

## ***Reconciliations of Fair Value Measurements Categorized within Level 3 of the Fair Value Hierarchy***

### ***Embedded Derivatives in Lease Agreements***

A rollforward of the net asset (liability) activity in the Company's fair value of the embedded derivatives was as follows (in thousands):

	Years Ended December 31,		
	2019	2018	2017
<b>Balance at the beginning of the period</b>	\$ (359)	\$ (527)	\$ (555)
Derecognition of embedded derivatives <sup>(1)</sup>	359	—	—
(Losses) included in "Other income (expense), net"	—	(7)	(139)
Settlements	—	158	170
Effect of foreign currency	—	17	(3)
<b>Balance at the end of the period</b>	<u>\$ —</u>	<u>\$ (359)</u>	<u>\$ (527)</u>
Change in unrealized gains (losses) included in "Other income (expense), net" related to embedded derivatives held at the end of the period	<u>\$ —</u>	<u>\$ 15</u>	<u>\$ (325)</u>

(1) Derecognition upon adoption of ASC 842 on January 1, 2019. See Note 3, Leases, for more information.

### ***Contingent Consideration***

A rollforward of the activity in the Company's fair value of its contingent consideration (liability) related to its Clearlink acquisition was as follows (none in 2019 or 2018) (in thousands):

	Year Ended December 31, 2017
<b>Balance at the beginning of the period</b>	\$ (6,100)
Imputed interest included in "Interest (expense)"	(76)
Fair value gain adjustment included in "General and administrative" costs	605
Settlements	5,760
Effect of foreign currency	(189)
<b>Balance at the end of the period</b>	<u>\$ —</u>
Change in unrealized gains (losses) included in "General and administrative" related to contingent consideration outstanding at the end of the period	<u>\$ —</u>

### ***Non-Recurring Fair Value***

Certain assets, under certain conditions, are measured at fair value on a nonrecurring basis utilizing Level 3 inputs, as described in Note 1, Overview and Summary of Significant Accounting Policies, like those associated with acquired businesses, including goodwill, other intangible assets, other long-lived assets and equity method investments. For these assets, measurement at fair value in periods subsequent to their initial recognition would be applicable if these assets were determined to be impaired.

The adjusted carrying values for assets measured at fair value on a nonrecurring basis (no liabilities) subject to the requirements of ASC 820 were not material at December 31, 2019 and 2018. The following table summarizes the total impairment losses in the accompanying Consolidated Statements of Operations related to nonrecurring fair value measurements of certain assets (no liabilities):

	Years Ended December 31,		
	2019	2018	2017
Americas:			
Property and equipment, net	\$ (343)	\$ (9,401)	\$ (5,410)
Operating lease right-of-use assets	(1,368)	—	—
	<u>\$ (1,711)</u>	<u>\$ (9,401)</u>	<u>\$ (5,410)</u>

In connection with the closure of certain under-utilized customer engagement centers and the consolidation of leased space in the U.S. and Canada, the Company recorded impairment charges of \$1.7 million, \$9.4 million and \$5.2 million during the years ended December 2019, 2018 and 2017, respectively, related to the exit of leased facilities as well as leasehold improvements, equipment, furniture and fixtures which were not recoverable. See Note 5, Costs Associated with Exit or Disposal Activities, for further information.

Also, the Company recorded an impairment charge of \$0.2 million related to the write-down of a vacant and unused parcel of land in the U.S. to its estimated fair value during the year ended December 31, 2017.

## Note 7. Goodwill and Intangible Assets

### Intangible Assets

The following table presents the Company's purchased intangible assets as of December 31, 2019 (in thousands):

	Gross Intangibles	Accumulated Amortization	Net Intangibles	Weighted Average Amortization Period (years)
Intangible assets subject to amortization:				
Customer relationships	\$ 191,171	\$ (121,074)	\$ 70,097	10
Trade names and trademarks	19,380	(12,929)	6,451	8
Non-compete agreements	2,769	(2,181)	588	3
Content library	506	(506)	—	2
Proprietary software	870	(695)	175	5
Intangible assets not subject to amortization:				
Domain names	81,109	—	81,109	N/A
	<u>\$ 295,805</u>	<u>\$ (137,385)</u>	<u>\$ 158,420</u>	5

The following table presents the Company's purchased intangible assets as of December 31, 2018 (in thousands):

	Gross Intangibles	Accumulated Amortization	Net Intangibles	Weighted Average Amortization Period (years)
Intangible assets subject to amortization:				
Customer relationships	\$ 189,697	\$ (106,502)	\$ 83,195	10
Trade names and trademarks	19,236	(10,594)	8,642	8
Non-compete agreements	2,746	(1,724)	1,022	3
Content library	517	(517)	—	2
Proprietary software	1,040	(725)	315	4
Intangible assets not subject to amortization:				
Domain names	80,857	—	80,857	N/A
	<u>\$ 294,093</u>	<u>\$ (120,062)</u>	<u>\$ 174,031</u>	5

The Company's estimated future amortization expense for the succeeding years relating to the purchased intangible assets resulting from acquisitions completed prior to December 31, 2019, is as follows (in thousands):

	Amount
2020	14,099
2021	9,506
2022	8,204
2023	7,361
2024	7,116
2025 and thereafter	31,025