

2. DEFINITIONS.

2.01 "BOARD" or "BOARD OF DIRECTORS" means the board of directors of the Company.

2.02 "CAUSE" means, as determined in the sole discretion of the Board, a Participant's (a) commission of a felony or the commission of any crime involving moral turpitude, theft, embezzlement, fraud, misappropriation of funds, breach of fiduciary duty, abuse of trust or the violation of any other law or ethical rule relating to the Company; (b) material or repeated dishonesty or misrepresentation involving the Company or any Subsidiary; (c) material or repeated misconduct in the performance or non-performance of Participant's responsibilities as an employee, officer, Director, consultant or independent contractor; (d) violation of a material condition of employment; (e) unauthorized use of trade secrets or

confidential information (or the Company's reasonable belief that a Participant has or has attempted to do so); or (f) aiding a competitor of the Company or any Subsidiary.

2.03 "CODE" means the Internal Revenue Code of 1986, as it exists now and as it may be amended from time to time.

2.04 "COMMITTEE" means the committee comprised of two or more Directors appointed by the Board to administer the Plan.

2.05 "COMMON STOCK" means the common stock of the Company, \$.01 par value per share.

2.06 "COMPANY" means TeleTech Holdings, Inc., a Delaware corporation, and any successor thereto.

2.07 "DIRECTOR" means a member of the Board.

2.08 "EXCHANGE ACT" means the Securities Exchange Act of 1934, as it exists now or from time to time may hereafter be amended.

2.09 "FAIR MARKET VALUE" means for the relevant day:

(a) If shares of Common Stock are listed or admitted to unlisted trading privileges on any national or regional securities exchange, the last reported sale price, regular way, on the composite tape of that exchange on the day Fair Market Value is to be determined;

(b) If the Common Stock is not listed or admitted to unlisted trading privileges as provided in paragraph (a), and if sales prices for shares of Common Stock are reported by the National Association of Securities Dealers, Inc. Automated Quotations, Inc. National Market System ("Nasdaq System"), then the last sale price for Common Stock reported as of the close of business on the day Fair Market Value is to be determined, or if no such sale takes place on that day, the average of the high bid and low asked prices so reported and, if Common Stock is not traded on that day, the next preceding day on which such stock was traded; or

(c) If trading of the Common Stock is not reported by the Nasdaq System or on a stock exchange, Fair Market Value will be determined by the Committee in its discretion based upon the best available data.

2.10 "ISO" means incentive stock options within the meaning of Section 422 of the Code.

2.11 "NAKED SAR" means a SAR issued not in connection with an ISO or NSO.

2.12 "NSO" means non-qualified stock options, which are not intended to qualify under Section 422 of the Code.

2.13 "OPTION" means the right of a Participant, whether granted as an ISO or an NSO, to purchase a specified number of shares of Common Stock, subject to the terms and conditions of the Plan.

2.14 "OPTION DATE" means the date upon which an Option, SAR, Restricted Stock or Phantom Stock is awarded to a Participant under the Plan.

2.15 "OPTION PRICE" means the price per share at which an Option may be exercised.

2.16 "OUTSIDE DIRECTOR" means a Non-Employee Director as defined in Section 16b-3(b)(3)(i) of the Exchange Act.

2.17 "PARTICIPANT" means an individual to whom an Option, SAR, Phantom Stock or Restricted Stock has been granted under the Plan.

2.18 "PHANTOM STOCK" means a hypothetical share of Common Stock issued as phantom stock under the Plan.

2.19 "PLAN" means the Amended and Restated TeleTech Holdings, Inc. 1999 Stock Option and Incentive Plan, as set forth herein and as from time to time amended.

2.20 "RESTRICTED STOCK" means Common Stock awarded to a Participant pursuant to this Plan and subject to the restrictions contained in Section 9.

2.21 "SAR" means a stock appreciation right. A SAR may be a Naked SAR or a Tandem SAR.

2.22 "SECURITIES ACT" means the Securities Act of 1933, as it exists now or from time to time may hereinafter be amended.

2.23 "SUBSIDIARY" means any corporation or other entity of which the majority voting power or equity interest is owned directly or indirectly by the Company.

2.24 "TANDEM SAR" means a SAR associated with and issued in connection with an ISO or NSO.

#### 2.25 RULES OF CONSTRUCTION.

(a) GOVERNING LAW. The construction and operation of this Plan are governed by the laws of the State of Delaware.

(b) UNDEFINED TERMS. Unless the context requires another meaning, any term not specifically defined in this Plan has the meaning given to it by the Code.

(c) HEADINGS. All headings in this Plan are for reference only and are not to be utilized in construing the Plan.

(d) GENDER. Unless clearly appropriate, all nouns of whatever gender refer indifferently to persons of any gender.

(e) SINGULAR AND PLURAL. Unless clearly inappropriate, singular terms refer also to the plural and vice versa.

(f) SEVERABILITY. If any provision of this Plan is determined to be illegal or invalid for any reason, the remaining provisions shall continue in full force and effect and shall be construed and enforced as if the illegal or invalid provision did not exist, unless the continuance of the Plan in such circumstances is not consistent with its purposes.

(g) TERMINATION OF EMPLOYMENT. For all purposes of this Plan, an employee will have terminated employment with the Company when the employee's employment relationship with the Company and all of its subsidiaries is terminated. Additionally, for all purposes of the Plan, (i) a consultant's or independent contractor's "employment with the Company" shall be considered terminated upon the termination of any consulting or independent contractor agreement, or when the consultant or independent contractor no longer performs any services for the Company, and (ii) a non-employee Director's "employment with the Company" shall be considered terminated at the time such Director ceases to serve on the Board.

### 3. STOCK SUBJECT TO THE PLAN.

Except as otherwise provided in Section 13, the aggregate number of shares of Common Stock that may be issued under Options or as Restricted Stock under this Plan may not exceed 10,000,000 shares of Common Stock. Reserved shares may be either authorized but unissued shares or treasury shares, in the Board's discretion. If any awards hereunder shall terminate or expire, as to any number of shares, new Options, and Restricted Stock may thereafter be awarded with respect to such shares. Except as otherwise provided in Section 13, no Participant may be granted awards under the Plan in any calendar year in respect of more than 300,000 shares of Common Stock.

### 4. ADMINISTRATION.

The Plan shall be administered by the Committee. In addition to any other powers set forth in this Plan, the Committee has the exclusive authority:

(a) to construe and interpret the Plan, and to remedy any ambiguities or inconsistencies therein;

(b) to establish, amend and rescind appropriate rules and regulations relating to the Plan;

(c) subject to the express provisions of the Plan, to determine the individuals who will receive awards of Options, Restricted Stock, Phantom Stock and/or SARs, the times when they will receive them, the number of shares to be subject to each award and the Option Price, payment terms, payment method, and expiration date applicable to each award;

(d) to contest on behalf of the Company or Participants, at the expense of the Company, any ruling or decision on any matter relating to the Plan or to any awards of ISOs, NSOs, Restricted Stock, Phantom Stock and/or SARs;

(e) generally, to administer the Plan, and to take all such steps and make all such determinations in connection with the Plan and the awards of ISOs, NSOs, Restricted Stock, Phantom Stock and/or SARs granted thereunder as it may deem necessary or advisable;

(f) to determine the form in which payment of a SAR or a Phantom Stock award granted hereunder will be made (i.e., cash, Common Stock or a combination thereof) or to approve a participant's election to receive cash in whole or in part in settlement of the SAR or Phantom Stock award;

(g) to determine the form in which tax withholding under Section 16 of this Plan will be made; and

(h) to amend the Plan or any Option, Restricted Stock, Phantom Stock or SAR granted or awarded hereunder as may be necessary in order for any business combination involving the Company to qualify for pooling-of-interest treatment under APB No. 16.

#### 5. ELIGIBLE PARTICIPANTS.

Subject to the provisions of the Plan, the Committee shall determine from time to time (a) those employees, officers, Directors, consultants and independent contractors of the Company or a Subsidiary, and non-employees and non-officers to whom the Company or any Subsidiary has extended an offer of employment, who shall be designated as Participants, and (b) the number of Options, SARs, Restricted Stock, and Phantom Stock, or any combination thereof, to be awarded to each such Participant; PROVIDED, HOWEVER, that no ISOs or Tandem SARs granted with respect to ISOs shall be awarded under the Plan more than ten years after the date this Plan is adopted by the Board. In addition, no ISOs may be awarded to a Participant who is not an employee of the Company or a Subsidiary.

#### 6. TERMS AND CONDITIONS OF INCENTIVE STOCK OPTIONS.

The Committee, in its discretion, may grant ISOs to any Participant under the Plan; PROVIDED, HOWEVER, that no ISOs may be granted to a Director or other Participant who is not an employee of the Company or a Subsidiary. Each ISO shall be evidenced by an agreement between the Company and the Participant in a form approved by the Committee. Unless the

Committee, in its discretion, determines otherwise, each ISO agreement shall be subject to the following terms and conditions and to such other terms and conditions as the Committee may deem appropriate;

(a) OPTION PERIOD. Each ISO will expire as of the earliest of:

- (i) the date on which it is forfeited under the provisions of Section 12;
- (ii) 10 years (or five years as specified in Section 6(e)) from the Option Date;
- (iii) three months after the Participant's termination of employment with the Company for any reason other than death; or
- (iv) six months after the Participant's death.

(b) OPTION PRICE. Subject to the provisions of Section 6(e), the Option Price per share shall be determined by the Committee at the time any ISO is granted, and shall not be less than the Fair Market Value of the Common Stock subject to the ISO on the Option Date.

(c) OTHER OPTION PROVISIONS. The form of ISO authorized by the Plan may contain such other provisions as the Committee may, from time to time, determine; provided, however, that such other provisions may not be inconsistent with any requirements imposed on qualified stock options under Section 422 of the Code.

(d) LIMITATIONS ON AWARDS. The aggregate Fair Market Value, determined as of the Option Date, of Common Stock with respect to which ISOs are exercisable by a Participant for the first time during any calendar year under all ISO plans of the Company and any Subsidiary shall not exceed \$100,000.

(e) AWARDS TO CERTAIN STOCKHOLDERS. Notwithstanding Sections 6(a) and 6(b) hereof, if an ISO is granted to a Participant who owns stock representing more than 10% of the voting power of all classes of stock of the Company or a Subsidiary (as determined under the Code), the exercise period specified in the ISO agreement for which the ISO thereunder is granted shall not exceed five years from the Option Date and the Option Price shall be at least 110% of the Fair Market Value (as of the Option Date) of the Common Stock subject to the ISO.

#### 7. TERMS AND CONDITIONS OF NON-QUALIFIED STOCK OPTION.

The Committee, in its discretion, may grant NSOs to any Participant under the Plan. Each NSO shall be evidenced by an agreement between the Company and the Participant in

a form approved by the Committee. Unless the Committee, in its discretion, determines otherwise, each NSO agreement shall be subject to the following terms and conditions and to such other terms and conditions as the Committee may deem appropriate:

(a) OPTION PERIOD. Each NSO will expire as of the earliest of:

- (i) the date on which it is forfeited under the provisions of Section 12;
- (ii) the date three months after the Participant's termination of employment with the Company for any reason other than death; or
- (iii) the date six months after the Participant's death.

(b) OPTION PRICE. At the time when the NSO is granted, the Committee will fix the Option Price. The Option Price may be greater than, less than, or equal to Fair Market Value on the Option Date, as determined in the sole discretion of the Committee.

(c) OTHER OPTION PROVISIONS. The form of NSO authorized by the Plan may contain such other provisions as the Committee may from time to time determine.

#### 8. TERMS AND CONDITIONS OF STOCK APPRECIATION RIGHTS.

The Committee may, in its discretion, grant a SAR to any Participant under the Plan. Each SAR shall be evidenced by an agreement between the Company and the Participant, in a form approved by the Committee, and may be a Naked SAR or a Tandem SAR. Unless the Committee, in its discretion, determines otherwise, each SAR awarded to Participants under the Plan shall be subject to the following terms and conditions and to such other terms and conditions as the Committee may deem appropriate:

(a) TANDEM SARS. Tandem Sars shall terminate on the same date as the related ISO or NSO. A Tandem SAR shall be exercisable only if the Fair Market Value of a share of Common Stock on the date of surrender exceeds the Option Price for the related Option, and then shall be exercisable to the extent, and only to the extent, that the related Option is exercisable. A Tandem SAR shall entitle the Participant to whom it is granted the right to elect, so long as such Tandem SAR is exercisable and subject to such limitations as the Committee shall have imposed, to surrender any then exercisable portion of his related Option, in whole or in part, and receive from the Company in exchange, without any payment of cash (except for applicable employee withholding taxes), that number of shares of Common Stock having an aggregate Fair Market Value on the date of surrender equal to the product of (i) the excess of the Fair Market Value of a share of Common Stock on the date of surrender over the per share Option Price, and (ii) the number of shares of Common



Stock subject to such Option or portion thereof which is surrendered. Any Option or portion thereof which is surrendered shall no longer be exercisable. The Committee, in its sole discretion, may allow the Company to settle all or part of the Company's obligation arising out of the exercise of a Tandem SAR by the payment of cash equal to the aggregate Fair Market Value of the shares of Common Stock which the Company would otherwise be obligated to deliver.

(b) NAKED SARs. Naked SARs shall terminate as provided in the Participant's SAR agreement. The Committee may at the time of granting any Naked SAR add such conditions and limitations to the Naked SAR as it shall deem advisable, including but not limited to, limitations on the period within which the Naked SAR shall be exercisable and the maximum amount of appreciation to be recognized with regard to such Naked SAR.

(c) OTHER CONDITIONS. If a Participant is subject to Section 16(a) and Section 16(b) of the Exchange Act, the Committee may at any time add such additional conditions and limitations to such SAR which the Committee, in its discretion, deems necessary or desirable in order to comply with Section 16(a) or Section 16(b) of the Exchange Act and the rules and regulations issued thereunder, or in order to obtain any exemption therefrom.

#### 9. TERMS AND CONDITIONS OF RESTRICTED STOCK AWARDS.

The Committee, in its discretion, may grant Restricted Stock to any Participant under the Plan. Each grant of Restricted Stock shall be evidenced by an agreement between the Company and the Participant in a form approved by the Committee. Unless the Committee, in its discretion, determines otherwise, all shares of Common Stock awarded to Participants under the Plan as Restricted Stock shall be subject to the following terms and conditions and to such other terms and conditions as the Committee may deem appropriate:

(a) RESTRICTED PERIOD. Shares of Restricted Stock awarded to Participants may not be sold, transferred, pledged or otherwise encumbered before they vest. Subject to the provisions of subparagraphs (b) and (c) below and any other restrictions imposed by law, certificates evidencing shares of Restricted Stock that vest will be transferred to the Participant or, in the event of his death, to the beneficiary or beneficiaries designated by writing filed by the Participant with the Committee for such purpose or, if none, to his estate.

(b) FORFEITURES. A Participant shall forfeit all unpaid accumulated dividends and all shares of Restricted Stock which have not vested prior to the date that his employment with the Company is terminated for any reason.

(c) CERTIFICATES DEPOSITED WITH COMPANY. Each certificate issued in respect of shares of Restricted Stock awarded under the Plan shall be registered in the name of the Participant and deposited with the Company. Each such certificate shall bear the following (or a similar) legend:

"The transferability of this certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture) relating to Restricted Stock contained in the TeleTech Holdings, Inc. 1999 Stock Option and Incentive Plan and an agreement entered into between the registered owner and TeleTech Holdings, Inc. Copies of such Plan and agreement are on file at the principal office of TeleTech Holdings, Inc."

(d) STOCKHOLDER RIGHTS. Subject to the foregoing restrictions, each Participant shall have all the rights of a stockholder with respect to his shares of Restricted Stock including, but not limited to, the right to vote such shares.

(e) DIVIDENDS. On each Common Stock dividend payment date, each Participant shall receive an amount equal to the dividend paid on that date on a share of Common Stock, multiplied by his number of shares of Restricted Stock.

#### 10. TERMS AND CONDITIONS OF PHANTOM STOCK.

The Committee may, in its discretion, award Phantom Stock to any Participant under the Plan. Each award of Phantom Stock shall be evidenced by an agreement between the Company and the Participant. The Committee may at the time of awarding any Phantom Stock add such additional conditions and limitations to the Phantom Stock as it shall deem advisable, including, but not limited to, the right for Participants to receive dividends equivalent to those paid on Common Stock, limitations on the period or periods within which the Phantom Stock may be surrendered, and the maximum amount of appreciation to be recognized with regard to such Phantom Stock. An award of Phantom Stock shall entitle the Participant to whom it is awarded the right to elect, so long as such Phantom Stock is vested and subject to such limitations as the Committee shall have imposed, to surrender any then vested portion of the Phantom Stock, in whole or in part, and receive from the Company in exchange therefor the Fair Market Value on the date of surrender of the Common Stock to which the surrendered Phantom Stock relates in cash or in shares of Common Stock as the Committee may determine. If a Participant is subject to Section 16(a) and Section 16(b) of the Exchange Act, the Committee may at any time add such additional conditions and limitations to such Phantom Stock which, in its discretion, the Committee deems necessary or desirable in order to comply with Section 16(a) or Section 16(b) of the Exchange Act and the rules and regulations promulgated thereunder, or in order to obtain any exemption therefrom.

#### 11. MANNER OF EXERCISE OF OPTIONS.

To exercise an Option in whole or in part, a Participant, any permitted transferee of a Participant or, after a Participant's death, a Participant's executor or administrator, must give written notice to the Committee, stating the number of shares to which he intends to exercise the Option. The Company will issue the shares with respect to which the Option is exercised upon payment in full of the Option Price. The Option Price may be paid (i) in cash, (ii) in shares of Common Stock having an aggregate Fair Market Value, as determined on the date

of delivery, equal to the Option Price, or (iii) by delivery of irrevocable instructions to a broker to promptly deliver to the Company the amount of sale or loan proceeds necessary to pay for all Common Stock acquired through such exercise and any tax withholding obligations resulting from such exercise. The Option Price may be paid in shares of Common Stock which were received by the Participant upon the exercise of one or more Options. The Option Price may be paid in shares of Common Stock which were received by the Participant as an award of Restricted Stock under the Plan. The Option Price may be paid by surrender of Tandem SARs equal to the Option Price.

12. VESTING.

(a) A Participant may not exercise an Option, surrender a SAR or Phantom Stock or transfer, pledge or dispose of any Restricted Stock until it has become vested. The portion of an Option, SAR or Phantom Stock award or Restricted Stock that is vested depends upon the period that has elapsed since the Option Date. Unless the Committee establishes a different vesting schedule at the time an Option is granted or the Restricted Stock, SAR or Phantom Stock is awarded, all Options granted under this Plan, Restricted Stock, SARs and Phantom Stock awarded under this Plan shall vest according to the following schedule:

PERIOD ELAPSED - - - - -	CUMULATIVE VESTED PERCENTAGE - - - - -
First Anniversary of Option Date .....	20%
Second Anniversary of Option Date .....	40%
Third Anniversary of Option Date .....	60%
Fourth Anniversary of Option Date .....	80%
Fifth Anniversary of Option Date .....	100%

Except as provided below, if a Participant's employment with the Company or its Subsidiaries is terminated, for any reason, such Participant automatically forfeits any Options, Restricted Stock, SARs and/or Phantom Stock that are not yet vested. A transfer of employment from the Company to a Subsidiary or affiliate, or vice versa, is not a termination of employment for purposes of this Plan. Unless the Committee in its sole discretion specifically waives the application of this sentence, then notwithstanding the vesting schedule contained herein or in the Participant's agreement, if the Participant's employment, or if a Director, his membership on the Board, is terminated for Cause, all Options, SARs, Restricted Stock and/or Phantom Stock granted or awarded to the Participant will be immediately cancelled and forfeited by the Participant upon delivery to him of notice of such termination.

(b) If it determines that special circumstances exist, the Committee, in its sole discretion, may accelerate the time in which an award under the Plan vests, even if, under its existing terms, such award would not then be exercisable.

13. ADJUSTMENTS TO REFLECT CHANGES IN CAPITAL STRUCTURE.

If there is any change in the corporate structure or shares of the Company, the Board of Directors may, in its discretion, make any adjustments necessary to prevent accretion, or to protect against dilution, in the number and kind of shares authorized by the Plan and, with respect to outstanding Options, Restricted Stock, Phantom Stock and/or SARs, in the number and kind of shares covered thereby and in the applicable Option Price; PROVIDED, HOWEVER, no adjustment will be made for the issuance of preferred stock or the conversion of convertible preferred stock. For the purpose of this Section 13, a change in the corporate structure or shares of the Company includes, without limitation, any change resulting from a recapitalization, stock split, stock dividend, consolidation, rights offering, spin-off, reorganization, or liquidation and any transaction in which shares of Common Stock are changed into or exchanged for a different number or kind of shares of stock or other securities of the Company or another corporation.

14. NON-TRANSFERABILITY OF OPTIONS, SARs AND PHANTOM STOCK.

The Options and SARs granted or Phantom Stock awarded under the Plan are not transferable, voluntarily or involuntarily, other than by will or the laws of descent and distribution, or to the extent permissible under Section 422 of the Code, pursuant to a qualified domestic relations order as defined in Section 414(p) of the Code; PROVIDED, HOWEVER, that the Compensation Committee, in its discretion, may permit Options to be transferrable by a Participant to members of such Participant's immediate family or to family trusts, partnerships and other entities comprised solely of the Participant or members of the Participant's immediate family.

15. RIGHTS AS STOCKHOLDER.

No Common Stock may be delivered upon the exercise of any Option until full payment of the Option Price has been made and all income tax withholding requirements thereon have been satisfied. A Participant has no rights whatsoever as a stockholder with respect to any shares covered by an Option until the date of the issuance of a stock certificate for the shares. A Participant who has been granted SARs or Phantom Stock shall have no rights whatsoever as a stockholder with respect to such SARs or Phantom Stock.

16. WITHHOLDING TAX.

The Company shall have the right to withhold or to require a Participant to remit to the Company, in cash or shares of Common Stock, with respect to any payments made to Participants under the Plan, any taxes required by law to be withheld because of such payments. Subject to the consent of the Committee with respect to (a) the exercise of an NSO, (b) the lapse of restrictions on Restricted Stock, (c) a "disqualifying disposition" of an ISO, as determined pursuant to the Code, or (d) the issuance of any other stock award under the Plan, a Participant may make an irrevocable election (an "ELECTION") to (i) have shares of Common Stock otherwise issuable withheld, or (ii) tender back to the Company shares of Common Stock received pursuant to (a), (b), or (d), or (iii) deliver back to the Company

pursuant to (a), (b), or (d) previously acquired shares of Common Stock having a Fair Market Value sufficient to satisfy all or part of the Participant's estimated tax obligations. Such Election must be made by a Participant prior to the date on which the relevant tax obligation arises. The Committee may disapprove of any Election, may suspend or terminate the right to make Elections, or may provide with respect to any award under this Plan that the right to make Elections shall not apply to such award.

17. NO RIGHT TO EMPLOYMENT.

Participation in the Plan will not give any Participant a right to be retained as an employee of the Company or any subsidiary, or any right or claim to any benefit under the Plan, unless the right or claim has specifically accrued under the Plan.

18. AMENDMENT OF THE PLAN.

The Committee may from time to time amend or revise the terms of this Plan in whole or in part and may without limitation, adopt any amendment deemed necessary, subject only to applicable laws, regulations and the rules and regulations of the Nasdaq Stock Exchange or any national stock exchange upon which the Common Stock may be listed; PROVIDED, HOWEVER, that (a) except as provided in Section 4(h), no change in any award previously granted to a Participant may be made that would impair the rights of the Participant without the Participant's consent, or (b) no amendment may extend the period during which a Participant may exercise an ISO beyond the period set forth in Section 6(a)(ii) or 6(e). Any approval required or desired from the Company's stockholders to any amendment shall require a vote of the majority of the shares of the Company's Common Stock and preferred stock voting together as one class, present in person or by proxy at a duly held stockholders meeting or by written consent. All amendments shall be in writing and consented to by a majority of the members of the Committee.

19. CONDITIONS UPON ISSUANCE OF SHARES.

An Option shall not be exercisable, a share of Common Stock shall not be issued pursuant to the exercise of an Option, and Restricted Stock shall not be awarded until such time as the Plan has been approved by the Stockholders of the Company and unless the award of Restricted Stock, exercise of such Option and the issuance and delivery of such share pursuant thereto shall comply with all relevant provisions of law, including, without limitation, the Securities Act, the Exchange Act, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which the shares of Common stock may then be listed, and shall be further subject to the approval of counsel for the Company with respect to such compliance. As a condition to the exercise of an Option, the Company may require the person exercising such Option to represent and warrant at the time of any such exercise that the Common Stock is being purchased only for investment and without any present intention to sell or distribute such shares if, in the opinion of counsel for the Company, such a representation is required by any of the aforementioned relevant provisions of law.

20. EFFECTIVE DATE AND TERMINATION OF PLAN.

(a) EFFECTIVE DATE. This Plan is effective as of the later of the date of its adoption by the Board or, if approval of the Company's stockholders is sought, the date the Plan is approved by the stockholders of the Company.

(b) TERMINATION OF THE PLAN. The Committee may terminate the Plan at any time with respect to any shares that are not then subject to Options or Restricted Stock. Termination of the Plan will not affect the rights and obligations of any Participant with respect to Options, SARs, Phantom Stock or Restricted Stock awarded before termination.

21. ANNUAL OPTION GRANTS TO OUTSIDE DIRECTORS.

On the date of each annual meeting of stockholders, each Outside Director who does not own, directly or indirectly, over 5% of the issued and outstanding Common Stock shall be granted an Option to purchase 15,000 shares of Common Stock and, for each committee on which such director has been appointed to serve, such committee member shall be granted an option to purchase 8,000 shares of Common Stock.