

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

FORM 10-Q

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

For the quarterly period ended March 31, 2021

OR

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

For the transition period from _____ to _____

Commission file number: 001-35418



EPAM SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

22-3536104

(I.R.S. Employer
Identification No.)

41 University Drive

Suite 202

18940

Newtown

Pennsylvania

(Zip code)

(Address of principal executive offices)

267-759-9000

(Registrant's telephone number, including area code)

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

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on which Registered</u>
Common Stock, par value \$0.001 per share	EPAM	New York Stock Exchange

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

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

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

<u>Title of Each Class</u>	<u>Outstanding as of April 30, 2021</u>
Common Stock, par value \$0.001 per share	56,404,766 shares

EPAM SYSTEMS, INC.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

EPAM SYSTEMS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except par value)

	As of March 31, 2021	As of December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	\$ 1,372,829	\$ 1,322,143
Short-term investments	—	60,007
Trade receivables and contract assets, net of allowance of \$7,575 and \$4,886, respectively	585,041	501,062
Prepaid and other current assets	46,848	29,570
Total current assets	2,004,718	1,912,782
Property and equipment, net	164,749	169,533
Operating lease right-of-use assets, net	207,350	228,672
Intangible assets, net	48,547	51,975
Goodwill	210,881	211,956
Deferred tax assets	90,188	92,454
Other noncurrent assets	54,108	53,960
Total assets	\$ 2,780,541	\$ 2,721,332
Liabilities		
Current liabilities		
Accounts payable	\$ 7,168	\$ 10,189
Accrued compensation and benefits expenses	315,991	294,709
Accrued expenses and other current liabilities	75,326	79,690
Income taxes payable, current	9,097	20,603
Operating lease liabilities, current	56,179	60,759
Total current liabilities	463,761	465,950
Long-term debt	25,032	25,038
Income taxes payable, noncurrent	43,925	43,448
Operating lease liabilities, noncurrent	162,005	180,604
Other noncurrent liabilities	21,879	23,274
Total liabilities	716,602	738,314
Commitments and contingencies (Note 12)		
Stockholders' equity		
Common stock, \$0.001 par value; 160,000 shares authorized; 56,401 and 56,128 shares issued, 56,381 and 56,108 shares outstanding at March 31, 2021 and December 31, 2020, respectively	56	56
Additional paid-in capital	647,884	660,771
Retained earnings	1,456,926	1,347,880
Treasury stock	(177)	(177)
Accumulated other comprehensive loss	(40,750)	(25,512)
Total stockholders' equity	2,063,939	1,983,018
Total liabilities and stockholders' equity	\$ 2,780,541	\$ 2,721,332

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

EPAM SYSTEMS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(In thousands, except per share data)

	Three Months Ended March 31,	
	2021	2020
Revenues	\$ 780,775	\$ 651,359
Operating expenses:		
Cost of revenues (exclusive of depreciation and amortization)	519,328	423,802
Selling, general and administrative expenses	136,389	125,108
Depreciation and amortization expense	17,807	14,940
Income from operations	107,251	87,509
Interest and other income, net	5,374	2,386
Foreign exchange gain	2,299	6,524
Income before provision for income taxes	114,924	96,419
Provision for income taxes	5,878	10,854
Net income	\$ 109,046	\$ 85,565
Net income per share:		
Basic	\$ 1.94	\$ 1.55
Diluted	\$ 1.86	\$ 1.47
Shares used in calculation of net income per share:		
Basic	56,170	55,287
Diluted	58,778	58,143

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

EPAM SYSTEMS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(In thousands)

	Three Months Ended March 31,	
	2021	2020
Net income	\$ 109,046	\$ 85,565
Other comprehensive loss:		
Change in foreign currency translation adjustments, net of tax	(10,531)	(28,519)
Change in unrealized loss on hedging instruments, net of tax	(4,081)	(9,368)
Defined benefit pension plans - actuarial loss, net of tax	(626)	—
Other comprehensive loss	(15,238)	(37,887)
Comprehensive income	\$ 93,808	\$ 47,678

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

EPAM SYSTEMS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN
STOCKHOLDERS' EQUITY
(Unaudited)
(In thousands)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount			Shares	Amount		
Balance, January 1, 2021	56,108	\$ 56	\$ 660,771	\$ 1,347,880	20	\$ (177)	\$ (25,512)	\$ 1,983,018
Restricted stock units vested	248	—	—	—	—	—	—	—
Restricted stock units withheld for employee taxes	(84)	—	(31,935)	—	—	—	—	(31,935)
Stock-based compensation expense	—	—	14,624	—	—	—	—	14,624
Proceeds from stock option exercises	109	—	4,424	—	—	—	—	4,424
Other comprehensive loss	—	—	—	—	—	—	(15,238)	(15,238)
Net income	—	—	—	109,046	—	—	—	109,046
Balance, March 31, 2021	56,381	\$ 56	\$ 647,884	\$ 1,456,926	\$ 20	\$ (177)	\$ (40,750)	\$ 2,063,939

	Common Stock		Additional Paid-in Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount			Shares	Amount		
Balance, January 1, 2020	55,188	\$ 55	\$ 607,051	\$ 1,020,590	20	\$ (177)	\$ (31,374)	\$ 1,596,145
Cumulative effect of adoption of ASU 2016-13	—	—	—	130	—	—	—	130
Adjusted Balance, January 1, 2020	55,188	\$ 55	\$ 607,051	\$ 1,020,720	20	\$ (177)	\$ (31,374)	\$ 1,596,275
Restricted stock units vested	274	—	—	—	—	—	—	—
Restricted stock units withheld for employee taxes	(90)	—	(15,822)	—	—	—	—	(15,822)
Stock-based compensation expense	—	—	12,210	—	—	—	—	12,210
Proceeds from stock option exercises	217	1	7,140	—	—	—	—	7,141
Other comprehensive loss	—	—	—	—	—	—	(37,887)	(37,887)
Net income	—	—	—	85,565	—	—	—	85,565
Balance, March 31, 2020	55,589	\$ 56	\$ 610,579	\$ 1,106,285	20	\$ (177)	\$ (69,261)	\$ 1,647,482

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

EPAM SYSTEMS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Three Months Ended March 31,	
	2021	2020
Cash flows from operating activities:		
Net income	\$ 109,046	\$ 85,565
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	17,807	14,940
Operating lease right-of-use assets amortization expense	15,676	16,816
Bad debt expense	2,925	2,719
Deferred taxes	6,692	8,288
Stock-based compensation expense	24,553	11,881
Other	(4,926)	5,893
Changes in assets and liabilities:		
Trade receivables and contract assets	(89,395)	(51,423)
Prepaid and other assets	(8,581)	(9,746)
Accounts payable	(3,166)	(2,407)
Accrued expenses and other liabilities	(15,830)	5,437
Operating lease liabilities	(16,065)	(15,646)
Income taxes payable	(25,909)	(9,062)
Net cash provided by operating activities	12,827	63,255
Cash flows from investing activities:		
Purchases of property and equipment	(11,186)	(29,075)
Proceeds from short-term investments	60,000	—
Acquisition of business, net of cash acquired (Note 2)	—	(10,339)
Purchases of non-marketable securities	(1,044)	(20,000)
Other investing activities, net	691	(71)
Net cash provided by/(used in) investing activities	48,461	(59,485)
Cash flows from financing activities:		
Proceeds from stock option exercises	4,373	6,850
Payments of withholding taxes related to net share settlements of restricted stock units	(3,304)	(1,018)
Payment of contingent consideration for previously acquired business	—	(7,869)
Other financing activities, net	260	(9)
Net cash provided by/(used in) financing activities	1,329	(2,046)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(11,856)	(22,009)
Net increase/(decrease) in cash, cash equivalents and restricted cash	50,761	(20,285)
Cash, cash equivalents and restricted cash, beginning of period	1,323,533	937,688
Cash, cash equivalents and restricted cash, end of period	\$ 1,374,294	\$ 917,403

EPAM SYSTEMS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)
(Continued)

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the condensed consolidated balance sheets:

	As of March 31, 2021	As of December 31, 2020
Balance sheet classification		
Cash and cash equivalents	\$ 1,372,829	\$ 1,322,143
Restricted cash in Prepaid and other current assets	103	106
Restricted cash in Other noncurrent assets	1,362	1,284
Total restricted cash	1,465	1,390
Total cash, cash equivalents and restricted cash	\$ 1,374,294	\$ 1,323,533

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(In thousands, except per share data and as otherwise disclosed)

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

EPAM Systems, Inc. (the “Company” or “EPAM”) is a leading global provider of digital platform engineering and software development services to customers located around the world, primarily in North America, Europe, Asia and Australia. The Company’s industry expertise includes financial services, travel and consumer, software and hi-tech, business information and media, life sciences and healthcare, as well as other emerging industries. The Company is incorporated in Delaware with headquarters in Newtown, Pennsylvania.

Basis of Presentation — The accompanying unaudited condensed consolidated financial statements of EPAM have been prepared in accordance with generally accepted accounting principles in the United States (“GAAP” or “U.S. GAAP”) and Article 10 of Regulation S-X under the Securities Exchange Act of 1934, as amended. The unaudited condensed consolidated financial statements include the financial statements of EPAM Systems, Inc. and its subsidiaries with all intercompany balances and transactions eliminated.

These unaudited condensed consolidated financial statements and accompanying notes should be read in conjunction with the Company’s audited consolidated financial statements and the notes thereto for the year ended December 31, 2020 included in its Annual Report on Form 10-K. The preparation of these condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in these condensed consolidated financial statements and accompanying notes. Actual results could differ from those estimates, and such differences may be material to the condensed consolidated financial statements. Operating results for the interim periods are not necessarily indicative of results that may be expected to occur for the entire year. In management’s opinion, all adjustments considered necessary for a fair presentation of the accompanying unaudited condensed consolidated financial statements have been included, and all adjustments are of a normal and recurring nature.

Adoption of New Accounting Standards

The adoption of new accounting standards did not have a material impact on the Company’s consolidated financial position, results of operations, changes in stockholders’ equity and cash flows.

Pending Accounting Standards

From time to time, new accounting pronouncements are issued by the FASB or other standards-setting bodies that the Company will adopt according to the various timetables the FASB specifies. The Company believes the impact of recently issued standards that are not yet effective will not have a material impact on its consolidated financial position, results of operations and cash flows upon adoption.

2. ACQUISITIONS

2020 Acquisitions — During the year ended December 31, 2020, the Company completed two acquisitions with an aggregate purchase price of \$22.5 million including contingent consideration with an acquisition-date fair value of \$5.3 million. The Company committed to making contingent consideration payments with a maximum amount payable of \$18.6 million subject to attainment of specified performance targets in the first and second calendar years after the respective acquisition dates. These acquisitions increased EPAM’s software and service capabilities and expanded EPAM’s offerings in financial services as well as added \$7.3 million of intangible assets, consisting mainly of customer relationships. Pro forma results of operations have not been presented because the effect of these acquisitions on the Company’s condensed consolidated financial statements was not material individually or in the aggregate.

3. GOODWILL

Goodwill by reportable segment was as follows:

	North America	Europe	Russia	Total
Balance as of January 1, 2021	\$ 121,132	\$ 90,106	\$ 718	\$ 211,956
2020 acquisitions purchase accounting adjustments	—	(24)	—	(24)
Effect of net foreign currency exchange rate changes	(353)	(692)	(6)	(1,051)
Balance as of March 31, 2021	\$ 120,779	\$ 89,390	\$ 712	\$ 210,881

There were no accumulated impairment losses in the North America or Europe reportable segments as of March 31, 2021 or December 31, 2020. The Russia segment had accumulated goodwill impairment losses of \$2.2 million as of March 31, 2021 and December 31, 2020.

4. FAIR VALUE MEASUREMENTS

The Company carries certain assets and liabilities at fair value on a recurring basis on its consolidated balance sheets. The following tables present the fair values of the Company's financial assets and liabilities measured at fair value on a recurring basis as of March 31, 2021 and December 31, 2020:

	As of March 31, 2021			
	Balance	Level 1	Level 2	Level 3
Foreign exchange derivative assets	\$ 1,543	\$ —	\$ 1,543	\$ —
Total assets measured at fair value on a recurring basis	\$ 1,543	\$ —	\$ 1,543	\$ —
Foreign exchange derivative liabilities	\$ 2,111	\$ —	\$ 2,111	\$ —
Contingent consideration	2,526	—	—	2,526
Total liabilities measured at fair value on a recurring basis	\$ 4,637	\$ —	\$ 2,111	\$ 2,526

	As of December 31, 2020			
	Balance	Level 1	Level 2	Level 3
Foreign exchange derivative assets	\$ 4,955	\$ —	\$ 4,955	\$ —
Total assets measured at fair value on a recurring basis	\$ 4,955	\$ —	\$ 4,955	\$ —
Foreign exchange derivative liabilities	\$ 243	\$ —	\$ 243	\$ —
Contingent consideration	7,470	—	—	7,470
Total liabilities measured at fair value on a recurring basis	\$ 7,713	\$ —	\$ 243	\$ 7,470

The foreign exchange derivatives are valued using pricing models and discounted cash flow methodologies based on observable foreign exchange data at the measurement date. See Note 5 "Derivative Financial Instruments" in the condensed consolidated interim financial statements for additional information regarding derivative financial instruments.

The fair value of the contingent consideration was determined using a probability-weighted expected return method and is based on the expected future payments to be made to the sellers of the acquired businesses in accordance with the provisions outlined in the respective purchase agreements. Although there is significant judgment involved, the Company believes its estimates and assumptions are reasonable. In determining fair value, the Company considered a variety of factors, including future performance of the acquired businesses using financial projections developed by the Company and market risk assumptions that were derived for revenue growth and earnings before interest and taxes. The Company estimated future payments using the earnout formula and performance targets specified in the purchase agreements and adjusted those estimates to reflect the probability of their achievement. Those weighted-average estimated future payments were then discounted to present value using a rate based on the weighted-average cost of capital of guideline companies. The discount rates used to determine the fair value of contingent consideration for the 2020 Acquisitions ranged from a minimum of 15.5% to a maximum of 17.5%. Changes in financial projections, market risk assumptions, discount rates or probability assumptions related to achieving the various earnout criteria would result in a change in the fair value of the recorded contingent liabilities. Such changes, if any, are recorded within Interest and other income, net in the Company's condensed consolidated statement of income.

A reconciliation of the beginning and ending balances of Level 3 acquisition-related contingent consideration using significant unobservable inputs for the three months ended March 31, 2021 is as follows:

	Amount
Contingent consideration liabilities as of January 1, 2021	\$ 7,470
Changes in fair value of contingent consideration included in Interest and other income, net	(4,944)
Contingent consideration liabilities as of March 31, 2021	\$ 2,526

Financial Assets and Liabilities Not Measured at Fair Value on a Recurring Basis

Estimates of fair value of financial instruments not carried at fair value on a recurring basis on the Company's consolidated balance sheets are generally subjective in nature and are determined as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The generally short maturities of certain assets and liabilities result in a number of assets and liabilities for which fair value equals or closely approximates the amount recorded on the Company's condensed consolidated balance sheets. The following tables present the estimated fair values of the Company's financial assets and liabilities not measured at fair value on a recurring basis as of the dates indicated:

	Balance	Estimated Fair Value	Fair Value Hierarchy		
			Level 1	Level 2	Level 3
March 31, 2021					
Financial Assets:					
Cash equivalents:					
Money market funds	\$ 135,706	\$ 135,706	\$ 135,706	\$ —	\$ —
Total cash equivalents	\$ 135,706	\$ 135,706	\$ 135,706	\$ —	\$ —
Restricted cash	\$ 1,465	\$ 1,465	\$ 1,465	\$ —	\$ —
Employee loans	\$ 692	\$ 692	\$ —	\$ —	\$ 692
Financial Liabilities:					
Borrowings under the 2017 Credit Facility	\$ 25,008	\$ 25,008	\$ —	\$ 25,008	\$ —

	Balance	Estimated Fair Value	Fair Value Hierarchy		
			Level 1	Level 2	Level 3
December 31, 2020					
Financial Assets:					
Cash equivalents:					
Money market funds	\$ 153,783	\$ 153,783	\$ 153,783	\$ —	\$ —
Total cash equivalents	\$ 153,783	\$ 153,783	\$ 153,783	\$ —	\$ —
Restricted cash	\$ 1,390	\$ 1,390	\$ 1,390	\$ —	\$ —
Time deposits included in Short-term investments	\$ 60,007	\$ 60,007	\$ —	\$ 60,007	\$ —
Employee loans	\$ 794	\$ 794	\$ —	\$ —	\$ 794
Financial Liabilities:					
Borrowings under the 2017 Credit Facility	\$ 25,007	\$ 25,007	\$ —	\$ 25,007	\$ —

Non-Marketable Securities Without Readily Determinable Fair Values

The Company holds investments in equity securities that do not have readily determinable fair values. These investments are recorded at cost and are remeasured to fair value based on certain observable price changes or impairment events as they occur. The carrying amount of these investments was \$26.0 million and \$25.0 million as of March 31, 2021 and December 31, 2020, respectively and is classified as Other noncurrent assets in the Company's condensed consolidated balance sheets.

5. DERIVATIVE FINANCIAL INSTRUMENTS

In the normal course of business, the Company uses derivative financial instruments to manage the risk of fluctuations in foreign currency exchange rates. The Company has a hedging program whereby it enters into a series of foreign exchange forward contracts with durations of twelve months or less that are designated as cash flow hedges of forecasted Russian ruble, Polish zloty and Indian rupee transactions. As of March 31, 2021, all of the Company's foreign exchange forward contracts were designated as hedges and there is no financial collateral (including cash collateral) required to be posted by the Company related to the foreign exchange forward contracts.

The fair value of derivative instruments on the Company's consolidated balance sheets as of March 31, 2021 and December 31, 2020 were as follows:

Balance Sheet Classification	As of March 31, 2021		As of December 31, 2020	
	Asset Derivatives	Liability Derivatives	Asset Derivatives	Liability Derivatives
Foreign exchange forward contracts - Designated as hedging instruments	\$ 1,543		\$ 4,955	
Accrued expenses and other current liabilities		\$ 2,111		\$ 243

6. LEASES

The Company leases office space, corporate apartments, office equipment, and vehicles. Many of the Company's leases contain variable payments including changes in base rent and charges for common area maintenance or other miscellaneous expenses. Due to this variability, the cash flows associated with these variable payments are not included in the minimum lease payments used in determining the right-of-use assets and associated lease liabilities and are recognized in the period in which the obligation for such payments is incurred. The Company's leases have remaining lease terms ranging from 0.1 to 10.1 years. Certain lease agreements, mainly for office space, include options to extend or terminate the lease before the expiration date. The Company considers such options when determining the lease term when it is reasonably certain that the Company will exercise that option. The Company leases and subleases a portion of its office space to third parties. Lease income and sublease income were immaterial for the three months ended March 31, 2021 and 2020.

During the three months ended March 31, 2021 and 2020, the components of lease expense were as follows:

	Income Statement Classification	Three Months Ended March 31,	
		2021	2020
Operating lease cost	Selling, general and administrative expenses	\$ 17,256	\$ 18,863
Variable lease cost	Selling, general and administrative expenses	2,260	2,635
Short-term lease cost	Selling, general and administrative expenses	178	540
Total lease cost		\$ 19,694	\$ 22,038

Supplemental cash flow information related to leases for the three months ended March 31, 2021 and 2020 was as follows:

	Three Months Ended March 31,	
	2021	2020
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows used for operating leases	\$ 17,645	\$ 16,891
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ 38	\$ 31,252
Non-cash net (decrease)/ increase due to lease modifications:		
Operating lease right-of-use assets	\$ (1,066)	\$ 4,584
Operating lease liabilities	\$ (1,066)	\$ 4,573

Weighted average remaining lease term and discount rate as of March 31, 2021 and 2020 were as follows:

	As of March 31, 2021	As of March 31, 2020
Weighted average remaining lease term, in years:		
Operating leases	5.8	6.0
Weighted average discount rate:		
Operating leases	3.0 %	3.3 %

As of March 31, 2021, operating lease liabilities will mature as follows:

Year ending December 31,	Lease Payments
2021 (excluding three months ended March 31, 2021)	\$ 47,591
2022	48,143
2023	36,318
2024	31,510
2025	22,110
Thereafter	50,842
Total lease payments	236,514
Less: imputed interest	(18,330)
Total	\$ 218,184

The Company had committed to payments of \$1.2 million related to operating lease agreements that had not yet commenced as of March 31, 2021. These operating leases will commence on various dates during 2021 with lease terms ranging from 0.6 to 5.0 years. The Company did not have any material finance lease agreements that had not yet commenced.

7. LONG-TERM DEBT

Revolving Line of Credit — On May 24, 2017, the Company entered into an unsecured credit facility (the “2017 Credit Facility”), as may be amended from time to time, with PNC Bank, National Association; PNC Capital Markets LLC; Citibank N.A.; Wells Fargo Bank, National Association; Fifth Third Bank and Santander Bank, N.A. (collectively the “Lenders”). The 2017 Credit Facility provides for a borrowing capacity of \$300.0 million, with potential to increase the borrowing capacity up to \$400.0 million if certain conditions are met. The 2017 Credit Facility matures on May 24, 2022.

Borrowings under the 2017 Credit Facility may be denominated in U.S. dollars or up to a maximum of \$100.0 million equivalent in British pounds sterling, Canadian dollars, euros or Swiss francs and other currencies as may be approved by the administrative agent and the Lenders. Borrowings under the 2017 Credit Facility bear interest at either a base rate or Euro-rate plus a margin based on the Company’s leverage ratio. The base rate is equal to the highest of (a) the Overnight Bank Funding Rate, plus 0.5%, (b) the Prime Rate, and (c) the Daily LIBOR Rate, plus 1.0%. As of March 31, 2021, the Company’s outstanding borrowings are subject to a LIBOR-based interest rate which resets regularly at issuance, based on lending terms.

The 2017 Credit Facility includes customary business and financial covenants that may restrict the Company’s ability to make or pay dividends (other than certain intercompany dividends) if a potential or an actual event of default has occurred or would be triggered. As of March 31, 2021, the Company was in compliance with all covenants contained in the 2017 Credit Facility.

The following table presents the outstanding debt and borrowing capacity of the Company under the 2017 Credit Facility:

	As of March 31, 2021	As of December 31, 2020
Outstanding debt	\$ 25,000	\$ 25,000
Interest rate	1.1 %	1.2 %
Available borrowing capacity	\$ 275,000	\$ 275,000
Current maximum borrowing capacity	\$ 300,000	\$ 300,000

8. REVENUES

Disaggregation of Revenues

The following tables present the disaggregation of the Company's revenues by customer location, including a reconciliation of the disaggregated revenues with the reportable segments (Note 13 "Segment Information") for the periods indicated:

	Three Months Ended March 31, 2021			
	Reportable Segments			Consolidated Revenues
	North America	Europe	Russia	
Customer Locations				
North America	\$ 454,767	\$ 14,663	\$ 891	\$ 470,321
Europe	17,755	241,554	63	259,372
CIS	1,856	14	28,264	30,134
APAC	475	20,473	—	20,948
Revenues	\$ 474,853	\$ 276,704	\$ 29,218	\$ 780,775

	Three Months Ended March 31, 2020			
	Reportable Segments			Consolidated Revenues
	North America	Europe	Russia	
Customer Locations				
North America	\$ 377,784	\$ 10,419	\$ 1,627	\$ 389,830
Europe	10,332	212,722	3	223,057
CIS	2,554	12	22,294	24,860
APAC	432	13,180	—	13,612
Revenues	\$ 391,102	\$ 236,333	\$ 23,924	\$ 651,359

The following tables present the disaggregation of the Company's revenues by industry vertical, including a reconciliation of the disaggregated revenues with the reportable segments (Note 13 "Segment Information") for the periods indicated:

	Three Months Ended March 31, 2021			
	Reportable Segments			Consolidated Revenues
	North America	Europe	Russia	
Industry Verticals				
Financial Services	\$ 69,740	\$ 78,040	\$ 21,078	\$ 168,858
Business Information & Media	87,205	60,157	387	147,749
Software & Hi-Tech	125,586	20,973	505	147,064
Travel & Consumer	69,429	64,624	4,958	139,011
Life Sciences & Healthcare	75,589	15,351	175	91,115
Emerging Verticals	47,304	37,559	2,115	86,978
Revenues	\$ 474,853	\$ 276,704	\$ 29,218	\$ 780,775

	Three Months Ended March 31, 2020			
	Reportable Segments			Consolidated Revenues
	North America	Europe	Russia	
Industry Verticals				
Financial Services	\$ 47,868	\$ 67,594	\$ 16,181	\$ 131,643
Business Information & Media	80,220	58,146	360	138,726
Software & Hi-Tech	101,737	18,146	1,966	121,849
Travel & Consumer	54,724	61,067	3,739	119,530
Life Sciences & Healthcare	61,611	7,619	9	69,239
Emerging Verticals	44,942	23,761	1,669	70,372
Revenues	\$ 391,102	\$ 236,333	\$ 23,924	\$ 651,359

The following tables present the disaggregation of the Company's revenues by contract type including a reconciliation of the disaggregated revenues with the Company's reportable segments (Note 13 "Segment Information") for the periods indicated:

	Three Months Ended March 31, 2021			
	Reportable Segments			Consolidated Revenues
	North America	Europe	Russia	
Contract Types				
Time-and-material	\$ 417,887	\$ 232,691	\$ 14,427	\$ 665,005
Fixed-price	53,015	43,566	14,701	111,282
Licensing	3,535	54	81	3,670
Other revenues	416	393	9	818
Revenues	\$ 474,853	\$ 276,704	\$ 29,218	\$ 780,775

	Three Months Ended March 31, 2020			
	Reportable Segments			Consolidated Revenues
	North America	Europe	Russia	
Contract Types				
Time-and-material	\$ 357,263	\$ 190,320	\$ 13,596	\$ 561,179
Fixed-price	31,855	45,255	8,821	85,931
Licensing	1,770	162	1,458	3,390
Other revenues	214	596	49	859
Revenues	\$ 391,102	\$ 236,333	\$ 23,924	\$ 651,359

Timing of Revenue Recognition

The following tables present the timing of revenue recognition reconciled with the Company's reportable segments (Note 13 "Segment Information") for the periods indicated:

	Three Months Ended March 31, 2021			
	Reportable Segments			Consolidated Revenues
	North America	Europe	Russia	
Timing of Revenue Recognition				
Transferred over time	\$ 472,374	\$ 276,731	\$ 29,190	778,295
Transferred at a point of time	2,479	(27)	28	2,480
Revenues	\$ 474,853	\$ 276,704	\$ 29,218	\$ 780,775

	Three Months Ended March 31, 2020			
	Reportable Segments			Consolidated Revenues
	North America	Europe	Russia	
Timing of Revenue Recognition				
Transferred over time	\$ 389,810	\$ 236,171	\$ 22,468	\$ 648,449
Transferred at a point of time	1,292	162	1,456	\$ 2,910
Revenues	\$ 391,102	\$ 236,333	\$ 23,924	\$ 651,359

During the three months ended March 31, 2021, the Company recognized \$15.2 million of revenues from performance obligations satisfied in previous periods compared to \$5.8 million during the three months ended March 31, 2020.

The following table includes the estimated revenues expected to be recognized in the future related to performance obligations that are partially or fully unsatisfied as of March 31, 2021. The Company applies a practical expedient and does not disclose the value of unsatisfied performance obligations for contracts that (i) have an original expected duration of one year or less and (ii) contracts for which it recognizes revenues at the amount to which it has the right to invoice for services provided:

Contract Type	Less than 1 year	1 Year	2 Years	3 Years	Total
	Fixed-price	\$ 25,409	\$ 2,493	\$ 226	\$ —

The Company applies a practical expedient and does not disclose the amount of the transaction price allocated to the remaining performance obligations nor provide an explanation of when the Company expects to recognize that amount as revenue for certain variable consideration.

Contract Balances

The following table provides information on the classification of contract assets and liabilities in the condensed consolidated balance sheets:

	As of March 31, 2021	As of December 31, 2020
Contract assets included in Trade receivables and contract assets	\$ 19,991	\$ 7,700
Contract liabilities included in Accrued expenses and other current liabilities	\$ 22,371	\$ 17,383
Contract liabilities included in Other noncurrent liabilities	\$ 329	\$ 94

Contract assets have increased from December 31, 2020 primarily due to contracts where the Company's right to bill is contingent upon achievement of contractual milestones. Contract liabilities comprise amounts collected from the Company's customers for revenues not yet earned and such amounts are anticipated to be recorded as revenues when services are performed in subsequent periods. Contract liabilities have increased from December 31, 2020 due to an increase in advance payments from customers for professional services and licenses during the quarter.

During the three months ended March 31, 2021, the Company recognized \$11.0 million of revenues that were included in Accrued expenses and other current liabilities at December 31, 2020. During the three months ended March 31, 2020, the Company recognized \$6.5 million of revenues that were included in Accrued expenses and other current liabilities at December 31, 2019.

9. STOCK-BASED COMPENSATION

The following table summarizes the components of stock-based compensation expense recognized in the Company's condensed consolidated statements of income for the periods indicated:

	Three Months Ended March 31,	
	2021	2020
Cost of revenues (exclusive of depreciation and amortization)	\$ 11,117	\$ 3,984
Selling, general and administrative expenses	13,436	7,897
Total	\$ 24,553	\$ 11,881

Stock Options

Stock option activity under the Company's plans is set forth below:

	Number of Options	Weighted Average Exercise Price	Aggregate Intrinsic Value	Weighted Average Remaining Contractual Term (in years)
Options outstanding at January 1, 2021	2,772	\$ 61.71		
Options granted	81	\$ 387.93		
Options exercised	(109)	\$ 40.71		
Options forfeited/cancelled	(3)	\$ 180.85		
Options outstanding at March 31, 2021	2,741	\$ 72.08	\$ 889,755	4.3
Options vested and exercisable as of March 31, 2021	2,428	\$ 52.25	\$ 836,146	3.7
Options expected to vest as of March 31, 2021	287	\$ 223.44	\$ 49,712	8.7

As of March 31, 2021, \$23.2 million of total remaining unrecognized stock-based compensation cost related to unvested stock options, net of estimated forfeitures, is expected to be recognized over the weighted-average remaining requisite service period of 3.2 years.

Restricted Stock and Restricted Stock Units

Service-Based Awards

The table below summarizes activity related to the Company's equity-classified and liability-classified service-based awards for the three months ended March 31, 2021:

	Equity-Classified Restricted Stock		Equity-Classified Equity-Settled Restricted Stock Units		Liability-Classified Cash-Settled Restricted Stock Units	
	Number of Shares	Weighted Average Grant Date Fair Value Per Share	Number of Shares	Weighted Average Grant Date Fair Value Per Share	Number of Shares	Weighted Average Grant Date Fair Value Per Share
Unvested service-based awards outstanding at January 1, 2021	9	\$ 167.18	686	\$ 162.15	175	\$ 141.16
Awards granted	—	\$ —	161	\$ 387.51	26	\$ 387.74
Awards vested	—	\$ —	(248)	\$ 129.61	(77)	\$ 119.40
Awards forfeited/cancelled	—	\$ —	(6)	\$ 179.08	—	\$ 148.68
Unvested service-based awards outstanding at March 31, 2021	9	\$ 167.18	593	\$ 236.71	124	\$ 206.00

As of March 31, 2021, \$0.7 million of total remaining unrecognized stock-based compensation cost related to service-based equity-classified restricted stock is expected to be recognized over the weighted-average remaining requisite service period of 1.4 years.

As of March 31, 2021, \$118.9 million of total remaining unrecognized stock-based compensation cost related to service-based equity-classified restricted stock units (“RSUs”), net of estimated forfeitures, is expected to be recognized over the weighted-average remaining requisite service period of 3.2 years.

As of March 31, 2021, \$38.1 million of total remaining unrecognized stock-based compensation cost related to service-based liability-classified cash-settled RSUs, net of estimated forfeitures, is expected to be recognized over the weighted-average remaining requisite service period of 2.7 years.

The liability associated with the service-based liability-classified RSUs as of March 31, 2021 and December 31, 2020, was \$15.3 million and \$26.8 million, respectively, and was classified as Accrued compensation and benefits expenses in the condensed consolidated balance sheets.

Performance-Based Awards

The table below summarizes activity related to the Company’s equity-classified performance-based awards for the three months ended March 31, 2021:

	Equity-Classified Equity-Settled Restricted Stock		Equity-Classified Equity-Settled Restricted Stock Units	
	Number of Shares	Weighted Average Grant Date Fair Value Per Share	Number of Shares	Weighted Average Grant Date Fair Value Per Share
Unvested performance-based awards outstanding at January 1, 2021	9	\$ 165.87	21	\$ 227.16
Awards granted	—	\$ —	—	\$ —
Unvested performance-based awards outstanding at March 31, 2021	9	\$ 165.87	21	\$ 227.16

As of March 31, 2021, \$0.9 million of total remaining unrecognized stock-based compensation cost related to performance-based equity-classified restricted stock is expected to be recognized over the weighted-average remaining requisite service period of 2.4 years.

As of March 31, 2021, \$2.9 million of total remaining unrecognized stock-based compensation cost related to performance-based equity-classified RSUs is expected to be recognized over the weighted-average remaining requisite service period of 2.5 years.

10. INCOME TAXES

In determining its interim provision for income taxes, the Company uses an estimated annual effective tax rate, which is based on expected annual profit before tax, statutory tax rates and tax planning opportunities available in the various jurisdictions in which the Company operates. Certain significant or unusual items are separately recognized in the quarter in which they occur and can be a source of variability in the effective tax rates from quarter to quarter.

The Company’s worldwide effective tax rates for the three months ended March 31, 2021 and 2020 were 5.1% and 11.3%, respectively. The Company’s effective tax rates benefited from excess tax benefits recorded upon vesting or exercise of stock-based awards of \$21.5 million and \$11.7 million during the three months ended March 31, 2021 and 2020, respectively.

11. EARNINGS PER SHARE

Basic earnings per share is computed by dividing net income available to common shareholders by the weighted-average number of shares of common stock outstanding during the period. For purposes of computing basic earnings per share, any nonvested shares of restricted stock that have been issued by the Company and are contingently returnable to the Company are excluded from the weighted-average number of shares of common stock outstanding during the period. Diluted earnings per share is computed by dividing net income available to common shareholders by the weighted-average number of shares of common stock outstanding during the period increased to include the number of additional shares of common stock that would have been outstanding if the potentially dilutive securities had been issued. Potentially dilutive securities include outstanding stock options, unvested restricted stock and unvested equity-settled RSUs. The dilutive effect of potentially dilutive securities is reflected in diluted earnings per share by application of the treasury stock method.

The following table sets forth the computation of basic and diluted earnings per share of common stock as follows:

	Three Months Ended March 31,	
	2021	2020
Numerator for basic and diluted earnings per share:		
Net income	\$ 109,046	\$ 85,565
Numerator for basic and diluted earnings per share	<u>\$ 109,046</u>	<u>\$ 85,565</u>
Denominator:		
Weighted average common shares for basic earnings per share	56,170	55,287
Net effect of dilutive stock options, restricted stock units and restricted stock awards	2,608	2,856
Weighted average common shares for diluted earnings per share	<u>58,778</u>	<u>58,143</u>
Net income per share:		
Basic	\$ 1.94	\$ 1.55
Diluted	\$ 1.86	\$ 1.47

The number of shares underlying equity-based awards that were excluded from the calculation of diluted earnings per share as their effect would be anti-dilutive was 16 thousand and 9 thousand during the three months ended March 31, 2021 and 2020, respectively.

12. COMMITMENTS AND CONTINGENCIES

Indemnification Obligations — In the normal course of business, the Company is a party to a variety of agreements under which it may be obligated to indemnify the other party for certain matters. These obligations typically arise in contracts where the Company customarily agrees to hold the other party harmless against losses arising from a breach of representations or covenants for certain matters, infringement of third party intellectual property rights, data privacy violations, and certain tortious conduct in the course of providing services. The duration of these indemnifications varies, and in certain cases, is indefinite.

The Company is unable to reasonably estimate the maximum potential amount of future payments under these or similar agreements due to the unique facts and circumstances of each agreement and the fact that certain indemnifications provide for no limitation to the maximum potential future payments under the indemnification. Management is not aware of any such matters that would have a material effect on the condensed consolidated financial statements of the Company.

Litigation — From time to time, the Company is involved in litigation, claims or other contingencies arising in the ordinary course of business. The Company accrues a liability when a loss is considered probable and the amount can be reasonably estimated. When a material loss contingency is reasonably possible but not probable, the Company does not record a liability, but instead discloses the nature and the amount of the claim, and an estimate of the loss or range of loss, if such an estimate can be made. Legal fees are expensed as incurred. In the opinion of management, the outcome of any existing claims and legal or regulatory proceedings, if decided adversely, is not expected to have a material effect on the Company's business, financial condition, results of operations or cash flows.

Building Acquisition Commitments — During the year ended December 31, 2019, the Company entered into an agreement to purchase office space in Ukraine intended to support the global delivery center in that country. The agreement is subject to completion of construction and other ordinary closing conditions. As of March 31, 2021, the Company has committed to making future payments totaling approximately \$36.9 million including VAT to the sellers upon transfer of the building. The Company anticipates making the future payments during the second half of 2021.

13. SEGMENT INFORMATION

The Company determines its business segments and reports segment information in accordance with how the Company's chief operating decision maker ("CODM") organizes the segments to evaluate performance, allocate resources and make business decisions. Segment results are based on the segment's revenues and operating profit, where segment operating profit is defined as income from operations before unallocated costs. Expenses included in segment operating profit consist principally of direct selling and delivery costs as well as an allocation of certain shared services expenses. Certain corporate expenses are not allocated to specific segments as these expenses are not controllable at the segment level. Such expenses include certain types of professional fees, non-corporate taxes, compensation to non-employee directors and certain other general and administrative expenses, including compensation of specific groups of non-production employees. In addition, the Company does not allocate amortization of intangible assets acquired through business combinations, goodwill and other asset impairment charges, stock-based compensation expenses, acquisition-related costs and certain other one-time charges. These unallocated amounts are combined with total segment operating profit to arrive at consolidated income from operations as reported below in the reconciliation of segment operating profit to consolidated income before provision for income taxes. Additionally, management has determined that it is not practical to allocate identifiable assets by segment since such assets are used interchangeably among the segments.

The Company manages its business primarily based on the managerial responsibility for its client base and market. As managerial responsibility for a particular customer relationship generally correlates with the customer's geographic location, there is a high degree of similarity between customer locations and the geographic boundaries of the Company's reportable segments. In some cases, managerial responsibility for a particular customer is assigned to a management team in another region and is usually based on the strength of the relationship between customer executives and particular members of EPAM's senior management team. In such cases, the customer's activity would be reported through the management team's reportable segment.

Revenues from external customers and operating profit, before unallocated expenses, by reportable segment for the three months ended March 31, 2021 and 2020, were as follows:

	Three Months Ended March 31,	
	2021	2020
Segment revenues:		
North America	\$ 474,853	\$ 391,102
Europe	276,704	236,333
Russia	29,218	23,924
Total segment revenues	\$ 780,775	\$ 651,359
Segment operating profit:		
North America	\$ 94,103	\$ 78,927
Europe	51,073	31,779
Russia	979	519
Total segment operating profit	\$ 146,155	\$ 111,225

Intersegment transactions were excluded from the above on the basis that they are neither included in the measure of a segment's profit and loss results, nor considered by the CODM during the review of segment results.

There were no customers that accounted for more than 10% of total segment revenues during the three months ended March 31, 2021 and 2020.

Reconciliation of segment operating profit to consolidated income before provision for income taxes is presented below:

	Three Months Ended March 31,	
	2021	2020
Total segment operating profit:	\$ 146,155	\$ 111,225
Unallocated amounts:		
Stock-based compensation expense	(24,553)	(11,881)
Amortization of intangibles assets	(3,140)	(3,135)
Other acquisition-related expenses	(1,933)	(468)
Other unallocated expenses	(9,278)	(8,232)
Income from operations	107,251	87,509
Interest and other income, net	5,374	2,386
Foreign exchange gain	2,299	6,524
Income before provision for income taxes	\$ 114,924	\$ 96,419

Geographic Area Information

Long-lived assets include property and equipment, net of accumulated depreciation and amortization, and management has determined that it is not practical to allocate these assets by segment since such assets are used interchangeably among the segments. Physical locations and values of the Company's long-lived assets are presented below:

	As of March 31, 2021	As of December 31, 2020
Belarus	\$ 72,805	\$ 73,988
Ukraine	28,621	30,980
United States	15,643	15,718
Russia	13,739	15,036
India	7,182	7,079
Poland	5,610	5,434
Hungary	4,840	5,365
Spain	2,670	2,799
China	2,409	2,722
Mexico	2,396	2,419
Other	8,834	7,993
Total	\$ 164,749	\$ 169,533

The table below presents information about the Company's revenues by customer location for the three months ended March 31, 2021 and 2020:

	Three Months Ended March 31,	
	2021	2020
United States	\$ 448,021	\$ 370,089
United Kingdom	93,464	92,132
Switzerland	67,568	47,222
Netherlands	33,032	25,909
Russia	27,656	21,961
Germany	22,025	20,193
Canada	21,835	17,920
Other locations	67,174	55,933
Total	\$ 780,775	\$ 651,359

14. ACCUMULATED OTHER COMPREHENSIVE LOSS

The following table summarizes the changes in the accumulated balances for each component of accumulated other comprehensive loss:

	Three Months Ended March 31,	
	2021	2020
Foreign currency translation		
Beginning balance	\$ (28,168)	\$ (32,666)
Foreign currency translation	(13,581)	(35,332)
Income tax benefit	3,050	6,813
Foreign currency translation, net of tax	(10,531)	(28,519)
Ending balance	\$ (38,699)	\$ (61,185)
Cash flow hedging instruments		
Beginning balance	\$ 3,642	\$ 1,292
Unrealized loss in fair value	(7,346)	(11,428)
Net gain/(loss) reclassified into Cost of revenues (exclusive of depreciation and amortization)	2,066	(660)
Income tax benefit	1,199	2,720
Cash flow hedging instruments, net of tax	(4,081)	(9,368)
Ending balance⁽¹⁾	\$ (439)	\$ (8,076)
Defined benefit plans		
Beginning balance	\$ (986)	\$ —
Actuarial losses	(811)	—
Income tax benefit	185	—
Defined benefit plans, net of tax	(626)	—
Ending balance	\$ (1,612)	\$ —
Accumulated other comprehensive loss	\$ (40,750)	\$ (69,261)

(1) As of March 31, 2021, the ending balance of net unrealized losses related to derivatives designated as cash flow hedges is expected to be reclassified into Cost of revenues (exclusive of depreciation and amortization) in the next twelve months.

15. SUBSEQUENT EVENTS

On April 2, 2021, the Company acquired 100% of PolSource S.A. and its subsidiaries, a Salesforce Platinum Consulting Partner with more than 350 experienced Salesforce specialists. The Company paid approximately \$111.8 million in cash at closing and could pay up to \$45.0 million in earn-out consideration based on achievement of certain revenue, earnings and operational targets. In addition, the Company agreed to grant service-based RSUs valued at approximately \$12.8 million and performance-based equity-settled restricted stock units (“PolSource PSUs”) valued at approximately \$2.2 million. Vesting of the PolSource PSUs is dependent on continued service and achievement of certain revenue, earnings and operational targets.

Subsequent to March 31, 2021, the Company completed two additional acquisitions. In aggregate, the Company paid approximately \$13.8 million in cash at closing and could pay up to \$10.8 million in earn-out consideration based on the achievement of certain revenue, earnings and operational targets. In addition, the Company agreed to grant restricted stock units valued at approximately \$9.6 million to employees of the acquired companies.

Due to the timing of the acquisitions, the initial accounting for the acquisitions is incomplete. As such, the Company is not able to disclose certain information relating to the acquisitions, including the preliminary fair value of assets acquired and liabilities assumed. The Company expects to complete the initial accounting for these acquisitions during the second quarter of 2021.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with our Annual Report on Form 10-K for the year ended December 31, 2020 and the unaudited condensed consolidated financial statements and the related notes included elsewhere in this quarterly report. In addition to historical information, this discussion contains forward-looking statements that involve risks, uncertainties and assumptions that could cause actual results to differ materially from management's expectations. Factors that could cause such differences are discussed in the sections entitled "Forward-Looking Statements" in this item and in "Part I. Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020. We assume no obligation to update any of these forward-looking statements.

In this quarterly report, "EPAM," "EPAM Systems, Inc.," the "Company," "we," "us" and "our" refer to EPAM Systems, Inc. and its consolidated subsidiaries.

"EPAM" is a trademark of EPAM Systems, Inc. All other trademarks and service marks used herein are the property of their respective owners.

Executive Summary

We are a leading global provider of digital platform engineering and software development services offering specialized technological solutions to many of the world's leading organizations.

Our customers depend on us to solve their complex technical challenges and rely on our expertise in core engineering, advanced technology, digital design and intelligent enterprise development. We continuously explore opportunities in new industries to expand our core industry client base in software and technology, financial services, business information and media, travel and consumer, and life sciences and healthcare. Our teams of developers, architects, consultants, strategists, engineers, designers, and product experts have the capabilities and skill sets to deliver business results.

Our global delivery model and centralized support functions, combined with the benefits of scale from the shared use of fixed-cost resources, enhance our productivity levels and enable us to better manage the efficiency of our global operations. As a result, we have created a delivery base whereby our applications, tools, methodologies and infrastructure allow us to seamlessly deliver services and solutions from our delivery centers to global customers across all geographies, further strengthening our relationships with them.

Through increased specialization in focused verticals and a continued emphasis on strategic partnerships, we are leveraging our roots in software engineering to grow as a recognized brand in software development and end-to-end digital transformation services for our customers.

The COVID-19 global pandemic continued to cause substantial global public health, business, and economic challenges during the first quarter of 2021 and has remained a significant source of disruption and uncertainty. Since the beginning of the pandemic, we quickly adapted to ensure both safety and business continuity by shifting the vast majority of our personnel to productive and secure remote working arrangements and by responding to the rapidly changing needs and demand environment of our customers. During the first quarter of 2021, we continued to experience increased demand in our geographies, segments, and service offerings, as detailed below under the heading "Year-to-Date 2021 Developments and Trends," but we cannot accurately predict the extent to which the COVID-19 pandemic will continue to directly and indirectly impact our business, results of operations and financial condition.

For additional information on the impact of the COVID-19 pandemic on our results for the first quarter of 2021, please see "Year-to-Date 2021 Developments and Trends" and "Liquidity and Capital Resources" below. For further information on the various risks posed by the COVID-19 pandemic, please read "Part I. Item 1A. Risk Factors" under the sub-heading "Risks Related to COVID-19" which is included in our Annual Report on Form 10-K for the year ended December 31, 2020.

Year-to-Date 2021 Developments and Trends

For the first three months of 2021, our revenues were \$780.8 million, an increase of 19.9% over \$651.4 million reported for the same period of 2020. We have built an increasingly diversified portfolio across numerous verticals, geographies and service offerings which allowed us to continue to grow revenues despite challenges posed by the worldwide COVID-19 pandemic. Certain clients and certain industry verticals have been adversely impacted by the worldwide COVID-19 pandemic in 2020. However, in 2021 we are experiencing strong growth across all of our verticals with Life Sciences and Healthcare realizing the highest growth rate of 31.6% year over year.

Summary of Results of Operations

The following table presents a summary of our results of operations for the three months ended March 31, 2021 and 2020:

	Three Months Ended March 31,			
	2021		2020	
	(in thousands, except per share data and percentages)			
Revenues	\$ 780,775	100.0 %	\$ 651,359	100.0 %
Income from operations	\$ 107,251	13.7 %	\$ 87,509	13.4 %
Net income	\$ 109,046	14.0 %	\$ 85,565	13.1 %
Effective tax rate	5.1 %		11.3 %	
Diluted earnings per share	\$ 1.86		\$ 1.47	

The key highlights of our consolidated results for the three months ended March 31, 2021, as compared to the corresponding period of 2020, were as follows:

- Revenues for the first quarter of 2021 were \$780.8 million, or a 19.9% increase from \$651.4 million reported in the same period last year. Revenue growth increased in the first quarter of 2021 as a result of robust demand for our services. The first quarter of 2021 was positively impacted by \$13.8 million or 2.1% due to changes in certain foreign currency exchange rates as compared to the corresponding period last year.
- Income from operations grew 22.6% to \$107.3 million during the three months ended March 31, 2021, as compared to the corresponding period in 2020. Expressed as a percentage of revenues, income from operations for the first quarter of 2021 increased to 13.7% compared to the 13.4% in the first quarter last year. During the first quarter of 2021, income from operations as a percentage of revenues benefited from a reduction in facilities, travel and entertainment expenses which was partially offset by an increase in personnel-related costs including stock-based compensation expense in the first quarter of 2021.
- Our effective tax rate was 5.1% in the first three months of 2021 compared to 11.3% in the corresponding period last year. Our effective tax rate during the period was impacted by higher excess tax benefits recorded upon vesting or exercise of stock-based awards as a percentage of pre-tax income in the three months ended March 31, 2021 as compared to the corresponding period last year.
- Net income increased 27.4% to \$109.0 million for the three months ended March 31, 2021, compared to \$85.6 million reported in the corresponding period last year. Expressed as a percentage of revenues, net income was 14.0%, an increase of 0.9% compared to 13.1% reported in the corresponding period of 2020.
- Diluted earnings per share was \$1.86 for the three months ended March 31, 2021, an increase of \$0.39 compared to the corresponding period last year.
- Cash provided by operating activities was \$12.8 million during the three months ended March 31, 2021 as compared to cash provided by operating activities of \$63.3 million in the corresponding period last year. This decrease is largely driven by annual payments of certain variable compensation related to the prior performance year occurring in the first quarter of 2021 where similar payouts in 2020 occurred during the second quarter. Additionally, income tax payments increased in the first quarter of 2021 compared to the corresponding period of 2020.

The operating results in any period are not necessarily indicative of the results that may be expected for any future period.

Critical Accounting Policies

The discussion and analysis of our financial position and results of operations is based on our condensed consolidated financial statements which have been prepared in accordance with U.S. GAAP. The preparation of these condensed consolidated financial statements in accordance with U.S. GAAP requires us to make estimates and judgments that may affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On a recurring basis, we evaluate our estimates and judgments, including those related to revenue recognition and related allowances, impairments of long-lived assets including intangible assets, goodwill and right-of-use assets, income taxes including the valuation allowance for deferred tax assets, and stock-based compensation. Actual results may differ materially from these estimates under different assumptions and conditions. In addition, our reported financial condition and results of operations could vary due to a change in the application of a particular accounting standard.

During the three months ended March 31, 2021, there have been no material changes to our critical accounting policies or in the underlying accounting assumptions and estimates used in such policies as reported in our Annual Report on Form 10-K for the year ended December 31, 2020.

Results of Operations

The following table sets forth a summary of our consolidated results of operations for the periods indicated. This information should be read together with our unaudited condensed consolidated financial statements and related notes included elsewhere in this quarterly report. The operating results in any period are not necessarily indicative of the results that may be expected for any future period.

	Three Months Ended March 31,			
	2021		2020	
	(in thousands, except percentages and per share data)			
Revenues	\$ 780,775	100.0 %	\$ 651,359	100.0 %
Operating expenses:				
Cost of revenues (exclusive of depreciation and amortization) ⁽¹⁾	519,328	66.5 %	423,802	65.1 %
Selling, general and administrative expenses ⁽²⁾	136,389	17.5 %	125,108	19.2 %
Depreciation and amortization expense	17,807	2.3 %	14,940	2.3 %
Income from operations	107,251	13.7 %	87,509	13.4 %
Interest and other income, net	5,374	0.7 %	2,386	0.4 %
Foreign exchange gain	2,299	0.3 %	6,524	1.0 %
Income before provision for income taxes	114,924	14.7 %	96,419	14.8 %
Provision for income taxes	5,878	0.7 %	10,854	1.7 %
Net income	\$ 109,046	14.0 %	\$ 85,565	13.1 %
Effective tax rate	5.1 %		11.3 %	
Diluted earnings per share	\$ 1.86		\$ 1.47	

(1) Includes \$11,117 and \$3,984 of stock-based compensation expense for the three months ended March 31, 2021 and 2020, respectively.

(2) Includes \$13,436 and \$7,897 of stock-based compensation expense for the three months ended March 31, 2021 and 2020, respectively.

Consolidated Results Review*Revenues*

During the three months ended March 31, 2021, our total revenues grew to \$780.8 million or 19.9% compared to the corresponding period in 2020. Revenues have been positively impacted by growth from acquisitions, which contributed 0.3% to our revenue growth, and by fluctuations in foreign currency exchange rates which increased our revenue growth by 2.1% during the three months ended March 31, 2021 as compared to the same period last year.

Revenues by customer location for the three months ended March 31, 2021 and 2020 were as follows:

	Three Months Ended March 31,			
	2021		2020	
	(in thousands, except percentages)			
North America	\$ 470,321	60.2 %	\$ 389,830	59.9 %
Europe	259,372	33.2 %	223,057	34.2 %
CIS ⁽¹⁾	30,134	3.9 %	24,860	3.8 %
APAC ⁽²⁾	20,948	2.7 %	13,612	2.1 %
Revenues	\$ 780,775	100.0 %	\$ 651,359	100.0 %

(1) CIS includes revenues from customers in Russia, Belarus, Georgia, Kazakhstan, and Ukraine.

(2) APAC, or Asia Pacific, includes revenues from customers in East Asia, Southeast Asia and Australia.

During the three months ended March 31, 2021, the United States continued to be our largest customer location, with revenues increasing 21.1% to \$448.0 million during the first quarter of 2021 from \$370.1 million in the first quarter of 2020.

The top three revenue contributing customer location countries in Europe were the United Kingdom, Switzerland and Netherlands, generating \$93.5 million, \$67.6 million and \$33.0 million, respectively, during the three months ended March 31, 2021. Revenues from customers in these three countries were \$92.1 million, \$47.2 million, and \$25.9 million, respectively, in the corresponding period last year. Revenues in the European geography were positively impacted by recognition of revenues from performance obligations satisfied in previous periods and strengthening of the euro and British pound relative to the U.S. dollar during the three months ended March 31, 2021 compared to the same period in the previous year.

During the three months ended March 31, 2021, revenues in the CIS geography included \$27.7 million from customers in Russia, an increase of \$5.7 million as compared to the corresponding period of 2020. The increase in revenue was partially offset by the depreciation of the Russian ruble relative to the U.S. dollar.

During the three months ended March 31, 2021, revenues from customers in the APAC region increased by \$7.3 million, or 53.9%, over the corresponding period of 2020.

Cost of Revenues (Exclusive of Depreciation and Amortization)

The principal components of our cost of revenues (exclusive of depreciation and amortization) are salaries, bonuses, fringe benefits, stock-based compensation, project-related travel costs and fees for subcontractors who are assigned to customer projects. Salaries and other compensation expenses of our delivery professionals are reported as cost of revenues regardless of whether the employees are actually performing customer services during a given period. Our employees are a critical asset, necessary for our continued success and therefore we expect to continue hiring talented employees and providing them with competitive compensation programs.

During the three months ended March 31, 2021, cost of revenues (exclusive of depreciation and amortization) was \$519.3 million representing an increase of 22.5% from \$423.8 million in the corresponding period of 2020. The increase was primarily due to an increase in compensation costs largely driven by the 15.1% growth in the average number of production professionals during the three months ended March 31, 2021 as compared to the same period in 2020. Expressed as a percentage of revenues, cost of revenues (exclusive of depreciation and amortization) was 66.5% and 65.1% in the first quarter of 2021 and 2020, respectively. The year-over-year increase is primarily due to a 2.9% increase as a percentage of revenues in personnel-related costs including stock-based compensation expense and one less available day of capacity, partially offset by decreased travel and entertainment expenses.

Selling, General and Administrative Expenses

Selling, general and administrative expenses represent expenditures associated with promoting and selling our services and general and administrative functions of our business. These expenses include the costs of salaries, bonuses, fringe benefits, stock-based compensation, severance, bad debt, travel, legal and accounting services, insurance, facilities including operating leases, advertising and other promotional activities. In addition, we pay a membership fee of 1% of revenues generated in Belarus to the administrative organization of the Belarus High-Technologies Park.

During the three months ended March 31, 2021, selling, general and administrative expenses were \$136.4 million representing a 9.0% increase as compared to \$125.1 million in the corresponding period of 2020. The increase in selling, general and administrative expenses was primarily driven by a \$15.1 million increase in personnel-related costs including stock-based compensation expense partially offset by a \$4.0 million decrease in facilities and infrastructure expenses. Expressed as a percentage of revenues, selling, general and administrative expenses decreased 1.7% to 17.5% for the three months ended March 31, 2021 as compared to the same period from the prior year, primarily driven by reduced facilities and infrastructure expenses.

Interest and Other Income, Net

Interest and other income, net includes interest earned on cash and cash equivalents and employee loans, gains and losses from certain financial instruments, interest expense related to our 2017 Credit Facility and changes in the fair value of contingent consideration. There were no material changes in interest and other income, net during the three months ended March 31, 2021 as compared to the same periods in 2020.

Depreciation and Amortization Expense

During the three months ended March 31, 2021, depreciation and amortization expense was \$17.8 million, as compared to \$14.9 million in the corresponding period last year. The increase in depreciation and amortization expense is primarily the result of increased investment in computer equipment used by our employees. Expressed as a percentage of revenues, depreciation and amortization expense remained at 2.3% for the three months ended March 31, 2021 and 2020.

Foreign Exchange Gain

For discussion of the impact of foreign exchange fluctuations see “Item 3. Quantitative and Qualitative Disclosures About Market Risk.”

Provision for Income Taxes

Determining the consolidated provision for income tax expense, deferred income tax assets and liabilities and any potential related valuation allowances involves judgment. We consider factors that may contribute, favorably or unfavorably, to the overall annual effective tax rate in the current year as well as the future. These factors include statutory tax rates and tax law changes in the countries where we operate and excess tax benefits upon vesting or exercise of equity awards as well as consideration of any significant or unusual items.

As a global company, we are required to calculate and provide for income taxes in each of the jurisdictions in which we operate. Our provision for income taxes benefited from excess tax benefits recorded upon vesting or exercise of stock-based awards of \$21.5 million and \$11.7 million during the three months ended March 31, 2021 and 2020, respectively.

Our effective tax rate was 5.1% for the three months ended March 31, 2021, and 11.3% for the three months ended March 31, 2020. The decrease in the effective tax rate in the three months ended March 31, 2021, as compared to the corresponding period in the prior year, is primarily attributable to the increase in excess tax benefits recorded upon vesting or exercise of stock-based awards.

Results by Business Segment

Our operations consist of three reportable segments: North America, Europe, and Russia. The segments represent components of EPAM for which separate financial information is available and used on a regular basis by our chief executive officer, who is also our chief operating decision maker (“CODM”), to determine how to allocate resources and evaluate performance. Our CODM makes business decisions based on segment revenues and operating profit. Segment operating profit is defined as income from operations before unallocated costs. Expenses included in segment operating profit consist principally of direct selling and delivery costs as well as an allocation of certain shared services expenses. Certain corporate expenses are not allocated to specific segments as these expenses are not controllable at the segment level. Such expenses include certain types of professional fees, certain taxes included in operating expenses including the Belarus High-Technologies Park membership fee, compensation to non-employee directors and certain other general and administrative expenses, including compensation of specific groups of non-production employees. In addition, the Company does not allocate stock-based compensation, amortization of intangible assets acquired through business combinations, goodwill and other asset impairment charges, acquisition-related costs and certain other one-time charges. These unallocated amounts are combined with total segment operating profit to arrive at consolidated income from operations.

We manage our business primarily based on the managerial responsibility for its client base and market. As managerial responsibility for a particular customer relationship generally correlates with the customer’s geographic location, there is a high degree of similarity between customer locations and the geographic boundaries of our reportable segments. In some cases, managerial responsibility for a particular customer is assigned to a management team in another region and is usually based on the strength of the relationship between customer executives and particular members of EPAM’s senior management team. In such cases, the customer’s activity would be reported through the management team’s reportable segment.

Segment revenues from external customers and segment operating profit, before unallocated expenses, for the North America, Europe and Russia reportable segments for the three months ended March 31, 2021 and 2020 were as follows:

	Three Months Ended March 31,	
	2021	2020
	(in thousands)	
Segment revenues:		
North America	\$ 474,853	\$ 391,102
Europe	276,704	236,333
Russia	29,218	23,924
Total segment revenues	\$ 780,775	\$ 651,359
Segment operating profit:		
North America	\$ 94,103	\$ 78,927
Europe	51,073	31,779
Russia	979	519
Total segment operating profit	\$ 146,155	\$ 111,225

North America Segment

During the three months ended March 31, 2021, revenues for the North America segment increased \$83.8 million, or 21.4%, compared to the same period last year and segment operating profit increased \$15.2 million, or 19.2%, compared to the same period last year. During the three months ended March 31, 2021, revenues from our North America segment were 60.8% of total segment revenues, an increase from 60.0% reported in the corresponding period of 2020. The North America segment’s operating profit margin decreased to 19.8% during the first quarter of 2021 from 20.2% in the first quarter of 2020. This decrease is primarily attributable to an increase in the cost of revenues as a percentage of revenues.

The following table presents North America segment revenues by industry vertical for the periods indicated:

<u>Industry Vertical</u>	Three Months Ended March 31,		Change	
	2021	2020	Dollars	Percentage
	(in thousands, except percentages)			
Software & Hi-Tech	\$ 125,586	\$ 101,737	\$ 23,849	23.4 %
Business Information & Media	87,205	80,220	6,985	8.7 %
Life Sciences & Healthcare	75,589	61,611	13,978	22.7 %
Financial Services	69,740	47,868	21,872	45.7 %
Travel & Consumer	69,429	54,724	14,705	26.9 %
Emerging Verticals	47,304	44,942	2,362	5.3 %
Revenues	\$ 474,853	\$ 391,102	\$ 83,751	21.4 %

During the three months ended March 31, 2021 compared to the same period in the prior year, revenues from each vertical, except Business Information & Media and Emerging Verticals, grew in excess of 20%. Software & Hi-Tech remained the largest industry vertical in the North America segment during the first quarter of 2021. It grew 23.4% during the three months ended March 31, 2021, as compared to the corresponding period from the prior year. Financial Services grew 45.7% due to growth in a global insurance customer that was previously one of our top 100 customers and is now one of our top 20 customers. Emerging Verticals experienced slower growth during the first quarter of 2021 compared to the prior year largely due to a decline in revenues from energy customers in the United States. Life Sciences & Healthcare grew 22.7% in part due to an addition of a new significant customer in 2021.

Europe Segment

During the three months ended March 31, 2021, Europe's segment revenues were \$276.7 million, representing an increase of \$40.4 million, or 17.1%, from the same period last year. Revenues were positively impacted by changes in foreign currency exchange rates during the first quarter of 2021. Had our Europe segment revenues been expressed in constant currency terms using the exchange rates in effect during the first quarter of 2020, we would have reported revenue growth of 11.5%. Europe's segment revenues accounted for 35.5% and 36.3% of total segment revenues during the three months ended March 31, 2021 and 2020, respectively. During the first quarter of 2021, the segment's operating profit increased 60.7% to \$51.1 million compared to the first quarter of 2020. Expressed as a percentage of revenue, Europe's segment operating profit increased to 18.5% compared to 13.4% in the same period of the prior year. Segment operating profit was positively impacted by recognition of \$6.8 million in revenues from performance obligations satisfied in previous periods and changes in foreign currency exchange rates during the first quarter of 2021, partially offset by increased personnel related costs.

The following table presents Europe segment revenues by industry vertical for the periods indicated:

<u>Industry Vertical</u>	Three Months Ended March 31,		Change	
	2021	2020	Dollars	Percentage
	(in thousands, except percentages)			
Financial Services	\$ 78,040	\$ 67,594	\$ 10,446	15.5 %
Travel & Consumer	64,624	61,067	3,557	5.8 %
Business Information & Media	60,157	58,146	2,011	3.5 %
Software & Hi-Tech	20,973	18,146	2,827	15.6 %
Life Sciences & Healthcare	15,351	7,619	7,732	101.5 %
Emerging Verticals	37,559	23,761	13,798	58.1 %
Revenues	\$ 276,704	\$ 236,333	\$ 40,371	17.1 %

Financial Services remained the largest industry vertical in the Europe segment during the three months ended March 31, 2021. Revenues in Travel & Consumer experienced slower growth during the three months ended March 31, 2021 as compared to the corresponding period in 2020 primarily due to declining demand from certain customers adversely affected by the decline in global travel due to worldwide travel restrictions as a result of the COVID-19 pandemic. Revenues in Business Information & Media experienced slower growth largely driven by slower growth at customers included in our top ten customers. The increase in revenues in Life Sciences & Healthcare is largely due to expansion of services provided to a single healthcare customer. Revenues in Emerging Verticals experienced higher growth primarily attributable to growth in existing customers in the telecommunications, manufacturing and materials industries.

Russia Segment

During the three months ended March 31, 2021, revenues from our Russia segment accounted for 3.7% of total segment revenues and increased \$5.3 million, or 22.1%, as compared to the corresponding period in the prior year. The increase in revenues was primarily attributable to growth in the Financial Services and Travel & Consumer partially offset by the depreciation of the Russian ruble relative to the U.S. dollar. During the three months ended March 31, 2021, operating profit from the Russia segment was \$1.0 million, representing an increase of \$0.5 million, as compared to \$0.5 million operating profit in the corresponding period last year.

The following table presents Russia segment revenues by industry vertical for the periods indicated:

<u>Industry Vertical</u>	<u>Three Months Ended March 31,</u>		<u>Change</u>	
	<u>2021</u>	<u>2020</u>	<u>Dollars</u>	<u>Percentage</u>
	<i>(in thousands, except percentages)</i>			
Financial Services	\$ 21,078	\$ 16,181	\$ 4,897	30.3 %
Travel & Consumer	4,958	3,739	1,219	32.6 %
Software & Hi-Tech	505	1,966	(1,461)	(74.3) %
Business Information & Media	387	360	27	7.5 %
Life Sciences & Healthcare	175	9	166	1,844.4 %
Emerging Verticals	2,115	1,669	446	26.7 %
Revenues	\$ 29,218	\$ 23,924	\$ 5,294	22.1 %

Revenues in the Russia segment are generally subject to fluctuations and are impacted by the timing of revenue recognition associated with the execution of contracts and the devaluation of the Russian ruble relative to the U.S. dollar. Revenues in the Financial Services vertical primarily benefited from increased revenues from customers in the banking sector. There have been no significant changes in the other verticals during the three months ended March 31, 2021 as compared to the same period in 2020.

Currency fluctuations of the Russian ruble frequently impact the results in the Russia segment. Ongoing economic and geopolitical uncertainty in the region and the volatility of the Russian ruble can significantly impact reported revenues and profitability in this segment. We continue to monitor geopolitical forces, economic and trade sanctions, and other issues involving this region.

Effects of Inflation

Economies in some countries where we operate, particularly Belarus, Russia, Uzbekistan, Kazakhstan, Ukraine and India have periodically experienced high rates of inflation. Periods of higher inflation may affect various economic sectors in those countries and increase our cost of doing business there. Inflation may increase some of our expenses such as wages. It is difficult to accurately measure the impact it has or could have on our results of operations and financial condition.

Liquidity and Capital Resources

Capital Resources

Our cash generated from operations has been our primary source of liquidity to fund operations and investments to support the growth of our business. As of March 31, 2021, our principal sources of liquidity were cash and cash equivalents totaling \$1,372.8 million as well as \$275.0 million of available borrowings under our revolving credit facility.

We have cash in banks in Belarus, Russia, Ukraine, Kazakhstan, Armenia, Georgia and Uzbekistan, where the banking sector remains subject to periodic instability, banking and other financial systems generally do not meet the banking standards of more developed markets and bank deposits made by corporate entities are not insured. As of March 31, 2021, the total amount of cash held in these countries was \$171.6 million and, of this amount, \$62.0 million was held in Belarus. Cash in this region is used for operational needs and cash balances in those banks change with the operating needs of our entities in the region. We regularly monitor cash held in these countries and, to the extent the cash held exceeds amounts required to support our business operations, we distribute the excess funds into markets with more developed banking sectors.

As of March 31, 2021, we had outstanding borrowings of \$25.0 million under our revolving credit facility, and were in compliance with all covenants specified under the credit facility and we anticipate being in compliance for the foreseeable future. See Note 7 “Long-Term Debt” of our condensed consolidated financial statements in “Part I. Item 1. Financial Statements (Unaudited)” for information regarding our long-term debt.

Our ability to expand and grow our business in accordance with current plans and to meet our long-term capital requirements will depend on many factors, including the rate at which our cash flows increase or decrease and the availability of public and private debt and equity financing. We may require additional cash resources due to changed business conditions or other future developments, including any investments or acquisitions we may decide to pursue. If our resources are insufficient to satisfy our cash requirements, we may seek to sell additional equity or debt securities or obtain another credit facility.

Based on currently available information and management’s current expectations, we anticipate that we have sufficient cash on hand and sufficient access to capital to continue to fund our operations for a significant period of time. However, COVID-19 and related measures to contain its impact have caused material disruptions in both national and global financial markets and economies. The future impact of COVID-19 and the COVID-19 containment measures cannot be predicted with certainty and may increase our borrowing costs and other costs of capital and otherwise adversely affect our business, results of operations, financial condition and liquidity.

Cash Flows

The following table summarizes our cash flows for the periods indicated:

	Three Months Ended March 31,	
	2021	2020
(in thousands)		
Condensed Consolidated Statements of Cash Flow Data:		
Net cash provided by operating activities	\$ 12,827	\$ 63,255
Net cash provided by/(used in) investing activities	48,461	(59,485)
Net cash provided by/(used in) financing activities	1,329	(2,046)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(11,856)	(22,009)
Net increase/(decrease) in cash, cash equivalents and restricted cash	50,761	(20,285)
Cash, cash equivalents and restricted cash, beginning of period	1,323,533	937,688
Cash, cash equivalents and restricted cash, end of period	<u>\$ 1,374,294</u>	<u>\$ 917,403</u>

Operating Activities

Net cash provided by operating activities during the three months ended March 31, 2021 was \$12.8 million, a decrease of \$50.4 million compared to \$63.3 million provided by operating activities in the corresponding period of 2020. This decrease is largely driven by annual payments of certain variable compensation related to the prior performance year occurring in the first quarter of 2021 where similar payouts in 2020 occurred during the second quarter. Additionally, income tax payments increased in the first quarter of 2021 compared to the corresponding period of 2020.

Investing Activities

Net cash provided by investing activities during the three months ended March 31, 2021 was \$48.5 million compared to \$59.5 million used in the same period in 2020. During the first three months of 2021, the cash provided by investing activities was primarily attributable to the maturity of \$60.0 million of time deposits. Cash used for capital expenditures was \$11.2 million during the first three months of 2021 compared to cash used for capital expenditures of \$29.1 million during the comparable period in 2020. Additionally, \$10.3 million was used for the acquisitions of businesses net of cash acquired, and \$20.0 million was used for purchases of non-marketable securities during the first three months of 2020.

Financing Activities

Net cash provided by financing activities was \$1.3 million in the first three months of 2021 compared to \$2.0 million net cash used in financing activities in the same period of 2020. During the first three months of 2021, we received cash from the exercises of stock options issued under our long-term incentive plans of \$4.4 million, compared to \$6.9 million received in the corresponding period of 2020. These cash inflows were offset by cash used for the payments of withholding taxes related to net share settlements of restricted stock units of \$3.3 million in the first quarter of 2021, compared to \$1.0 million paid in the corresponding period of 2020. Additionally, during the first three months of 2020, we used cash for the payment of \$7.9 million of contingent consideration related to the acquisition of Think.

Contractual Obligations and Future Capital Requirements

We believe that our existing cash and cash equivalents combined with our expected cash flow from operations will be sufficient to meet our projected operating and capital expenditure requirements for at least the next twelve months and that we possess the financial flexibility to execute our strategic objectives, including the ability to make acquisitions and strategic investments in the foreseeable future.

However, our ability to generate cash is subject to our performance, general economic conditions, industry trends and other factors including the impact of the COVID-19 pandemic as described elsewhere in this Management's Discussion and Analysis of Financial Condition and Results of Operations. To the extent that existing cash and cash equivalents and operating cash flow are insufficient to fund our future activities and requirements, we may need to raise additional funds through public or private equity or debt financing. If we issue equity securities in order to raise additional funds, substantial dilution to existing stockholders may occur. If we raise cash through the issuance of additional indebtedness, we may be subject to additional contractual restrictions on our business. There is no assurance that we would be able to raise additional funds on favorable terms or at all.

See Note 12 "Commitments and Contingencies" of our condensed consolidated financial statements in "Part I. Item 1. Financial Statements (Unaudited)" of this Quarterly Report and "Part II. Item 7. Contractual Obligations and Future Capital Requirements" of our Annual Report on Form 10-K for the year ended December 31, 2020 for information regarding contractual obligations.

Off-Balance Sheet Commitments and Arrangements

We do not have any material obligations under guarantee contracts or other contractual arrangements other than as disclosed in Note 12 "Commitments and Contingencies" of our condensed consolidated financial statements in "Part I. Item 1. Financial Statements (Unaudited)." We have not entered into any transactions with unconsolidated entities where we have financial guarantees, subordinated retained interests, derivative instruments, or other contingent arrangements that expose us to material continuing risks, contingent liabilities, or any other obligation under a variable interest in an unconsolidated entity that provides financing, liquidity, market risk, or credit risk support to us, or engages in leasing, hedging, or research and development services with us.

Recent Accounting Pronouncements

See Note 1 "Business and Summary of Significant Accounting Policies" to our unaudited condensed consolidated financial statements in "Part I. Item 1. Financial Statements (Unaudited)" for additional information.

Forward-Looking Statements

This quarterly report on Form 10-Q contains estimates and forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, principally in “Part I. Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our Annual Report on Form 10-K for the year ended December 31, 2020 also contains estimates and forward-looking statements, principally in “Part I. Item 1A. Risk Factors.” Our estimates and forward-looking statements are mainly based on our current expectations and estimates of future events and trends, which affect or may affect our business and operations. Those future events and trends may relate to, among other things, the anticipated impact of the COVID-19 pandemic and the effect that it may have on our sales, operations, access to capital, revenues, profitability and customer demand. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to several risks, uncertainties and assumptions as to future events that may not prove to be accurate and are made in light of information currently available to us. Important factors, in addition to the factors described in this quarterly report and in our Annual Report, may materially and adversely affect our results as indicated in forward-looking statements. You should read this quarterly report, our Annual Report and the documents that we have filed as exhibits hereto completely and with the understanding that our actual future results may be materially different from what we expect.

The words “may,” “will,” “should,” “could,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “intend,” “potential,” “might,” “would,” “continue” or the negative of these terms or other comparable terminology and similar words are intended to identify estimates and forward-looking statements. Estimates and forward-looking statements speak only as of the date they were made, and, except to the extent required by law, we undertake no obligation to update, to revise or to review any estimate and/or forward-looking statement because of new information, future events or other factors. Estimates and forward-looking statements involve risks and uncertainties and are not guarantees of future performance. As a result of the risks and uncertainties described above, the estimates and forward-looking statements discussed in this quarterly report and our Annual Report on Form 10-K for the year ended December 31, 2020 might not occur and our future results, level of activity, performance or achievements may differ materially from those expressed in these forward-looking statements due to, including, but not limited to, the factors mentioned above, and the differences may be material and adverse. Because of these uncertainties, you should not place undue reliance on these forward-looking statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to certain market risks in the ordinary course of our business. These risks primarily result from changes in concentration of credit, foreign currency exchange rates and interest rates. In addition, our international operations are subject to risks related to differing economic conditions, civil unrest, political instability or uncertainty, military activities, broad-based sanctions, differing tax structures, and other regulations and restrictions.

Concentration of Credit and Other Credit Risks

Financial instruments that potentially subject us to significant concentrations of credit risk consist primarily of cash, cash equivalents, short-term investments and trade receivables.

We maintain our cash, cash equivalents and short-term investments with financial institutions. We believe that our credit policies reflect normal industry terms and business risk and we do not anticipate non-performance by the counterparties. We have cash in banks in Belarus, Russia, Ukraine, Kazakhstan, Armenia, Uzbekistan and Georgia, where the banking sector remains subject to periodic instability. Banking and other financial systems generally do not meet the banking standards of more developed markets, and bank deposits made by corporate entities are not insured. As of March 31, 2021, \$171.6 million of our total cash was kept in banks in these countries, of which \$62.0 million was held in Belarus. In this region, and particularly in Belarus, a banking crisis, bankruptcy or insolvency of banks that process or hold our funds, may result in the loss of our deposits or adversely affect our ability to complete banking transactions in the region, which could adversely affect our business and financial condition. Cash in this region is used for operational needs and cash balances in those banks change with the operating needs of our entities in the region. We regularly monitor cash held in these countries and, to the extent the cash held exceeds amounts required to support our business operations, we distribute the excess funds into markets with more developed banking sectors.

Trade receivables are generally dispersed across many customers operating in different industries; therefore, concentration of credit risk is limited and we do not believe significant credit risk existed at March 31, 2021. Though our results of operations depend on our ability to successfully collect payment from our customers for work performed, historically, credit losses and write-offs of trade receivables have not been material to our consolidated financial statements. If any of our customers enter bankruptcy protection or otherwise take steps to alleviate their financial distress resulting from the COVID-19 pandemic, our credit losses and write-offs of trade receivables could increase, which would negatively impact our results of operations.

Interest Rate Risk

Our exposure to market risk is influenced by the changes in interest rates on our cash and cash equivalent deposits and paid on any outstanding balance on our borrowings, mainly under our 2017 Credit Facility, which is subject to a variety of rates depending on the type and timing of funds borrowed. We do not believe we are exposed to material direct risks associated with changes in interest rates related to these deposits and borrowings.

Foreign Exchange Risk

Our global operations are conducted predominantly in U.S. dollars. Other than U.S. dollars, we generate revenues principally in euros, British pounds, Swiss francs, Canadian dollars and Russian rubles. Other than U.S. dollars, we incur expenditures principally in Russian rubles, Hungarian forints, Polish zlotys, British pounds, Swiss francs, euros, Indian rupees, Chinese yuan renminbi and Mexican pesos. As a result, currency fluctuations, specifically the depreciation of the euro, British pound, and Canadian dollar and the appreciation of the Russian ruble, Hungarian forint, Polish zloty, Chinese yuan renminbi and Indian rupee relative to the U.S. dollar, could negatively impact our results of operations.

During the quarter ended March 31, 2021, foreign exchange gain was \$2.3 million compared to a gain of \$6.5 million reported in the corresponding period last year. The gains were largely driven by the depreciation of the Russian ruble during both periods.

During the quarter ended March 31, 2021, approximately 33.5% of consolidated revenues and 47.2% of consolidated operating expenses were denominated in currencies other than the U.S. dollar.

To manage the risk of fluctuations in foreign currency exchange rates and hedge a portion of our forecasted foreign currency denominated operating expenses in the normal course of business, we implemented a hedging program through which we enter into a series of foreign exchange forward contracts with durations of twelve months or less that are designated as cash flow hedges of forecasted Russian ruble, Polish zloty and Indian rupee transactions. As of March 31, 2021, the net unrealized loss from these hedges was \$0.6 million.

Management supplements results reported in accordance with United States generally accepted accounting principles, referred to as GAAP, with non-GAAP financial measures. Management believes these measures help illustrate underlying trends in our business and uses the measures to establish budgets and operational goals, communicated internally and externally, for managing our business and evaluating its performance. When important to management's analysis, operating results are compared on the basis of "constant currency", which is a non-GAAP financial measure. This measure excludes the effect of foreign currency exchange rate fluctuations by translating the current period revenues and expenses into U.S. dollars at the weighted average exchange rates of the prior period of comparison.

During the first quarter of 2021, we reported revenue growth of 19.9% over the first quarter of 2020. Had our consolidated revenues been expressed in constant currency terms using the exchange rates in effect during the first quarter of 2020, we would have reported revenue growth of 17.8%. Our revenues have benefited from appreciation of the euro, British pound, Swiss franc and Canadian dollar relative to the U.S. dollar partially offset by the impact from depreciation of the Russian ruble relative to the U.S. dollar. During the first quarter of 2021, we reported a net income increase of 27.4% over the first quarter of 2020. Had our consolidated results been expressed in constant currency terms using the exchange rates in effect during the first quarter of 2020, we would have reported a net income increase of 18.6%. Net income has been most positively impacted by appreciation of the euro and British pound relative to the U.S. dollar and by the depreciation of the Russian ruble relative to the U.S. dollar.

Item 4. Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Based on management’s evaluation, with the participation of our Chief Executive Officer and Chief Financial Officer, as of the end of the period covered by this report, these officers have concluded that our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), are effective to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and is accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting during the quarter ended March 31, 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are involved in litigation and claims arising out of our operations in the normal course of business. We are not currently a party to any material legal proceeding, nor are we aware of any material legal or governmental proceedings pending or contemplated to be brought against us.

Item 1A. Risk Factors

For a discussion of our potential risks and uncertainties, including the fast-changing nature of the COVID-19 pandemic and its impact on global economic conditions, and our significant operations in the emerging market economies of Eastern Europe, which may be impacted by fluctuating military activities in and near Ukraine and enhanced sanctions and responses between the U.S. and Russia, see the risk factors disclosed under the heading “Part I. Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2020. The risks and uncertainties that we face are not limited to those set forth in our Annual Report on Form 10-K. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business and the trading price of our common stock.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Description
10.1†*	EPAM Systems, Inc. 2015 Long-Term Incentive Plan
10.2†*	Form of Chief Executive Officer Non-Qualified Stock Option Agreement
10.3†*	Form of Global Non-Qualified Stock Option Agreement for Senior Managers
10.4†*	Form of Chief Executive Officer Restricted Stock Unit Award Agreement
10.5†*	Form of Global Restricted Stock Unit Award Agreement for Senior Managers
10.6†*	EPAM Systems, Inc. Amended Non-Employee Director Compensation Policy
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File - (formatted as Inline XBRL and contained in Exhibit 101)
†	Indicates management contracts or compensatory plans or arrangements
*	Exhibits filed herewith

SIGNATURES

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

Date: May 6, 2021

EPAM SYSTEMS, INC.

By: /s/ Arkadiy Dobkin

Name: Arkadiy Dobkin

Title: Chairman, Chief Executive Officer and President
(principal executive officer)

By: /s/ Jason Peterson

Name: Jason Peterson

Title: Senior Vice President, Chief Financial Officer and Treasurer
(principal financial officer)

EPAM SYSTEMS, INC. 2015 LONG TERM INCENTIVE PLAN

SECTION 1. Purpose. The purpose of the EPAM Systems, Inc. 2015 Long Term Incentive Plan (the “**Plan**”) is to motivate and reward those employees and other individuals who are expected to contribute significantly to the success of EPAM Systems, Inc. (together with its subsidiaries, the “**Company**”) to perform at the highest level and to further the best interests of the Company and its stockholders.

SECTION 2. Definitions. As used in the Plan, the following terms shall have the meanings set forth below:

“**Affiliate**” means (i) any entity that, directly or indirectly, is controlled by the Company and (ii) any entity in which the Company has a significant equity interest, in each case as determined by the Committee.

“**Award**” means any Option, SAR, Restricted Stock, RSU, Performance Award or Other Stock-Based Award granted under the Plan.

“**Award Agreement**” means any agreement, contract or other instrument or document evidencing any Award granted under the Plan, which may, but need not, be executed or acknowledged by a Participant.

“**Beneficial Owner**” has the meaning ascribed to such term in Rule 13d-3 under the Exchange Act.

“**Beneficiary**” means a person entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of the Participant’s death. If no such person is named by a Participant, or if no Beneficiary designated by such Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at the Participant’s death, such Participant’s Beneficiary shall be such Participant’s estate.

“**Board**” means the board of directors of the Company.

“**Cause**” means, with respect to any Participant, “cause” as defined in such Participant’s Employment Agreement, if any, or if not so defined, except as otherwise provided in such Participant’s Award Agreement, such Participant’s:

- (i) having engaged in material misconduct in providing services to the Company or its Affiliates;
- (ii) having engaged in conduct that he or she knew or reasonably should have known would be materially injurious to the Company or its Affiliates;
- (iii) having been convicted of, or having entered a plea bargain or settlement admitting guilt for, (x) a felony or (y) any other criminal offense involving moral turpitude, fraud or, in the course of the performance of the Participant’s service to the Company, material dishonesty;
- (iv) unlawful use or possession of illegal drugs on the Company’s premises or while performing the Participant’s duties and responsibilities to the Company; or
- (v) the commission of an act of fraud, embezzlement or misappropriation, in each case, against the Company or any Affiliate.

“**Change of Control**” means the occurrence of any one or more of the following events:

- (i) any Person, other than an employee benefit plan or trust maintained by the Company, becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company’s outstanding securities entitled to vote generally in the election of directors;
- (ii) at any time during a period of 24 consecutive months, individuals who at the beginning of such period constituted the Board and any new member of the Board whose election or nomination for election was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was so approved, cease for any reason to constitute a majority of members of the Board; or
- (iii) the consummation of (A) a merger or consolidation of the Company or any of its subsidiaries with any other corporation or entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or being converted into voting securities of the surviving entity or, if applicable, the ultimate parent thereof) at least 50% of the combined voting power and total fair market value of the securities of the

Company or such surviving entity or parent outstanding immediately after such merger or consolidation, or (B) any sale, lease, exchange or other transfer to any Person of assets of the Company and/or any of its subsidiaries, in one transaction or a series of related transactions, having an aggregate fair market value of more than 50% of the fair market value of the Company and its subsidiaries (the “**Company Value**”) immediately prior to such transaction(s).

Notwithstanding the foregoing or any provision of any Award Agreement to the contrary, for any Award that provides for accelerated distribution on a Change of Control of amounts that constitute “deferred compensation” (as defined in Section 409A of the Code and the regulations thereunder (“**Section 409A**”)), if the event that constitutes such Change of Control does not also constitute a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company’s assets (in either case, as defined in Section 409A), such amount shall not be distributed on such Change of Control but instead shall vest as of the date of such Change of Control and shall be paid on the scheduled payment date specified in the applicable Award Agreement, except to the extent that earlier distribution would not result in the Participant who holds such Award incurring interest or additional tax under Section 409A.

“**Code**” means the Internal Revenue Code of 1986, as amended from time to time, and the rules, regulations and guidance thereunder. Any reference to a provision in the Code shall include any successor provision thereto.

“**Committee**” means the compensation committee of the Board or such other committee as may be designated by the Board. If the Board does not designate the Committee, references herein to the “Committee” shall refer to the Board.

“**Consultant**” means any person, including an advisor, who is providing services to the Company or any Affiliate.

“**Covered Employee**” means an individual who is (1) either a “covered employee” or expected by the Committee to be a “covered employee,” in each case within the meaning of Section 162(m)(3) of the Code and (2) expected by the Committee to be the recipient of compensation (other than Section 162(m) Compensation) in excess of \$1,000,000 for the tax year of the Company with regard to which a deduction in respect of such individual’s Award would be claimed.

“**Director**” means any member of the Company’s Board of Directors.

“**Disability**” means, with respect to any Participant, “disability” as defined in such Participant’s Employment Agreement, if any, or if not so defined, except as otherwise provided in such Participant’s Award Agreement:

(i) a permanent and total disability that entitles the Participant to disability income payments under any long-term disability plan or policy provided by the Company under which the Participant is covered, as such plan or policy is then in effect; or

(ii) if the Participant is not covered under a long-term disability plan or policy provided by the Company at such time for whatever reason, then the term “Disability” means a “permanent and total disability” as defined in Section 22(e)(3) of the Code and, in this case, the existence of any such Disability will be certified by a physician acceptable to the Company.

“**Effective Date**” has the meaning ascribed to such term in Section 15.

“**Employee**” means any person employed by the Company or any Affiliate, with the status of employment determined based upon such factors as are deemed appropriate by the Committee in its discretion, subject to any requirements of the Code or the applicable laws.

“**Employment Agreement**” means any employment, severance, consulting or similar agreement between the Company or any of its Affiliates and a Participant.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended from time to time, and the rules, regulations and guidance thereunder. Any reference to a provision in the Exchange Act shall include any successor provision thereto.

“**Fair Market Value**” means (i) with respect to Shares, the closing price of a Share on the date of grant (or, if there is no reported sale on such date of grant, on the last preceding date on which any reported sale occurred) on the principal stock market or exchange on which the Shares are quoted or traded, or if Shares are not so quoted or traded, fair market value of a Share as determined by the Committee, and (ii) with respect to any property other than Shares, the fair market value of such property determined by such methods or procedures as shall be established from time to time by the Committee.

“**Good Reason**” means, with respect to any Participant, “good reason” as defined in such Participant’s Employment Agreement, if any, or if not so defined, except as otherwise provided in such Participant’s Award Agreement, a

material reduction by the Company or any of its Affiliates of the Participant's base salary, other than any such reduction that applies generally to similarly situated employees of the Company, without such Participant's consent; *provided* that, in each case, (A) the Participant shall provide the Company with written notice specifying the circumstances alleged to constitute Good Reason within 90 days following the first occurrence of such circumstances, (B) if possible, the Company shall have 60 days following receipt of such notice to cure such circumstances, and (C) if the Company has not cured such circumstances within such 60-day period, the Participant shall terminate his or her employment or service not later than 60 days after the end of such 60-day period.

"Incentive Stock Option" means an option representing the right to purchase Shares from the Company, granted pursuant to Section 6, that meets the requirements of Section 422 of the Code.

"Intrinsic Value" with respect to an Option or SAR Award means (i) the excess, if any, of the price or implied price per Share in a Change of Control or other event *over* (ii) the exercise or hurdle price of such Award *multiplied* by (iii) the number of Shares covered by such Award.

"Non-Qualified Stock Option" means an option representing the right to purchase Shares from the Company, granted pursuant to Section 6, that is not an Incentive Stock Option.

"Option" means an Incentive Stock Option or a Non-Qualified Stock Option.

"Other Stock-Based Award" means an Award granted pursuant to Section 10.

"Participant" means the recipient of an Award granted under the Plan.

"Performance Award" means an Award granted pursuant to Section 9.

"Performance Period" means the period established by the Committee at the time any Performance Award is granted or at any time thereafter during which any performance goals specified by the Committee with respect to such Award are measured.

"Person" has the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including "group" as defined in Section 13(d) thereof.

"Predecessor Plan" means the EPAM Systems, Inc. Amended and Restated 2006 Stock Option Plan and the EPAM Systems, Inc. 2012 Long Term Incentive Plan.

"Restricted Stock" means any Share granted pursuant to Section 8.

"RSU" means a contractual right granted pursuant to Section 8 that is denominated in Shares. Each RSU represents a right to receive the value of one Share (or a percentage of such value) in cash, Shares or a combination thereof. Awards of RSUs may include the right to receive dividend equivalents.

"SAR" means any right granted pursuant to Section 7 to receive upon exercise by a Participant or settlement, in cash, Shares or a combination thereof, the excess of (i) the Fair Market Value of one Share on the date of exercise or settlement *over* (ii) the exercise or hurdle price of the right on the date of grant, or if granted in connection with an Option, on the date of grant of the Option.

"Section 162(m) Compensation" means "qualified performance-based compensation" under Section 162(m) of the Code.

"Shares" means shares of the Company's common stock.

"Substitute Award" means an Award granted in assumption of, or in substitution for, an outstanding award previously granted by a company or other business acquired by the Company or with which the Company combines.

"Termination of Service" means, in the case of a Participant who is an employee of the Company or an Affiliate, cessation of the employment relationship such that the Participant is no longer an employee of the Company or Affiliate, or, in the case of a Participant who is an independent contractor or other service provider, the date the performance of services for the Company or an Affiliate has ended; *provided, however*, that in the case of an employee, the transfer of employment from the Company to an Affiliate, from an Affiliate to the Company, from one Affiliate to another Affiliate or, unless the Committee determines otherwise, the cessation of employee status but the continuation of the performance of services for the Company or an Affiliate as a Director of the Board or an independent contractor shall not be deemed a cessation of service that would

constitute a Termination of Service; *provided, further*, that a Termination of Service will be deemed to occur for a Participant employed by an Affiliate when an Affiliate ceases to be an Affiliate unless such Participant's employment continues with the Company or another Affiliate.

SECTION 3. Eligibility.

(a) Any Employee, Consultant or any other individual who provides services to the Company or any Affiliate shall be eligible to be selected to receive an Award under the Plan, to the extent an offer of an Award or a receipt of such Award is permitted by applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations.

(b) Holders of options and other types of awards granted by a company acquired by the Company or with which the Company combines are eligible for grants of Substitute Awards under the Plan to the extent permitted under applicable regulations of any stock exchange on which the Company is listed.

SECTION 4. Administration.

(a) *Administration of the Plan.* The Plan shall be administered by the Committee, which shall be appointed by the Board. All decisions of the Committee shall be final, conclusive and binding upon all parties, including the Company, its stockholders and Participants and any Beneficiaries thereof. The Committee may issue rules and regulations for administration of the Plan. It shall meet at such times and places as it may determine.

(b) *Composition of Committee.* To the extent necessary or desirable to comply with applicable regulatory regimes, any action by the Committee shall require the approval of Committee members, each of whom is (i) independent, within the meaning of and to the extent required by applicable rulings and interpretations of the applicable stock market or exchange on which the Shares are quoted or traded; (ii) a non-employee director within the meaning of Rule 16b-3 under the Exchange Act; and (iii) an outside director pursuant to Section 162(m) of the Code. The Board may designate one or more Directors as alternate members of the Committee who may replace any absent or disqualified member at any meeting of the Committee. To the extent permitted by applicable law, including under Section 157(c) of the Delaware General Corporation Law, the Committee may delegate to one or more officers of the Company the authority to grant Options and SARs, except that such delegation shall not be applicable to any Award for a person then covered by Section 16 of the Exchange Act, and the Committee may delegate to another committee of the Board (which may consist of solely one Director) the authority to grant all types of Awards, in accordance with the law.

(c) *Authority of Committee.* Subject to the terms of the Plan and applicable law, the Committee (or its delegate) shall have full power and authority to: (i) designate Participants; (ii) determine the type or types of Awards (including Substitute Awards) to be granted to each Participant under the Plan; (iii) determine the number of Shares to be covered by (or with respect to which payments, rights or other matters are to be calculated in connection with) Awards; (iv) determine the terms and conditions of any Award; (v) determine whether, to what extent and under what circumstances Awards may be settled or exercised in cash, Shares, other Awards, other property, net settlement, or any combination thereof, or canceled, forfeited or suspended, and the method or methods by which Awards may be settled, exercised, canceled, forfeited or suspended; (vi) determine whether, to what extent and under what circumstances cash, Shares, other Awards, other property and other amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the holder thereof or of the Committee; (vii) interpret and administer the Plan and any instrument or agreement relating to, or Award made under, the Plan; (viii) establish, amend, suspend or waive such rules and regulations and appoint such agents, trustees, brokers, depositories and advisors and determine such terms of their engagement as it shall deem appropriate for the proper administration of the Plan and due compliance with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations; and (ix) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan and due compliance with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations.

(d) *Dodd-Frank Clawback.* The Committee shall have full authority to implement any policies and procedures necessary to comply with Section 10D of the Exchange Act and any rules promulgated thereunder. Without limiting the foregoing, the Committee may provide in award agreements that, in event of a financial restatement that reduces the amount of previously awarded incentive compensation that would not have been earned had results been properly reported, outstanding awards will be cancelled and the Company may clawback (*i.e.*, recapture) realized Option/SAR gains and realized value for vested Restricted Stock or RSUs or earned Performance Awards within 12 months preceding the financial restatement.

(e) *Restrictive Covenants.* The Committee may impose restrictions on any Award with respect to non-competition, confidentiality and other restrictive covenants as it deems necessary or appropriate in its sole discretion.

(f) *No Excise Tax Gross-ups*. In no event shall a Participant be entitled to a gross-up payment under the Plan for any excise tax incurred by such Participant in connection with an Award under Sections 280G and 4999 of the Code.

SECTION 5. Shares Available for Awards.

(a) Following the Effective Date, no additional equity awards will be granted under the Company's 2012 Long Term Incentive Plan. Any shares remaining available for issuance under the Predecessor Plans as of the Effective Date (the "**Predecessor Plans' Available Reserve**") shall become available for issuance pursuant to Awards granted hereunder. From and after the Effective Date, all outstanding stock awards granted under the Predecessor Plans shall remain subject to the terms of the applicable Predecessor Plan; *provided, however*, any shares subject to outstanding awards granted under the Predecessor Plans that expire or terminate for any reason prior to exercise or would otherwise return to the applicable Predecessor Plan's share reserve (the "**Returning Shares**") shall instead become available for issuance pursuant to Awards granted hereunder.

(b) Subject to adjustment as provided in Section 5(d) and except for Substitute Awards, the maximum number of Shares available for issuance under the Plan shall not exceed in the aggregate the sum of (i) 4,000,000 Shares *plus* (ii) the number of shares subject to the Predecessor Plans' Available Reserve *plus* (iii) an additional number of shares consisting of the Returning Shares, if any, as such shares become available from time to time (collectively, the "**Aggregate Share Authorization**").

(c) Any Shares subject to an Award including any award under the Predecessor Plans after the Effective Date (other than a Substitute Award), that expires, is canceled, forfeited or otherwise terminates without the delivery of such Shares, including any Shares subject to an Award to the extent that Award is settled without the issuance of Shares, shall again be, or shall become, available for issuance under the Plan. Notwithstanding the foregoing, Shares subject to an Award shall not again be available for issuance under the Plan if such Shares are tendered or withheld in payment of any grant, purchase, exercise or hurdle price of an Award or taxes related to an Award.

(d) In the event that the Committee determines that, as a result of any dividend or other distribution (whether in the form of cash, Shares or other securities), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company, issuance of Shares pursuant to the anti-dilution provisions of securities of the Company, or other similar corporate transaction or event affecting the Shares, or of changes in applicable laws, regulations or accounting principles, an adjustment is appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall adjust equitably any or all of:

(i) the number and type of Shares (or other securities) which thereafter may be made the subject of Awards, including the aggregate limit specified in Section 5(b) and the individual limits specified in Section 5(f);

(ii) the number and type of Shares (or other securities) subject to outstanding Awards; and

(iii) the grant, purchase, exercise or hurdle price with respect to any Award or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award;

provided, however, that the number of Shares subject to any Award denominated in Shares shall always be a whole number.

(e) Any Shares delivered pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares or Shares acquired by the Company.

(f) Subject to adjustment as provided in Section 5(d), the following limits shall apply to grants of Awards under the Plan:

(i) *Options and SARs*. The maximum aggregate amount of Shares that may be awarded to any one Participant in any one calendar year with respect to Options and SARs shall be 1,000,000 Shares.

(ii) *Performance Awards*. The maximum aggregate amount of Shares that may be awarded to any one Participant in any one calendar year with respect to Performance Awards is 650,000 Shares; *provided* that, to the extent such Performance Award is denominated as a cash amount, such maximum aggregate amount shall be \$2,250,000 (determined as of the date of payment).

(iii) *Other Stock-Based Awards*. The maximum aggregate amount of Shares that may be awarded to any one Participant in any one calendar year with respect to Other Stock-Based Awards shall be 650,000 Shares.

(g) Subject to adjustment as provided in Section 5(d), the maximum number of Shares that may be issued pursuant to Incentive Stock Options under the Plan shall be equal to the Aggregate Share Authorization.

SECTION 6. Options. The Committee is authorized to grant Options to Participants with the following terms and conditions and with such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine:

(a) The exercise price per Share under an Option shall be determined by the Committee; *provided, however*, that, except in the case of Substitute Awards, such exercise price shall not be less than the Fair Market Value of a Share on the date of grant of such Option.

(b) The term of each Option shall be fixed by the Committee but shall not exceed ten years from the date of grant of such Option.

(c) The Committee shall determine the time or times at which an Option becomes vested and exercisable in whole or in part. The Committee may specify in an Award Agreement that an “in-the-money” Option shall be automatically exercised on its expiration date.

(d) The Committee shall determine the method or methods by which, and the form or forms, including cash, Shares, other Awards, other property, net settlement, broker assisted cashless exercise or any combination thereof, having a Fair Market Value on the exercise date equal to the exercise price of the Shares as to which the Option shall be exercised, in which payment of the exercise price with respect thereto may be made or deemed to have been made.

(e) The terms of any Incentive Stock Option granted under the Plan shall comply in all respects with the provisions of Section 422 of the Code. Incentive Stock Options may be granted only to employees of the Company or of a parent or subsidiary corporation (as defined in Section 424(a) of the Code). Notwithstanding any designation as an Incentive Stock Option, to the extent that the aggregate Fair Market Value of Shares subject to a Participant’s incentive stock options that become exercisable for the first time during any calendar year exceeds \$100,000, such excess Options shall be treated as Non-Qualified Stock Options. For purposes of the foregoing, Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares shall be determined as of the time of grant. No Incentive Stock Options may be issued more than ten years following the earlier of (i) the date of adoption or (ii) the most recent date of approval of the Plan by the Company’s stockholders.

SECTION 7. Stock Appreciation Rights. The Committee is authorized to grant SARs to Participants with the following terms and conditions and with such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine:

(a) SARs may be granted under the Plan to Participants either alone (“freestanding”) or in addition to other Awards granted under the Plan (“tandem”) and may, but need not, relate to a specific Option granted under Section 6.

(b) The exercise or hurdle price per Share under a SAR shall be determined by the Committee; *provided, however*, that, except in the case of Substitute Awards, such exercise or hurdle price shall not be less than the Fair Market Value of a Share on the date of grant of such SAR.

(c) The term of each SAR shall be fixed by the Committee but shall not exceed ten years from the date of grant of such SAR.

(d) The Committee shall determine the time or times at which a SAR may be exercised or settled in whole or in part.

SECTION 8. Restricted Stock and RSUs. The Committee is authorized to grant Awards of Restricted Stock and RSUs to Participants with the following terms and conditions and with such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine:

(a) The Award Agreement shall specify the vesting schedule and, with respect to RSUs, the delivery schedule (which may include deferred delivery later than the vesting date).

(b) Shares of Restricted Stock and RSUs shall be subject to such restrictions as the Committee may impose (including any limitation on the right to vote a Share of Restricted Stock or the right to receive any dividend, dividend equivalent or other right), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise, as the Committee may deem appropriate.

(c) Any share of Restricted Stock granted under the Plan may be evidenced in such manner as the Committee may deem appropriate, including book-entry registration or issuance of a stock certificate or certificates. In the event any stock certificate is issued in respect of shares of Restricted Stock granted under the Plan, such certificate shall be registered in the name of the Participant and shall bear an appropriate legend referring to the terms, conditions and restrictions applicable to such Restricted Stock.

(d) If the Committee intends that an Award granted under this Section 8 shall constitute or give rise to Section 162(m) Compensation, such Award shall be structured in accordance with the requirements of Section 9, including the performance criteria set forth therein, and any such Award shall be considered a Performance Award for purposes of the Plan.

(e) The Committee may provide in an Award Agreement that an Award of Restricted Stock is conditioned upon the Participant making or refraining from making an election with respect to the Award under Section 83(b) of the Code. If a Participant makes an election pursuant to Section 83(b) of the Code with respect to an Award of Restricted Stock, the Participant shall be required to file promptly a copy of such election with the Company.

SECTION 9. Performance Awards. The Committee is authorized to grant Performance Awards to Participants with the following terms and conditions and with such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine:

(a) Performance Awards may be denominated and/or settled as a cash amount, number of Shares or a combination thereof and are Awards which may be earned upon achievement or satisfaction of performance conditions specified by the Committee. In addition, the Committee may specify that any other Award shall constitute a Performance Award by conditioning the right of a Participant to exercise the Award or have it settled, and the timing thereof, upon achievement or satisfaction of such performance conditions as may be specified by the Committee. The Committee may use such business criteria and other measures of performance as it may deem appropriate in establishing any performance conditions. Subject to the terms of the Plan, the performance goals to be achieved during any Performance Period, the length of any Performance Period, the amount of any Performance Award granted and the amount of any payment or transfer to be made pursuant to any Performance Award shall be determined by the Committee.

(b) If the Committee intends that a Performance Award should constitute Section 162(m) Compensation, such Performance Award shall include a pre-established formula, such that payment, retention or vesting of the Award is subject to the achievement during a Performance Period or Performance Periods, as determined by the Committee, of a level or levels of, or increases in, in each case as determined by the Committee, one or more of the following performance measures with respect to the Company: net sales; revenue; revenue growth or product revenue growth; operating income (before or after taxes); pre- or after-tax income or loss (before or after allocation of corporate overhead and bonus); net earnings; earnings per share; net income or loss (before or after taxes); return on equity; total stockholder return; return on assets or net assets; appreciation in and/or maintenance of share price; market share; gross profits; earnings or loss (including earnings or loss before taxes, before interest and taxes, or before earnings before interest, taxes, depreciation and amortization); economic value-added models or equivalent metrics; comparisons with various stock market indices; reductions in costs; cash flow or cash flow per share (before or after dividends); return on capital (including return on total capital or return on invested capital); cash flow return on investment; improvement in or attainment of expense levels or working capital levels, including cash, inventory and accounts receivable; operating margin; gross margin; cash margin; year-end cash; debt reduction; stockholder equity; operating efficiencies; market share; customer satisfaction; customer growth; employee satisfaction; research and development achievements; manufacturing achievements (including obtaining particular yields from manufacturing runs and other measurable objectives related to process development activities); regulatory achievements (including submitting or filing applications or other documents with regulatory authorities or receiving approval of any such applications or other documents and passing pre-approval inspections (whether of the Company or the Company's third-party manufacturer) and validation of manufacturing processes (whether the Company's or the Company's third-party manufacturer's)); financial ratios, including those measuring liquidity, activity, profitability or leverage; cost of capital or assets under management; financing and other capital raising transactions (including sales of the Company's equity or debt securities; factoring transactions; sales or licenses of the Company's assets, including its intellectual property, whether in a particular jurisdiction or territory or globally; or through partnering transactions); and implementation, completion or attainment of measurable objectives with respect to research, development, manufacturing, commercialization, products or projects, production volume levels, acquisitions and divestitures; factoring transactions; and recruiting and maintaining personnel. Performance criteria set under the Plan shall be determined in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), except, to the extent that any objective performance criteria are used, if any measurements require deviation from GAAP, such deviation shall be at the discretion of the Committee at the time the performance criteria are set or at such later time to the extent permitted under Section 162(m) of the Code. Performance criteria may be measured on an absolute (*e.g.*, plan or budget) or relative basis, and may be established on a corporate-wide basis or with respect to one or more business units, divisions, subsidiaries or business segments. Relative performance may be measured against a group of peer companies, a financial market index or other

acceptable objective and quantifiable indices. Except in the case of an award intended to qualify as Section 162(m) Compensation, if the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which the Company conducts its business, or other events or circumstances render the performance objectives unsuitable, the Committee may modify the performance objectives or the related minimum acceptable level of achievement, in whole or in part, as the Committee deems appropriate and equitable. Performance measures may vary from Performance Award to Performance Award and from Participant to Participant, and may be established on a stand-alone basis, in tandem or in the alternative. The Committee shall have the power to impose such other restrictions on Awards subject to this Section 9(b) as it may deem necessary or appropriate to ensure that such Awards satisfy all requirements for Section 162(m) Compensation or requirements of any applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations. Notwithstanding any provision of the Plan to the contrary, with respect to any Award intended to be Section 162(m) Compensation, the Committee shall not be authorized to increase the amount payable under any Award to which this Section 9(b) applies upon attainment of such pre-established formula.

(c) Settlement of Performance Awards shall be in cash, Shares, other Awards, other property, net settlement, or any combination thereof, in the discretion of the Committee. The Committee shall specify the circumstances in which, and the extent to which, Performance Awards shall be paid or forfeited in the event of a Participant's Termination of Service.

(d) Performance Awards will be settled only after the end of the relevant Performance Period. The Committee may, in its discretion, increase or reduce the amount of a settlement otherwise to be made in connection with a Performance Award but, to the extent required by Section 162(m) of the Code, may not exercise discretion to increase any amount payable to a Covered Employee in respect of a Performance Award intended to qualify as Section 162(m) Compensation. Any settlement that changes the form of payment from that originally specified shall be implemented in a manner such that the Performance Award and other related Awards do not, solely for that reason, fail to qualify as Section 162(m) Compensation.

SECTION 10. *Other Stock-Based Awards.* The Committee is authorized, subject to limitations under applicable law, to grant to Participants such other Awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Shares or factors that may influence the value of Shares, including convertible or exchangeable debt securities, other rights convertible or exchangeable into Shares, purchase rights for Shares, Awards with value and payment contingent upon performance of the Company or business units thereof or any other factors designated by the Committee. The Committee shall determine the terms and conditions of such Awards. Shares delivered pursuant to an Award in the nature of a purchase right granted under this Section 10 shall be purchased for such consideration, paid for at such times, by such methods and in such forms, including cash, Shares, other Awards, other property, or any combination thereof, as the Committee shall determine. Cash awards, as an element of or supplement to any other Award under the Plan, may also be granted pursuant to this Section 10.

SECTION 11. *Effect of Termination of Service or a Change of Control on Awards.*

(a) The Committee may provide, by rule or regulation or in any Award Agreement, or may determine in any individual case, the circumstances in which, and the extent to which, an Award may be exercised, settled, vested, paid or forfeited, including by way of repurchase by the Company at par value, in the event of a Participant's Termination of Service prior to the end of a Performance Period or exercise or settlement of such Award.

(b) In the event of a Change of Control, (i) the surviving corporation or acquiring corporation, or a parent or subsidiary thereof, shall assume or continue each Award that is outstanding as of immediately prior to the effective date of the Change of Control or substitute a similar stock award for such Award or (ii) if not assumed, continued or substituted as provided in clause (i), in the event of a Participant's Termination of Service without Cause or for Good Reason within one year following the effective date of the Change of Control, all outstanding Awards then held by such Participant shall, to the extent unvested, become immediately vested and exercisable, as applicable, and any restriction on such Awards shall immediately lapse.

SECTION 12. *General Provisions Applicable to Awards.*

(a) Awards shall be granted for such cash or other consideration, if any, as the Committee determines; *provided* that in no event shall Awards be issued for less than such minimal consideration as may be required by applicable law.

(b) Awards may, in the discretion of the Committee, be granted either alone or in addition to or in tandem with any other Award or any award granted under any other plan of the Company. Awards granted in addition to or in tandem with other Awards, or in addition to or in tandem with awards granted under any other plan of the Company, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

(c) Subject to the terms of the Plan, payments or transfers to be made by the Company upon the grant, exercise or settlement of an Award may be made in the form of cash, Shares, other Awards, other property, net settlement, or any combination thereof, as determined by the Committee in its discretion at the time of grant, and may be made in a single payment or transfer, in installments or on a deferred basis, in each case in accordance with rules and procedures established by the Committee. Such rules and procedures may include provisions for the payment or crediting of reasonable interest on installment or deferred payments or the grant or crediting of dividend equivalents in respect of installment or deferred payments.

(d) Except as may be permitted by the Committee (except with respect to Incentive Stock Options) or as specifically provided in an Award Agreement, (i) no Award and no right under any Award shall be assignable, alienable, saleable or transferable by a Participant otherwise than by will or pursuant to Section 12(e) and (ii) during a Participant's lifetime, each Award, and each right under any Award, shall be exercisable only by such Participant or, if permissible under applicable law, by such Participant's guardian or legal representative. The provisions of this Section 12(d) shall not apply to any Award that has been fully exercised or settled, as the case may be, and shall not preclude forfeiture of an Award in accordance with the terms thereof.

(e) A Participant may designate a Beneficiary or change a previous Beneficiary designation at such times prescribed by the Committee, in its sole discretion, by using forms and following procedures approved or accepted by the Committee for that purpose.

(f) All certificates for Shares and/or other securities delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations and other requirements of the Securities and Exchange Commission, any stock market or exchange upon which such Shares or other securities are then quoted, traded or listed, and any applicable securities laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(g) The Committee may impose restrictions on any Award with respect to non-competition, confidentiality and other restrictive covenants as it deems necessary or appropriate in its sole discretion.

SECTION 13. Amendments and Termination.

(a) *Amendment or Termination of Plan.* Except to the extent prohibited by applicable law and unless otherwise expressly provided in an Award Agreement or in the Plan, the Board may amend, alter, suspend, discontinue or terminate the Plan or any portion thereof at any time; *provided, however*, that no such amendment, alteration, suspension, discontinuation or termination shall be made without (i) stockholder approval if such approval is required by applicable law or the rules of the stock market or exchange, if any, on which the Shares are principally quoted or traded or (ii) the consent of the affected Participant, if such action would materially adversely affect the rights of such Participant under any outstanding Award, except (x) to the extent any such amendment, alteration, suspension, discontinuance or termination is made to cause the Plan to comply with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations or (y) to impose any "clawback" or recoupment provisions on any Awards in accordance with Section 4(d) of the Plan. Notwithstanding anything to the contrary in the Plan, the Committee may amend the Plan, or create sub-plans, in such manner as may be necessary to enable the Plan to achieve its stated purposes in any jurisdiction in a tax-efficient manner and in compliance with local rules and regulations. The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem desirable to carry the Plan into effect.

(b) *Dissolution or Liquidation.* In the event of the dissolution or liquidation of the Company, each Award will terminate immediately prior to the consummation of such action, unless otherwise determined by the Committee.

(c) *Terms of Awards.* The Committee may waive any conditions or rights under, amend any terms of, or amend, alter, suspend, discontinue or terminate any Award theretofore granted, prospectively or retroactively, without the consent of any relevant Participant or holder or Beneficiary of an Award; *provided, however*, that, no such action shall materially adversely affect the rights of any affected Participant or holder or Beneficiary under any Award theretofore granted under the Plan, except (x) to the extent any such action is made to cause the Plan to comply with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations, or (y) to impose any "clawback" or recoupment provisions on any Awards in accordance with Section 4(d) of the Plan; *provided further*, that the Committee's authority under this Section 13(c) is limited in the case of Awards subject to Section 9(b), as provided in Section 9(b).

(d) *No Repricing.* Notwithstanding the foregoing, except as provided in Section 5(d), no action shall directly or indirectly, through cancellation and regrant or any other method, reduce, or have the effect of reducing, the exercise price of any Award established at the time of grant thereof without approval of the Company's stockholders.

SECTION 14. *Miscellaneous.*

(a) No employee, Participant or other person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of employees, Participants or holders or Beneficiaries of Awards under the Plan. The terms and conditions of Awards need not be the same with respect to each recipient. Any Award granted under the Plan shall be a one-time Award that does not constitute a promise of future grants. The Company, in its sole discretion, maintains the right to make available future grants under the Plan.

(b) The grant of an Award shall not be construed as giving a Participant the right to be retained in the employ of, or to continue to provide services to, the Company or any Affiliate. Further, the Company or the applicable Affiliate may at any time dismiss a Participant, free from any liability, or any claim under the Plan, unless otherwise expressly provided in the Plan or in any Award Agreement or in any other agreement binding the parties. The receipt of any Award under the Plan is not intended to confer any rights on the receiving Participant except as set forth in the applicable Award Agreement.

(c) Nothing contained in the Plan shall prevent the Company from adopting or continuing in effect other or additional compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.

(d) The Company shall be authorized to withhold from any Award granted or any payment due or transfer made under any Award or under the Plan or from any compensation or other amount owing to a Participant the amount (in cash, Shares, other Awards, other property, net settlement, or any combination thereof) of applicable withholding taxes due in respect of an Award, its exercise or settlement or any payment or transfer under such Award or under the Plan and to take such other action (including providing for elective payment of such amounts in cash or Shares by such Participant) as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes; *provided* that if the Committee allows the withholding or surrender of Shares to satisfy a Participant's tax withholding obligations, the Company shall not allow Shares to be withheld in an amount that exceeds the minimum statutory withholding rates for federal and state tax purposes, including payroll taxes.

(e) If any provision of the Plan or any Award Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or as to any person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award Agreement, such provision shall be stricken as to such jurisdiction, person or Award, and the remainder of the Plan and any such Award Agreement shall remain in full force and effect.

(f) Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other person. To the extent that any person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company.

(g) No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash or other securities shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be canceled, terminated or otherwise eliminated.

SECTION 15. *Effective Date of the Plan.* The Plan shall be effective as of the date of stockholder approval, which is anticipated to be June 11, 2015 (the "**Effective Date**").

SECTION 16. *Term of the Plan.* No Award shall be granted under the Plan after the earliest to occur of (i) the tenth year anniversary of the Effective Date; (ii) the maximum number of Shares available for issuance under the Plan have been issued; or (iii) the Board terminates the Plan in accordance with Section 13(a). However, unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award theretofore granted may extend beyond such date, and the authority of the Committee to amend, alter, adjust, suspend, discontinue or terminate any such Award, or to waive any conditions or rights under any such Award, and the authority of the Board to amend the Plan, shall extend beyond such date.

SECTION 17. *Section 409A of the Code.* With respect to Awards subject to Section 409A of the Code, the Plan is intended to comply with the requirements of Section 409A and the regulations thereunder, and the provisions of the Plan and any Award Agreement shall be interpreted in a manner that satisfies the requirements of Section 409A, and the Plan shall be operated accordingly. If any provision of the Plan or any term or condition of any Award would otherwise frustrate or conflict with this intent, the provision, term or condition will be interpreted and deemed amended so as to avoid this conflict. Notwithstanding anything else in the Plan, if the Board considers a Participant to be one of the Company's "specified employees" under Section 409A at the time of such Participant's "separation from service" (as defined in Section 409A) and

the amount hereunder is “deferred compensation” subject to Section 409A, any distribution that otherwise would be made to such Participant with respect to this Award as a result of such termination shall not be made until the date that is six months after such separation from service, except to the extent that earlier distribution would not result in such Participant’s incurring interest or additional tax under Section 409A.

SECTION 18. *Governing Law.* The Plan and each Award Agreement shall be governed by the laws of the State of Delaware, without application of the conflicts of law principles thereof.

EPAM SYSTEMS, INC.

2015 LONG TERM INCENTIVE PLAN

**FORM OF CHIEF EXECUTIVE OFFICER
NON-QUALIFIED STOCK OPTION AGREEMENT**

1. **Grant of Option.** EPAM Systems, Inc., a Delaware corporation (the “Company”), hereby grants to «Grantee» (“Participant”), on «Date» (the “Grant Date”), an option (the “Option”) to purchase «Number of shares underlying option» shares of Common Stock (the “Shares”), at an exercise price of \$«Fair Market Value of Share as of the Grant Date» per Share (the “Exercise Price”) subject to the terms, definitions and provisions of the EPAM Systems, Inc. 2015 Long Term Incentive Plan (the “Plan”) adopted by the Company, which is incorporated in this Agreement by reference, and the terms and conditions of this Agreement. The Option is intended to be a Non-Qualified Stock Option, and is not intended to be an Incentive Stock Option. Unless otherwise defined in this Agreement, the terms used in this Agreement shall have the meanings defined in the Plan.

2. **Vesting Schedule.** Subject to Section 5, one-fourth of this Option shall vest and become exercisable on March 15 of each of the first, second, third and fourth calendar years immediately following the Grant Date.

3. **Exercise of Option.** This Option shall be exercisable during its term in accordance with the Vesting Schedule set out in Section 2 as modified by Section 5, if applicable, as follows:

(a) **Right to Exercise.**

(i) This Option may not be exercised for a fraction of a share.

(ii) In no event may this Option be exercised after the tenth anniversary of the Grant Date (the “Expiration Date”).

(b) **Method of Exercise.**

(i) The Participant (or his or her representative, devisee or heir, as applicable) may exercise any portion of the Option that has become exercisable as to all or any of the Shares then available for purchase by delivering to the Company written notice specifying the number of whole Shares to be purchased, together with payment in full of the Payment Amount (as defined in Section 4); *provided* that (x) any required regulatory filings, including, without limitation, any filings that may be required pursuant to the Hart-Scott-Rodino Act in connection with the exercise of any vested and exercisable portion of the Option have been timely filed and any required waiting period under the Hart-Scott-Rodino Act has expired or been terminated or (y) the exercise of the vested and exercisable portion of the Option does not require any such regulatory filings.

(ii) The Company is not obligated, and will have no liability for failure, to issue or deliver any Shares upon exercise of the Option unless such issuance or delivery would comply with the applicable laws, with such compliance determined by the Company in consultation with its legal counsel. Assuming such compliance, for income tax purposes such Shares shall be considered transferred to the Participant on the date on which the Option is exercised with respect to such Shares.

(iii) If any vested and exercisable portion of the Option is unexercised as of the Expiration Date, the Shares underlying such portion of the Option less the number of Shares having an aggregate Fair Market Value as of the Expiration Date equal to the Payment Amount shall be delivered to the Participant as soon as practicable after the Expiration Date; *provided* that (x) any required regulatory filings, including, without limitation, any filings that may be required pursuant to the Hart-Scott-Rodino Act in connection with the exercise of any vested and exercisable portion of the Option have been timely filed and any required waiting period under the Hart-Scott-Rodino Act has expired or been terminated or (y) the exercise of the vested and exercisable portion of the Option does not require any such regulatory filings; and *provided further* that the Option shall not be so exercised if the Exercise Price equals or exceeds the Fair Market Value of a Share on the Expiration Date.

4. **Method of Payment.** Payment of the aggregate Exercise Price and any required withholding for Tax-Related Items, as defined in Section 8 (the “Payment Amount”) shall be by any of the following, or a combination of the following, at the election of the Participant:

(a) cash or check;

(b) cancellation of indebtedness;

(c) if permitted by the Committee, in its sole discretion, pursuant to such procedures as the Committee may require, by the Participant's (x) transferring to the Company, effective as of the exercise date, a number of vested Shares owned and designated by the Participant having an aggregate Fair Market Value as of the exercise date equal to the Payment Amount, (y) electing to have the Company retain a portion of the Shares purchased upon exercise of the Option having an aggregate Fair Market Value as of the exercise date equal to the Payment Amount

(d) if the Common Stock is listed on an exchange or market, and if the Company is at such time permitting broker-assisted cashless exercises, delivery of a properly executed exercise notice together with irrevocable instructions to a broker participating in such cashless brokered exercise program to deliver promptly to the Company the Payment Amount and in any event in accordance with applicable law;

(e) by any other method as may be approved by the Committee.

5. **Termination of Service.** Following the Participant's Termination of Service, Participant (or his or her representative, devisee or heir, as applicable) may exercise the Option only as set forth in this Section 5.

(a) **Death or Disability.** In the event of the Participant's Termination of Service due to the Participant's death or Disability before the Participant has completed at least two (2) years of service with the Company or any Affiliate, 50% of the portion of the Participant's Option that is unvested as of the date of such termination (if any) shall become immediately vested (with any fractional portion of the Option that would otherwise vest as a result of such vesting acceleration event rounded up to the nearest whole Share), and the remaining unvested portion of the Option shall be forfeited without any payment to the Participant. In the event of the Participant's Termination of Service due to the Participant's death or Disability on or after the date on which the Participant has completed at least two (2) years of service with the Company or any Affiliate, 100% of any unvested portion of the Option shall become immediately vested. Any portion of the Participant's Option that is vested as of the date of the Participant's Termination of Service due to death or Disability shall remain exercisable until the earlier of (x) one year following such termination and (y) the Expiration Date, unless the Committee in its sole discretion determines that the Option should be exercisable to some greater extent or remain exercisable for some longer period (ending in no event later than the Expiration Date).

(b) **For Cause.** In the event of the Participant's Termination of Service for Cause (as defined below), the entire unexercised portion of the Option, whether vested or unvested, shall be forfeited as of the date of such termination without any payment to the Participant.

"Cause" means the Company's good faith determination of the Participant's:

- (i) willful material breach, or habitual neglect of, the Participant's duties or obligations in connection with the Participant's employment or service;
- (ii) having engaged in willful misconduct, gross negligence or a breach of fiduciary duty, or his or her willful material breach of his or her duties to the Company or under his or her Employment Agreement, if applicable, or of any Company policies;
- (iii) having been convicted of, or having entered a plea bargain or settlement admitting guilt for, (x) a felony or (y) any other criminal offense involving moral turpitude, fraud or, in the course of the performance of the Participant's service to the Company, material dishonesty;
- (iv) unlawful use or possession of illegal drugs on the Company's premises or while performing the Participant's duties and responsibilities to the Company; or
- (v) the commission of an act of fraud, embezzlement or material misappropriation, in each case, against the Company or any Affiliate;

provided that, in the case of clauses (i) and (ii) above, the Company shall provide the Participant with written notice specifying the circumstances alleged to constitute Cause, and, if possible, the Participant shall have 30 days following receipt of such notice to cure such circumstances.

(c) **For Any Other Reason.** In the event of the Participant's Termination of Service at any time under circumstances not described in Sections 5(a) or 5(b) herein or Section 11(b) of the Plan, any unvested portion of the Option shall be forfeited as of the date of such termination without any payment to the Participant, and any vested portion of the Option shall remain exercisable until the earlier of (x) 90 days following such termination and (y) the Expiration Date, unless the Committee in its sole discretion determines that the Option should be exercisable to some greater extent or remain exercisable for some longer period (ending in no event later than the Expiration Date).

For purposes of Section 11(b) of the Plan, “Good Reason” means “Good Reason” as defined in the Participant’s Employment Agreement, if any, or if not so defined, the occurrence of any of the following events, in each case without the Participant’s consent:

- (i) a reduction in the Participant’s base compensation and cash incentive opportunity, other than any such reduction that applies generally to similarly situated employees or executives of the Company;
- (ii) relocation of the geographic location of the Participant’s principal place of employment or service by more than 50 miles from the Participant’s principal place of employment or service; or
- (iii) a material reduction in the Participant’s title, duties, responsibilities or authority;

provided that, in each case, (A) the Participant shall provide the Company with written notice specifying the circumstances alleged to constitute Good Reason within 90 days following the first occurrence of such circumstances, (B) if possible, the Company shall have 30 days following receipt of such notice to cure such circumstances, and (C) if the Company has not cured such circumstances within such 30-day period, the Participant shall terminate his or her employment or service not later than 60 days after the end of such 30-day period.

6. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than (i) by will or by the laws of descent or distribution or (ii) pursuant to an award transfer program adopted by the Company and in accordance with such procedures as the Committee (in its discretion) may specify with respect to the administration and operation of such program. This Option may be exercised during the lifetime of the Participant only by him or her or a valid transferee (which shall include specifically any financial institution, or other entity approved by the Company). The terms of this Option shall be binding upon the executors, administrators, heirs, successors and assigns of the Participant and in order to effect a valid transfer, the transferee (which shall include specifically any financial institution, or other entity approved by the Company) shall execute an agreement reflecting such terms and conditions that the Committee deems necessary to facilitate such transfer.

7. Responsibility for Taxes.

(a) The Participant acknowledges that, regardless of any action taken by the Company or, if different, the Participant’s employer (the “Employer”), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax related items related to the Participant’s participation in the Plan and legally applicable to the Participant (“Tax-Related Items”), is and remains the Participant’s responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, including, but not limited to, the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate the Participant’s liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to the relevant taxable or tax withholding event, as applicable, the Participant agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

- (i) withholding from the Participant’s wages or other cash compensation paid to the Participant by the Company and/or the Employer;
- (ii) withholding from proceeds of the sale of Shares acquired at exercise of the Option either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant’s behalf pursuant to this authorization) without further consent; or
- (iii) any other method of withholding determined by the Company and, to the extent required by applicable laws or the Plan, approved by the Committee.

(c) The Company or the Employer may withhold or account for Tax-Related Items by considering applicable withholding rates, including minimum or maximum applicable rates, in the jurisdictions applicable to the Participant. In the event that any excess amounts are withheld to satisfy the obligation for Tax-Related Items, the Participant may be entitled to a refund of any over-withheld amount in cash (with no entitlement to the Share equivalent), or if not refunded by the Company or

the Employer, the Participant must seek a refund from the local tax authorities to the extent the Participant wishes to recover the over-withheld amount in the form of a refund.

(d) Finally, the Participant agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if the Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

8. Miscellaneous Provisions.

(a) **Notices.** All notices, requests and other communications under this Agreement shall be in writing and shall be delivered in person (by courier or otherwise), mailed by certified or registered mail, return receipt requested, or sent by facsimile transmission, to the contact details below. The parties may use e-mail delivery, so long as the message is clearly marked, sent to the e-mail address(es) set forth below, and a delivery receipt and read receipt are made part of the message. E-mail delivery will be deemed to occur when the send receives confirmation that such message has been received and read by the recipient.

if to the Company, to:

EPAM Systems, Inc.
41 University Drive
Newtown, Pennsylvania 18940
Attention: General Counsel
Facsimile: 267-759-8989

if to the Participant, to the address, facsimile number or e-mail address that the Participant most recently provided to the Company, or to such other address, facsimile number or e-mail address as such party may hereafter specify for the purpose by notice to the other parties hereto.

(b) **Effect of Agreement.** The Participant acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof (and has had an opportunity to consult counsel regarding the Option terms), and hereby accepts this Option and agrees to be bound by its contractual terms as set forth herein and in the Plan. The Participant acknowledges and agrees that the grant of this Option constitutes additional consideration to the Participant for the Participant's continued and future compliance with any restrictive covenants in favor of the Company by which the Participant is otherwise bound. The Participant hereby agrees to accept as binding, conclusive and final all decisions and interpretations of the Committee regarding any questions relating to the Option. In the event of a conflict between the terms and provisions of the Plan and the terms and provisions of this Agreement, the Plan terms and provisions shall prevail. The Agreement, including the Plan, constitutes the entire agreement between the Participant and the Company on the subject matter hereof and supersedes all proposals, written or oral, and all other communications between the parties relating to such subject matter.

(c) **Amendment; Waiver.** No amendment or modification of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and the Participant, except that the Company may amend or modify this Agreement without the Participant's consent in accordance with the provisions of the Plan or as otherwise set forth in this Agreement. No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other or subsequent breach or condition whether of like or different nature. Any amendment or modification of or to any provision of this Agreement, or any waiver of any provision of this Agreement, shall be effective only in the specific instance and for the specific purpose for which made or given.

(d) **Successors and Assigns; No Third Party Beneficiaries.** This Agreement shall inure to the benefit of and be binding upon the Company and the Participant and their respective heirs, successors, legal representatives and permitted assigns. Nothing in this Agreement, expressed or implied, is intended to confer on any Person other than the Company and the Participant, and their respective heirs, successors, legal representatives and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

(e) **Severability.** If any provision of this Agreement shall be declared by any court or arbitrator of competent jurisdiction to be invalid, illegal or incapable of being enforced in whole or in part, the remaining conditions and provisions or portions thereof shall nevertheless remain in full force and effect and enforceable to the extent they are valid, legal and enforceable.

(f) **Dispute Resolution.** If any dispute arising out of or relating to this Agreement or the Plan, or the breach thereof, cannot be settled through negotiation, the parties agree first to try in good faith to settle such dispute by mediation. If the parties fail to settle such dispute within 30 days after the commencement of such mediation, such dispute shall be settled by arbitration conducted in the state of Pennsylvania and judgment on the arbitral award rendered may be entered in any court having jurisdiction thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

EPAM SYSTEMS, INC.

By: _____

Name:

Title:

Participant

EPAM SYSTEMS, INC.

2015 LONG TERM INCENTIVE PLAN

GLOBAL NON-QUALIFIED STOCK OPTION AGREEMENT

FOR SENIOR MANAGERS

1. **Grant of Option.** EPAM Systems, Inc., a Delaware corporation (the “Company”), hereby grants to «Optionee» (“Participant”), on «Date» (the “Grant Date”), an option (the “Option”) to purchase «Number of shares underlying option» shares of Common Stock (the “Shares”), at an exercise price of \$«Fair Market Value of Share as of the Grant Date» per Share (the “Exercise Price”) subject to the terms, definitions and provisions of the EPAM Systems, Inc. 2015 Long Term Incentive Plan (the “Plan”) adopted by the Company, which is incorporated in this Agreement by reference, this Agreement and the Addendum. The Option is intended to be a Non-Qualified Stock Option, and is not intended to be an Incentive Stock Option. Unless otherwise defined in this Agreement, the terms used in this Agreement shall have the meanings defined in the Plan.

2. **Vesting Schedule.** Subject to Section 5, one-fourth of this Option shall vest and become exercisable on March 15 of each of the first, second, third and fourth calendar years immediately following the Grant Date.

3. **Exercise of Option.** This Option shall be exercisable during its term in accordance with the Vesting Schedule set out in Section 2 as modified by Section 5, if applicable, as follows:

(a) **Right to Exercise.**

(i) This Option may not be exercised for a fraction of a share.

(ii) In no event may this Option be exercised after the tenth anniversary of the Grant Date (the “Expiration Date”).

(b) **Method of Exercise.**

(i) The Participant (or his or her representative, devisee or heir, as applicable) may exercise any portion of the Option that has become exercisable as to all or any of the Shares then available for purchase by delivering to the Company written notice specifying the number of whole Shares to be purchased, together with payment in full of the Payment Amount (as defined in Section 4).

(ii) The Company is not obligated, and will have no liability for failure, to issue or deliver any Shares upon exercise of the Option unless such issuance or delivery would comply with applicable securities laws, with such compliance determined by the Company in consultation with its legal counsel. Assuming such compliance, for tax purposes such Shares shall be considered transferred to the Participant on the date on which the Option is exercised with respect to such Shares.

(iii) If any vested and exercisable portion of the Option is unexercised as of the Expiration Date, the Shares underlying such portion of the Option less the number of Shares having an aggregate Fair Market Value as of the Expiration Date equal to the Payment Amount shall be delivered to the Participant as soon as practicable after the Expiration Date, *provided* that the Option shall not be so exercised if the Exercise Price equals or exceeds the Fair Market Value of a Share on the Expiration Date.

4. **Method of Payment.** Payment of the aggregate Exercise Price and any required withholding for Tax-Related Items (as defined in Section 8) (the “Payment Amount”) shall be by any of the following, or a combination of the following, at the election of the Participant:

(a) cash or check;

(b) cancellation of indebtedness;

(c) if the Common Stock is listed on an exchange or market, and if the Company is at such time permitting broker-assisted cashless exercises, delivery of a properly executed exercise notice together with irrevocable instructions to a broker participating in such cashless brokered exercise program to deliver promptly to the Company the Payment Amount and in any event in accordance with applicable law;

(d) by any other method as may be approved by the Committee.

5. **Termination of Service.** Following the Participant's Termination of Service, Participant (or his or her representative, devisee or heir, as applicable) may exercise the Option only as set forth in this Section 5.

(a) **Death or Disability.** In the event of the Participant's Termination of Service due to the Participant's death or Disability before the Participant has completed at least two (2) years of service with the Company or any Affiliate, 50% of the portion of the Participant's Option that is unvested as of the date of such termination (if any) shall become immediately vested (with any fractional portion of the Option that would otherwise vest as a result of such vesting acceleration event rounded up to the nearest whole Share), and the remaining unvested portion of the Option shall be forfeited without any payment to the Participant. In the event of the Participant's Termination of Service due to the Participant's death or Disability on or after the date on which the Participant has completed at least two (2) years of service with the Company or any Affiliate, 100% of any unvested portion of the Option shall become immediately vested. Any portion of the Participant's Option that is vested as of the date of the Participant's Termination of Service due to death or Disability shall remain exercisable until the earlier of (x) one year following such termination and (y) the Expiration Date, unless the Committee in its sole discretion determines that the Option should be exercisable to some greater extent or remain exercisable for some longer period (ending in no event later than the Expiration Date).

(b) **For Cause.** In the event of the Participant's Termination of Service for Cause (as defined below), the entire unexercised portion of the Option, whether vested or unvested, shall be forfeited as of the date of such termination without any payment to the Participant.

"Cause" means the Company's good faith determination of the Participant's:

(i) willful material breach, or habitual neglect of, the Participant's duties or obligations in connection with the Participant's employment or service;

(ii) having engaged in willful misconduct, gross negligence or a breach of fiduciary duty, or his or her willful material breach of his or her duties to the Company or an Affiliate or under his or her Employment Agreement, if applicable, or of any of the Company policies;

(iii) having been convicted of, or having entered a plea bargain or settlement admitting guilt for, (x) a felony or (y) any other criminal offense involving moral turpitude, fraud or, in the course of the performance of the Participant's service to the Company or an Affiliate, material dishonesty;

(iv) unlawful use or possession of illegal drugs on the premises of the Company or an Affiliate or while performing the Participant's duties and responsibilities to the Company or an Affiliate; or

(v) the commission of an act of fraud, embezzlement or material misappropriation, in each case, against the Company or any Affiliate;

provided that, in the case of clauses (i) and (ii) above, the Company shall provide the Participant with written notice specifying the circumstances alleged to constitute Cause, and, if possible, the Participant shall have 30 days following receipt of such notice to cure such circumstances.

(c) **For Any Other Reason.** In the event of the Participant's Termination of Service at any time under circumstances not described in Sections 5(a) or 5(b) herein or Section 11(b) of the Plan, any unvested portion of the Option shall be forfeited as of the date of such termination without any payment to the Participant, and any vested portion of the Option shall remain exercisable until the earlier of (x) 90 days following such termination and (y) the Expiration Date, unless the Committee in its sole discretion determines that the Option should be exercisable to some greater extent or remain exercisable for some longer period (ending in no event later than the Expiration Date).

For purposes of Section 11(b) of the Plan, "**Good Reason**" means "**Good Reason**" as defined in the Participant's Employment Agreement, if any, or if not so defined, the occurrence of any of the following events, in each case without the Participant's consent:

(i) a reduction in the Participant's base compensation and cash incentive opportunity, other than any such reduction that applies generally to similarly situated employees or executives of the Company or an Affiliate;

(ii) relocation of the geographic location of the Participant's principal place of employment or service by more than 50 miles from the Participant's principal place of employment or service; or

(iii) a material reduction in the Participant's title, duties, responsibilities or authority;

provided that, in each case, (A) the Participant shall provide the Company with written notice specifying the circumstances alleged to constitute Good Reason within 90 days following the first occurrence of such circumstances, (B) if possible, the Company shall have 30 days following receipt of such notice to cure such circumstances, and (C) if the Company or its Affiliate has not cured such circumstances within such 30-day period, the Participant shall terminate his or her employment or service not later than 60 days after the end of such 30-day period.

6. **Non-Transferability of Option.** This Option may not be transferred in any manner otherwise than (i) by will or by the laws of descent or distribution or (ii) pursuant to an award transfer program adopted by the Company and in accordance with such procedures as the Committee (in its discretion) may specify with respect to the administration and operation of such program. This Option may be exercised during the lifetime of the Participant only by him or her or a valid transferee (which shall include specifically any financial institution, or other entity approved by the Company). The terms of this Option shall be binding upon the executors, administrators, heirs, successors and assigns of the Participant and in order to effect a valid transfer, the transferee (which shall include specifically any financial institution, or other entity approved by the Company) shall execute an agreement reflecting such terms and conditions that the Committee deems necessary to facilitate such transfer.

7. **Reserved.**

8. **Responsibility for Taxes.**

(a) The Participant acknowledges that, regardless of any action taken by the Company or, if different, the Participant's employer (the "Employer"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax related items related to the Participant's participation in the Plan and legally applicable to the Participant ("Tax-Related Items"), is and remains the Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, including, but not limited to, the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to the relevant taxable or tax withholding event, as applicable, the Participant agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(i) withholding from the Participant's wages or other cash compensation paid to the Participant by the Company and/or the Employer;

(ii) withholding from proceeds of the sale of Shares acquired at exercise of the Option either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization) without further consent; or

(iii) any other method of withholding determined by the Company and, to the extent required by applicable laws or the Plan, approved by the Committee.

(c) The Company or the Employer may withhold or account for Tax-Related Items by considering applicable withholding rates, including minimum or maximum applicable rates, in the jurisdictions applicable to the Participant. In the event that any excess amounts are withheld to satisfy the obligation for Tax-Related Items, the Participant may be entitled to a refund of any over-withheld amount in cash (with no entitlement to the Share equivalent), or if not refunded by the Company or the Employer, the Participant must seek a refund from the local tax authorities to the extent the Participant wishes to recover the over-withheld amount in the form of a refund..

(d) Finally, the Participant agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares

or the proceeds of the sale of Shares, if the Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

9. **Nature of Grant.** In accepting the Option, the Participant acknowledges, understands and agrees that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
- (b) the grant of the Option is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted in the past;
- (c) all decisions with respect to future Option or other grants, if any, will be at the sole discretion of the Company;
- (d) the Option grant and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming or amending an employment or service contract with the company, the Employer or any Affiliate of the Company and shall not interfere with the ability of the Company, the Employer or any Affiliate of the Company, as applicable, to terminate the Participant's employment or service relationship (if any);
- (e) the Participant is voluntarily participating in the Plan;
- (f) the Option and any Shares acquired under the Plan, and the income from and value of same, are not intended to replace any pension rights or compensation;
- (g) the Option and any Shares acquired under the Plan, and the income from and value of same, are not part of normal or expected compensation for any purposes, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, leave pay, long-service awards, pension or retirement or welfare benefits or similar mandatory payments;
- (h) the future value of the Shares underlying the Option is unknown, indeterminable, and cannot be predicted with certainty;
- (i) if the underlying Shares do not increase in value, the Option will have no value;
- (j) if the Participant exercises the Option and acquires Shares, the value of such Shares may increase or decrease in value, even below the Exercise Price;
- (k) no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from the Participant's Termination of Service (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), and in consideration of the grant of the Option, the Participant agrees not to institute any claim against the Company, any of its Affiliates or the Employer;
- (l) unless otherwise agreed with the Company, the Option and any Shares acquired under the Plan and the income from and value of same, are not granted as consideration for, or in connection with, the service the Participant may provide as a director of an Affiliate;
- (m) unless otherwise provided in the Plan or by the Company in its discretion, the Option and the benefits evidenced by this Agreement do not create any entitlement to have the Option or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company; and
- (n) neither the Company, the Employer nor any Affiliate shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the Option or of any amounts due to the Participant pursuant to the exercise of the Option or the subsequent sale of any Shares acquired upon exercise.

10. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying Shares. The Participant understands and agrees that he or she should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

11. **Insider Trading/Market Abuse Laws.** The Participant may be subject to insider trading restrictions and/or market abuse laws based on the exchange on which the Shares are listed and in applicable jurisdictions, including the United States, the Participant's country and the designated broker's country, which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (e.g., Options) or rights linked to the value of Shares (e.g., dividend equivalents) under the Plan during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws in applicable jurisdictions). Local insider trading laws may prohibit the cancellation or amendment of orders placed by the Participant before he or she possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party, which may include fellow employees and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant acknowledges that it is his or her responsibility to comply with any applicable restrictions, and the Participant should speak to his or her personal advisor on this matter.

12. **Data Privacy.** To the extent recognized by applicable law, the Participant hereby consents to the collection, use, transfer, or other processing of the Participant's personally identifiable information as described in this Agreement and any other Option grant materials ("Personal Data") in electronic or other form by and among, as applicable, the Company, its Affiliates, the Employer or other third parties as processors of the Personal Data, for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Company, with offices located at 41 University Drive, Newtown, Pennsylvania 18940, acts as the controller of this Personal Data, and processes this Personal Data for purposes of implementing, administering, and managing the Plan. The Company protects the Personal Data that it receives in the United States from the European Union via data transfer agreements based on the standard contractual clauses adopted by the European Commission. The Participant can obtain further information about these data transfer agreements by contacting AskDataPrivacy@epam.com.

The Participant understands that the Personal Data may include, but is not limited to, the Participant's name, home address and telephone number, e-mail address, date of birth, social insurance number, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Options or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor. Such Personal Data will be used by the Company for the exclusive purpose of implementing, administering and managing the Plan. The Company relies on the following legal grounds for processing of Personal Data (i) consent, as permitted by applicable law, (ii) performance of this Agreement with the Participant, (iii) the legitimate interests of the Company, its Affiliates, the Employer or other third parties (such as service providers, consultants, governmental bodies, or courts) where the legitimate interest could be in particular the implementation, administration and management of the Plan, and (iv) for compliance with legal obligations, in particular in the area of labor and employment law, social security and social protection law, data protection and privacy law, tax law, and corporate compliance laws.

The Participant understands that Personal Data will be transferred to UBS Financial Services Inc. or other third parties assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of his or her Personal Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. Where disclosing Personal Data to such third parties, the Company provides appropriate safeguards for protecting the transfer of Personal Data, such as establishing data contractual clauses with third parties based on the standard contractual clauses adopted by the European Commission or relevant supervisory authority. The Participant may request a copy of, or information about, such safeguards by contacting AskDataPrivacy@epam.com.

The Participant may generally request a list with the names and addresses of any potential recipients of his or her Personal Data by contacting AskDataPrivacy@epam.com. The Participant understands that Personal Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. When the Company no longer needs to use the Participant's Personal Data for the purposes above or does not need to retain it for compliance with any legal or regulatory purpose, the Company will take reasonable steps to remove it from systems and/or records containing the Personal Data and/or take steps to properly anonymize it so that the Participant can no longer be identified from it.

Subject to applicable data protection and privacy law, the Participant understands that he or she may view Personal Data, request additional information about the storage and processing of Personal Data, require any necessary amendments to Data or refuse or withdraw the consent herein, in any case without cost, by contacting in writing AskDataPrivacy@epam.com. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis.

In addition to the above, subject to applicable law, the Participant may have the right to (i) request erasure of Personal Data, (ii) request restriction of, or object to, certain uses or processing of Personal Data, (iii) request Personal Data portability, or (iv) lodge a complaint with a supervisory authority.

The Participant's provision of Personal Data is a contractual requirement. If the Participant does not provide the Personal Data and/or consent to the terms of this Section 11, or if the Participant later seeks to revoke his or her consent, his or her employment status or service with the Employer will not be affected; the only consequence of refusing or withdrawing the Participant's consent is that the Company may not be able to grant Options or other equity awards to the Participant or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan. Such a withdrawal will not affect the lawfulness of the collection, use, or otherwise processing of the Participant's Data prior to the consent withdrawal. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, or to exercise certain additional rights described above, the Participant understands that he or she may contact AskDataPrivacy@epam.com.

13. **Miscellaneous Provisions.**

(a) **Notices.** All notices, requests and other communications under this Agreement shall be in writing and shall be delivered in person (by courier or otherwise), mailed by certified or registered mail, return receipt requested, or sent by facsimile transmission, to the contact details below. The parties may use e-mail delivery, so long as the message is clearly marked, sent to the e-mail address(es) set forth below, and a delivery receipt and a read receipt are made part of the message. E-mail delivery will be deemed to occur when the sender receives confirmation that such message has been received and read by the recipient.

if to the Company, to:

EPAM Systems, Inc.
41 University Drive
Newtown, Pennsylvania 18940
Attention: General Counsel
Facsimile: 267-759-8989

if to the Participant, to:

the address, facsimile number or e-mail address that the Participant most recently provided to the Company, or to such other address, facsimile number or e-mail address as such party may hereafter specify for the purpose by notice to the other parties hereto.

(b) **Effect of Agreement.** The Participant acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof (and has had an opportunity to consult counsel regarding the Option terms), and hereby accepts this Option and agrees to be bound by its contractual terms as set forth herein and in the Plan. The Participant acknowledges and agrees that the grant of this Option constitutes additional consideration to the Participant for the Participant's continued and future compliance with any restrictive covenants in favor of the Company by which the Participant is otherwise bound. The Participant hereby agrees to accept as binding, conclusive and final all decisions and interpretations of the Committee regarding any questions relating to the Option. In the event of a conflict between the terms and provisions of the Plan and the terms and provisions of this Agreement, the Plan terms and provisions shall prevail. The Agreement, including the Plan, constitutes the entire agreement between the Participant and the Company on the subject matter hereof and supersedes all proposals, written or oral, and all other communications between the parties relating to such subject matter.

(c) **Amendment; Waiver.** No amendment or modification of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and the Participant, except that the Company may amend or modify this Agreement without the Participant's consent in accordance with the provisions of the Plan or as otherwise set forth in this Agreement. No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other or subsequent breach or condition whether of like or different nature. Any amendment or modification of or to any provision of this Agreement, or any waiver of any provision of this Agreement, shall be effective only in the specific instance and for the specific purpose for which made or given.

(d) **Successors and Assigns; No Third Party Beneficiaries.** This Agreement shall inure to the benefit of and be binding upon the Company and the Participant and their respective heirs, successors, legal representatives and permitted assigns. Nothing in this Agreement, expressed or implied, is intended to confer on any Person other than the Company and the Participant, and their respective heirs, successors, legal representatives and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

(e) **Severability.** If any provision of this Agreement shall be declared by any court or arbitrator of competent jurisdiction to be invalid, illegal or incapable of being enforced in whole or in part, the remaining conditions and

provisions or portions thereof shall nevertheless remain in full force and effect and enforceable to the extent they are valid, legal and enforceable.

(f) **Governing Law; Dispute Resolution.** This Agreement is governed by the laws of the state of Delaware without application of the conflict of law provisions thereof. If any dispute arising out of or relating to this Agreement or the Plan, or the breach thereof, cannot be settled through negotiation, the parties agree first to try in good faith to settle such dispute by mediation. If the parties fail to settle such dispute within 30 days after the commencement of such mediation, such dispute shall be settled by arbitration conducted in the state of Pennsylvania and judgment on the arbitral award rendered may be entered in any court having jurisdiction thereof.

(g) **Language.** By accepting the Option, the Participant acknowledges and represents that the Participant is proficient in the English language or has consulted with an advisor who is sufficiently proficient in English, as to allow the Participant to understand the terms of the Agreement and any other documents related to the Plan. If the Participant has received the Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

(h) **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

(i) **Foreign Asset / Account Reporting Requirements, Exchange Controls and Tax Requirements.** The Participant's country may have certain foreign asset and/or account reporting requirements and exchange controls which may affect the Participant's ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including from any dividends received or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside his or her country. The Participant may be required to report such accounts, assets or transactions to the tax or other authorities in his or her country. The Participant also may be required to repatriate sale proceeds or other funds received as a result of his or her participation in the Plan to his or her country through a designated bank or broker and/or within a certain time after receipt. In addition, the Participant may be subject to tax payment and/or reporting obligations in connection with any income realized under the Plan and/or from the sale of Shares. The Participant acknowledges that it is his or her responsibility to be compliant with all such requirements, and that he or she should consult his or her personal legal and tax advisors, as applicable, to ensure his or her compliance.

(j) **Addendum.** Notwithstanding any provisions in this Agreement, the Option grant shall be subject to any special terms and conditions set forth in any Addendum to this Agreement for the Participant's country. Moreover, if the Participant relocates to one of the countries included in the Addendum, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Addendum constitutes part of this Agreement.

(k) **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the Option and on any Shares purchased upon exercise of the Option, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

EPAM SYSTEMS, INC.

By: _____
Name:
Title:

The Participant's signature on this line both (1) acknowledges the Participant's receipt of the Agreement and agreement to its terms, and (2) indicates the Participant's consent to the processing of Personal Data as described in Section 12.

Participant

ADDENDUM
EPAM SYSTEMS, INC.
2015 LONG TERM INCENTIVE PLAN
GLOBAL NON-QUALIFIED STOCK OPTION AGREEMENT
FOR SENIOR MANAGERS

Terms and Conditions

This Addendum includes additional terms and conditions that govern the Option granted to the Participant under the Plan if the Participant resides in one of the countries listed below. These terms and conditions are in addition to, or if so indicated, in place of the terms and conditions in the Agreement. If the Participant is a citizen or resident (or is considered as such for local law purposes) of a country other than the country in which Participant is currently residing and/or working, or if Participant relocates to another country after the Grant Date, the Company shall, in its discretion, determine to what extent these country-specific terms and conditions contained herein shall be applicable to the Participant. Certain capitalized terms used but not defined in this Addendum have the meanings set forth in the Plan and/or the Agreement.

Notifications

This Addendum also includes information regarding exchange controls and certain other issues of which the Participant should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of March 2021. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information in this Addendum as the only source of information relating to the consequences of the Participant's participation in the Plan because the information may be out of date at the time that the Participant exercises the Option or sells Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation, and the Company is not in a position to assure the Participant of a particular result. Accordingly, the Participant should seek appropriate professional advice as to how the relevant laws in the Participant's country may apply to his or her situation.

Finally, if the Participant is a citizen or resident of a country other than the one in which he or she is currently working or residing (or is considered as such for local law purposes), or transferred employment and/or residency after the Grant Date, the notifications contained herein may not be applicable to the Participant.

ARMENIA

There are no country specific provisions.

AUSTRALIA

Notifications

Tax Notification. Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies to Options granted under the Plan, such that the Options are intended to be subject to deferred taxation.

Securities Law Notification. If the Participant acquires Shares under the Plan and offers such Shares for sale to a person or entity resident in Australia, the offer may be subject to disclosure requirements under Australian law. The Participant is advised to obtain legal advice regarding his or her disclosure obligations prior to making any such offer.

BELARUS

Notifications

Exchange Control Information. Belarusian citizens or permanent residents may be required to repatriate any funds received in connection with the Options (e.g., proceeds from the sale of Shares acquired under the Plan) to Belarus. The Participant is responsible for ensuring compliance with all exchange control laws in Belarus in connection with his or her participation in the Plan.

BELGIUM

Terms and Conditions

Tax Notification. The Option must be accepted in writing either (i) within 60 days of the offer (for tax at offer) or (ii) after 60 days of the offer (for tax at exercise). The Participant will receive a separate offer letter and undertaking form in addition to the Agreement. The Participant should refer to the offer letter for a more detailed description of the tax implications of choosing to accept the Option. The Participant should consult with his or her personal tax advisor regarding completion of the additional forms.

Notifications

Foreign Asset/Account Reporting Information. Belgian residents are required to report any securities (*e.g.*, Shares acquired under the Plan) held and bank accounts (including brokerage accounts) opened and maintained outside of Belgium on their annual tax return. In a separate report, the resident is required to provide the National Bank of Belgium with the account details of any such foreign accounts (including the account number, bank name and country in which such account was opened). This report, as well as information on how to complete it, can be found on the website of the National Bank of Belgium, www.nbb.be, under the *Kredietcentrales / Centrales des crédits* caption.

BULGARIA

Notifications

Exchange Control Information. If funds are remitted abroad to pay the Exercise Price of the Options, a declaration of the purpose of the remittance must be provided by the Participant to the local bank that is transferring the funds. If the funds are remitted to a bank outside the European Union and the amount exceeds BGN 30,000, documentation evidencing the underlying transaction (for instance a copy of the Agreement) must be provided.

Foreign Asset/Account Reporting Information. The Participant will be required to file statistical forms with the Bulgarian national Bank annually regarding his or her receivables in bank accounts abroad as well as securities held abroad (*e.g.*, Shares acquired under the Plan) if the total sum of all such receivables and securities equals or exceeds BGN50,000 as of the previous calendar year-end. The reports are due by March 31.

The Participant should contact his or her bank in Bulgaria for additional information regarding these requirements.

CANADA

Terms and Conditions

Method of Payment. Notwithstanding Section 6(d) of the Plan, the Participant is not permitted to pay the Payment Amount with previously-owned shares of Common Stock or with Shares to be issued upon exercise of this Option.

Termination of Service. This provision supplements Section 5 of the Agreement:

For purposes of the Option, the Participant's Termination of Service (for any reason whatsoever, whether or not later found to be invalid, unlawful or in breach of employment laws in the jurisdiction where the Participant is employed or providing services or the terms of the Participant's employment or service agreement, if any), will be measured by the date that is the earliest of (i) the date on which the Participant's employment with the Employer is terminated, or (ii) the date the Participant receives written notice of termination from the Employer, regardless of any period during which notice, pay in lieu of notice or related payments or damages are provided or required to be provided under local law. For greater certainty, the Participant will not earn or be entitled to any pro-rated vesting or exercisability for that portion of time before the date on which the Participant's right to vest or exercise terminates, nor will the Participant be entitled to any compensation for lost vesting. Notwithstanding the foregoing, if applicable employment standards legislation explicitly requires continued vesting during a statutory notice period, the Participant's right to vest in the RSUs, if any, will terminate effective upon the expiry of the minimum statutory notice period, but the Participant will not earn or be entitled to pro-rated vesting or exercisability if the vesting date falls after the end of the statutory notice period, nor will the Participant be entitled to any compensation for lost vesting.

If Participant resides in Québec, the following provisions apply:

Authorization to Release Necessary Personal Information. This provision supplements Section 12 of the Agreement:

The Participant hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Participant

further authorizes the Company and any Affiliate and the administrator of the Plan to disclose and discuss the Plan with their advisors. The Participant further authorizes the Employer to record such information and to keep such information in the Participant's employee file.

Language Consent. The parties acknowledge that it is their express wish that this Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

Notifications

Securities Law Notification. The Participant is permitted to sell Shares acquired under the Plan through the designated broker appointed under the Plan, if any, provided the resale of Shares acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the Shares are listed. The Stock is currently listed on the New York Stock Exchange in the United States of America.

Foreign Asset/Account Reporting Information. Specified foreign property, including Shares and rights to receive Shares (e.g., Options), must be reported annually on a Form T1135 (Foreign Income Verification Statement) if the total cost of the specified foreign property exceeds C\$100,000 at any time during the year. Thus, the Options must be reported - generally at a nil cost - if the C\$100,000 cost threshold is exceeded because of other specified foreign property. When Shares are acquired, their cost generally is the adjusted cost base ("ACB") of the Shares. The ACB would ordinarily equal the fair market value of the Shares at the time of acquisition, but if other Shares are also owned, this ACB may have to be averaged with the ACB of the other Shares. Participants should consult a personal legal advisor to ensure compliance with applicable reporting obligations.

CHINA

Terms and Conditions

The following provisions apply only to Participants who are subject to exchange control restrictions or regulations in the People's Republic of China ("China"), as determined by the Company in its sole discretion.

Vesting Schedule and Exercisability of Option. Notwithstanding anything to the contrary in the Plan or the Agreement, the Option will not vest and nor be exercisable unless and until the Company determines, in its sole discretion, that all necessary exchange control or other approvals from the PRC State Administration of Foreign Exchange ("SAFE") or its relevant branch have been received and remain effective ("SAFE Approval"). In the event that SAFE Approval has not been obtained prior to any scheduled vesting date set forth in Section 2 of the Agreement, the Option will not vest until the seventh day of the month following the month in which SAFE Approval is obtained (the "Actual Vesting Date"). If the Participant experiences a Termination of Service prior to the Actual Vesting Date, the Participant shall not be entitled to vest in any portion of the Option and the Option shall be forfeited without any liability to the Company, the Employer or any Affiliate of the Company.

Method of Payment. The following provision supplements Section 4 of the Agreement:

Due to regulatory requirements, the Participant understands that the Participant will be restricted to the cashless sell-all method of exercise. To complete a cashless sell-all exercise, the Participant understands that the Participant needs to instruct his or her broker to: (i) sell all of the Shares issued upon exercise; (ii) use the proceeds to pay the Exercise Price, brokerage fees and any applicable Tax-Related Items; and the remaining proceeds will be remitted to the Participant in accordance with any applicable exchange control laws and regulations including, but not limited to, the restrictions set forth in these Country-Specific Terms for China below under "Exchange Control Requirements." The Participant agrees to sign any agreement, form and/or consent that may reasonably be requested by the Company (or the Company's designated broker) to effectuate the cashless exercise of the Options. The Participant will not be permitted to hold Shares after exercise. Depending on the development of local laws or the Participant's country of residence, the Company reserves the right to modify the methods of exercising the Option and, in its sole discretion, to permit cash exercise, cashless sell-to cover exercise or any other method of exercise and payment of Tax-Related Items permitted under the Plan.

Treatment of Options Upon Termination of Service. Due to exchange control regulations in China, the Participant understands and agrees that the Company may require the exercise of the Options immediately following the Participant's Termination of Service, or within such other period as determined by the Company or required by SAFE or its local counterpart, but in no event shall such period be later than the period provided in Section 5 of the Agreement. This includes any portion of the Options that vest upon the Participant's Termination of Service.

Exchange Control Requirements. The Participant understands and agrees that, to facilitate compliance with exchange control requirements, the Participant is required to immediately repatriate to China the Share sale proceeds from the cashless exercise of Options. The Participant further understands that such repatriation of the sale proceeds will be effectuated through a special exchange control account established by the Company or its Affiliates, and the Participant hereby consents and agrees that the proceeds may be transferred to such special account prior to being delivered to the Participant. The Company may deliver the proceeds to the Participant in United States dollars or local currency at the Company's discretion. If the proceeds are paid in United States dollars, the Participant understands that he or she will be required to set up a United States dollar bank account in China so that the proceeds may be deposited into this account. If the proceeds are converted to local currency, there may be delays in delivering the proceeds to the Participant and due to fluctuations in the Share trading price and/or the United States dollar/PRC exchange rate between the sale/payment date and (if later) when the proceeds can be converted into local currency, the proceeds that the Participant receives may be more or less than the market value of the Shares on the sale/payment date (which is the amount relevant to determining the Participant's tax liability). The Participant agrees to bear the risk of any currency fluctuation between the sale/payment date and the date of conversion of the proceeds into local currency. The Company is under no obligation to secure any particular exchange conversion rate.

The Participant further agrees to comply with any other requirements that may be imposed by the Company in the future to facilitate compliance with exchange control requirements in China.

CZECH REPUBLIC

Notifications

Exchange Control Information. The Czech National Bank ("**CNB**") may require the Participant to fulfill certain notification duties in relation to the Option and the opening and maintenance of a foreign account. In addition, the Participant may need to report the following even in the absence of a request from the CNB: foreign direct investments with a value of CZK 2,500,000 or more in the aggregate or other foreign financial assets with a value of CZK 2,000,000,000 or more. Because exchange control regulations may change without notice, the Participant should consult his or her personal legal advisor prior to the exercise of the Option and sale of Shares to ensure compliance with current regulations. It is the Participant's responsibility to comply with applicable Czech exchange control laws.

FRANCE

Terms and Conditions

Type of Award. The Option is not granted as a "French-qualified" award and is not intended to qualify for the specific tax and social security treatment applicable to shares granted for no consideration under Sections L. 225-177 to L. 225-186 and Sections L. 22-10-56 to L. 22-10-58 of the French Commercial Code, as amended.

Consent to Receive Information in English. By accepting the Option, the Participant confirms having read and understood the documents related to the Option (the Plan and the Agreement) which were provided in the English language. The Participant accepts the terms of these documents accordingly.

Consentement Relatif à l'Utilisation de la Langue Anglaise. *En acceptant l'Option, le Participant confirme avoir lu et compris les documents relatifs à cette Option (le Plan et le Contrat) qui ont été remis en langue anglaise. Le Participant accepte les termes de ces documents en conséquence.*

Notifications

Exchange Control Information. If the Participant transfers more than €10,000 in Shares or cash into or out of France without the use of a financial intermediary, the Participant must declare the transfer to the French tax and customs authorities.

GEORGIA

Terms and Conditions

Language Consent. By accepting the grant of the Option, the Participant acknowledges that he or she is proficient in reading and understanding English and fully understands the terms of the documents related to the grant (the Agreement and the Plan), which were provided in the English language. The Participant accepts the terms of those documents accordingly.

თანხმობა ენასთან დაკავშირებით. საფონდო ვარიანტი მინიჭებაზე თანხმობის განცხადებით, *მონაწილე* ადასტურებს რომ მას თავისუფლად ესმის ინგლისური ენა და რომ მისთვის სრულად არის გასაგები ამგვარ მინიჭებასთან დაკავშირებული დოკუმენტაციის (*ხელშეკრულებისა და გეგმის*) პირობები, რომელიც მისთვის მინოდებული იქნა ინგლისურ ენაზე. შესაბამისად, *მონაწილე* თანხმობას აცხადებს ამ დოკუმენტებით გათვალისწინებულ პირობებზე.

GERMANY

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 (including transactions made in connection with the sale of Shares under the Plan) must be reported electronically each month to the German Federal Bank (*Bundesbank*). The “General Statistics Reporting Portal” (“*Allgemeines Meldeportal Statistik*”) can be accessed via Bundesbank’s website at www.bundesbank.de. Participants should consult a personal legal advisor to ensure compliance with applicable reporting obligations.

Foreign Asset/Account Reporting Information. If the Participant's acquisition of Shares under the Plan leads to a qualified participation at any point during the calendar year, the Participant will need to report the acquisition when the Participant files his or her tax return for the relevant year. A qualified participation is attained if (i) the Participant holds at least 1% of the Company and the value of the Shares acquired exceeds EUR 150,000 or (ii) the Participant holds Company Shares exceeding 10% of the Company's total common stock.

HONG KONG

Terms and Conditions

Exercise of Option. The purchase of Shares at exercise is made as a personal investment. If, for any reason, the Participant exercises the Option within six (6) months of the Grant Date, the Participant agrees that he or she will not sell or otherwise dispose of any such Shares prior to the six-month anniversary of the Grant Date.

Notifications

Securities Law Notification. WARNING: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. The Participant is advised to exercise caution in relation to the offer. If the Participant is in any doubt about any of the contents of this document, the Participant should obtain independent professional advice. Neither the grant of the Options nor the issuance of Shares upon exercise constitutes a public offering of securities under Hong Kong law and is available only to employees of the Company and its Affiliates. The Plan, the Agreement and other incidental communication materials distributed in connection with the Options (i) have not been prepared in accordance with and are not intended to constitute a “prospectus” for a public offering of securities under the applicable securities legislation in Hong Kong and (ii) are intended only for the personal use of each eligible employee of the Company or its Affiliates and may not be distributed to any other person.

HUNGARY

Terms and Conditions

Method of Payment. The following provision supplements Section 4 of the Agreement:

Due to regulatory requirements, the Participant understands that the Participant will be restricted to the cashless sell-all method of exercise. To complete a cashless sell-all exercise, the Participant understands that the Participant needs to instruct his or her broker to: (i) sell all of the Shares issued upon exercise; (ii) use the proceeds to pay the Exercise Price, brokerage fees and any applicable Tax-Related Items; and (iii) remit the balance in cash to the Participant. The Participant will not be permitted to hold Shares after exercise. Depending on the development of local laws or the Participant’s country of residence, the Company reserves the right to modify the methods of exercising the Option and, in its sole discretion, to permit cash exercise, cashless sell-to cover exercise or any other method of exercise and payment of Tax-Related Items permitted under the Plan.

INDIA

Terms and Conditions

Method of Payment. The following provision supplements Section 4 of the Agreement:

Due to regulatory requirements, the Participant may pay the Exercise Price by (a) cash or check made payable to the Company; or (b) pursuant to a broker-assisted cashless exercise procedure, as set forth in Section 4(c) of the Agreement, as modified by this

Addendum. Under this procedure (also called a same-day sale exercise), the Participant (or any other person or persons exercising the Option) shall concurrently provide irrevocable instructions (i) to a brokerage firm (reasonably satisfactory to the Company for purposes of administering such procedure in accordance with the Company's pre-clearance/pre-notification policies) to effect the immediate sale of all of the purchased Shares so that such brokerage firm can remit to the Company, on the settlement date, sufficient funds out of the resulting sale proceeds to cover the aggregate Exercise Price payable for all the purchased Shares plus all applicable Tax-Related Items, brokers' fees or commissions and (ii) to the Company to deliver the purchased Shares directly to such brokerage firm on such settlement date. The Company reserves the right to provide the Participant with additional methods of exercise depending on the development of local law.

Notifications

Exchange Control Information. The Participant understands that he or she must repatriate any proceeds from the sale of Shares acquired under the Plan or the receipt of dividends paid on such Shares to India within such time prescribed under applicable Indian exchange control laws as may be amended from time to time. The Participant will receive a foreign inward remittance certificate ("FIRC") from the bank where he or she deposits the foreign currency. The Participant should maintain the FIRC as evidence of the repatriation of the proceeds in the event the Reserve Bank of India or the Employer requests proof of repatriation. The Participant is also responsible for complying with any other exchange control laws in India that may apply to the Options or the Shares acquired under the Plan.

Foreign Asset/Account Reporting Information. The Participant is required to declare any foreign bank accounts and any foreign financial assets (including Shares acquired under the Plan) in Participant's annual tax return. Increased penalties for failing to report these assets/accounts have been implemented. The Participant should consult with his or her personal tax advisor to determine the Participant's reporting requirements.

IRELAND

There are no country specific provisions.

ISRAEL

Terms and Conditions

Method of Payment. The following provision supplements Section 4 of the Agreement:

To facilitate compliance with local tax requirements, the Participant understands that the Participant will be restricted to the cashless sell-all method of exercise. To complete a cashless sell-all exercise, the Participant understands that the Participant needs to instruct his or her broker to: (i) sell all of the Shares issued upon exercise; (ii) use the proceeds to pay the Exercise Price, brokerage fees and any applicable Tax-Related Items; and the remaining proceeds will be remitted to the Participant in accordance with any applicable tax laws and regulations. The Participant agrees to sign any agreement, form and/or consent that may reasonably be requested by the Company (or the Company's designated broker) to effectuate the cashless exercise of the Options. The Participant will not be permitted to hold Shares after exercise. The Company reserves the right to modify the methods of exercising the Option and, in its sole discretion, to permit cash exercise, cashless sell-to cover exercise or any other method of exercise and payment of Tax-Related Items permitted under the Plan.

ITALY

Terms and Conditions

Method of Payment. The following provision supplements Section 4 of the Agreement:

Due to regulatory requirements, the Participant understands that the Participant will be restricted to the cashless sell-all method of exercise. To complete a cashless sell-all exercise, the Participant understands that the Participant needs to instruct his or her broker to: (i) sell all of the Shares issued upon exercise; (ii) use the proceeds to pay the Exercise Price, brokerage fees and any applicable Tax-Related Items; and (iii) remit the balance in cash to the Participant. The Participant will not be permitted to hold Shares after exercise. Depending on the development of local laws or the Participant's country of residence, the Company reserves the right to modify the methods of exercising the Option and, in its sole discretion, to permit cash exercise, cashless sell-to cover exercise or any other method of exercise and payment of Tax-Related Items permitted under the Plan.

Plan Document Acknowledgement. The Participant acknowledges that the Participant has read and specifically and expressly approves the following Sections of the Agreement: Section 5 (Termination of Service); Section 8 (Responsibility for Taxes); Section 9 (Nature of Grant); Section 12 (Data Privacy); Section 13(g) (Language); Section 13(h) (Electronic Delivery and Acceptance); Section 13(j) (Addendum); and Section 13(k) (Imposition of Other Requirements)

Notifications

Foreign Asset/Account Reporting Information. Italian residents who, at any time during the fiscal year, hold foreign financial assets (including cash and Shares) which may generate income taxable in Italy are required to report these assets on their annual tax returns (UNICO Form, RW Schedule) for the year during which the assets are held, or on a special form if no tax return is due. These reporting obligations also will apply to Italian residents who are the beneficial owners of foreign financial assets under Italian money laundering provisions.

KAZAKHSTAN

Notifications

Securities Law Notification. This offer is addressed only to certain eligible employees in the form of the Shares to be issued by the Company, which as of the date hereof are listed on the New York Stock Exchange. Neither the Plan nor this Agreement has been approved, nor do they need to be approved, by the National Bank of Kazakhstan. This offer is intended only for the original recipient and is not for general circulation in the Republic of Kazakhstan.

Exchange Control Information. The Participant acknowledges that if the Participant is a resident of Kazakhstan, the Participant will be required to notify and file standard-form reports with the National Bank of Kazakhstan if the value of the Shares that the Participant purchases under the Plan exceeds a certain threshold.

Please note that exchange control regulations in Kazakhstan are subject to change. The Participant should consult with his or her personal legal advisor regarding any exchange control obligations that Participant may have prior to exercising the Option or receiving proceeds from the sale of Shares acquired under the Plan. The Participant is responsible for ensuring compliance with all exchange control laws in Kazakhstan.

KOREA

Notifications

Exchange Control Information. To remit funds out of Korea to exercise the Option by a cash-exercise method, the Participant must obtain a confirmation of the remittance by a foreign exchange bank in Korea. This is an automatic procedure (*i.e.*, the bank does not need to approve the remittance and the process should not take more than a single day). The Participant likely will need to present the bank processing the transaction supporting documentation evidencing the nature of the remittance.

Foreign Asset/Account Reporting Information. The Participant must declare all foreign financial accounts (e.g., non-Korean bank accounts, brokerage accounts holding Shares) in countries that have not entered into an "intergovernmental agreement for automatic exchange of tax information" with Korea to the Korean tax authority and file a report with respect to such accounts if the value of such accounts exceeds KRW 500 million (or an equivalent amount in foreign currency) on any month-end date during a calendar year.

LITHUANIA

There are no country specific provisions.

MALAYSIA

Notifications

Director Notification Obligation. If the Participant is a director of a Malaysian Affiliate, he or she is subject to certain notification requirements, under the Malaysian Companies Act 1965. Among these requirements is an obligation to notify the Malaysian Affiliate in writing when the Participant receives or disposes of an interest (*e.g.*, Options or Shares) in the Company or any related company. This notification must be made within 14 days of receiving or disposing of any interest in the Company or any related company.

MALTA

Notifications

Securities Law Notification. The Plan, the Agreement, including this Addendum, and all other materials the Participant may receive regarding participation in the Plan do not constitute advertising of securities in Malta and are deemed accepted by the Participant upon receipt of the Participant's electronic or written acceptance in the United States. The issuance of the Shares

under the plan has not and will not be registered in Malta and, therefore, the Shares described in any plan documents may not be offered or placed in public circulation in Malta.

MEXICO

Terms and Conditions

Labor Law Acknowledgement. The following provision applies if the Participant resides in Mexico and receives an Option from the Company:

- (i) The Participant's participation in the Plan does not constitute an acquired right;
- (ii) The Plan and the Participant's participation in it are offered by the Company on a wholly discretionary basis;
- (iii) The Participant's participation in the Plan is voluntary;
- (iv) The Company and its Affiliates are not responsible for any decrease in the value of any Shares acquired under the Plan;
- (v) By accepting the Option, the Participant acknowledges that the Company, with registered offices in the U.S.A., is solely responsible for the administration of the Plan. The Participant further acknowledges that his or her participation in the Plan, the grant of the Option and any acquisition of Shares under the Plan do not constitute an employment relationship between the Participant and the Company because the Participant is participating in the Plan on a wholly commercial basis. Based on the foregoing, Participant expressly acknowledges that the Plan and the benefits that he or she may derive from participation in the Plan do not establish any rights between the Participant and the Employer and do not form part of the employment conditions and/or benefits provided by the Employer, and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of the Participant's employment;
- (vi) The Participant further understands that his or her participation in the Plan is the result of a unilateral and discretionary decision of the Company and, therefore, the Company reserves the absolute right to amend and/or discontinue the Participant's participation in the Plan at any time, without any liability to the Participant; and
- (vii) Finally, the Participant hereby declares that he or she does not reserve to him- or herself any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and that he or she therefore grants a full and broad release to the Company, its subsidiaries, parents, Affiliates, branches, representation offices, shareholders, officers, agents or legal representatives, with respect to any claim that may arise.

Términos y Condiciones

Reconocimiento del Derecho Laboral. Las siguientes disposiciones aplican en caso de que el Participante sea residente en México y reciba una Opción de la Compañía:

- (i) La participación del Participante en el Plan no constituye un derecho adquirido;
- (ii) El Plan y la participación del Participante en él es ofrecido por la Compañía de manera completamente discrecional;
- (iii) La participación del Participante en el Plan es voluntaria;
- (iv) La Compañía y sus Afiliadas no son responsables por ninguna disminución en el valor de las acciones de adquiridas en términos del Plan;
- (v) Al aceptar el otorgamiento, el Participante reconoce que la Compañía, con oficinas registradas en E.U.A., es la única responsable de la administración del Plan. Además, el Participante reconoce que su participación en el Plan, la concesión de Opciones y cualquier adquisición de Acciones bajo el Plan no constituyen una relación laboral entre el Participante y la Compañía, en virtud de que el Participante está participando en el Plan en una base exclusivamente comercial. Por lo anterior, el Participante expresamente reconoce que el Plan y los beneficios que puedan derivarse de su participación no establecen ningún derecho entre el Participante y su empleador y que no forman parte de las condiciones de trabajo y/o beneficios otorgados por su empleador, y cualquier

modificación del Plan o la terminación no constituirá un cambio o modificación en los términos y condiciones del empleo del Participante;

(vi) Además, el Participante comprende que su participación en el Plan es el resultado de una decisión discrecional y unilateral de la Compañía, por lo que la Compañía se reserva el derecho absoluto de modificar y/o suspender la participación del Participante en el Plan en cualquier momento, sin responsabilidad alguna frente al Participante; y

(vii) Finalmente, el Participante manifiesta que no se reserva acción o derecho alguno que origine una demanda en contra de la Compañía, por cualquier indemnización o daño relacionado con las disposiciones del Plan o de los beneficios otorgados en el mismo, y en consecuencia el Participante libera de la manera más amplia y total de responsabilidad a la Compañía, sus subsidiarias, empresas matriz, Afiliadas, sucursales, oficinas de representación, sus accionistas, directores, agentes y representantes legales de cualquier demanda que pudiera surgir.

Notifications

Securities Law Notification. The Option and the Shares offered under the Plan have not been registered with the National Register of Securities maintained by the Mexican National Banking and Securities Commission and cannot be offered or sold publicly in Mexico. In addition, the Plan, the Agreement and any other document relating to the Option may not be publicly distributed in Mexico. These materials are addressed to the Participant only because of the Participant's existing relationship with the Company and these materials should not be reproduced or copied in any form. The offer contained in these materials does not constitute a public offering of securities but rather constitutes a private placement of securities addressed specifically to individuals who are present employees of an Affiliate of the Company in Mexico made in accordance with the provisions of the Mexican Securities Market Law, and any rights under such offering shall not be assigned or transferred.

NETHERLANDS

There are no country specific provisions.

NEW ZEALAND

Securities Law Notification. Warning: This is an offer of rights to receive Shares underlying the Option upon exercise. The Option gives the Participant a stake in the ownership of the Company.

If the Company runs into financial difficulties and is wound up, the Participant will be paid only after all creditors have been paid. A Participant may lose some or all of his or her investment.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors to make an informed decision. The usual rules do not apply to this offer because it is made under an employee share scheme. As a result, the Participant may not be given all the information usually required. The Participant will also have fewer other legal protections for this investment.

The Participant should ask questions, read all documents carefully, and seek independent financial advice before committing himself or herself.

The Shares are quoted or approved for trading on the New York Stock Exchange. This means that if the Participant exercises the Option and Shares are issued to the Participant, the Participant can sell his or her investment on the New York Stock Exchange if there are buyers for it. If the Participant sells his or her investment, the price he or she receives may vary depending on factors such as the financial condition of the Company. The Participant may receive less than the full amount that he or she paid for it, if anything.

For a copy of the Company's most recent financial statements (and, where applicable, a copy of the auditor's report on those financial statements) and information on risk factors impacting the Company's business that may affect the value of the Shares, the Participant should refer to the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities and Exchange Commission and are available online at www.sec.gov, as well as on the Company's "Investor Relations" website at <http://investors.epam.com>.

For more details on the terms and conditions of the Option, please refer to this Agreement, the Plan and the Plan prospectus which are available in your UBS account at <http://www.ubs.com/onesource/epam> and free of charge on request via AskLongTermIncentive@epam.com

POLAND

Notifications

Exchange Control Information. If the Participant maintains bank or brokerage accounts holding cash and foreign securities (including Shares) outside of Poland, the Participant will be required to report information to the National bank of Poland on transactions and balances in such accounts if the value of such cash and securities exceeds PLN 7 million. If required, such reports must be filed on a quarterly basis on special forms available on the website of the National Bank of Poland. The Participant should consult with his or her personal legal advisor to determine whether he or she will be required to submit reports to the National Bank of Poland.

Further, the Participant acknowledges that any transfer of funds in excess of €15,000 (or PLN15,000, if such transfer of funds is connected with business activity of an entrepreneur) into or out of Poland must be effected through a bank account in Poland. The Participant understands that the Participant is required to store all documents connected with any foreign exchange transactions that the Participant engages in for a period of five years as measured from the end of the year in which such transaction occurred.

ROMANIA

Language Consent. By accepting the grant of Option, the Participant acknowledges that he or she is proficient in reading and understanding English and fully understands the terms of the documents related to the grant (the Agreement and the Plan), which were provided in the English language. The Participant accepts the terms of those documents accordingly.

Consimtamant cu Privire la Limba. Prin acceptarea acordarii Opțiunii, Participantul confirmă ca acesta sau aceasta are un nivel adecvat de cunoaștere în ce privește citirea și înțelegerea limbii engleze, a citit și confirmă ca a înțeles pe deplin termenii documentelor referitoare la acordare (Acordul și Planul), care au fost furnizate în limba engleză. Participantul acceptă termenii acestor documente în consecință.

RUSSIA

Terms and Conditions

Transaction Outside Russia. The Participant understands that agreeing to the terms of the Agreement and accepting the Option will result in a contract between the Participant and the Company completed in the United States and that the Agreement is governed by U.S. law. Participant understands and acknowledges that any Shares issued under the Plan shall be delivered to Participant through a brokerage account maintained outside Russia. Participant understands that he or she may hold Shares in his or her brokerage account outside Russia; however, in no event will Shares issued to Participant and/or share certificates or other instruments be delivered to Participant in Russia. Participant acknowledges and agrees that he or she is not permitted to sell or otherwise transfer the Shares directly to other Russian legal entities or individuals. Finally, Participant acknowledges and agrees that he or she may sell or otherwise transfer the Shares only outside Russia.

Data Privacy Acknowledgement. The Participant acknowledges that he or she has read and understands the terms regarding collection, processing and transfer of Data contained in Section 12 of the Agreement, and, by agreeing to the terms of the Agreement and electing to participate in the Plan, the Participant agrees to such terms. In this regard, upon request of the Company or the Employer, the Participant agrees to provide an executed data privacy consent form to the Employer or the Company, or any other agreements or consents that the Company and/or the Employer may deem necessary to obtain the Participant's consent to collect, process or transfer the Participant's Data for purposes of administering the Participant's participation in the Plan under the data privacy laws in the Participant's country, either now or in the future. The Participant understands that he or she will not be able to participate in the Plan if the Participant fails to execute any such consent or agreement.

Notifications

Securities Law Information. The Agreement, including these specific provisions for Russia, the Plan and other incidental communication materials distributed in connection with the Plan do not constitute advertising or an offering of securities in Russia. Absent any requirement under Russian law, the issuance of Shares upon exercise of the Option has not and will not be registered in Russia; hence, the Option described in any Plan-related documents may not be used for offering or public circulation in Russia.

Exchange Control Information. The Participant understands that, under exchange control regulations in Russia, he or she may be required to repatriate certain funds to the Participant's bank account in Russia prior to using those funds for any purpose, including reinvestment. If the repatriation requirements apply, such funds must be initially credited to the Participant through a

foreign currency account at an authorized bank in Russia. After the funds are initially received in Russia, they may be further remitted to foreign banks in accordance with Russian exchange control laws. The Participant should consult with his or her personal legal advisor to determine whether the repatriation requirements apply and to ensure compliance with applicable exchange control requirements.

Foreign Asset/Account Reporting Information. Russian residents are required to file the following reports or notifications with the Russian tax authorities, if applicable: (i) annual cash flow reporting for an offshore brokerage account (due by June 1 each year for the previous year, with the first reporting due by June 1, 2021 for calendar year 2020); (ii) financial asset (including Shares) reporting for an offshore brokerage account (due by June 1 each year for the previous year, with the first reporting due by June 1, 2022 for calendar year 2021); and (iii) a one-time notification within one month of opening, closing, or changing details of an offshore brokerage account. The Participant should consult with his or her personal tax advisor to ensure compliance with applicable requirements.

Anti-Corruption Information. Anti-corruption laws prohibit certain public servants, their spouses and their dependent children from owning any foreign source financial instruments (e.g., shares of foreign companies such as the Company). Accordingly, the Participant should inform the Company if the Participant is covered by these laws because, in such case, the Participant should not hold Shares acquired under the Plan.

Labor Law Information. If the Participant continues to hold Shares acquired upon exercise of the Option after an involuntary Termination of Service, the Participant may not be eligible to receive unemployment benefits in Russia (to the extent applicable)

SINGAPORE

Terms and Conditions

Restrictions on Sale and Transferability. The Participant hereby agrees that any Shares acquired pursuant to the Options will not be offered for sale in Singapore prior to the six-month anniversary of the Grant Date, unless such sale or offer is made pursuant to the exemptions under Part XIII Division 1 Subdivision (4) (other than section 280) of the Securities and Futures Act (Chap. 289, 2006 Ed.) ("SFA") or pursuant to, and in accordance with the conditions of, any other applicable provision(s) of the SFA.

Notifications

Securities Law Notification. The Option is being granted pursuant to the "Qualifying Person" exemption" under section 273(1)(f) of the SFA and is not made with a view to the underlying Shares being subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore.

Director Notification. If the Participant is a director, associate director or shadow director of a Singapore Affiliate, the Singapore Companies Act requires the Participant (regardless of whether the Participant is a Singapore resident or employed in Singapore) to notify the Singapore Affiliate in writing of any interest (e.g., Options, Shares, etc.) that the Participant holds in the Company (or any related company) within two business days of (i) acquiring or disposing of such interest, (ii) any change in a previously-disclosed interest (e.g., upon exercise of the Option or sale of Shares), or (iii) becoming a director, associate director or shadow director, if the Participant holds such an interest at that time.

SLOVAKIA

Notifications

Foreign Asset/Account Reporting Information. If the Participant carries on business activities as an independent entrepreneur (in Slovakian, *podnikateľ*), the Participant must report foreign assets (including any Shares) to the National Bank of Slovakia (provided that the value of the foreign assets exceeds an amount of €2,000,000). These reports must be submitted on a monthly basis by the 25 day of the respective calendar month, as well as on a quarterly basis by the 25 day of the calendar month following the respective calendar quarter, using notification form DEV (NBS) 1-12, which may be found at the National Bank of Slovakia's website at www.nbs.sk.

SPAIN

Terms and Conditions

Labor Law Acknowledgment. This provision supplements Section 9 of the Agreement:

In accepting the Option, the Participant acknowledges that he or she consents to participation in the Plan and has received a copy of the Plan.

The Participant understands and agrees that, as a condition of the grant of the Option, the Participant's Termination of Service for any reason (including for the reasons listed below) will automatically result in the forfeiture of any unvested Option as of the date of such termination without any payment to the Participant.

In particular, the Participant understands and agrees that the Option will be cancelled without entitlement to the Shares or to any amount as indemnification in the event of the Participant's Termination of Service by reason of, including, but not limited to: resignation, death, disability, retirement, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause (*i.e.*, subject to a "*despido improcedente*"), individual or collective layoff on objective grounds, whether adjudged to be with cause or adjudged or recognized to be without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer, and under Article 10.3 of Royal Decree 1382/1985.

Furthermore, the Participant understands that the Company has unilaterally, gratuitously and in its sole discretion decided to grant Option under the Plan to individuals who may be employees of the Company or its Affiliates throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or its Affiliate on an ongoing basis. Consequently, the Participant understands that Options are granted on the assumption and condition that the Option and the Shares issued upon exercise of the Option shall not become a part of any employment contract (either with the Company or any Affiliate) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, the Participant understands that the grant of the Option would not be made to the Participant but for the assumptions and conditions referred to above; thus, the Participant acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any grant of Option shall be null and void.

Notifications

Securities Law Notification. No "offer of securities to the public," as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the grant of the Option. The Agreement has not been, nor will it be, registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

Exchange Control Information. The acquisition of Shares under the Plan must be declared for statistical purposes to the *Dirección General de Comercio e Inversiones* (the "DGCI"). Because the Participant will not acquire the Shares through the use of a Spanish financial institution, the Participant agrees to make the declaration by filing a D-6 form with the DGCI. Generally, the D-6 form must be filed each January while the Shares are owned. In addition, the sale of Shares must also be declared on D-6 form filed with the DGCI in January, unless the sale proceeds exceed a certain threshold, in which case, the filing is due within one month after the sale.

In addition, the Participant may be required to electronically declare to the Bank of Spain any foreign accounts (including brokerage accounts held abroad), any foreign instruments (including Shares acquired under the Plan), and any transactions with non-Spanish residents (including any payments of Shares made pursuant to the Plan), depending on the balances in such accounts together with the value of such instruments as of December 31 of the relevant year, or the volume of transactions with non-Spanish residents during the relevant year.

The Participant should consult with his or her personal tax and legal advisors to ensure that the Participant is properly complying with his or her exchange control obligations.

Foreign Asset/Account Reporting Information. To the extent that the Participant holds assets (e.g., cash or Shares held in a bank or brokerage account) outside of Spain with a value in excess of €50,000 per type of asset (e.g., Shares, cash, etc.) as of December 31 each year, the Participant is required to report information on such assets on the Participant's tax return for such year. After such assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported assets increases by more than €20,000 or if the Participant transfers or disposes of any previously-reported assets. The reporting must be completed by March 31. Failure to comply with this reporting requirement may result in penalties. Accordingly, the Participant should consult with his or her personal tax and legal advisors to ensure that the Participant is properly complying with his or her reporting obligations.

SWEDEN

There are no country specific provisions.

SWITZERLAND

Notifications

Securities Law Notification. Neither this document nor any other materials relating to the offer of the Options (i) constitutes a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services (“FinSA”), (ii) may be publicly distributed or otherwise made publicly available in Switzerland to any person other than an employee of the Company or one of its Subsidiaries, or (iii) has been or will be filed with, approved or supervised by any Swiss reviewing body according to article 51 of FinSA or any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority (“FINMA”).

UKRAINE

Terms and Conditions

Method of Payment. Due to regulatory requirements, the Participant understands that the Participant will be restricted to the cashless sell-all method of exercise. To complete a cashless sell-all exercise, the Participant understands that the participant needs to instruct his or her broker to: (i) sell all of the Shares issued upon exercise; (ii) use the proceeds to pay the Exercise Price, brokerage fees and any applicable tax-related items; and (iii) remit the balance in cash to the Participant. The Participant will not be permitted to hold Shares after exercise. Depending on the development of local laws or the Participant’s country of residence, the Company reserves the right to modify the methods of exercising the Option and, in its sole discretion, to permit cash exercise, cashless sell-to cover exercise or any other method of exercise and payment of Tax-Related Items permitted under the Plan.

UNITED ARAB EMIRATES

Notifications

Securities Law Notification. The Options granted under the Plan are being offered only to eligible employees of the Company and are in the nature of providing equity incentives to eligible employees of the Company. Any documents related to the Options, including the Plan, the Agreement and any other grant documents (“Award Documents”), are intended for distribution only to such eligible employees and must not be delivered to, or relied on by, any other person.

The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any Award Documents or any other incidental communication materials distributed in connection with the Options. Further, neither the Ministry of Economy nor the Dubai Department of Economic Development has approved the Award Documents or taken steps to verify the information set out in them, and thus, is not responsible for their content.

Participants should, as prospective stockholders, conduct their own due diligence on the securities. If the Participant does not understand the contents of the Award Documents, he or she should consult an authorized financial advisor.

UNITED KINGDOM

Terms and Conditions

Option is Not HMRC Approved Option. This Option is granted outside of any Company HM Revenue and Customs (“HMRC”) approved option plan and is not eligible for special tax treatment.

Responsibility for Taxes. The following provisions supplement Section 8 of the Agreement:

Without limitation to Section 8 of the Agreement, the Participant agrees that the Participant is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items as and when requested by the Company or the Employer or by HMRC (or any other tax authority or any other relevant authority). The Participant also agrees to indemnify and keep indemnified the Company and the Employer against any taxes that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Participant’s behalf.

Notwithstanding the foregoing, if the Participant is a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act), the terms of the immediately foregoing provision will not apply. In such case, if the amount of any income tax due is not collected from or paid by the Participant within ninety (90) days of the end of the U.K. tax year in which an event giving rise to the indemnification described above occurs, the amount of any uncollected income tax may constitute a benefit to the Participant on which additional income tax and National Insurance contributions (“NICs”) may be payable. The Participant understands that he or she will be responsible for paying and reporting any income tax due on this

additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company or the Employer, as applicable, for the value of any employee NICs due on this additional benefit, which the Company or the Employer, as applicable, may recover from the Participant at any time thereafter by any of the means set forth in Section 8 of the Agreement.

UZBEKISTAN

There are no country specific provisions.

EPAM SYSTEMS, INC.

2015 LONG TERM INCENTIVE PLAN

**FORM OF CHIEF EXECUTIVE OFFICER
RESTRICTED STOCK UNIT AWARD AGREEMENT**

1. **Grant of RSUs.** EPAM Systems, Inc., a Delaware corporation (the “Company”), hereby grants to «Grantee» (the “Participant”), on «Date» (the “Grant Date”), «Number of Shares underlying award» restricted share units (the “RSUs”), subject to the terms, definitions and provisions of the EPAM Systems, Inc. 2015 Long Term Incentive Plan (the “Plan”) adopted by the Company, which is incorporated in this Agreement by reference, and the terms and conditions of this Agreement. Each RSU shall represent the right to receive one Share upon the vesting of such RSU in accordance with this Agreement. Unless otherwise defined in this Agreement, the terms used in this Agreement shall have the meanings defined in the Plan.

2. **Vesting Schedule and Distribution.** Subject to Section 5 and the proviso in the following sentence, one-fourth of the RSUs shall vest and become non-forfeitable on March 15 of each of the first, second, third and fourth calendar years immediately following the Grant Date. Subject to the provisions of this Agreement (including, for the avoidance of any doubt, Section 8(g), upon the vesting of any of the RSUs, including pursuant to Section 5, the Company shall distribute to the Participant, as soon as practicable after the date of such vesting date or event, one Share for each such RSU, subject to any delay required to (x) complete any required regulatory filings, including, without limitation, any filings that may be required pursuant to the Hart-Scott-Rodino Act in connection with the vesting and settlement of the RSUs and/or (y) satisfy any required waiting period under the Hart-Scott-Rodino Act, provided that the RSUs shall be settled in any event within 60 days following the vesting date or event.

3. **Voting Rights.** The Participant shall have no voting rights with respect to the RSUs unless and until the Participant becomes the record owner of the Shares underlying the RSUs.

4. **Dividend Equivalents.** The Participant shall not be eligible to receive dividend equivalents with respect to the RSUs unless and until the Participant becomes the record owner of the Shares underlying the RSUs.

5. **Termination of Service.** Following the Participant’s Termination of Service, the RSUs shall vest and settle or be forfeited as set forth in this Section 5.

(a) **Death or Disability.** In the event of the Participant’s Termination of Service due to the Participant’s death or Disability before the Participant has completed at least two (2) years of service with the Company or any Affiliate, a number of whole RSUs equal to 50% of the number of the Participant’s RSUs that are unvested as of the date of such termination (if any) shall become immediately vested (with any fractional RSUs that would otherwise vest as a result of such vesting acceleration event rounded up to the nearest whole Share), and the remaining RSUs that are unvested RSUs as of such time shall be forfeited without any payment to the Participant. In the event of the Participant’s Termination of Service due to the Participant’s death or Disability on or after the date on which the Participant has completed at least two (2) years of service with the Company or any Affiliate, 100% of any RSUs that are unvested as of such time shall become immediately vested.

(b) **For Cause.** In the event of the Participant’s Termination of Service for Cause (as defined below), any unvested RSUs shall be forfeited as of the date of such termination without any payment to the Participant.

“Cause” means the Company’s good faith determination of the Participant’s:

- (i) willful material breach, or habitual neglect of, the Participant’s duties or obligations in connection with the Participant’s employment or service;
- (ii) having engaged in willful misconduct, gross negligence or a breach of fiduciary duty, or his or her willful material breach of his or her duties to the Company or under his or her Employment Agreement, if applicable, or of any Company policies;
- (iii) having been convicted of, or having entered a plea bargain or settlement admitting guilt for, (x) a felony or (y) any other criminal offense involving moral turpitude, fraud or, in the course of the performance of the Participant’s service to the Company, material dishonesty;
- (iv) unlawful use or possession of illegal drugs on the Company’s premises or while performing the Participant’s duties and responsibilities to the Company; or

(v) the commission of an act of fraud, embezzlement or material misappropriation, in each case, against the Company or any Affiliate;

provided that, in the case of clauses (i) and (ii) above, the Company shall provide the Participant with written notice specifying the circumstances alleged to constitute Cause, and, if possible, the Participant shall have 30 days following receipt of such notice to cure such circumstances.

(c) **For Any Other Reason.** In the event of the Participant's Termination of Service at any time under circumstances not described in Sections 5(a) or 5(b) herein or Section 11(b) of the Plan, any unvested RSUs shall be forfeited as of the date of such termination without any payment to the Participant.

For purposes of Section 11(b) of the Plan, "**Good Reason**" means "**Good Reason**" as defined in the Participant's Employment Agreement, if any, or if not so defined, the occurrence of any of the following events, in each case without the Participant's consent:

(i) a reduction in the Participant's base compensation and cash incentive opportunity, other than any such reduction that applies generally to similarly situated employees or executives of the Company;

(ii) relocation of the geographic location of the Participant's principal place of employment or service by more than 50 miles from the Participant's principal place of employment or service; or

(iii) a material reduction in the Participant's title, duties, responsibilities or authority;

provided that, in each case, (A) the Participant shall provide the Company with written notice specifying the circumstances alleged to constitute Good Reason within 90 days following the first occurrence of such circumstances, (B) if possible, the Company shall have 30 days following receipt of such notice to cure such circumstances, and (C) if the Company has not cured such circumstances within such 30-day period, the Participant shall terminate his or her employment or service not later than 60 days after the end of such 30-day period.

6. Non-Transferability Until Distribution. The RSUs shall not be assigned, sold, transferred or otherwise be subject to alienation by the Participant. Upon the distribution of Shares underlying RSUs in accordance with Section 2, such Shares shall be fully assignable, saleable and transferable by the Participant. Any assignment, sale, transfer or other alienation with respect to the Shares issuable upon the vesting of the RSUs shall be in accordance with applicable securities laws.

7. Responsibility for Taxes.

(a) The Participant acknowledges that, regardless of any action taken by the Company or, if different, the Participant's employer (the "**Employer**"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant's participation in the Plan and legally applicable to the Participant ("**Tax-Related Items**") is and remains the Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant, vesting or settlement of the RSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to any relevant taxable or tax withholding event, as applicable, the Participant agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, by the Participant's acceptance of the RSUs, the Participant authorizes the Company or its agent to satisfy any applicable withholding obligations or rights with regards to all Tax-Related Items by withholding in Shares to be issued upon settlement of the RSUs, or if settled in cash, by withholding a portion of the cash payment amount otherwise payable upon settlement of the RSUs. In the event withholding in Shares is prohibited by a legal, contractual or regulatory restriction, is problematic under applicable tax or securities law or will result in materially adverse accounting consequences, the Participant authorizes the Company and/or the Employer, or their respective agents, to satisfy the obligations with regard to all Tax-Related Items by:

(i) Requiring the Participant to pay to the Company or the Employer any amount of the Tax-Related Items; and/or

(ii) Withholding any amount of the Tax-Related Items from the Participant's wages or other compensation paid to the Participant;

(iii) withholding from proceeds of the sale of Shares acquired upon settlement of the RSU either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization without further consent); or

(iv) any other method of withholding determined by the Company and, to the extent required by applicable laws or the Plan, approved by the Committee.

(c) The Company may withhold or account for Tax-Related Items by considering applicable withholding rates, including minimum or maximum applicable rates, in the jurisdictions relevant to the Participant. In the event that any excess amounts are withheld to satisfy the obligation for Tax-Related Items, the Participant may be entitled to receive a refund of any over-withheld amount (with no entitlement to the Share equivalent), or if not refunded by the Company, the Participant must seek a refund from the local tax authorities to the extent the Participant wishes to recover the over-withheld amount in the form of a refund. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Participant is deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

(d) Finally, the Participant agrees to pay to the Company, including through withholding from the Participant's wages or other cash compensation paid to the Participant by the Company, any amount of Tax-Related Items that the Company may be required to withhold or account for as a result of the Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares, the cash equivalent or the proceeds of the sale of Shares if the Participant fails to comply with the Participant's obligations in connection with the Tax-Related Items.

8. Miscellaneous Provisions.

(a) **Notices.** All notices, requests and other communications under this Agreement shall be in writing and shall be delivered in person (by courier or otherwise), mailed by certified or registered mail, return receipt requested, or sent by facsimile transmission, to the contact details below. The parties may use e-mail delivery, so long as the message is clearly marked, sent to the e-mail address(es) set forth below, and a delivery receipt and read receipt are made part of the message. E-mail delivery will be deemed to occur when the send receives confirmation that such message has been received and read by the recipient.

if to the Company, to:

EPAM Systems, Inc.
41 University Drive
Newtown, Pennsylvania 18940
Attention: General Counsel
Facsimile: 267-759-8989

if to the Participant, to the address, facsimile number or e-mail address that the Participant most recently provided to the Company, or to such other address, facsimile number or e-mail address as such party may hereafter specify for the purpose by notice to the other parties hereto.

(b) **Effect of Agreement.** The Participant acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof (and has had an opportunity to consult counsel regarding the terms of the RSUs), and hereby accepts the RSUs and agrees to be bound by its contractual terms as set forth herein and in the Plan. The Participant acknowledges and agrees that the grant of the RSUs constitutes additional consideration to the Participant for the Participant's continued and future compliance with any restrictive covenants in favor of the Company by which the Participant is otherwise bound. The Participant hereby agrees to accept as binding, conclusive and final all decisions and interpretations of the Committee regarding any questions relating to the RSUs. In the event of a conflict between the terms and provisions of the Plan and the terms and provisions of this Agreement, the Plan terms and provisions shall prevail. The Agreement, including the Plan, constitutes the entire agreement between the Participant and the Company on the subject matter hereof and supersedes all proposals, written or oral, and all other communications between the parties relating to such subject matter.

(c) **Amendment; Waiver.** No amendment or modification of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and the Participant, except that the Company may amend or modify this Agreement without the Participant's consent in accordance with the provisions of the Plan or as otherwise set forth in this Agreement. No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other or subsequent breach or condition whether of like or different nature. Any amendment or modification of or to any provision of this Agreement, or any waiver of any provision of this Agreement, shall be effective only in the specific instance and for the specific purpose for which made or given.

(d) **Successors and Assigns; No Third Party Beneficiaries.** This Agreement shall inure to the benefit of and be binding upon the Company and the Participant and their respective heirs, successors, legal representatives and permitted assigns. Nothing in this Agreement, expressed or implied, is intended to confer on any Person other than the Company and the Participant, and their respective heirs, successors, legal representatives and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

(e) **Severability.** If any provision of this Agreement shall be declared by any court or arbitrator of competent jurisdiction to be invalid, illegal or incapable of being enforced in whole or in part, the remaining conditions and provisions or portions thereof shall nevertheless remain in full force and effect and enforceable to the extent they are valid, legal and enforceable.

(f) **Dispute Resolution.** If any dispute arising out of or relating to this Agreement or the Plan, or the breach thereof, cannot be settled through negotiation, the parties agree first to try in good faith to settle such dispute by mediation. If the parties fail to settle such dispute within 30 days after the commencement of such mediation, such dispute shall be settled by arbitration conducted in the state of Pennsylvania and judgment on the arbitral award rendered may be entered in any court having jurisdiction thereof.

(g) **Section 409A.**

(i) The terms of this award of RSUs are intended to be in compliance with Section 409A of the Code, and this Agreement will be interpreted, operated and administered in a manner that is consistent with this intent. In furtherance of this intent, the Committee may (but is under no obligation to), at any time and without your consent, modify the terms of this award as it determines appropriate to comply with the requirements of Section 409A of the Code and the related U.S. Department of Treasury guidance or to mitigate any additional tax, interest and/or penalties that may apply under Section 409A of the Code if compliance is not practicable. The Company makes no representation or covenant to ensure that this award of RSUs is compliant with Section 409A of the Code and will have no liability to the Participant or any other party if this award of RSUs is not compliant or for any action taken by the Committee with respect thereto.

(ii) Notwithstanding anything in this Agreement to the contrary, any RSUs that are an item of non-qualified deferred compensation subject to Section 409A of the Code and become payable under this Agreement as of the date of or at a time that is by reference to the Participant's Termination of Service shall not be settled unless the Participant experiences a "separation from service" within the meaning of Section 409A of the Code (a "Separation from Service"), provided that if the Participant is a "specified employee" within the meaning of Section 409A of the Code as of the date of the Separation from Service (as determined according to the methodology established by the Company as in effect on the date of the Participant's termination of employment), the RSUs shall instead be settled on the first business day that is after the earlier of (i) the date that is six months following the date of the Separation from Service or (ii) the date of the Participant's death, to the extent such delayed payment is otherwise required in order to avoid a prohibited distribution under Section 409A(a)(2) of the Code, or any successor provision thereto.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

EPAM SYSTEMS, INC.

By: _____

Name:

Title:

Participant

EPAM SYSTEMS, INC.

2015 LONG-TERM INCENTIVE PLAN

GLOBAL RESTRICTED STOCK UNIT AWARD AGREEMENTFOR SENIOR MANAGERS

1. **Grant of RSUs.** EPAM Systems, Inc., a Delaware corporation (the "Company"), hereby grants to «Grantee» (the "Participant"), on «Date» (the "Grant Date"), «Number of Shares underlying award» restricted share units (the "RSUs"), subject to the terms, definitions and provisions of the EPAM Systems, Inc. 2015 Long-Term Incentive Plan (the "Plan") adopted by the Company, which is incorporated in this Agreement by reference, and the terms and conditions of this Agreement, including the Addendum. Each RSU shall represent the right to receive one Share, or the right to receive a cash payment equal to the fair market value of one Share, upon the vesting of such RSU in accordance with this Agreement. Unless otherwise defined in this Agreement, the terms used in this Agreement shall have the meanings defined in the Plan.

2. **Vesting Schedule and Distribution.** Subject to Section 5, one-fourth of the RSUs shall vest and become non-forfeitable on March 15 of each of the first, second, third and fourth calendar years immediately following the Grant Date. Subject to the provisions of this Agreement (including, for the avoidance of any doubt, Section 12(1)), upon the vesting of any of the RSUs, including pursuant to Section 5, the Company shall distribute to the Participant, on or within 30 days after the date of such vesting date or event, one Share for each such RSU. Provided, however, the Company may, in its sole discretion, settle a vested RSU in cash equal to the fair market value of one Share for each such RSU and make such cash payment to the Participant on the next administratively practicable payroll pay date after the date of such vesting date or event. The cash payment will be made to the Participant *through the Participant's local country payroll* in accordance with the normal payroll practices of the Participant's employer (the "Employer").

3. **Voting Rights.** The Participant shall have no voting rights with respect to the RSUs unless and until the Participant becomes the record owner of the Shares underlying the RSUs.

4. **Dividend Equivalents.** The Participant shall not be eligible to receive dividend equivalents with respect to the RSUs unless and until the Participant becomes the record owner of the Shares underlying the RSUs.

5. **Termination of Service.** Following the Participant's Termination of Service, the RSUs shall vest and settle or be forfeited as set forth in this Section 5.

(a) **Death or Disability.** In the event of the Participant's Termination of Service due to the Participant's death or Disability before the Participant has completed at least two (2) years of service with the Company or any Affiliate, a number of whole RSUs equal to 50% of the number of the Participant's RSUs that are unvested as of the date of such termination (if any) shall become immediately vested (with any fractional RSUs that would otherwise vest as a result of such vesting acceleration event rounded up to the nearest whole Share), and the remaining RSUs that are unvested RSUs as of such time shall be forfeited without any payment to the Participant. In the event of the Participant's Termination of Service due to the Participant's death or Disability on or after the date on which the Participant has completed at least two (2) years of service with the Company or any Affiliate, 100% of any RSUs that are unvested as of such time shall become immediately vested.

(b) **For Cause.** In the event of the Participant's Termination of Service for Cause (as defined below), any unvested RSUs shall be forfeited as of the date of such termination without any payment to the Participant.

"Cause" means the Company's good faith determination of the Participant's:

(i) willful material breach, or habitual neglect of, the Participant's duties or obligations in connection with the Participant's employment or service;

(ii) having engaged in willful misconduct, gross negligence or a breach of fiduciary duty, or his or her willful material breach of his or her duties to the Company or under his or her Employment Agreement, if applicable, or of any Company policies;

(iii) having been convicted of, or having entered a plea bargain or settlement admitting guilt for, (x) a felony or (y) any other criminal offense involving moral turpitude, fraud or, in the course of the performance of the Participant's service to the Company, material dishonesty;

(iv) unlawful use or possession of illegal drugs on the Company's premises or while performing the Participant's duties and responsibilities to the Company; or

(v) the commission of an act of fraud, embezzlement or material misappropriation, in each case, against the Company or any Affiliate;

provided that, in the case of clauses (i) and (ii) above, the Company shall provide the Participant with written notice specifying the circumstances alleged to constitute Cause, and, if possible, the Participant shall have 30 days following receipt of such notice to cure such circumstances.

(c) **For Any Other Reason.** In the event of the Participant's Termination of Service at any time under circumstances not described in Sections 5(a) or 5(b) herein or in Section 11(b) of the Plan, any unvested RSUs shall be forfeited as of the date of such termination without any payment to the Participant.

For purposes of Section 11(b) of the Plan, "Good Reason" means "Good Reason" as defined in the Participant's Employment Agreement, if any, or if not so defined, the occurrence of any of the following events, in each case without the Participant's consent:

(i) a reduction in the Participant's base compensation and cash incentive opportunity, other than any such reduction that applies generally to similarly situated employees or executives of the Company;

(ii) relocation of the geographic location of the Participant's principal place of employment or service by more than 50 miles from the Participant's principal place of employment or service; or

(iii) a material reduction in the Participant's title, duties, responsibilities or authority;

provided that, in each case, (A) the Participant shall provide the Company with written notice specifying the circumstances alleged to constitute Good Reason within 90 days following the first occurrence of such circumstances, (B) if possible, the Company shall have 30 days following receipt of such notice to cure such circumstances, and (C) if the Company has not cured such circumstances within such 30-day period, the Participant shall terminate his or her employment or service not later than 60 days after the end of such 30-day period.

6. **Non-Transferability Until Distribution.** The RSUs shall not be assigned, sold, transferred or otherwise be subject to alienation by the Participant. Upon the distribution of Shares underlying RSUs in accordance with Section 2, such Shares shall be fully assignable, saleable and transferable by the Participant. Any assignment, sale, transfer or other alienation with respect to the Shares issuable upon the vesting of the RSUs shall be in accordance with applicable securities laws.

7. **Responsibility for Taxes.**

(a) The Participant acknowledges that, regardless of any action taken by the Company or, if different, the Employer, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant's participation in the Plan and legally applicable to the Participant ("Tax-Related Items") is and remains the Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant, vesting or settlement of the RSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to any relevant taxable or tax withholding event, as applicable, the Participant agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, by the Participant's acceptance of the RSUs, the Participant authorizes the Company or its agent to satisfy any applicable withholding obligations or rights with regards to all Tax-Related Items by withholding in Shares to be issued upon settlement of the RSUs, or if settled in cash, by withholding a portion of the cash payment amount otherwise payable upon settlement of the RSUs. In the event withholding in Shares is prohibited by a legal, contractual or regulatory restriction, is problematic under applicable tax or securities law or will result in materially adverse accounting consequences, the Participant authorizes the Company and/or the Employer, or their respective agents, to satisfy the obligations with regard to all Tax-Related Items by:

- (i) requiring the Participant to pay to the Company or the Employer any amount of the Tax-Related Items; and/or
- (ii) withholding any amount of the Tax-Related Items from the Participant's wages or other compensation paid to the Participant;
- (iii) withholding from proceeds of the sale of Shares acquired upon settlement of the RSU either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization without further consent); or
- (iv) any other method of withholding determined by the Company and, to the extent required by applicable laws or the Plan, approved by the Committee.

(c) The Company or the Employer may withhold or account for Tax-Related Items by considering applicable withholding rates, including minimum or maximum applicable rates, in the jurisdictions relevant to the Participant. In the event that any excess amounts are withheld to satisfy the obligation for Tax-Related Items, the Participant may be entitled to receive a refund of any over-withheld amount (with no entitlement to the Share equivalent), or if not refunded by the Company or the Employer, the Participant must seek a refund from the local tax authorities to the extent the Participant wishes to recover the over-withheld amount in the form of a refund. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Participant is deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

(d) Finally, the Participant agrees to pay to the Company or the Employer, including through withholding from the Participant's wages or other cash compensation paid to the Participant by the Company and/or the Employer, any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares, the cash equivalent or the proceeds of the sale of Shares if the Participant fails to comply with the Participant's obligations in connection with the Tax-Related Items.

8. **Nature of Grant.** In accepting the grant, the Participant acknowledges, understands and agrees that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
- (b) the grant of the RSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted in the past;
- (c) all decisions with respect to future RSU or other grants, if any, will be at the sole discretion of the Company;
- (d) the RSU grant and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming or amending an employment or service contract with the Company, the Employer or any Affiliate of the Company and shall not interfere with the ability of the Company, the Employer or any Affiliate of the Company, as applicable, to terminate the Participant's employment or service relationship (if any);
- (e) the Participant is voluntarily participating in the Plan;
- (f) the RSUs, the cash payment or Shares subject to the RSUs, and the income from and value of same, are not intended to replace any pension rights or compensation;
- (g) the RSUs, the cash payment or Shares subject to the RSUs, and the income from and value of same, are not part of normal or expected compensation for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, leave pay, long-service awards, pension or retirement or welfare benefits or similar mandatory payments;
- (h) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;
- (i) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from the Participant's Termination of Service (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), and in consideration of the grant of the RSUs, the Participant agrees not to institute any claim against the Company, any of its Affiliates or the Employer;

(j) unless otherwise agreed with the Company, the RSUs and any cash payment or Shares acquired under the Plan and the income from and value of same, are not granted as consideration for, or in connection with, the service the Participant may provide as a director of an Affiliate;

(k) unless otherwise provided in the Plan or by the Company in its discretion, the RSUs and the benefits evidenced by this Agreement do not create any entitlement to have the RSUs or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares of the Company; and

(l) neither the Company, the Employer nor any Affiliate of the Company shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to the Participant pursuant to the settlement of the RSUs or the subsequent sale of any Shares acquired upon settlement.

9. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying Shares. The Participant understands and agrees that he or she should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

10. **Insider Trading/Market Abuse Laws.** The Participant may be subject to insider trading restrictions and/or market abuse laws based on the exchange on which the Shares are listed and in applicable jurisdictions, including the United States, the Participant's country and the designated broker's country, which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (e.g., RSUs) or rights linked to the value of Shares (e.g., dividend equivalents) under the Plan during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws in applicable jurisdictions). Local insider trading laws may prohibit the cancellation or amendment of orders placed by the Participant before he or she possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party, which may include fellow employees and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant acknowledges that it is his or her responsibility to comply with any applicable restrictions, and the Participant should speak to his or her personal advisor on this matter.

11. **Data Privacy.** To the extent recognized by applicable law, the Participant hereby consents to the collection, use, transfer, or other processing of the Participant's personally identifiable information as described in this Agreement and any other RSU grant materials ("**Personal Data**") in electronic or other form by and among, as applicable, the Company, its Affiliates, the Employer or other third parties as processors of the Personal Data, for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Company, with offices located at 41 University Drive, Newtown, Pennsylvania 18940, acts as the controller of this Personal Data, and processes this Personal Data for purposes of implementing, administering, and managing the Plan. The Company protects the Personal Data that it receives in the United States from the European Union via data transfer agreements based on the standard contractual clauses adopted by the European Commission. The Participant can obtain further information about these data transfer agreements by contacting AskDataPrivacy@epam.com.

The Participant understands that the Personal Data may include, but is not limited to, the Participant's name, home address and telephone number, e-mail address, date of birth, social insurance number, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all RSUs or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor. Such Personal Data will be used by the Company for the exclusive purpose of implementing, administering and managing the Plan. The Company relies on the following legal grounds for processing of Personal Data (i) consent, as permitted by applicable law, (ii) performance of this Agreement with the Participant, (iii) the legitimate interests of the Company, its Affiliates, the Employer or other third parties (such as service providers, consultants, governmental bodies, or courts) where the legitimate interest could be in particular the implementation, administration and management of the Plan, and (iv) for compliance with legal obligations, in particular in the area of labor and employment law, social security and social protection law, data protection and privacy law, tax law, and corporate compliance laws.

The Participant understands that Personal Data will be transferred to UBS Financial Services Inc. or other third parties assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of his or her Personal Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. Where disclosing Personal Data to such third parties, the Company provides appropriate safeguards for protecting the transfer of Personal Data,

such as establishing data contractual clauses with third parties based on the standard contractual clauses adopted by the European Commission or relevant supervisory authority. The Participant may request a copy of, or information about, such safeguards by contacting AskDataPrivacy@epam.com.

The Participant may generally request a list with the names and addresses of any potential recipients of his or her Personal Data by contacting AskDataPrivacy@epam.com. The Participant understands that Personal Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. When the Company no longer needs to use the Participant's Personal Data for the purposes above or does not need to retain it for compliance with any legal or regulatory purpose, the Company will take reasonable steps to remove it from systems and/or records containing the Personal Data and/or take steps to properly anonymize it so that the Participant can no longer be identified from it.

Subject to applicable data protection and privacy law, the Participant understands that he or she may view Personal Data, request additional information about the storage and processing of Personal Data, require any necessary amendments to Personal Data or refuse or withdraw the consent herein, in any case without cost, by contacting in writing AskDataPrivacy@epam.com. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis.

In addition to the above, subject to applicable law, the Participant may have the right to (i) request erasure of Personal Data, (ii) request restriction of, or object to, certain uses or processing of Personal Data, (iii) request Personal Data portability, or (iv) lodge a complaint with a supervisory authority.

The Participant's provision of Personal Data is a contractual requirement. If the Participant does not provide the Personal Data and/or consent to the terms of this Section 11, or if the Participant later seeks to revoke his or her consent, his or her employment status or service with the Employer will not be affected; the only consequence of refusing or withdrawing the Participant's consent is that the Company may not be able to grant the Participant RSUs or other equity awards or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan. Such a withdrawal will not affect the lawfulness of the collection, use, or otherwise processing of the Participant's Data prior to the consent withdrawal. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, or to exercise certain additional rights described above, the Participant understands that he or she may contact AskDataPrivacy@epam.com.

12. **Miscellaneous Provisions.**

(a) **Notices.** All notices, requests and other communications under this Agreement shall be in writing and shall be delivered in person (by courier or otherwise), mailed by certified or registered mail, return receipt requested, or sent by facsimile transmission to the contact details below. The parties may use e-mail delivery, so long as the message is clearly marked, sent to the e-mail address(es) set forth below, and a delivery receipt and a read receipt are made part of the message. E-mail delivery will be deemed to occur when the sender receives confirmation that such message has been received and read by the recipient:

if to the Company, to:

EPAM Systems, Inc.
41 University Drive
Newtown, Pennsylvania 18940
Attention: General Counsel
Facsimile: 267-759-8989

if to the Participant, to:

the address, facsimile number or e-mail address that the Participant most recently provided to the Company, or to such other address, facsimile number or e-mail address as such party may hereafter specify for the purpose by notice to the other parties hereto.

(b) **Effect of Agreement.** The Participant acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof (and has had an opportunity to consult counsel regarding the terms of the RSUs), and hereby accepts the RSUs and agrees to be bound by its contractual terms as set forth herein and in the Plan. The Participant acknowledges and agrees that the grant of the RSUs constitutes additional consideration to the Participant for the Participant's continued and future compliance with any restrictive covenants in favor of the Company by which the Participant is otherwise bound. The Participant hereby agrees to accept as binding, conclusive and final all decisions and interpretations of the Committee regarding any questions relating to the RSUs. In the event of a conflict between the terms and provisions of the

Plan and the terms and provisions of this Agreement, the Plan terms and provisions shall prevail. The Agreement, including the Plan, constitutes the entire agreement between the Participant and the Company on the subject matter hereof and supersedes all proposals, written or oral, and all other communications between the parties relating to such subject matter.

(c) **Amendment; Waiver.** No amendment or modification of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the Company and the Participant, except that the Company may amend or modify this Agreement without the Participant's consent in accordance with the provisions of the Plan or as otherwise set forth in this Agreement. No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other or subsequent breach or condition whether of like or different nature. Any amendment or modification of or to any provision of this Agreement, or any waiver of any provision of this Agreement, shall be effective only in the specific instance and for the specific purpose for which made or given.

(d) **Successors and Assigns; No Third Party Beneficiaries.** This Agreement shall inure to the benefit of and be binding upon the Company and the Participant and their respective heirs, successors, legal representatives and permitted assigns. Nothing in this Agreement, expressed or implied, is intended to confer on any Person other than the Company and the Participant, and their respective heirs, successors, legal representatives and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

(e) **Severability.** If any provision of this Agreement shall be declared by any court or arbitrator of competent jurisdiction to be invalid, illegal or incapable of being enforced in whole or in part, the remaining conditions and provisions or portions thereof shall nevertheless remain in full force and effect and enforceable to the extent they are valid, legal and enforceable.

(f) **Governing Law; Dispute Resolution.** This Agreement is governed by the laws of the state of Delaware without application of the conflict of law provisions thereof. If any dispute arising out of or relating to this Agreement or the Plan, or the breach thereof, cannot be settled through negotiation, the parties agree first to try in good faith to settle such dispute by mediation. If the parties fail to settle such dispute within 30 days after the commencement of such mediation, such dispute shall be settled by arbitration conducted in the state of Pennsylvania and judgment on the arbitral award rendered may be entered in any court having jurisdiction thereof.

(g) **Language.** By accepting the RSUs, the Participant acknowledges and represents that the Participant is proficient in the English language or has consulted with an advisor who is sufficiently proficient in English, as to allow the Participant to understand the terms of the Agreement and any other documents related to the Plan. If the Participant has received the Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

(h) **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

(i) **Foreign Asset / Account Reporting Requirements, Exchange Controls and Tax Requirements.** The Participant's country may have certain foreign asset and/or account reporting requirements and exchange controls which may affect the Participant's ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including from any dividends received or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside his or her country. The Participant may be required to report such accounts, assets or transactions to the tax or other authorities in his or her country. The Participant also may be required to repatriate sale proceeds or other funds received as a result of his or her participation in the Plan to his or her country through a designated bank or broker and/or within a certain time after receipt. In addition, the Participant may be subject to tax payment and/or reporting obligations in connection with any income realized under the Plan and/or from the sale of Shares. The Participant acknowledges that it is his or her responsibility to be compliant with all such requirements, and that he or she should consult his or her personal legal and tax advisors, as applicable, to ensure his or her compliance.

(j) **Addendum.** Notwithstanding any provisions in this Agreement, the RSU grant shall be subject to any special terms and conditions set forth in any Addendum to this Agreement for the Participant's country. Moreover, if the Participant relocates to one of the countries included in the Addendum, the special terms and conditions for such country will apply to the Participant to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Addendum constitutes part of this Agreement.

(k) **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the RSUs and on any Shares acquired under the Plan, to the extent the Company

determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

(l) **Section 409A.**

(i)The terms of this award of RSUs are intended to be in compliance with Section 409A of the Code, and this Agreement will be interpreted, operated and administered in a manner that is consistent with this intent. In furtherance of this intent, the Committee may (but is under no obligation to), at any time and without your consent, modify the terms of this award as it determines appropriate to comply with the requirements of Section 409A of the Code and the related U.S. Department of Treasury guidance or to mitigate any additional tax, interest and/or penalties that may apply under Section 409A of the Code if compliance is not practicable. The Company makes no representation or covenant to ensure that this award of RSUs is compliant with Section 409A of the Code and will have no liability to the Participant or any other party if this award of RSUs is not compliant or for any action taken by the Committee with respect thereto.

(ii)Notwithstanding anything in this Agreement to the contrary, any RSUs that are an item of non-qualified deferred compensation subject to Section 409A of the Code and become payable under this Agreement as of the date of or at a time that is by reference to the Participant's Termination of Service shall not be settled unless the Participant experiences a "separation from service" within the meaning of Section 409A of the Code (a "Separation from Service"); provided that if the Participant is a "specified employee" within the meaning of Section 409A of the Code as of the date of the Separation from Service (as determined according to the methodology established by the Company as in effect on the date of the Participant's termination of employment), the RSUs shall instead be settled on the first business day that is after the earlier of (i) the date that is six months following the date of the Separation from Service or (ii) the date of the Participant's death, to the extent such delayed payment is otherwise required in order to avoid a prohibited distribution under Section 409A(a)(2) of the Code, or any successor provision thereto.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

EPAM SYSTEMS, INC.

By: _____
Name:
Title:

The Participant's signature on this line both (1) acknowledges the Participant's receipt of the Agreement and agreement to its terms, and (2) indicates the Participant's consent to the processing of Personal Data as described in Section 11.

Participant

ADDENDUM
EPAM SYSTEMS, INC.
2015 LONG-TERM INCENTIVE PLAN
GLOBAL RESTRICTED STOCK UNIT AWARD AGREEMENT
FOR SENIOR MANAGERS

Terms and Conditions

This Addendum includes additional terms and conditions that govern the RSUs granted to the Participant under the Plan if the Participant resides in one of the countries listed below. These terms and conditions are in addition to, or if so indicated, in place of the terms and conditions in the Agreement. If the Participant is a citizen or resident (or is considered as such for local law purposes) of a country other than the country in which Participant is currently residing and/or working, or if Participant relocates to another country after the Grant Date, the Company shall, in its discretion, determine to what extent these country-specific terms and conditions contained herein shall be applicable to the Participant. Certain capitalized terms used but not defined in this Addendum have the meanings set forth in the Plan and/or the Agreement.

Notifications

This Addendum also includes information regarding exchange controls and certain other issues of which the Participant should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of March 2021. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information in this Addendum as the only source of information relating to the consequences of the Participant's participation in the Plan because the information may be out of date at the time that the Participant vests in the RSUs or sells Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation, and the Company is not in a position to assure the Participant of a particular result. Accordingly, the Participant should seek appropriate professional advice as to how the relevant laws in the Participant's country may apply to his or her situation.

Finally, if the Participant is a citizen or resident of a country other than the one in which he or she is currently working or residing (or is considered as such for local law purposes), or transferred employment and/or residency after the Grant Date, the notifications contained herein may not be applicable to the Participant.

ARMENIA

There are no country specific provisions.

AUSTRALIA

Notifications

Offer. The Company is pleased to provide the Participant with this offer to participate in the Plan. This offer sets out information regarding the offer to participate in the Plan for Australian resident employees of the Company and its Designated Companies ("Australian Participants"). This information is provided by the Company to ensure compliance of the Plan with Australian Securities and Investments Commission ("ASIC") Class Order 14/1000 and relevant provisions of the *Corporations Act 2001*.

In addition to the information set out in the Agreement and this Addendum, Australian Participants are also being provided with copies of the following documents:

- (a) the Plan; and
- (b) the Plan prospectus (collectively, the Additional Documents").

The Additional Documents provide further information to help Australian Participants make an informed investment decision about participating in the Plan. Neither the Plan nor the Plan prospectus is a prospectus for the purposes of the Corporations Act 2001.

Australian Participants should not rely upon any oral statements made in relation to this offer. Australian Participants should rely only upon the statements contained in the Agreement, including the Addendum, and the Additional Documents when considering participation in the Plan.

Securities Law Notification. Investment in Shares involves a degree of risk. Participants who elect to participate in the Plan should monitor their participation and consider all risk factors relevant to the acquisition of Shares under the Plan as set out in the Agreement and the Additional Documents.

The information contained in this offer is general information only. It is not advice or information that takes into account the Participant's objectives, financial situation and needs.

The Participant should consider obtaining the Participant's own financial product advice from an independent person who is licensed by ASIC to give advice about participation in the Plan.

Additional Risk Factors for Australian Residents. Australian Participants should have regard to risk factors relevant to investment in securities generally and, in particular, to holding Shares. For example, the price at which an individual Share is quoted on the New York Stock Exchange ("NYSE") may increase or decrease due to a number of factors. There is no guarantee that the price of a Share will increase. Factors that may affect the price of an individual Share include fluctuations in the domestic and international market for listed stocks, general economic conditions, including interest rates, inflation rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation, the nature of the markets in which the Company operates and general operational and business risks.

More information about potential factors that could affect the Company's business and financial results will be included in the Company's most recent Annual Report on Form 10-K and the Company's Quarterly Report on Form 10-Q. Copies of these reports are available at <http://www.sec.gov/>, on the Company's "Investors" page at <https://investors.epam.com/investors/sec-filings>, and upon request to the Company.

In addition, Australian Participants should be aware that the Australian dollar ("AUD") value of any Shares acquired under the Plan will be affected by the USD/AUD exchange rate. Participation in the Plan involves certain risks related to fluctuations in this rate of exchange.

Common Stock in a U.S. Corporation. Common stock of a U.S. corporation is analogous to ordinary shares of an Australian corporation. Each holder of a Share is entitled to one vote. Further, Shares are not liable to any further calls for payment of capital or for other assessment by the Company and have no sinking fund provisions, pre-emptive rights, conversion rights or redemption provisions.

Dividends may be paid on the Shares out of any funds of the Company legally available for dividends at the discretion of the Board.

The Shares are traded on the New York Stock Exchange in the United States of America under the symbol "EPAM".

Ascertaining the Market Price of Shares. Australian Participants may ascertain the current market price of an individual Share as traded on the NYSE under the symbol "EPAM" at: <https://www.nyse.com>. The AUD equivalent of that price can be obtained at: <https://www.rba.gov.au/statistics/frequency/exchange-rates.html>.

This will not be a prediction of the market price of an individual Share when RSUs vest or Shares are issued under the Plan or of the applicable exchange rate on the vesting or settlement date.

Tax Notification. Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies to RSUs granted under the Plan, such that the RSUs are intended to be subject to deferred taxation.

BELARUS

Notifications

Exchange Control Information. Belarusian citizens or permanent residents may be required to repatriate any funds received in connection with the RSUs (e.g., proceeds from the sale of Shares acquired under the Plan) to Belarus. The Participant is responsible for ensuring compliance with all exchange control laws in Belarus in connection with his or her participation in the Plan.

BELGIUM

Notifications

Foreign Asset/Account Reporting Information. Belgian residents are required to report any securities (e.g., Shares acquired under the Plan) held and bank accounts (including brokerage accounts) opened and maintained outside of Belgium on their annual tax return. In a separate report, the resident is required to provide the National Bank of Belgium with the account details of any such foreign accounts (including the account number, bank name and country in which such account was opened). This report, as well as information on how to complete it, can be found on the website of the National Bank of Belgium, www.nbb.be, under the *Kredietcentrales / Centrales des crédits* caption.

BULGARIA

Notifications

Foreign Asset/Account Reporting Information. The Participant will be required to file statistical forms with the Bulgarian National Bank annually regarding his or her receivables in bank accounts abroad as well as securities held abroad (e.g., Shares acquired under the Plan) if the total sum of all such receivables and securities equals or exceeds BGN50,000 as of the previous calendar year-end. The reports are due by March 31.

The Participant should contact his or her bank in Bulgaria for additional information regarding these requirements.

CANADA

Terms and Conditions

RSUs Payable Only in Shares. Notwithstanding any discretion set forth in Section 2 of the Agreement, at the time of vesting of any of the RSUs, the RSUs shall be settled in Shares only.

Termination of Service. This provision supplements Section 5 of the Agreement:

For purposes of the RSUs, the Participant's Termination of Service (for any reason whatsoever, whether or not later found to be invalid, unlawful or in breach of employment laws in the jurisdiction where the Participant is employed or providing services or the terms of the Participant's employment or service agreement, if any), will be measured by the date that is the earliest of (i) the date on which the Participant's employment with the Employer is terminated, or (ii) the date the Participant receives written notice of termination from the Employer, regardless of any period during which notice, pay in lieu of notice or related payments or damages are provided or required to be provided under local law. For greater certainty, the Participant will not earn or be entitled to any pro-rated vesting for that portion of time before the date on which the Participant's right to vest terminates, nor will the Participant be entitled to any compensation for lost vesting. Notwithstanding the foregoing, if applicable employment standards legislation explicitly requires continued vesting during a statutory notice period, the Participant's right to vest in the RSUs, if any, will terminate effective upon the expiry of the minimum statutory notice period, but the Participant will not earn or be entitled to pro-rated vesting if the vesting date falls after the end of the statutory notice period, nor will the Participant be entitled to any compensation for lost vesting.

If Participant resides in Québec, the following provisions apply:

Authorization to Release Necessary Personal Information. This provision supplements Section 11 of the Agreement:

The Participant hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Participant further authorizes the Company and any Affiliate and the administrator of the Plan to disclose and discuss the Plan with their advisors. The Participant further authorizes the Employer to record such information and to keep such information in the Participant's employee file.

Language Consent. The parties acknowledge that it is their express wish that this Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

Notifications

Securities Law Notification. The Participant is permitted to sell Shares acquired under the Plan through the designated broker appointed under the Plan, if any, provided the resale of Shares acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the Shares are listed. The Stock is currently listed on the New York Stock Exchange in the United States of America.

Foreign Asset/Account Reporting Information. Specified foreign property, including Shares and rights to receive Shares (e.g., RSUs), must be reported annually on a Form T1135 (Foreign Income Verification Statement) if the total cost of the specified foreign property exceeds C\$100,000 at any time during the year. Thus, the RSUs must be reported - generally at a nil cost - if the C\$100,000 cost threshold is exceeded because of other specified foreign property. When Shares are acquired, their cost generally is the adjusted cost base ("ACB") of the Shares. The ACB would ordinarily equal the fair market value of the Shares at the time of acquisition, but if other Shares are also owned, this ACB may have to be averaged with the ACB of the other Shares. Participants should consult a personal legal advisor to ensure compliance with applicable reporting obligations.

CHINA

Terms and Conditions

Vesting Schedule and Distribution. The following provision supplements Section 2 of the Agreement:

In addition to any other vesting and settlement conditions set forth in the Agreement, the RSUs will not vest and no Shares (or cash equivalent) will be delivered to the Participant unless and until the Company determines, in its sole discretion, that all necessary exchange control or other approvals from the PRC State Administration of Foreign Exchange ("SAFE") or its relevant branch have been received and remain effective ("SAFE Approval"). In the event that SAFE Approval has not been obtained prior to any scheduled vesting date set forth in Section 2 of the Agreement, the RSUs will not vest until the seventh day of the month following the month in which SAFE Approval is obtained (the "Actual Vesting Date"). If the Participant experiences a Termination of Service prior to the Actual Vesting Date, the Participant shall not be entitled to vest in any portion of the RSUs and the RSUs shall be forfeited without any liability to the Company, the Employer or any Affiliate of the Company.

Exchange Control Restrictions and Sale of Shares. The Participant agrees that the Company is authorized to sell the Shares acquired pursuant to the RSUs after the Participant's Termination of Service (as described below) or immediately upon settlement of the RSUs, within any other timeframe that the Company determines is necessary or advisable to comply with the exchange control requirements. The Participant expressly authorizes the broker or any other third party designated by the Company to complete the sale of such Shares (on the Participant's behalf pursuant to this authorization without further consent). The Participant agrees to sign any agreements, forms and/or consents that may be reasonably requested by the Company (or the broker or any other third party designated by the Company) to effectuate the sale of the Shares and shall otherwise cooperate with the Company with respect to such matters, provided that the Participant shall not be permitted to exercise any influence over how, when or whether the sales occur. The Participant acknowledges that the broker or any other third party designated by the Company is under no obligation to arrange for the sale of the Shares at any particular price and there may be a delay between the date the Shares are sold and the date the cash proceeds are distributed to the Participant.

Upon the sale of the Shares, the Company agrees to pay the cash proceeds from the sale of the Shares (less any applicable Tax-Related Items, brokerage fees or commissions) to the Participant in accordance with applicable exchange control laws including, but not limited to, the restrictions set forth below under "Exchange Control Requirements."

The Participant further agrees that any Shares to be issued to the Participant shall be deposited directly into an account with the Company's designated broker. The deposited Shares shall not be transferable (either electronically or in certificate form) from the brokerage account. This limitation shall apply both to transfers to different accounts with the same broker and to transfers to other brokerage firms. The limitation shall apply to all Shares issued to the Participant under the Plan, whether or not the Participant remains employed by the Employer.

Finally, the Participant agrees to sign any agreement, form and/or consent that may reasonably be requested by the Company (or the Company's designated broker) to effectuate the mandatory sale of the Shares.

Treatment of RSUs and Shares Upon Termination of Service. Due to exchange control regulations in the People's Republic of China ("China"), the Participant understands and agrees that the Company may require the sale of Shares held by the Participant immediately following the Participant's Termination of Service, or within such other period as determined by the

Company or required by SAFE or its local counterpart (the “Mandatory Sale Date”). This includes any portion of RSUs that vest and are settled in Shares upon the Participant’s Termination of Service. The Participant understands that should the Company impose this requirement, any Shares held by the Participant under the Plan that have not been sold by the Mandatory Sale Date will automatically be sold by the broker or any other third party designated by the Company at the Company’s direction (on the Participant’s behalf pursuant to this authorization without further consent).

Exchange Control Requirements. The Participant understands and agrees that, to facilitate compliance with exchange control requirements, the Participant is required to immediately repatriate to China the cash proceeds from the sale of the Shares and any distributions paid on such Shares. The Participant further understands that such repatriation of the cash proceeds will be effectuated through a special exchange control account established by the Company or its Affiliates, and the Participant hereby consents and agrees that the proceeds may be transferred to such special account prior to being delivered to the Participant. The Company may deliver the proceeds to the Participant in United States dollars or local currency at the Company’s discretion. If the proceeds are paid in United States dollars, the Participant understands that he or she will be required to set up a United States dollar bank account in China so that the proceeds may be deposited into this account. If the proceeds are converted to local currency, there may be delays in delivering the proceeds to the Participant and due to fluctuations in the Share trading price and/or the United States dollar/PRC exchange rate between the sale/payment date and (if later) when the proceeds can be converted into local currency, the proceeds that the Participant receives may be more or less than the market value of the Shares on the sale/payment date (which is the amount relevant to determining the Participant’s tax liability). The Participant agrees to bear the risk of any currency fluctuation between the sale/payment date and the date of conversion of the proceeds into local currency. The Company is under no obligation to secure any particular exchange conversion rate.

The Participant further agrees to comply with any other requirements that may be imposed by the Company in the future to facilitate compliance with exchange control requirements in China.

CZECH REPUBLIC

Notifications

Exchange Control Information. The Czech National Bank (“CNB”) may require the Participant to fulfill certain notification duties in relation to the RSUs and the opening and maintenance of a foreign account. In addition, the Participant may need to report the following even in the absence of a request from the CNB: foreign direct investments with a value of CZK 2,500,000 or more in the aggregate or other foreign financial assets with a value of CZK 2,000,000,000 or more. Because exchange control regulations may change without notice, the Participant should consult his or her personal legal advisor prior to the vesting of the RSUs and sale of Shares to ensure compliance with current regulations. It is the Participant’s responsibility to comply with applicable Czech exchange control laws.

FRANCE

Terms and Conditions

Type of Award. The RSUs are not granted as “French-qualified” awards and are not intended to qualify for the specific tax and social security treatment applicable to shares granted for no consideration under Sections L. 225-197-1 to L. 225-197-5 and Sections L. 22-10-59 to L. 22-10-60 of the French Commercial Code, as amended.

Consent to Receive Information in English. By accepting the RSUs, the Participant confirms having read and understood the documents related to the RSUs (the Plan and the Agreement) which were provided in the English language. The Participant accepts the terms of these documents accordingly.

Consentement Relatif à l’Utilisation de la Langue Anglaise. *En acceptant l’Attribution, le Participant confirme avoir lu et compris les documents relatifs à cette Attribution (le Plan et le Contrat d’Attribution) qui ont été remis en langue anglaise. Le Participant accepte les termes de ces documents en conséquence.*

Notifications

Exchange Control Information. If the Participant transfers more than €10,000 in Shares or cash into or out of France without the use of a financial intermediary, the Participant must declare the transfer to the French tax and customs authorities.

GEORGIA

Terms and Conditions

Language Consent. By accepting the grant of RSUs, the Participant acknowledges that he or she is proficient in reading and understanding English and fully understands the terms of the documents related to the grant (the Agreement and the Plan), which were provided in the English language. The Participant accepts the terms of those documents accordingly.

თანხმობა ენასთან დაკავშირებით. შეზღუდული აქციების ერთეულების (RSUs) მინიჭებაზე თანხმობის განცხადებით, *მონაწილე* ადასტურებს რომ მას თავისუფლად ესმის ინგლისური ენა და რომ მისთვის სრულად არის გასაგები ამგვარ მინიჭებასთან დაკავშირებული დოკუმენტაციის (*ხელშეკრულებისა და გეგმის*) პირობები, რომელიც მისთვის მინოდებული იქნა ინგლისურ ენაზე. შესაბამისად, *მონაწილე* თანხმობას აცხადებს ამ დოკუმენტებით გათვალისწინებულ პირობებზე.

GERMANY

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 (including transactions made in connection with the sale of Shares under the Plan) must be reported electronically each month to the German Federal Bank (*Bundesbank*). The “General Statistics Reporting Portal” (“*Allgemeines Meldeportal Statistik*”) can be accessed via Bundesbank’s website at www.bundesbank.de. Participants should consult a personal legal advisor to ensure compliance with applicable reporting obligations.

Foreign Asset/Account Reporting Information. If the Participant's acquisition of Shares under the Plan leads to a qualified participation at any point during the calendar year, the Participant will need to report the acquisition when the Participant files his or her tax return for the relevant year. A qualified participation is attained if (i) the Participant holds at least 1% of the Company and the value of the Shares acquired exceeds EUR 150,000 or (ii) the Participant holds Company Shares exceeding 10% of the Company's total common stock.

HONG KONG

Terms and Conditions

Vesting Schedule and Distribution. If, for any reason, Shares are issued to the Participant within six (6) months of the Grant Date, the Participant agrees that he or she will not sell or otherwise dispose of any such Shares prior to the six-month anniversary of the Grant Date.

Notifications

Securities Law Notification. *WARNING:* The contents of this document have not been reviewed by any regulatory authority in Hong Kong. The Participant is advised to exercise caution in relation to the offer. If the Participant is in any doubt about any of the contents of this document, the Participant should obtain independent professional advice. Neither the grant of the RSUs nor the issuance of Shares upon vesting constitutes a public offering of securities under Hong Kong law and is available only to employees of the Company and its Affiliates. The Plan, the Agreement and other incidental communication materials distributed in connection with the RSUs (i) have not been prepared in accordance with and are not intended to constitute a “prospectus” for a public offering of securities under the applicable securities legislation in Hong Kong and (ii) are intended only for the personal use of each eligible employee of the Company or its Affiliates and may not be distributed to any other person.

HUNGARY

There are no country specific provisions.

INDIA

Notifications

Exchange Control Information. The Participant understands that he or she must repatriate any proceeds from the sale of Shares acquired under the Plan or the receipt of dividends paid on such Shares to India within the time frame prescribed under applicable Indian exchange control laws as may be amended from time to time. The Participant will receive a foreign inward remittance certificate (“*FIRC*”) from the bank where he or she deposits the foreign currency. The Participant should maintain the FIRC as evidence of the repatriation of the proceeds in the event the Reserve Bank of India or the Employer requests proof

of repatriation. The Participant is also responsible for complying with any other exchange control laws in India that may apply to the RSUs or the Shares acquired under the Plan.

Foreign Asset/Account Reporting Information. The Participant is required to declare any foreign bank accounts and any foreign financial assets (including Shares acquired under the Plan) in Participant's annual tax return. Increased penalties for failing to report these assets/accounts have been implemented. The Participant should consult with his or her personal tax advisor to determine the Participant's reporting requirements.

IRELAND

There are no country specific provisions.

ISRAEL

Terms and Conditions

Settlement and Sale of Shares. To facilitate compliance with local tax requirements, the Participant agrees that the Company is authorized to settle the RSUs in cash or immediately sell the Shares acquired pursuant to the RSUs (i) upon vesting; (ii) after the Participant's Termination of Service; (iii) or within any other time frame as the Company determines to be necessary to comply with local tax requirements. The Participant further agrees that the Company is authorized to instruct its designated broker to assist with the mandatory sale of such Shares (on the Participant's behalf pursuant to this authorization) and the Participant expressly authorizes the Company's designated broker to complete the sale of such Shares. The Participant acknowledges that the Company's designated broker is under no obligation to arrange for the sale of the Shares at any particular price. Upon the sale of the Shares, the Company agrees to pay the Participant the cash proceeds from the sale, less any brokerage fees or commissions and subject to any obligation to satisfy Tax-Related Items.

ITALY

Terms and Conditions

Plan Document Acknowledgement. The Participant acknowledges that the Participant has read and specifically and expressly approves the following Sections of the Agreement: Section 7 (Responsibility for Taxes); Section 8 (Nature of Grant); Section 11 (Data Privacy); Section 12(g) (Language); Section 12(h) (Electronic Delivery and Acceptance); Section 12(j) (Addendum); and Section 12(k) (Imposition of Other Requirements).

Notifications

Foreign Asset/Account Reporting Information. Italian residents who, at any time during the fiscal year, hold foreign financial assets (including cash and Shares) which may generate income taxable in Italy are required to report these assets on their annual tax returns (UNICO Form, RW Schedule) for the year during which the assets are held, or on a special form if no tax return is due. These reporting obligations also will apply to Italian residents who are the beneficial owners of foreign financial assets under Italian money laundering provisions.

JAPAN

Notifications

Foreign Asset/Account Reporting Information. If the Participant is a resident of Japan, the Participant will be required to report details of any assets (including any Shares acquired under the Plan) held outside of Japan as of December 31st of each year, to the extent such assets have a total net fair market value exceeding ¥50,000,000. Such report will be due by March 15th of the following year. The Participant should consult with his or her personal tax advisor as to whether the reporting obligation applies to the and whether he or she will be required to report details of any outstanding RSUs or Shares held by Participant in the report.

KAZAKHSTAN

Notifications

Securities Law Notification. This offer is addressed only to certain eligible employees in the form of the Shares to be issued by the Company, which as of the date hereof are listed on the New York Stock Exchange. Neither the Plan nor this Agreement has been approved, nor do they need to be approved, by the National Bank of Kazakhstan. This offer is intended only for the original recipient and is not for general circulation in the Republic of Kazakhstan.

Exchange Control Information. The Participant acknowledges that if the Participant is a resident of Kazakhstan, the Participant will be required to notify and file standard-form reports with the National Bank of Kazakhstan if the value of the Shares that the Participant acquires under the Plan exceeds a certain threshold.

Please note that exchange control regulations in Kazakhstan are subject to change. The Participant should consult with his or her personal legal advisor regarding any exchange control obligations that Participant may have prior to acquiring Shares or receiving proceeds from the sale of Shares acquired under the Plan. The Participant is responsible for ensuring compliance with all exchange control laws in Kazakhstan.

KOREA

Notifications

Foreign Asset/Account Reporting Information. The Participant must declare all foreign financial accounts (e.g., non-Korean bank accounts, brokerage accounts holding Shares) in countries that have not entered into an "intergovernmental agreement for automatic exchange of tax information" with Korea to the Korean tax authority and file a report with respect to such accounts if the value of such accounts exceeds KRW 500 million (or an equivalent amount in foreign currency) on any month-end date during a calendar year.

LITHUANIA

There are no country specific provisions.

MALAYSIA

Notifications

Director Notification Obligation. If the Participant is a director of a Malaysian Affiliate, he or she is subject to certain notification requirements under the Malaysian Companies Act 1965. Among these requirements is an obligation to notify the Malaysian Affiliate in writing when the Participant receives or disposes of an interest (e.g., RSUs or Shares) in the Company or any related company. This notification must be made within 14 days of receiving or disposing of any interest in the Company or any related company.

MALTA

Notifications

Securities Law Notification. The Plan, the Agreement, including this Addendum, and all other materials the Participant may receive regarding participation in the Plan do not constitute advertising of securities in Malta and are deemed accepted by the Participant upon receipt of the Participant's electronic or written acceptance in the United States. The issuance of the Shares under the plan has not and will not be registered in Malta and, therefore, the Shares described in any plan documents may not be offered or placed in public circulation in Malta.

MEXICO

Terms and Conditions

Labor Law Acknowledgement. The following provision applies if the Participant resides in Mexico and receives the RSUs from the Company:

- (i) The Participant's participation in the Plan does not constitute an acquired right;
- (ii) The Plan and the Participant's participation in it are offered by the Company on a wholly discretionary basis;
- (iii) The Participant's participation in the Plan is voluntary;
- (iv) The Company and its Affiliates are not responsible for any decrease in the value of any Shares acquired under the Plan;
- (v) By accepting the RSUs, the Participant acknowledges that the Company, with registered offices in the U.S.A., is solely responsible for the administration of the Plan. The Participant further acknowledges that his or her participation in the Plan, the grant of the RSUs and any acquisition of Shares under the Plan do not constitute an employment relationship between the Participant and the Company because the Participant is participating in the Plan on a wholly commercial basis. Based on the foregoing, Participant expressly acknowledges that the Plan and the

benefits that he or she may derive from participation in the Plan do not establish any rights between the Participant and the Employer and do not form part of the employment conditions and/or benefits provided by the Employer, and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of the Participant's employment;

(vi) The Participant further understands that his or her participation in the Plan is the result of a unilateral and discretionary decision of the Company and, therefore, the Company reserves the absolute right to amend and/or discontinue the Participant's participation in the Plan at any time, without any liability to the Participant; and

(vii) Finally, the Participant hereby declares that he or she does not reserve to him- or herself any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and that he or she therefore grants a full and broad release to the Company, its subsidiaries, parents, Affiliates, branches, representation offices, shareholders, officers, agents or legal representatives, with respect to any claim that may arise.

Términos y Condiciones.

Reconocimiento del Derecho Laboral. Las siguientes disposiciones aplican en caso de que el Participante sea residente en México y reciba las Unidades de Acción Restringida ("RSUs") de la Compañía:

(i) La participación del Participante en el Plan no constituye un derecho adquirido;

(ii) El Plan y la participación del Participante en él es ofrecido por la Compañía de manera completamente discrecional;

(iii) La participación del Participante en el Plan es voluntaria;

(iv) La Compañía y sus Afiliadas no son responsables por ninguna disminución en el valor de las acciones de adquiridas en términos del Plan;

(v) Al aceptar el otorgamiento, el Participante reconoce que la Compañía, con oficinas registradas en E.U.A., es la única responsable de la administración del Plan. Además, el Participante reconoce que su participación en el Plan, la concesión de RSUs y cualquier adquisición de Acciones bajo el Plan no constituyen una relación laboral entre el Participante y la Compañía, en virtud de que el Participante está participando en el Plan en una base exclusivamente comercial. Por lo anterior, el Participante expresamente reconoce que el Plan y los beneficios que puedan derivarse de su participación no establecen ningún derecho entre el Participante y su empleador y que no forman parte de las condiciones de trabajo y/o beneficios otorgados por su empleador, y cualquier modificación del Plan o la terminación no constituirá un cambio o modificación en los términos y condiciones del empleo del Participante;

(vi) Además, el Participante comprende que su participación en el Plan es el resultado de una decisión discrecional y unilateral de la Compañía, por lo que la Compañía se reserva el derecho absoluto de modificar y/o suspender la participación del Participante en el Plan en cualquier momento, sin responsabilidad alguna frente al Participante; y

(vii) Finalmente, el Participante manifiesta que no se reserva acción o derecho alguno que origine una demanda en contra de la Compañía, por cualquier indemnización o daño relacionado con las disposiciones del Plan o de los beneficios otorgados en el mismo, y en consecuencia el Participante libera de la manera más amplia y total de responsabilidad a la Compañía, sus subsidiarias, empresas matriz, Afiliadas, sucursales, oficinas de representación, sus accionistas, directores, agentes y representantes legales de cualquier demanda que pudiera surgir.

Notifications

Securities Law Notification. The RSUs and the Shares offered under the Plan have not been registered with the National Register of Securities maintained by the Mexican National Banking and Securities Commission and cannot be offered or sold publicly in Mexico. In addition, the Plan, the Agreement and any other document relating to the RSUs may not be publicly distributed in Mexico. These materials are addressed to the Participant only because of the Participant's existing relationship with the Company and these materials should not be reproduced or copied in any form. The offer contained in these materials does not constitute a public offering of securities but rather constitutes a private placement of securities addressed specifically to individuals who are present employees of an Affiliate of the Company in Mexico made in accordance with the provisions of the Mexican Securities Market Law, and any rights under such offering shall not be assigned or transferred.

NETHERLANDS

There are no country specific provisions.

NEW ZEALAND

Notifications

Securities Law Notification. Warning: This is an offer of rights to receive Shares underlying the RSUs. The RSUs give the Participant a stake in the ownership of the Company.

If the Company runs into financial difficulties and is wound up, the Participant will be paid only after all creditors have been paid. A Participant may lose some or all of his or her investment.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors to make an informed decision. The usual rules do not apply to this offer because it is made under an employee share scheme. As a result, the Participant may not be given all the information usually required. The Participant will also have fewer other legal protections for this investment.

The Participant should ask questions, read all documents carefully, and seek independent financial advice before committing himself or herself.

The Shares are quoted or approved for trading on the New York Stock Exchange. This means that if the Participant vests in the RSUs and Shares are issued to the Participant, the Participant can sell his or her investment on the New York Stock Exchange if there are buyers for it. If the Participant sells his or her investment, the price he or she receives may vary depending on factors such as the financial condition of the Company. The Participant may receive less than the full amount that he or she paid for it, if anything.

For a copy of the Company's most recent financial statements (and, where applicable, a copy of the auditor's report on those financial statements) and information on risk factors impacting the Company's business that may affect the value of the Shares, the Participant should refer to the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities and Exchange Commission and are available online at www.sec.gov, as well as on the Company's "Investor Relations" website at <http://investors.epam.com>.

For more details on the terms and conditions of the RSUs, please refer to this Agreement, the Plan and the Plan prospectus which are available in your UBS account at <http://www.ubs.com/onesource.epam> and free of charge on request via AskLongTermIncentive@epam.com

POLAND

Notifications

Exchange Control Information. The Participant acknowledges that any transfer of funds in excess of €15,000 (or PLN15,000, if such transfer of funds is connected with business activity of an entrepreneur) into or out of Poland must be effected through a bank account in Poland. The Participant understands that the Participant is required to store all documents connected with any foreign exchange transactions that the Participant engages in for a period of five years as measured from the end of the year in which such transaction occurred.

Foreign Asset/Account Reporting Information. If the Participant maintains bank or brokerage accounts holding cash and foreign securities (including Shares) outside of Poland, the Participant will be required to report information to the National bank of Poland on transactions and balances in such accounts if the value of such cash and securities exceeds PLN 7 million. If required, such reports must be filed on a quarterly basis on special forms available on the website of the National Bank of Poland. The Participant should consult with his or her personal legal advisor to determine whether he or she will be required to submit reports to the National Bank of Poland.

ROMANIA

Language Consent. By accepting the grant of RSUs, the Participant acknowledges that he or she is proficient in reading and understanding English and fully understands the terms of the documents related to the grant (the Agreement and the Plan), which were provided in the English language. The Participant accepts the terms of those documents accordingly.

Consimtamant cu Privire la Limba. Prin acceptarea acordarii de RSU-uri, Participantul confirma ca acesta sau aceasta are un nivel adecvat de cunoastere in ce priveste citirea si intelegerea limbii engleze, a citit si confirma ca a inteles pe deplin termenii documentelor referitoare la acordare (Acordul si Planul), care au fost furnizate in limba engleza. Participantul accepta termenii acestor documente in consecinta.

RUSSIA

Terms and Conditions

Transaction Outside Russia. The Participant understands that agreeing to the terms of the Agreement and accepting the RSUs will result in a contract between the Participant and the Company completed in the United States and that the Agreement is governed by U.S. law. Participant understands and acknowledges that any Shares issued under the Plan shall be delivered to Participant through a brokerage account maintained outside Russia. Participant understands that he or she may hold Shares in his or her brokerage account outside Russia; however, in no event will Shares issued to Participant and/or share certificates or other instruments be delivered to Participant in Russia. Participant acknowledges and agrees that he or she is not permitted to sell or otherwise transfer the Shares directly to other Russian legal entities or individuals. Finally, Participant acknowledges and agrees that he or she may sell or otherwise transfer the Shares only outside Russia.

Data Privacy Acknowledgement. The Participant acknowledges that he or she has read and understands the terms regarding collection, processing and transfer of Data contained in Section 11 of the Agreement, and, by agreeing to the terms of the Agreement and electing to participate in the Plan, the Participant agrees to such terms. In this regard, upon request of the Company or the Employer, the Participant agrees to provide an executed data privacy consent form to the Employer or the Company, or any other agreements or consents that the Company and/or the Employer may deem necessary to obtain the Participant's consent to collect, process or transfer the Participant's Data for purposes of administering the Participant's participation in the Plan under the data privacy laws in the Participant's country, either now or in the future. The Participant understands that he or she will not be able to participate in the Plan if the Participant fails to execute any such consent or agreement.

Notifications

Securities Law Information. The Agreement, including these specific provisions for Russia, the Plan and other incidental communication materials distributed in connection with the Plan do not constitute advertising or an offering of securities in Russia. Absent any requirement under Russian law, the issuance of Shares pursuant to the RSUs has not and will not be registered in Russia; hence, the RSUs described in any Plan-related documents may not be used for offering or public circulation in Russia.

Exchange Control Information. The Participant understands that, under exchange control regulations in Russia, he or she may be required to repatriate certain funds to the Participant's bank account in Russia prior to using those funds for any purpose, including reinvestment. If the repatriation requirements apply, such funds must be initially credited to the Participant through a foreign currency account at an authorized bank in Russia. After the funds are initially received in Russia, they may be further remitted to foreign banks in accordance with Russian exchange control laws. The Participant should consult with his or her personal legal advisor to determine whether the repatriation requirements apply and to ensure compliance with applicable exchange control requirements.

Foreign Asset/Account Reporting Information. Russian residents are required to file the following reports or notifications with the Russian tax authorities, if applicable: (i) annual cash flow reporting for an offshore brokerage account (due by June 1 each year for the previous year, with the first reporting due by June 1, 2021 for calendar year 2020); (ii) financial asset (including Shares) reporting for an offshore brokerage account (due by June 1 each year for the previous year, with the first reporting due by June 1, 2022 for calendar year 2021); and (iii) a one-time notification within one month of opening, closing, or changing details of an offshore brokerage account. The Participant should consult with his or her personal tax advisor to ensure compliance with applicable requirements.

Anti-Corruption Information. Anti-corruption laws prohibit certain public servants, their spouses and their dependent children from owning any foreign source financial instruments (e.g., shares of foreign companies such as the Company). Accordingly, the Participant should inform the Company if the Participant is covered by these laws because, in such case, the Participant should not hold Shares acquired under the Plan.

Labor Law Information. If the Participant continues to hold Shares acquired at vesting of the RSUs after an involuntary Termination of Service, the Participant may not be eligible to receive unemployment benefits in Russia (to the extent applicable).

SINGAPORE

Terms and Conditions

Restrictions on Sale and Transferability. The Participant hereby agrees that any Shares acquired pursuant to the RSUs will not be offered for sale in Singapore prior to the six-month anniversary of the Grant Date, unless such sale or offer is made pursuant to the exemptions under Part XIII Division 1 Subdivision (4) (other than section 280) of the Securities and Futures Act (Chap. 289, 2006 Ed.) ("SFA") or pursuant to, and in accordance with the conditions of, any other applicable provision(s) of the SFA.

Notifications

Securities Law Notification. The RSUs are being granted pursuant to the "Qualifying Person" exemption" under section 273(1)(f) of the SFA and is not made with a view to the underlying Shares being subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore.

Director Notification. If the Participant is a director, associate director or shadow director of a Singapore Affiliate, the Singapore Companies Act requires the Participant (regardless of whether the Participant is a Singapore resident or employed in Singapore) to notify such Singapore Affiliate in writing of any interest (e.g., RSUs, Shares, etc.) that the Participant holds in the Company (or any related company) within two business days of (i) acquiring or disposing of such interest, (ii) any change in a previously-disclosed interest (e.g., upon vesting of the RSUs or sale of Shares), or (iii) becoming a director, associate director or shadow director, if the Participant holds such an interest at that time.

SLOVAKIA

Notifications

Foreign Asset/Account Reporting Information. If the Participant carries on business activities as an independent entrepreneur (in Slovakian, *podnikateľ*), the Participant must report foreign assets (including any Shares) to the National Bank of Slovakia (provided that the value of the foreign assets exceeds an amount of €2,000,000). These reports must be submitted on a monthly basis by the 25th day of the respective calendar month, as well as on a quarterly basis by the 25th day of the calendar month following the respective calendar quarter, using notification form DEV (NBS) 1-12, which may be found at the National Bank of Slovakia's website at www.nbs.sk.

SPAIN

Terms and Conditions

Labor Law Acknowledgment. This provision supplements Section 8 of the Agreement:

In accepting the RSUs, the Participant acknowledges that he or she consents to participation in the Plan and has received a copy of the Plan.

The Participant understands and agrees that, as a condition of the grant of the RSUs, the Participant's Termination of Service for any reason (including for the reasons listed below) will automatically result in the forfeiture of any unvested RSUs as of the date of such termination without any payment to the Participant.

In particular, the Participant understands and agrees that the RSUs will be cancelled without entitlement to the Shares or to any amount as indemnification in the event of the Participant's Termination of Service by reason of, including, but not limited to: resignation, death, disability, retirement, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause (i.e., subject to a "*despido improcedente*"), individual or collective layoff on objective grounds, whether adjudged to be with cause or adjudged or recognized to be without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer, and under Article 10.3 of Royal Decree 1382/1985.

Furthermore, the Participant understands that the Company has unilaterally, gratuitously and in its sole discretion decided to grant RSUs under the Plan to individuals who may be employees of the Company or its Affiliates throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or its Affiliate on an ongoing basis. Consequently, the Participant understands

that the RSUs are granted on the assumption and condition that the RSUs and the Shares issued upon vesting/settlement of the RSUs shall not become a part of any employment contract (either with the Company or any Affiliate) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, the Participant understands that the grant of the RSUs would not be made to the Participant but for the assumptions and conditions referred to above; thus, the Participant acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any grant of RSUs shall be null and void.

Notifications

Securities Law Notification. No “offer of securities to the public,” as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the grant of the RSUs. The Agreement has not been, nor will it be, registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

Exchange Control Information. The acquisition of Shares under the Plan must be declared for statistical purposes to the *Dirección General de Comercio e Inversiones* (the “DGCI”). Because the Participant will not acquire the Shares through the use of a Spanish financial institution, the Participant agrees to make the declaration by filing a D-6 form with the DGCI. Generally, the D-6 form must be filed each January while the Shares are owned. In addition, the sale of Shares must also be declared on D-6 form filed with the DGCI in January, unless the sale proceeds exceed a certain threshold, in which case, the filing is due within one month after the sale.

In addition, the Participant may be required to electronically declare to the Bank of Spain any foreign accounts (including brokerage accounts held abroad), any foreign instruments (including Shares acquired under the Plan), and any transactions with non-Spanish residents (including any payments of Shares made pursuant to the Plan), depending on the balances in such accounts together with the value of such instruments as of December 31 of the relevant year, or the volume of transactions with non-Spanish residents during the relevant year.

The Participant should consult with his or her personal tax and legal advisors to ensure that the Participant is properly complying with his or her exchange control obligations.

Foreign Asset/Account Reporting Information. To the extent that the Participant holds assets (e.g., cash or Shares held in a bank or brokerage account) outside of Spain with a value in excess of €50,000 per type of asset (e.g., Shares, cash, etc.) as of December 31 each year, the Participant is required to report information on such assets on the Participant’s tax return for such year. After such assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported assets increases by more than €20,000 or if the Participant transfers or disposes of any previously-reported assets. The reporting must be completed by March 31. Failure to comply with this reporting requirement may result in penalties. Accordingly, the Participant should consult with his or her personal tax and legal advisors to ensure that the Participant is properly complying with his or her reporting obligations.

SWEDEN

There are no country specific provisions.

SWITZERLAND

Notifications

Securities Law Notification. Neither this document nor any other materials relating to the offer of RSUs (i) constitutes a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services (“FinSA”), (ii) may be publicly distributed or otherwise made publicly available in Switzerland to any person other than an employee of the Company or one of its Subsidiaries, or (iii) has been or will be filed with, approved or supervised by any Swiss reviewing body according to article 51 of FinSA or any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority (“FINMA”).

UKRAINE

Terms and Conditions

RSUs Payable Only in Cash. Notwithstanding any discretion contained in the Plan or the Agreement to the contrary, if the Participant resides in the Ukraine at the time of grant of any of the RSUs, the RSUs shall be settled in cash only.

UNITED ARAB EMIRATES

Notifications

Securities Law Notification. The RSUs granted under the Plan are being offered only to eligible employees of the Company and are in the nature of providing equity incentives to eligible employees of the Company. Any documents related to the RSUs, including the Plan, the Agreement and any other grant documents ("Award Documents"), are intended for distribution only to such eligible employees and must not be delivered to, or relied on by, any other person.

The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any Award Documents or any other incidental communication materials distributed in connection with the RSUs. Further, neither the Ministry of Economy nor the Dubai Department of Economic Development has approved the Award Documents or taken steps to verify the information set out in them, and thus, is not responsible for their content.

Participants should, as prospective stockholders, conduct their own due diligence on the securities. If the Participant does not understand the contents of the Award Documents, he or she should consult an authorized financial advisor.

UNITED KINGDOM

Terms and Conditions

Responsibility for Taxes. The following provisions supplement Section 7 of the Agreement:

Without limitation to Section 7 of the Agreement, the Participant agrees that the Participant is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items as and when requested by the Company or the Employer or by Her Majesty's Revenue and Customs ("HMRC") (or any other tax authority or any other relevant authority). The Participant also agrees to indemnify and keep indemnified the Company and the Employer against any taxes that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Participant's behalf.

Notwithstanding the foregoing, if the Participant is a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act), the terms of the immediately foregoing provision will not apply. In such case, if the amount of any income tax due is not collected from or paid by the Participant within ninety (90) days of the end of the U.K. tax year in which an event giving rise to the indemnification described above occurs, the amount of any uncollected income tax may constitute a benefit to the Participant on which additional income tax and National Insurance contributions ("NICs") may be payable. The Participant understands that he or she will be responsible for paying and reporting any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company or the Employer, as applicable, for the value of any employee NICs due on this additional benefit, which the Company or the Employer, as applicable, may recover from the Participant at any time thereafter by any of the means set forth in Section 7 of the Agreement.

UZBEKISTAN

There are no country specific provisions.

VIETNAM

Terms and Conditions

RSUs Payable Only in Cash. Notwithstanding any discretion contained in the Plan or the Agreement to the contrary, if the Participant resides in Vietnam at the time of vesting of any of the RSUs, the RSUs shall be settled in cash only.

EPAM SYSTEMS, INC.
Amended Non-Employee Director Compensation Policy

[Adopted January 22, 2012; Amended December 16, 2013; February 24, 2015 (effective January 1, 2015); April 16, 2015; September 14, 2016; December 14, 2016 (effective January 1, 2017); April 11, 2017; December 11, 2018 (effective January 1, 2019); February 11, 2021 (effective January 1, 2021)]

Unless and until the Board resolves otherwise or as otherwise agreed between the Company and the Board, each member of the Board of Directors (the “**Board**”) of EPAM Systems, Inc. (the “**Company**”) that is not an employee of the Company or any of its subsidiaries (each, a “**Non-Employee Director**”) shall be entitled to receive the compensation set forth below during the term of his or her service on the Board. Capitalized terms used but not defined in this policy shall have the meanings set forth in the Company’s 2012 Non-Employee Directors Compensation Plan (as amended from time to time, the “**Plan**”) or in the Company’s 2017 Non-Employee Directors Deferral Plan (the “**Deferral Plan**”), as the case may be.

Annual Cash Retainers

Frequency and Pro-Ration of Payments: Each of the retainer payments described below shall be payable in cash in arrears in equal quarterly installments on March 31, June 30, September 30 and December 31 (or, if any such date is not a business day, the business day immediately preceding such date) (each such payment date, a “**Quarterly Payment Date**”) in respect of the calendar quarter that includes such Quarterly Payment Date, or, at the Non-Employee Director’s election given by written notice to the Company no later than March 15 of any calendar year, in one cash payment in arrears on December 31 (or if such date is not a business day, the business day immediately preceding such date) (such payment date, an “**Annual Payment Date**”) in respect of the calendar year that includes such Annual Payment Date. Any Non-Employee Director who becomes eligible for any of the following retainer payments on a date that is not the first day of a calendar quarter (or year) shall receive a pro-rated Retainer for his or her service in the applicable role on the Board for such quarter (or year) based on the number of days of such service during such quarter (or year).

Service as Non-Employee Director: Each Non-Employee Director shall receive an annual retainer (a “**Retainer**”) in the amount of \$55,000 payable in cash in arrears.

Service as Lead Independent Director: The Non-Employee Director who serves as Lead Independent Director of the Board shall receive an additional annual retainer in the amount of \$25,000 payable in cash in arrears.

Service as a Committee Member: Each Non-Employee Director who serves as a member (but not as a Chairperson) of one or more of the Audit, Compensation or Nominating and Corporate Governance Committees (each, a “**Committee**”) of the Board shall receive an additional annual retainer in the amount of \$12,000, \$9,000 and/or \$6,000 for his or her service on each such Committee, respectively, payable in cash in arrears.

Service as Chairperson of a Committee of the Board: Any Non-Employee Director who serves as a Chairperson of one or more of the Committees shall receive an additional annual retainer in the amount of \$25,000, \$20,000 and/or \$12,000 for his or her service as the Chairperson of one or more of the Audit, Compensation or Nominating and Corporate Governance Committees, respectively, payable in cash in arrears.

Additional Non-Employee Director Compensation

Any Non-Employee Director who attends more than ten (10) meetings of the Board, or more than ten (10) meetings of the same Committee on which such Non-Employee Director serves, in any calendar year shall receive an additional cash payment of \$2,000 for each such additional meeting thereof that such Non-Employee Director attends in person and \$1,000 for each such additional meeting that such Non-Employee Director attends telephonically.

Election to Receive Stock

A Non-Employee Director may elect to receive all or a portion of his or her Retainer in shares of Common Stock by executing and submitting to the Company’s Corporate Secretary (the “**Secretary**”) an election form, pursuant to a form provided by the Company, which indicates the percentage of such Retainer that such director elects to receive in shares. A Non-Employee Director who wishes to revoke or amend a previously submitted election form may do so by executing and submitting to the Secretary a subsequent election form, pursuant to a form provided by the Company. An election form, whether initial or subsequent, shall be effective only with respect to Quarterly Payment Dates (or if applicable, the Annual Payment Date) that occur after the date on which the Secretary receives such form.

As of each Quarterly Payment Date (or if so elected, the Annual Payment Date), a Non-Employee Director who has validly elected to receive all or a portion of his or her Retainer in shares of Common Stock will receive a number of shares of Common Stock determined by dividing the amount of the Retainer that otherwise would have been payable to such director in cash on such date by the closing price of a share of Common Stock on the day prior to such Quarterly Payment Date (or if so elected, the Annual Payment Date); *provided* that any fractional share shall be paid in cash.

Equity Grants

Initial Restricted Stock Unit Grants to Directors: On the date that a Non-Employee Director commences service on the Board, such director shall receive under the Plan an initial grant (the “**Initial Grant**”) of Restricted Stock Units. The number of Restricted Stock Units awarded in the Initial Grant shall be determined by dividing \$100,000 by the closing price of a share of Common Stock on the day prior to the grant date. Unless a Non-Employee Director elects otherwise pursuant to the Deferral Plan, the Initial Grant will vest 25% on each of the first four anniversaries of the grant date.

Annual Restricted Stock Unit Grants to Directors: On the date of the Company’s annual public stockholder meeting, each Non-Employee Director who at such meeting is elected to serve on the Board or whose term is scheduled to continue at least through the date of the next such meeting shall receive under the Plan an annual grant (each, an “**Annual Grant**”) of Restricted Stock Units. The number of Restricted Stock Units awarded in the Annual Grant shall be determined by dividing \$160,000 by the closing price of a share of Common Stock on the day prior to the grant date. Any Non-Employee Director who commences service on the Board on a date other than the date of the Company’s annual public stockholder meeting shall receive on such start date a pro-rated Annual Grant, with the number of Restricted Stock Units awarded in such grant determined by dividing (i) the product of \$130,000 and a fraction, the numerator of which is 365 minus the number of days that have elapsed between the date of such meeting and such start date, and the denominator of which is 365, by (ii) the closing price of a share of Common Stock on the day prior to such start date. Unless a Non-Employee Director elects otherwise pursuant to the Deferral Plan, each Annual Grant will vest 100% on the first anniversary of the grant date.

**Certification by Chief Executive Officer
Pursuant to Securities Exchange Act Rule 13a-14(a)**

I, Arkadiy Dobkin, certify that:

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

Date: May 6, 2021

/s/ Arkadiy Dobkin

Arkadiy Dobkin

Chairman, Chief Executive Officer
and President
(principal executive officer)

**Certification by Chief Financial Officer
Pursuant to Securities Exchange Act Rule 13a-14(a)**

I, Jason Peterson, certify that:

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

Date: May 6, 2021

/s/ Jason Peterson

Jason Peterson

Senior Vice President, Chief
Financial Officer and Treasurer
(principal financial officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of EPAM Systems, Inc. (the "Company") for the quarter ended March 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Arkadiy Dobkin, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

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

Date: May 6, 2021

/s/ Arkadiy Dobkin

Arkadiy Dobkin

Chairman, Chief Executive Officer
and President
(principal executive officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of EPAM Systems, Inc. (the "Company") for the quarter ended March 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Jason Peterson, as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

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

Date: May 6, 2021

/s/ Jason Peterson

Jason Peterson

Senior Vice President, Chief
Financial Officer and Treasurer
(principal financial officer)