

TELETECH HOLDINGS INC

Form DEF 14A

August 07, 2008

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. \_\_)

Filed by the Registrant   
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**TeleTech Holdings, Inc.**

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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**TELETECH HOLDINGS, INC.  
9197 S. Peoria Street  
Englewood, Colorado 80112**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

The annual meeting of stockholders of TeleTech Holdings, Inc., a Delaware corporation, will be held at 9197 S. Peoria Street, Englewood, Colorado on Wednesday, September 17, 2008, at 10:00 a.m., local time, for the following purposes:

1. To elect seven directors to serve until the next annual meeting of stockholders or until their successors are duly elected and qualified (see page 5);
2. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered accounting firm for 2008 (see page 32); and
3. To transact such other business as may properly come before the annual meeting.

The record date for the annual meeting is Monday, July 21, 2008. Only stockholders of record at the close of business on that date are entitled to notice of and to vote at the annual meeting.

By Order of the Board of Directors,

John R. Troka, Jr.  
*Senior Vice President and Interim  
Chief Financial Officer*

Englewood, Colorado  
August 7, 2008

**YOUR VOTE IS IMPORTANT.  
PLEASE COMPLETE, DATE, SIGN AND RETURN YOUR PROXY CARD PROMPTLY.**

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**TELETECH HOLDINGS, INC.  
9197 S. Peoria Street,  
Englewood, Colorado 80112**

**PROXY STATEMENT  
ANNUAL MEETING OF STOCKHOLDERS**

**To be Held on Wednesday, September 17, 2008**

The board of directors of TeleTech Holdings, Inc., a Delaware corporation, is soliciting proxies to be used at our annual meeting of stockholders to be held at 10:00 a.m. on Wednesday, September 17, 2008, at TeleTech's principal offices located at 9197 S. Peoria Street, Englewood, Colorado. This Proxy Statement contains important information regarding TeleTech's annual meeting, the proposals on which you are being asked to vote, and information you may find useful in determining how to vote and voting procedures.

A number of abbreviations are used in this Proxy Statement. The term "proxy materials" includes this Proxy Statement, the enclosed proxy card, and our 2007 Annual Report on Form 10-K.

The board of directors is sending these proxy materials on or about August 7, 2008.

**Who Can Vote**

Stockholders of record at the close of business on the record date, July 21, 2008, may vote at the annual meeting. On the record date, we had 69,976,836 issued and outstanding shares of common stock, which were held by 564 record holders. If you hold shares in a stock brokerage account or through a nominee, you are considered the beneficial owner of shares held in "street name" and these proxy materials are being forwarded to you by your broker or nominee, who is considered the record holder with respect to those shares. As the beneficial owner, you have the right to direct your broker or nominee on how to vote and you are also invited to attend the annual meeting. However, if your shares are held in street name, you are not the stockholder of record and you may not vote these shares in person at the meeting unless you first obtain from your broker or nominee a letter recognizing you as the beneficial owner of your shares. If your shares are held in street name, your broker or nominee has enclosed a voting instruction card for you to use. **We urge you to vote by proxy regardless of whether you attend the annual meeting.**

**How You Can Vote**

You can vote your shares if you are represented by proxy or present in person at the annual meeting. If you hold your shares through your broker in "street name," you may direct your broker or nominee to vote by proxy, but you may not vote in person at the meeting unless you first obtain from your broker or nominee a letter recognizing you as the beneficial owner of your shares. If you return a properly signed proxy card, we will vote your shares as you direct. If your proxy card does not specify how you want to vote your shares, we will vote your shares **FOR** the election of all nominees for director and as recommended by the board with regard to all other matters.

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You can also vote your shares electronically as follows:

**VOTE BY INTERNET**

*http://www.proxyvote.com*  
24 hours a day/7 days a week

**INSTRUCTIONS:**

Read this proxy statement. Have your 12-digit control number located on your proxy card available.

Point your browser to  
*http://www.proxyvote.com*  
and follow the instructions to cast your vote. You can also register to receive all future stockholder communications electronically, instead of in print. This means that the Annual Report, Proxy Statement, and other correspondence will be delivered to you electronically via e-mail.

Votes submitted via the internet or by telephone must be cast by 12:00 a.m. EDT on September 15, 2008. Votes submitted by mail must be received on or before September 11, 2008. Submitting your vote by mail, telephone or via the Internet will not affect your right to vote in person if you decide to attend the 2008 annual meeting.

**PLEASE DO NOT RETURN THE ENCLOSED PAPER BALLOT IF YOU ARE VOTING OVER THE INTERNET OR BY TELEPHONE.**

**Revocation of Proxies**

You can revoke your proxy at any time before it is voted at the annual meeting by any of the following three methods:

by voting in person at the annual meeting;

by delivering to TeleTech's secretary a written notice of revocation dated after the proxy; or

by delivering another proxy dated after the previous proxy.

**Required Votes**

Each share of common stock has one vote on all matters properly brought before the annual meeting. In order to conduct business at the annual meeting, a quorum of a majority of the outstanding shares of common stock entitled to vote as of the record date must be present in person or represented by proxy. The affirmative vote of a plurality of the shares represented at the meeting, in person or by proxy, will be necessary for the election of directors. The affirmative vote of a majority of the shares represented at the meeting, in person or by proxy, will be necessary for approval of the other proposals.

Kenneth D. Tuchman, our chairman and chief executive officer and the beneficial owner of approximately 45% of the shares of common stock entitled to vote at the meeting, has indicated that he intends to vote for all persons nominated by the board of directors for election to the board and as recommended by the board with regard to other proposals to be presented at the annual meeting.

**Voting Procedures**

Votes cast by proxy at the annual meeting will be tabulated by an automatic system administered by Broadridge Financial Solutions, Inc. Votes cast by proxy or in person at the annual meeting will be



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counted by the persons we appoint to act as election inspectors for the annual meeting. Abstentions and broker non-votes (as described below) are each included in the determination of the number of shares present at the annual meeting for purposes of determining the presence of a quorum and are tabulated separately. Abstentions and broker non-votes are also counted in tabulations of the votes cast on proposals presented to stockholders and, except with respect to the election of directors, will have the same effect as negative votes. With regard to the election of directors, votes may be cast in favor or withheld; votes that are withheld will be excluded entirely from the tabulation of votes and will have no effect.

If your shares are held in the name of a broker and you do not return a proxy card, brokerage firms have the authority to vote your non-voted shares on certain routine matters, such as the election of directors and the ratification of auditors.

Cumulative voting is not permitted in the election of directors. Consequently, you are entitled to one vote for each share of TeleTech common stock held in your name for as many persons as there are directors to be elected, and for whose election you have the right to vote.

## **Costs of Proxy Solicitation**

TeleTech will bear the costs of soliciting proxies from its stockholders. Some directors, officers and other employees of TeleTech, not specifically employed for this purpose, may solicit proxies, without additional remuneration therefore, by personal interview, mail, telephone or other means of communication. We will request brokers and other fiduciaries to forward proxy soliciting material to the beneficial owners of shares of common stock that are held of record by such brokers and fiduciaries and we will reimburse these persons for their reasonable out-of-pocket expenses.

## **Admission to the Annual Meeting**

If you plan to attend the annual meeting, please mark the appropriate box on the proxy card and return the proxy card promptly. If you are a stockholder of record and arrive at the annual meeting without an admission ticket, you will only be admitted once we verify your share ownership at the stockholders' admission counter. If you are a beneficial owner, you will only be admitted upon presentation of evidence of your beneficial holdings, such as a bank or brokerage firm account statement.

## **Stockholder List**

A complete list of stockholders entitled to vote at the annual meeting will be available for examination by any stockholder, for any purpose germane to the meeting, at the annual meeting and at our principal office located at 9197 S. Peoria Street, Englewood, Colorado 80112 during normal business hours for a period of at least 10 days prior to the annual meeting.

## **SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The table below sets forth information, as of July 1, 2008, concerning, except as indicated by the footnotes below:

Each person whom we know beneficially owns more than five percent of our common stock;

Each of our directors and nominees for the Board;

Each of our named executive officers; and

All of our directors and executive officers as a group.

The address of each beneficial owner listed in the table is *c/o* TeleTech Holdings, Inc., 9197 Peoria Street, Englewood, Colorado 80112.

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We have determined beneficial ownership in accordance with the rules of the SEC. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons and entities named in the table below have sole voting and investment power with respect to all shares of common stock that they beneficially own, subject to applicable community property laws.

Applicable percentage ownership is based on 69,976,836 shares of common stock outstanding at July 1, 2008. In computing the number of shares of common stock beneficially owned by a person and the percentage ownership of that person, we deemed outstanding shares of common stock subject to stock options held by that person that are currently exercisable or exercisable within 60 days of July 1, 2008, and common stock issuable upon the vesting of RSUs within 60 days of July 1, 2008, ignoring future withholding of shares of common stock to cover applicable taxes. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

The information provided in the table is based on our records, information filed with the SEC and information provided to us, except where otherwise noted.

Name	Shares Beneficially Owned Options and RSUs		Percent of Class
	Common Stock	Vested or Vesting Within 60 Days of 7/1/2008	
Kenneth D. Tuchman	30,736,626 <sup>(1)</sup>	1,240,000	44.9%
James E. Barlett	234,136 <sup>(2)</sup>	774,500	1.4%
William A. Linnenbringer	50,100 <sup>(3)</sup>	35,000	*
Ruth C. Lipper	25,000	100,000	*
Shrikant C. Mehta	15,000	15,000	*
Robert M. Tarola			*
Shirley Young	7,000	45,000	*
Brian J. Delaney	11,156 <sup>(4)</sup>	16,500	*
John R. Troka, Jr.	3,136 <sup>(5)</sup>	70,500	*
Gregory G. Hopkins		75,000	*
All directors and executive officers as a group (12 persons)	31,089,329	2,409,700	46.3%

\* Less than 1%.

- (1) Consists of 30,709,872 shares subject to sole voting and investment power and 26,754 shares with shared voting and investment power. The shares with sole voting and investment power consist of (i) 5,743,066 shares held by Mr. Tuchman, (ii) 14,766,806 shares held by a limited liability limited partnership controlled by Mr. Tuchman, (iii) 10,000,000 shares held by a revocable trust controlled by Mr. Tuchman and (iv) 200,000 shares held by another limited liability limited partnership controlled by Mr. Tuchman. The shares with shared voting and investment power consist of (i) 16,754 shares owned by a trust for the benefit of Mr. Tuchman's nieces and nephews, for which Mr. Tuchman's spouse is the sole trustee and (ii) 10,000 shares owned by Mr. Tuchman's spouse.

- (2) Includes 34,136 shares received in connection with vesting of RSUs, consisting of 50,000 RSUs that vested less 15,864 shares surrendered in satisfaction of the estimated income tax liability.
- (3) Includes 50,100 shares beneficially owned through a family trust.
- (4) Includes 11,156 shares received in connection with vesting of RSUs, consisting of 16,667 RSUs that vested less 5,511 shares surrendered in satisfaction of the estimated income tax liability.
- (5) Includes 3,136 shares received in connection with vesting of RSUs, consisting of 5,000 RSUs that vested less 1,864 shares surrendered in satisfaction of the estimated income tax liability.

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**PROPOSAL 1:**

**ELECTION OF DIRECTORS**

At the annual meeting, seven persons will be elected to our board of directors to hold office until the next annual meeting of stockholders and until their respective successors are duly elected and qualified. The Nominating and Governance Committee and the board of directors have nominated each of the persons named below and it is the intention of the persons named as proxies in the enclosed proxy to vote FOR the election of all such nominees. Each of the nominees is currently serving as a director of TeleTech and has consented to being named in this Proxy Statement as a nominee and to continue to serve as a director if elected. Information concerning the seven nominees proposed for election to the board of directors is set forth below. The Board appointed Robert M. Tarola to the Board on August 1, 2008 and has nominated him for election at the annual meeting. The other six directors have been nominated for re-election at the annual meeting.

In the event any of the nominees named below becomes unable or unwilling to serve as a director, shares represented by valid proxies will be voted FOR the election of such other person as the board of directors may nominate, or the number of directors that constitutes the full board may be reduced to eliminate the vacancy.

**Information Concerning the Nominees for Election as Directors**

*Kenneth D. Tuchman*, 48, founded our predecessor company in 1982 and has served as the Chairman of the Board since our formation in 1994. Mr. Tuchman served as our President and Chief Executive Officer from our inception until October 1999. In March 2001, Mr. Tuchman resumed the position of Chief Executive Officer.

*James E. Barlett*, 64, was elected to our Board in February 2000 and has served as Vice Chairman of the Board since October 2001. Before joining TeleTech as Vice Chairman, Mr. Barlett served as the President and Chief Executive Officer of Galileo International, Inc. from 1994 to 2001, and in addition was elected to be Chairman of Galileo in 1997, a position in which he served until leaving in 2001. Prior to joining Galileo, Mr. Barlett served as Executive Vice President of Worldwide Operations and Systems for MasterCard International Corporation, where he was also a member of the MasterCard International Operations Committee. Other positions previously held by Mr. Barlett were Executive Vice President of Operations for NBD Bancorp and Vice Chairman of Cirrus, Inc., and he also was a partner with Touche Ross & Co., currently known as Deloitte & Touche LLP. Mr. Barlett currently serves on the Board of Directors of Korn/Ferry International and Celanese Corporation.

*William A. Linnenbringer*, 59, was elected to our Board in February 2003. In his 32-year career with PricewaterhouseCoopers, Mr. Linnenbringer held numerous leadership positions, including Managing Partner for the U.S. banking and financial services industry practice, Chairman of the global financial services industry practice, and member of the firm's policy board and world council of partners. Mr. Linnenbringer retired as a partner of PricewaterhouseCoopers in 2002.

*Ruth C. Lipper*, 57, was elected to our Board in May 2002. Ms. Lipper has spent more than 25 years working in various financial and philanthropic leadership roles. From 1987 to 2000, Ms. Lipper was Executive Vice President and Treasurer for Lipper Analytical Services, Inc. Founded in 1973, Lipper Analytical Services was analyzing nearly 40,000 mutual funds through offices in the U.S., London, and Hong Kong at the time of its sale to Reuters Group PLC in 1998. Ms. Lipper is currently a volunteer chairperson for the Lipper Family Foundation.

*Shrikant Mehta*, 64, was elected to our Board in June 2004. Mr. Mehta is President and Chief Executive Officer of Combine International, Inc., a wholesale manufacturer of fine jewelry since 1974. He also serves on the Board of

Directors of Distinctive Devices, Inc., Caprius, Inc. and various private corporations.

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*Robert M. Tarola*, 58, was elected to our Board on August 1, 2008. Mr. Tarola is the Senior Vice President of W. R. Grace & Co. and formerly served as the Chief Financial Officer of W. R. Grace & Co. from May 1999 to March 2008. Prior to joining W. R. Grace, Mr. Tarola served as Senior Vice President and Chief Financial Officer of MedStar Health, Inc. and as a Partner with Price Waterhouse LLP, where Mr. Tarola was a regional managing partner for the media and communications practice group.

*Shirley Young*, 72, was elected to our Board in August 2002. Ms. Young is President of Shirley Young Associates, LLC, a business advisory company, and serves as Senior Advisor to General Motors Asia Pacific. She is a member of the board of governors of The Nature Conservancy and Governor and Founding Chairman of the Committee of 100, a national Chinese-American leadership organization, and Chair of its Cultural Associate, U.S.-China Cultural Institute. Previously, Ms. Young served as Corporate Vice President of General Motors responsible for China strategic development and as Executive Vice President of Grey Advertising and President of Grey Strategic Marketing. She also served on the Board of Directors for Verizon, Bank of America, Harrah's, Dayton Hudson/Target and currently serves on the Board of Directors of Salesforce.com.

## **Recommendation of the Board of Directors**

The board of directors recommends that you vote **FOR** all of the nominees for election to the board of directors.

## ***Information Regarding the Board of Directors and Committees Thereof***

During 2007, the Board held eight meetings, including four regularly scheduled quarterly meetings and four special meetings at which the Board met in executive session, during which only non-employee directors were present. The Board also took six actions by written consent. Each director attended more than 75% of the total number of meetings of the Board and Committees on which he or she served. We do not have a formal policy on a director's attendance at the annual meeting of our stockholders, although we encourage members of the Board to attend. Last year, four of our directors (Kenneth D. Tuchman, James E. Barlett, William A. Linnenbringer and Shirley Young) attended the annual meeting of stockholders. The Board has determined that each of its non-employee directors (William A. Linnenbringer, Ruth C. Lipper, Shrikant Mehta, Robert M. Tarola and Shirley Young) is independent within the meaning of the NASDAQ Marketplace Rules.

The Board has three standing committees – the Audit Committee, the Compensation Committee, and the Nominating and Governance Committees. These committees assist the Board in the discharge of its responsibilities. The members of each committee are elected by the Board and typically serve for one-year terms.

## ***Audit Committee***

The Audit Committee is responsible for, among other things:

overseeing our accounting and financial reporting processes and the audits of our financial statements;

the appointment of our independent registered public accounting firm;

the scope and fees of the prospective annual audit and the results thereof;

compensation, retention and oversight of the independent registered public accounting firm engaged to prepare and issue audit reports on our financial statements and to perform other audits;

compliance with our accounting and financial policies and management's procedures and policies relative to the adequacy of our internal accounting controls; and

reviewing and approving related party transactions.



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The current members of the Audit Committee are William A. Linnenbringer (Chairman), Ruth C. Lipper, Robert M. Tarola and Shirley Young, each of whom is independent within the meaning of the NASDAQ Marketplace Rules. Mr. Tarola was appointed to the Audit Committee on August 1, 2008. Our Board determined that each of the members of the Audit Committee has accounting and related financial management expertise within the meaning of the NASDAQ Marketplace Rules. In addition, our Board has determined that Mr. Linnenbringer qualifies as an audit committee financial expert within the meaning of the SEC regulations based on his 32-year career with PricewaterhouseCoopers LLP. During 2007, the Audit Committee held four regularly scheduled meetings, 18 special meetings and numerous other conferences related to the review of our historical equity-based compensation practices. A substantial portion of the Audit Committee's responsibilities during 2007 involved the voluntary, independent review of our historical equity-based compensation practices and related accounting, as discussed in the Explanatory Note, Note 2 to the Consolidated Financial Statements and Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, in our Annual Report on Form 10-K. The Audit Committee has a written charter adopted by our Board. The Audit Committee reviews and assesses the adequacy of its charter on an annual basis.

## ***Compensation Committee***

The Compensation Committee:

- reviews performance goals and determines or approves the annual salary, bonus and all other compensation for each executive officer (consistent with the terms of any applicable employment agreement);

- reviews, approves and recommends terms and conditions for all employee benefit plans (and changes thereto); and

- administers the TeleTech Holdings, Inc. Amended and Restated 1999 Stock Option and Incentive Plan, the TeleTech Holdings, Inc. 1995 Stock Option Plan, and other employee benefit plans as may be adopted by us from time to time.

The current members of the Compensation Committee are Shrikant Mehta (Chairman) and Ruth C. Lipper, each of whom is an independent director as defined under the NASDAQ Marketplace Rules, a non-employee director, as defined under SEC Rule 16b-3, and an outside director, as defined under Section 162(m) of the Internal Revenue Code. During 2007, the Compensation Committee held four regularly scheduled meetings and took five actions by unanimous written consent. The Compensation Committee operates under the Compensation Committee charter adopted by our Board.

## ***Nominating and Governance Committee***

The Nominating and Governance Committee is responsible for, among other things:

- identifying and recommending to the Board qualified candidates for election or appointment to the Board; and

- overseeing matters of corporate governance, including the evaluation of Board performance and processes, and assignment and rotation of Board committee members.

The Nominating and Governance Committee utilizes a variety of methods for identifying and evaluating nominees for director. The current members of the Nominating and Governance Committee are Ruth C. Lipper (Chairman) and William A. Linnenbringer, each of whom satisfies the independence requirements for nominating committee members pursuant to the NASDAQ Marketplace Rules. During 2007, the Nominating and Governance Committee held four

regularly scheduled meetings. The Nominating and Governance Committee is governed by the Nominating and Governance Committee charter adopted by our Board.

**Table of Contents*****Committee Composition***

The following table provides the composition of each of our committees with the appointment of Mr. Tarola to the Audit Committee on August 1, 2008.

<b>Director</b>	<b>Audit Committee</b>	<b>Compensation Committee</b>	<b>Nominating and Governance Committee</b>
James E. Barlett			
William A. Linnenbringer	ü		ü
Ruth C. Lipper	ü	ü	ü
Shrikant Mehta		ü	
Robert M. Tarola	ü		
Kenneth D. Tuchman			
Shirley Young	ü		

***Code of Conduct and Committee Charter***

We have adopted a Code of Conduct applicable to all of our directors, officers (including our Chief Executive Officer, Chief Financial Officer, Controller and any person performing similar functions) and employees which includes the prompt disclosure of any waiver of the code, approved by our Board, for executive officers or directors. The Code of Conduct is available on our website, and we intend to disclose any waivers of, or amendments to, the code on our website. The Code of Conduct, Audit Committee charter, Compensation Committee charter, and Nominating and Governance Committee charter may be viewed on our website at <http://www.teletech.com> under Investors , Corporate Governance. The Code of Conduct and Committee charters are amended from time to time to evolve as appropriate. You may also obtain a copy of any of these documents without charge by writing to: TeleTech Holdings, Inc., at 9197 S. Peoria Street, Englewood, Colorado 80112, Attention: Corporate Secretary.

***Communications with the Board***

Stockholders may communicate with the board or any of the directors by sending written communications addressed to the board or any of the directors, c/o Corporate Secretary, TeleTech Holdings, Inc., 9197 S. Peoria Street, Englewood, Colorado 80112. All communications are compiled by the Corporate Secretary and forwarded to the board or to individual director(s).

***Director Compensation***

Non-employee directors received (i) an annual retainer of \$40,000 (paid \$10,000 per quarter); (ii) a meeting fee of \$1,000 for each Board or committee meeting attended; and (iii) a meeting fee of \$500 for each telephonic Board or committee meeting attended. The Chair of the Compensation Committee and the Chair of the Nominating and Governance Committee each received an additional fee of \$5,000 per year, and the Chair of the Audit Committee received an additional fee of \$20,000 per year.

Non-employee directors also received stock options pursuant to the Amended and Restated 1999 Stock Option and Incentive Plan (the 1999 Plan ). Stock options granted to directors vest immediately upon date of grant and are exercisable into restricted stock for which restrictions lapse one year after the date of grant. Each non-employee director who is first elected or appointed to the Board receives an option to purchase 20,000 shares of common stock.

Each non-employee director also receives an option to purchase 15,000 shares of common stock on the day of each annual meeting of stockholders subsequent to his or her election or appointment to the Board, provided that he or she continues in office after the annual meeting. In 2007, each non-employee director received an option to purchase 15,000 shares of common stock under the 1999 Plan.

**Table of Contents****2007 Non-Employee Director Compensation**

The following table presents information regarding the compensation paid during 2007 to non-employee directors.

Name (a)	Fees Earned or Paid in Cash (\$) (b)		Stock Awards <sup>(1)</sup> (\$) (c)	Option Awards <sup>(1)</sup> (\$)(d)	Non-Equity Plan Compensation (\$) (e)	Change in Pension Value and Non-qualified Deferred Compensation Earnings (\$) (f)	All Other Compensation (\$) (g)	Total (\$) (h)
	William A. Linnenbringer	88,000			169,383			
Ruth C. Lipper	73,000			169,383				242,383
Shrikant Mehta	56,000			169,383				225,383
Shirley Young	61,000			169,383				230,383

<sup>(1)</sup> The amounts set forth in columns (c) and (d) of the table above reflect the aggregate dollar amounts recognized for stock awards and option awards, respectively, for financial statement reporting purposes with respect to 2007. The dollar amount set forth in column (d) for each director is based on the fair market value of the stock at the time of the grant (June 1, 2007), which was \$35.81, the closing market price on that date. For a discussion of the assumptions and methodologies used to calculate the amounts referred to above, please see the disclosure under the sections entitled Adoption of SFAS No. 123(R) and Equity-Based Compensation Expense in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, of our Annual Report on Form 10-K.

**Equity Interests of Non-Employee Directors**

The following table presents the number of outstanding and unexercised option awards and the number of unvested stock awards held by each of the non-employee directors as of December 31, 2007.

	Number of Shares Subject to Outstanding Options as of 12/31/07 <sup>(1)</sup>	Number of Unvested Stock Awards as of 12/31/07
	William A. Linnenbringer	35,000
Ruth C. Lipper	100,000	
Shrikant Mehta	15,000	
Shirley Young	45,000	

- (1) As set forth above, we granted each of our non-employee directors an option to purchase 15,000 shares of common stock on June 1, 2007, and each award had a fair value of \$169,383 on that date.

### **Compensation Committee Interlocks and Insider Participation in Compensation Decisions**

Shrikant Mehta and Ruth C. Lipper served on the Compensation Committee of the Board. There were no Compensation Committee interlocks during 2007.

### ***Nominations of Directors***

In the event that vacancies on the board arise, the Nominating and Governance Committee considers potential candidates for director, which may come to the attention of the Nominating and Governance Committee through current directors, professional executive search firms, stockholders or other persons. The Nominating and Governance Committee will consider candidates for the board recommended by stockholders if the names and qualifications of such candidates are submitted in writing to the Corporate Secretary of TeleTech in accordance with the notice provisions for stockholder proposals set forth under

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the caption "General Information - Next Annual Meeting of Stockholders" in this Proxy Statement. Although the Nominating and Governance Committee did not receive any stockholder nominations for Board candidates in 2007 or 2008, the Committee considers properly submitted nominees in the same manner as it evaluates other nominees. Following verification of the stockholder status of persons proposing candidates, recommendations are aggregated and the materials provided by stockholders are forwarded to the Nominating and Governance Committee for their consideration. All candidates are evaluated at meetings of the Nominating and Governance Committee. In evaluating such nominations, the Nominating and Governance Committee seeks to achieve the appropriate balance of industry and business knowledge and experience in light of the function and needs of the board of directors. The Nominating and Governance Committee considers candidates with excellent decision-making ability, business experience, personal integrity and reputation. In addition, the Nominating and Governance Committee recognizes the benefit of a board of directors that reflects the diversity of TeleTech's stockholders, employees and customers, and the locations in which it operates, and will seek qualified candidates for nomination and election to the board of directors in order to reflect such diversity. The Nominating and Governance Committee reviews, approves and oversees various corporate governance policies and recommends changes, if any, to the board of directors.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act requires our executive officers, our directors, and persons who own more than ten percent of a registered class of our equity securities, to file changes in ownership on Form 4 or Form 5 with the SEC. These executive officers, directors, and ten-percent stockholders are also required by SEC rules to furnish us with copies of all Section 16(a) reports they file. Based solely on our review of the copies of these forms, we believe that all Section 16(a) reports applicable to our executive officers, directors, and ten-percent stockholders with respect to reportable transactions during the year ended December 31, 2007 were filed on a timely basis, with the exception of the following: John Simon, formerly Executive Vice President of Human Capital, Kamalesh Dwivedi, formerly Executive Vice President and Chief Information Officer, Brian J. Delaney, Chief Operations Officer, John R. Troka, Jr., Senior Vice President and Interim Chief Financial Officer and Alan Schutzman, Executive Vice President, General Counsel and Secretary, each filed a Form 4 on January 25, 2007 to report a grant of RSUs on January 22, 2007; Doug Clemmans, formerly our Chief Marketing Officer, filed a Form 4 on February 8, 2007 to report a grant of RSUs on February 5, 2007, Mr. Dwivedi filed a Form 4 on February 22, 2007 to report three exercises of stock options, along with the concurrent sale of the common stock received on exercise of the options, that occurred on February 16, 2007; Mr. Delaney filed a Form 4 on March 1, 2007 to report two exercises of stock options that had occurred on February 26, 2007; Shirley Young, a member of the Board, filed a Form 4 on February 22, 2007 to report an option exercise that occurred on February 15, 2007, and on August 22, 2007 she filed a Form 4 to report a common stock purchase that occurred on August 17, 2007; and Shrikant Mehta, a member of the Board, filed a Form 4 on February 26, 2007 to report three exercises of stock options that occurred on February 21, 2007, and he filed a Form 4 on June 1, 2007 to report a common stock sale that occurred on May 29, 2007.

***Information Regarding Executive Officers***

*Brian J. Delaney*, 50, joined TeleTech as Vice President of Technology in December 2002 and, in January 2004, moved to the position of Senior Vice President, North America Operations. In October 2005, Mr. Delaney was promoted to Executive Vice President of Global Service Delivery, a position he continues to