

SYKES ENTERPRISES INC

FORM 8-K (Current report filing)

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

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): January 3, 2006

SYKES ENTERPRISES, INCORPORATED

(Exact name of registrant as specified in its charter)

Florida

0-28274

56-1383460

(State or other jurisdiction
of incorporation)

(Commission File Number)

(IRS Employer
Identification No.)

400 N. Ashley Drive, Tampa,
Florida

33602

(Address of principal
executive offices)

(Zip Code)

Registrant's telephone number, including area code: (813) 274-1000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

Employment Agreement with Lawrence Zingale

On January 3, 2006, Sykes Enterprises, Incorporated (the “Company”) and Lawrence Zingale entered into an employment agreement, dated January 3, 2006, the material terms and conditions of which are summarized below.

The employment agreement provides that Mr. Zingale will serve as an executive of the Company. Mr. Zingale will serve as Senior Vice President of Global Sales and Client Management. The agreement will continue until terminated by one of the parties. Under the agreement, Mr. Zingale’s annual base salary is to be not less than \$305,000, and he is entitled to participate in both short-term and long-term performance-based incentive programs and to standard executive fringe benefits. Mr. Zingale will be reimbursed for his expenses incurred in connection with his relocation from Denver to Tampa, including moving expenses, house hunting trips, temporary housing, closing costs and realtors’ fees associated with the sale and purchase of homes, up to a maximum of \$100,000. Also, Mr. Zingale was paid a \$25,000 signing bonus upon the execution of the employment agreement.

If the agreement is terminated by the Company for any reason other than death, disability, or cause (as defined in the agreement), the Company is required to pay Mr. Zingale an amount equal to his weekly base salary for 52 weeks after the termination of the agreement. If Mr. Zingale’s employment is terminated by the Company due to his death, disability or cause, or voluntarily by Mr. Zingale, then the Company will have no obligation to pay him any salary, bonus or other benefits other than those payable through the date of termination. In any event, Mr. Zingale may not compete with the Company in any area in which the Company’s clients were conducting business during the term of the agreement, or solicit the Company’s employees, for a period of one year after termination of his employment. The agreement also contains customary confidentiality provisions.

Amendment of Employment Agreement with Charles E. Sykes

On January 3, 2006, the Company and Charles E. Sykes entered into an amendment to his employment agreement, dated August 1, 2004, which increased the amount of his annual salary to \$500,000, effective January 1, 2006, and provides that future salary increases will be dependent upon Mr. Sykes satisfying certain performance goals established by joint agreement with the Board of Directors.

New Employment Agreement with James T. Holder

On January 3, 2006, the Company and James T. Holder entered into an employment agreement, dated January 3, 2006, the material terms and conditions of which are summarized below. This employment agreement replaces Mr. Holder’s employment agreement dated July 22, 2005.

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The employment agreement provides that Mr. Holder will serve as an executive of the Company. Mr. Holder serves as Vice President, General Counsel and Corporate Secretary. The agreement will continue until terminated by one of the parties. Under the agreement, Mr. Holder's annual base salary is to be not less than \$220,000, and he is entitled to participate in a performance-based bonus program and to standard executive fringe benefits.

If the agreement is terminated by the Company for any reason other than death, disability, or cause (as defined in the agreement), the Company is required to pay Mr. Holder an amount equal to his weekly base salary for 52 weeks after the termination of the agreement. If Mr. Holder's employment is terminated by the Company due to his death, disability or cause, or voluntarily by Mr. Holder, then the Company will have no obligation to pay him any salary, bonus or other benefits other than those payable through the date of termination. In any event, Mr. Holder may not compete with the Company in any area in which the Company's clients were conducting business during the term of the agreement, or solicit the Company's employees, for a period of one year after termination of his employment. The agreement also contains customary confidentiality provisions.

New Employment Agreement with William N. Rocktoff

On January 3, 2006, the Company and William N. Rocktoff entered into an employment agreement, dated January 3, 2006, the material terms and conditions of which are summarized below. This employment agreement replaces Mr. Rocktoff's employment agreement dated July 22, 2005.

The employment agreement provides that Mr. Rocktoff will serve as an executive of the Company. Mr. Rocktoff serves as Vice President and Corporate Controller. The agreement will continue until terminated by one of the parties. Under the agreement, Mr. Rocktoff's annual base salary is to be not less than \$189,280, and he is entitled to participate in a performance-based incentive program and to standard executive fringe benefits.

If the agreement is terminated by the Company for any reason other than death, disability, or cause (as defined in the agreement), the Company is required to pay Mr. Rocktoff an amount equal to his weekly base salary for 52 weeks after the termination of the agreement. If Mr. Rocktoff's employment is terminated by the Company due to his death, disability or cause, or voluntarily by Mr. Rocktoff, then the Company will have no obligation to pay him any salary, bonus or other benefits other than those payable through the date of termination. In any event, Mr. Rocktoff may not compete with the Company in any area in which the Company's clients were conducting business during the term of the agreement, or solicit the Company's employees, for a period of one year after termination of his employment. The agreement also contains customary confidentiality provisions.

New Employment Agreement with Daniel L. Hernandez

On January 3, 2006, the Company and Daniel L. Hernandez entered into an employment agreement, dated January 3, 2006, the material terms and conditions of which are summarized

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below. This employment agreement replaces Mr. Hernandez's employment agreement dated October 6, 2003.

The employment agreement provides that Mr. Hernandez will serve as an executive of the Company. Mr. Hernandez serves as Senior Vice President, Global Strategy. The agreement will continue until terminated by one of the parties. Under the agreement, Mr. Hernandez's annual base salary is to be not less than \$200,000, effective retroactively to October 6, 2005, and he is entitled to participate in both short-term and long-term performance-based incentive programs and to standard executive fringe benefits.

If the agreement is terminated by the Company for any reason other than death, disability, or cause (as defined in the agreement), the Company is required to pay Mr. Hernandez an amount equal to his weekly base salary for 52 weeks after the termination of the agreement. If Mr. Hernandez's employment is terminated by the Company due to his death, disability or cause, or voluntarily by Mr. Hernandez, then the Company will have no obligation to pay him any salary, bonus or other benefits other than those payable through the date of termination. In any event, Mr. Hernandez may not compete with the Company in any area in which the Company's clients were conducting business during the term of the agreement, or solicit the Company's employees, for a period of one year after termination of his employment. The agreement also contains customary confidentiality provisions.

Item 1.02. Termination of a Material Definitive Agreement.

Employment agreements between the Company and certain executive officers were terminated and replaced with new employment agreements, as described in Item 1.01 above.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

Exhibit 99.1	Employment Agreement dated as of January 3, 2006, between Sykes Enterprises, Incorporated and Lawrence Zingale.
Exhibit 99.2	Press release announcing the appointment of Lawrence Zingale as Senior Vice President of Global Sales and Client Management.
Exhibit 99.3	Second Amendment to Employment Agreement, dated as of January 3, 2006, between Sykes Enterprises, Incorporated and Charles E. Sykes.
Exhibit 99.4	Employment Agreement dated as of January 3, 2006, between Sykes Enterprises, Incorporated and James T. Holder.
Exhibit 99.5	Employment Agreement dated as of January 3, 2006, between Sykes Enterprises, Incorporated and William N. Rocktoff.
Exhibit 99.6	Employment Agreement dated as of January 3, 2006, between Sykes Enterprises, Incorporated and Daniel L. Hernandez.

SIGNATURES

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

SYKES ENTERPRISES, INCORPORATED

By: /s/ W. Michael Kipphut

W. Michael Kipphut
Senior Vice President and Chief Financial
Officer

Date: January 5, 2006

EMPLOYMENT AGREEMENT

PLEASE READ THIS AGREEMENT CAREFULLY. THIS AGREEMENT DESCRIBES THE BASIC LEGAL AND ETHICAL RESPONSIBILITIES THAT YOU ARE REQUIRED TO OBSERVE AS AN EXECUTIVE EXPOSED TO HIGHLY SENSITIVE TECHNOLOGY AND STRATEGIC INFORMATION. CONSULT WITH YOUR LEGAL COUNSEL IF ALL THE TERMS AND PROVISIONS OF THIS AGREEMENT ARE NOT FULLY UNDERSTOOD BY YOU.

THIS AGREEMENT is made as of the 3rd day of January, 2006, by and between SYKES ENTERPRISES, INCORPORATED, a Florida corporation (the "Company"), and LAWRENCE ZINGALE (the "Executive").

WITNESSETH:

WHEREAS, the Company desires to assure itself of the Executive's continued employment in an executive capacity; and

WHEREAS, the Executive desires to be employed by the Company on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

1. **EMPLOYMENT AND DUTIES** . Subject to the terms and conditions of this Agreement, the Company shall employ the Executive during the Term (as hereinafter defined) in such executive management capacities as may be designated from time to time by the Company's Chief Executive Officer and/or the Chief Executive Officer's designee. The Executive accepts such employment and agrees to devote his/her best efforts and entire business time, skill, labor, and attention to the performance of such duties. The Executive agrees to promptly provide a description of any other material commercial duties or pursuits engaged in by the Executive to the Company's Chief Executive Officer. If the Company's Chief Executive Officer determines in good faith that such activities conflict with the Executive's performance of his/her duties hereunder, the Chief Executive Officer shall notify Executive within thirty (30) days and the Executive shall promptly cease such activities to the extent as directed by the Chief Executive Officer. If the Chief Executive Officer does not provide such notice, Executive shall be free to engage in such commercial duties or pursuits. It is acknowledged and agreed that such description shall be made regarding any such activities in which the Executive owns more than 5% of the ownership of the organization or which may be in violation of Section 5 hereof, and that the intentional failure of the Executive to provide any such description shall enable the Company to terminate the Executive for Cause (as provided in Section 7(c) hereof). The Company agrees to hold any such information provided by the Executive confidential and not disclose the same to any person other than a person to whom disclosure is reasonably necessary or appropriate in light of the circumstances. In addition, the Executive agrees to serve without

Lawrence Zingale

additional compensation if elected or appointed to any office or position, including as a director, of the Company or any subsidiary or affiliate of the Company; provided, however, that the Executive shall be entitled to receive such benefits and additional compensation, if any, that is paid to executive officers of the Company in connection with such service.

2. **TERM** . Subject to the terms and conditions of this Agreement, including, but not limited to, the provisions for termination set forth in Section 7 hereof, the employment of the Executive under this Agreement shall commence on the effective date hereof and shall continue until terminated as provided herein (such term shall herein be defined as the “Term”). The Executive agrees that some portions of this Agreement, including the Sections entitled “Confidential Information,” “Covenant Not-To-Compete And No Solicitation,” “Termination,” and “Arbitration of Disputes,” will remain in force after the termination of this Agreement.

3. **COMPENSATION.**

(a) **Base Salary and Bonus.** As compensation for the Executive’s services under this Agreement, the Executive shall receive and the Company shall pay a weekly base salary set forth on Exhibit “A”. Such base salary may be increased but not decreased during the Term in the Company’s discretion based upon the Executive’s performance and any other factors the Company deems relevant. Such base salary shall be payable in accordance with the policy then prevailing for the Company’s executives. In addition to such base salary, the Executive shall be entitled during the Term to a performance bonus and shall be eligible to participate in and receive payments or awards from all other bonus and other incentive compensation, stock option and restricted stock plans as may be adopted by the Company, all as determined by the Compensation Committee of the Board of Directors in its sole discretion. Executive shall also be entitled to receive the benefits set forth on Exhibit “B” attached hereto.

(b) **Payments.** All amounts paid pursuant to this Agreement shall be subject to withholding or deduction by reason of the Federal Insurance Contribution Act, federal income tax, state and local income tax, if any, and comparable laws and regulations.

(c) **Other Benefits.** The Executive shall be reimbursed by the Company for all reasonable and customary travel and other business expenses incurred by the Executive in the performance of the Executive’s duties hereunder in accordance with the Company’s standard policy regarding expense verification practices. The Executive shall be entitled to that number of weeks paid vacation per year that is available to other executive officers of the Company in accordance with the Company’s standard policy regarding vacations and such other fringe benefits as may be set forth on Exhibit “A” and shall be eligible to participate in such pension, life insurance, health insurance, disability insurance, and other executive benefits plans, if any, which the Company may from time to time make available to its executive officers generally. The Executive shall be entitled to reimbursement for relocation expenses and a signing bonus as set forth in Exhibit “B.”

Lawrence Zingale

4. CONFIDENTIAL INFORMATION.

(a) The Executive has acquired and will acquire information and knowledge respecting the intimate and confidential affairs of the Company, including, without limitation, confidential information with respect to the Company's technical data, research and development projects, methods, products, software, financial data, business plans, financial plans, customer lists, business methodology, processes, production methods and techniques, promotional materials and information, and other similar matters treated by the Company as confidential (the "Confidential Information"). Accordingly, the Executive covenants and agrees that during the Executive's employment by the Company (whether during the Term hereof or otherwise) and thereafter, the Executive shall not, without the prior written consent of the Company, disclose to any person, other than a person to whom disclosure is reasonably necessary or appropriate in connection with the performance by the Executive of the Executive's duties hereunder, any Confidential Information obtained by the Executive while in the employ of the Company.

(b) The Executive agrees that all memoranda; notes; records; papers or other documents; computer disks; computer, video or audio tapes; CD-ROMs; all other media and all copies thereof relating to the Company's operations or business, some of which may be prepared by the Executive; and all objects associated therewith in any way obtained by the Executive shall be the Company's property. This shall include, but is not limited to, documents; computer disks; computer, video and audio tapes; CD-ROMs; all other media and objects concerning any technical data, methods, products, software, research and development projects, financial data, financial plans, business plans, customer lists, contracts, price lists, manuals, mailing lists, advertising materials; and all other materials and records of any kind that may be in the Executive's possession or under the Executive's control. The Executive shall not, except for the Company's use, copy or duplicate any of the aforementioned documents or objects, nor remove them from the Company's facilities, nor use any information concerning them except for the Company's benefit, either during the Executive's employment or thereafter. The Executive covenants and agrees that the Executive will deliver all of the aforementioned documents and objects, if any, that may be in the Executive's possession to the Company upon termination of the Executive's employment, or at any other time at the Company's request.

(c) In any action to enforce or challenge these Confidential Information provisions, the prevailing party is entitled to recover his or its reasonable attorney's fees and costs.

5. **COVENANT NOT-TO-COMPETE AND NO SOLICITATION.** Executive recognizes that the Company is in the business of employing individuals to provide specialized and technical services to the Company's Clients. The purpose of these Covenant Not-to-Compete and No Solicitation provisions are to protect the relationship which exists between the Company and its Clients while Executive is employed and after Executive leaves the employ of the Company. The consideration for these Covenant Not-to-Compete and No Solicitation provisions is the Executive's employment with the Company.

Lawrence Zingale

(a) Executive acknowledges the following:

- (1) The Company expended considerable resources in obtaining contracts with its Clients;
- (2) The Company expended considerable resources to recruit and hire employees who could perform services for its Clients;
- (3) Through his/her employ with the Company, Executive will develop a substantial relationship with the Company's existing or potential Clients, including, but not limited to, being the sole or primary contact between the Client and the Company;
- (4) Executive will be exposed to valuable confidential business information about the Company, its Clients, and the Company's relationship with its Clients;
- (5) By providing services on behalf of the Company, Executive will develop and enhance the valuable business relationship between the Company and its Clients;
- (6) The relationship between the Company and its Clients depends on the quality and quantity of the services Executive performs;
- (7) Through employment with the Company, Executive will increase his/her opportunity to work directly for the Clients or for a competitor of the Company; and
- (8) The Company will suffer irreparable harm if Executive breaches these Covenant Not-to-Compete and No Solicitation provisions of this Agreement.

(b) Executive agrees that:

- (1) The relationship between the Company and its Clients (developed and enhanced when the Executive performs services on behalf of the Company) is a legitimate business interest for the Company to protect;
- (2) The Company's legitimate business interest is protected by the existence and enforcement of these Covenant Not-to-Compete and No Solicitation provisions;
- (3) The business relationship which is created or exists between the Company and its Client, or the goodwill resulting from it, is a business asset of the Company and not the Executive; and
- (4) Executive will not seek to take advantage of opportunities which result from his/her employment with the Company and that entering into the

Lawrence Zingale

Agreement containing Covenant Not-to-Compete and No Solicitation provisions is reasonable to protect the Company's business relationship with its Clients.

(c) Restrictions on Executive. During the Term of this Agreement and for the greater of one (1) year or such other period during which Executive may receive Liquidated Damages hereunder, after the termination of this Agreement, for whatever reason, whether such termination was by the Company or the Executive, voluntarily or involuntarily, and whether with or without cause, Executive agrees that he/she shall not, as a principal, employer, stockholder, partner, agent, consultant, independent contractor, employee, or in any other individual or representative capacity:

(1) Directly or indirectly engage in, continue in, or carry on the business of the Company or any business substantially similar thereto, including owning or controlling any financial interest in any corporation, partnership, firm, or other form of business organization which competes with or is engaged in or carries on any aspect of such business or any business substantially similar thereto;

(2) Consult with, advise, or assist in any way, whether or not for consideration of any kind, any corporation, partnership, firm, or other business organization which is now, becomes, or may become a competitor of the Company in any aspect of the Company's business during the Executive's employment with the Company, including, but not limited to, advertising or otherwise endorsing the products of any such competitor or loaning money or rendering any other form of financial assistance to or engaging in any form of transaction whether or not on an arm's length basis with any such competitor;

(3) Provide or attempt to provide or solicit the opportunity to provide or advise others of the opportunity to provide any services of the type Executive performed for the Company or the Company's Clients (regardless of whether and how such services are to be compensated, whether on a salaried, time and materials, contingent compensation, or other basis) to or for the benefit of any Client (i) to which Executive has provided services in any capacity on behalf of the Company, or (ii) to which Executive has been introduced to or about which the Executive has received information through the Company or through any Client from which Executive has performed services in any capacity on behalf of the Company;

(4) Retain or attempt to retain, directly or indirectly, for itself or any other party, the services of any person, including any of the Company's employees, who were providing services to or on behalf of the Company while Executive was employed by the Company and to whom Executive has been introduced or about whom Executive has received information through the Company or through any Client for which Executive has performed services in any capacity on behalf of the Company;

Lawrence Zingale

(5) Engage in any practice, subsequent to termination of this Agreement, the purpose of which is to evade the provisions of this Agreement or to commit any act which is detrimental to the successful continuation of or which adversely affects the business or the Company; provided, however, that the foregoing provisions of this Section 5 (c) shall not preclude the Executive's enforcement of his rights under this Agreement or the Executive's ownership of not more than 2% of the equity securities of a company whose securities are registered under Section 12 of the Securities Exchange Act of 1934, as amended;

(6) For purpose of these Covenant Not-to-Compete and No Solicitation provisions, Client includes any subsidiaries, affiliates, customers, and clients of the Company's Clients that directly or indirectly engage in, continue in, or carry on the business of the Company or any business substantially similar thereto. Provided that, Executive will not be deemed to be in violation of these Covenant Not-to-Compete provisions if Executive's business activities are not related to the business of the Company or any business substantially similar thereto. The Executive agrees that the geographic scope of this Covenant Not-to-Compete shall extend to the geographic area where the Company's Clients conduct business at any time during the Term of this Agreement. For purposes of this Agreement, "Clients" means any person or entity to which the Company provides or has provided within a period of one (1) year prior to the Executive's termination of employment, labor, materials or services for the furtherance of such entity's or person's business or any person or entity that within such period of one (1) year the Company has pursued or communicated with for the purpose of obtaining business for the Company.

(d) Enforcement. These Covenant Not-to-Compete and No Solicitation provisions shall be construed and enforced under the laws of the State of Florida. In the event of any breach of this Covenant Not-to-Compete, the Executive recognizes that the remedies at law will be inadequate, and that in addition to any relief at law which may be available to the Company for such violation or breach and regardless of any other provision contained in this Agreement, the Company shall be entitled to equitable remedies (including an injunction) and such other relief as a court may grant after considering the intent of this Section 5. It is further acknowledged and agreed that the existence of any claim or cause of action on the part of the Executive against the Company, whether arising from this Agreement or otherwise, shall in no way constitute a defense to the enforcement of this Covenant Not-to-Compete, and the duration of this Covenant Not-to-Compete shall be extended in an amount which equals the time period during which the Executive is or has been in violation of this Covenant Not-to-Compete. In the event a court of competent jurisdiction determines that the provisions of this Covenant Not-to-Compete are excessively broad as to duration, geographic scope, prohibited activities or otherwise, the parties agree that this covenant shall be reduced or curtailed only to the extent necessary to render it enforceable.

(e) In an action to enforce or challenge these Covenant Not-to-Compete and No Solicitation provisions, the prevailing party is entitled to recover his or its reasonable attorney's fees and costs.

Lawrence Zingale

(f) By signing this Agreement, the Executive acknowledges that he/she understands the effects of these Covenant Not-to-Compete and No Solicitation provisions and agrees to abide by them.

6. **EXECUTIVE'S REPRESENTATIONS.** Executive represents and warrants that he is not bound by the terms of any non-competition, non-solicitation, or confidentiality agreement other than those remaining from his Executive Agreement with Executive's prior employer (the "Prior Employer") and Confidential Severance Agreement and General Release ("Severance Agreement") with the Prior Employer executed on August 31, 2005. Executive represents and warrants that by virtue of his employment with the Company, he will not violate the terms of his Executive Agreement or Severance Agreement with the Prior Employer and that he will perform his assigned duties for the Company without reference to confidential or proprietary information of the Prior Employer and without soliciting those which were the Prior Employer's customers as of September 30, 2005, through the restricted period as defined in the Severance Agreement. Executive agrees to inform the Company if he believes that any of his assigned duties cannot be performed without violating the terms of the Severance Agreement so that the Company may take such actions as are necessary to avoid such violation.

7. **TERMINATION**

(a) Death. The Executive's employment hereunder shall terminate upon his/her death.

(b) Disability. If during the Term of this Agreement the Executive becomes physically or mentally disabled in accordance with the terms and conditions of any disability insurance policy covering the Executive, or, if due to such physical or mental disability the Executive becomes unable for a period of more than six (6) consecutive months to perform his/her duties hereunder on substantially a full-time basis as determined by the Company in its sole reasonable discretion, the Company may, at its option, terminate the Executive's employment hereunder upon not less than thirty (30) days' written notice so long as the terms of any disability insurance policy then in effect provide for Executive to receive disability payments from that date forward.

(c) Cause. The Company may terminate the Executive's employment hereunder for Cause effective immediately upon notice. For purposes of this Agreement, the Company shall have "Cause" to terminate the Executive's employment hereunder: (i) if the Executive engages in conduct which has caused or is reasonably likely to cause demonstrable and serious injury to Company; (ii) if the Executive is convicted of a felony as evidenced by a binding and final judgment, order, or decree of a court of competent jurisdiction; (iii) for the Executive's failure or refusal to perform his/her material duties or responsibilities hereunder as reasonably determined by the Company's Chief Executive Officer in good faith, if such failure or refusal continues for a period of ten (10) days after written notice of the same to the Executive; (iv) for gross incompetence; (v) for the Executive's material violation of this Agreement, including, without limitation, Section 5 hereof; (vi) for chronic unexcused absenteeism; (vii) for use of illegal drugs; (viii) for insobriety by the Executive while performing his or her duties

Lawrence Zingale

hereunder; and (ix) for any act of dishonesty or falsification of reports, records, or information submitted by the Executive to the Company.

(d) Termination by the Company for Convenience. Subject to the Company's obligation to pay Liquidated Damages in accordance with the terms and conditions of this Agreement, the Company may terminate Executive's employment hereunder at any time, for the Company's convenience and without reason, by delivering written notice of termination to the Executive.

(e) Payments Upon Termination. In the event of a termination of the Executive's employment, all payments and Company benefits to the Executive hereunder, except the payment of Liquidated Damages (if any) provided below, shall immediately cease and terminate. In the event the Company terminates the Executive's employment pursuant to Section 7(d) hereof, the Company shall pay the Executive an amount equal to the Liquidated Damages defined in this Section 7(f) in lieu of actual damages for such termination. If the Executive's employment terminates or is terminated for any reason other than as specified in the preceding sentence, the Executive shall not be entitled to any Liquidated Damages. Notwithstanding anything to the contrary herein contained, and in addition to any other compensation which the Executive may be entitled to receive pursuant to this Agreement, the Executive shall receive all compensation and other benefits to which he/she was entitled under this Agreement or otherwise as an executive of the Company through the termination date. The "Liquidated Damages" amount, if due as provided above, shall be equal to the weekly amount stated as Base Salary on Exhibit "A" for fifty two (52) weeks. The amount of Liquidated Damages shall be paid biweekly in equal installments over such period.

(f) Condition Precedent to Receipt of Liquidated Damages. Executive expressly agrees that in the event of a termination of this Agreement, Executive will execute an agreement containing waiver and release provisions in form and substance reasonably acceptable to the Company. Executive agrees and acknowledges that the execution of such an agreement upon termination of employment is a condition precedent to the obligation of the Company to pay any Liquidated Damages hereunder. Executive acknowledges that the waiver and release provisions required by the Company will provide for the release and waiver of important rights and/or claims that Executive might have against the Company at the time of termination of this Agreement.

8. **NOTICE.** For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when hand-delivered, sent by telecopier, facsimile transmission, or other electronic means of transmitting written documents (as long as receipt is acknowledged) or mailed by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive, to the address set forth on the signature page.

If to the Company: Sykes Enterprises, Incorporated
400 North Ashley Drive, Suite 2800

Lawrence Zingale

Tampa, Florida 33602
Attention: Sr. VP of Human Resources

with a copy to:

Sykes Enterprises, Incorporated
400 North Ashley Drive, Suite 2800
Tampa, Florida 33602
Attention: General Counsel

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that a notice of change of address shall be effective only upon receipt.

9. ENFORCEMENT AND GOVERNING LAW. It is stipulated that a breach by Executive of the restrictive covenants set forth in Sections 4 and 5 of this Agreement will cause irreparable damage to Company or its Clients, and that in the event of any breach of those provisions, Company is entitled to injunctive relief restraining Executive from violating or continuing a violation of the restrictive covenants as well as other remedies it may have. Additionally, such covenants shall be enforceable against the Executive's heirs, executors, administrators and legal representatives, and enforceable by Company's successors or assigns.

The validity, interpretation, construction, and performance of this Agreement shall be governed by the internal laws of the State of Florida. Any litigation to enforce this Agreement shall be brought in the state or federal courts of Hillsborough County, Florida, which is the principal place of business for Company and which is considered to be the place where this Agreement is made. Both parties hereby consent to such courts' exercise of personal jurisdiction over them.

10. ARBITRATION OF DISPUTES.

(a) Duty to Arbitrate. Except for any claim by the Company for injunctive relief to enforce the restrictive covenants set forth in Sections 4 and 5 above, Company and Executive agree to resolve by binding arbitration any claim or controversy arising out of or related to Executive's employment by Company or this Agreement, to include all matters directly or indirectly related to your recruitment, employment or termination of employment by the Company including, but not limited to claims involving laws against discrimination whether brought under federal and/or state law, and/or claims involving co-employees but excluding workers compensation claims, whether such claim is based in contract, tort, statute, or any other legal theory, including any claim for damages, equitable relief, or both. The duty to arbitrate under this Section extends to any claim by or against any officer, director, shareholder, employee, agent, representative, parent, subsidiary, affiliate, heir, trustee, legal representative, successor, or assign of either party making or defending any claim that would otherwise be arbitrable under this Section. However, this Section shall not be interpreted to preclude either party from petitioning a court of competent jurisdiction for temporary injunctive relief, solely to preserve the status quo pending arbitration of the claim or controversy, upon a proper showing of the need for such relief.

Lawrence Zingale

(b) The Arbitrator. A single arbitrator will conduct the arbitration in Tampa, Florida, U.S.A., in accordance with the Commercial Arbitration Rules of the American Arbitration Association (the “Rules”), and judgment upon the written award rendered by the arbitrator may be entered in any court of competent jurisdiction. Notwithstanding the application of the Rules, however, discovery in the arbitration, including interrogatories, requests for production, requests for admission, and depositions, will be fully available and governed by the Federal Rules of Civil Procedure and Local Rules of the United States District Court for the Middle District of Florida. The parties may agree upon a person to act as sole arbitrator within thirty (30) days after submission of any claim or controversy to arbitration pursuant to this Section. If the parties are unable to agree upon such a person within such time period, an arbitrator shall be selected in accordance with the Rules. The parties will pay their own respective attorneys’ fees, witness fees, and other costs and expenses incurred in any investigations, arbitrations, trials, bankruptcies, and appeals; provided, however, that the Company will pay the filing fees, hearing fees, and processing fees associated with arbitration hereunder.

(c) Limitations Period. The parties agree that any claim or controversy that would be arbitrable under this Section must be submitted to arbitration within one (1) year after the claim or controversy arises and that a failure to institute arbitration proceedings within such time period shall constitute an absolute bar to the institution of any proceedings, in arbitration or in any court, and a waiver of all such claims. This Section will survive the expiration or early termination of this Agreement.

(d) Governing Law. This Agreement shall be governed in its construction, interpretation, and performance by the laws of the State of Florida, without reference to law pertaining to conflict of laws. However, the Federal Arbitration Act, as amended, will govern the interpretation and enforcement of this Section.

(e) Attorneys’ Fees. The prevailing party in any arbitration or dispute, or in any litigation, arising out of or related to Executive’s employment by Company or this Agreement, shall be entitled to recover all reasonable attorneys’ fees incurred on all levels and in all proceedings, unless otherwise provided by law.

(f) Severability. Each part of this Section is severable. A holding that any part of this Section is unenforceable will not affect the duty to arbitrate under this Section.

11. **MISCELLANEOUS.** No provision of this Agreement may be modified or waived unless such waiver or modification is agreed to in writing signed by the parties hereto; provided, however, that the terms of the performance bonus and fringe benefits set forth on Exhibit “A” may be amended by the Company in its discretion without the Executive’s consent to the extent provided therein. No waiver by any party hereto of any breach by any other party hereto shall be deemed a waiver of any similar or dissimilar term or condition at the same or at any prior or subsequent time. This Agreement is the entire agreement between the parties hereto with respect to the Executive’s employment by the Company and there are no agreements or representations, oral or otherwise, expressed or implied, with respect to or related to the employment of the Executive which are not set forth in this Agreement. Any prior agreement

Lawrence Zingale

relating to the Executive's employment with the Company is hereby superseded and void, and is no longer in effect. This Agreement shall be binding upon and inure to the benefit of the Company, its respective successors and assigns, and the Executive and his/her heirs, executors, administrators and legal representatives. Except as expressly set forth herein, no party shall assign any of his/her or its rights under this Agreement without the prior written consent of the other party and any attempted assignment without such prior written consent shall be null and void and without legal effect; provided, however, that Company may assign this Agreement to any party that acquires all or substantially all of Company's assets or business, without Executive's consent. The parties agree that if any provision of this Agreement shall under any circumstances be deemed invalid or inoperative, the Agreement shall be construed with the invalid or inoperative provision deleted and the rights and obligations of the parties shall be construed and enforced accordingly. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute but one and the same instrument. This Agreement has been negotiated and no party shall be considered as being responsible for such drafting for the purpose of applying any rule construing ambiguities against the drafter or otherwise.

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

SYKES ENTERPRISES, INCORPORATED

EXECUTIVE

By: /s/ James T. Holder

By: /s/ Lawrence Zingale

James T. Holder
Vice President and General Counsel

Lawrence Zingale

Lawrence Zingale

EXHIBIT "A" TO EMPLOYMENT AGREEMENT

BASE SALARY: \$5,865.38 per week payable biweekly

PERFORMANCE BONUS: Eligible to participate in both short-term and long-term performance based incentive programs

FRINGE BENEFITS: Eligible for standard executive benefits

THE COMPANY RESERVES THE RIGHT, AT ITS DISCRETION, AT SUCH TIME OR TIMES AS IT ELECTS, TO CHANGE OR ELIMINATE THE PERFORMANCE BONUS, INCENTIVES, OR OTHER BENEFITS.

IN WITNESS WHEREOF, the parties have executed this Exhibit "A" as of the 3rd day of January, 2006.

SYKES ENTERPRISES, INCORPORATED

EXECUTIVE

By: /s/ James T. Holder

By: /s/ Lawrence Zingale

James T. Holder
Vice President and General Counsel

Lawrence Zingale

Lawrence Zingale

EXHIBIT "B" TO EMPLOYMENT AGREEMENT

**RELOCATION
REIMBURSEMENT:**

The Company will reimburse Executive for Executive's anticipated costs of relocation to Tampa from Denver including expenses for the movement of household goods, family transportation, house hunting trips, temporary housing and expenses, closing costs and realtor fees associated with the sale and purchase of homes, flights to/from Tampa to Denver for family visits, etc. While the exact amount of these costs and expenses are not yet known, the Company will reimburse the Executive for such expenses incurred in an amount not to exceed \$100,000.00. Executive is required to provide the Company with receipts reflecting the expenses within thirty (30) days of the incurring of these expenses.

SIGN-ON BONUS:

The Company will make a one time payment in the amount of \$25,000.00 to Executive as a "sign-on bonus" upon full execution of this Agreement.

Lawrence Zingale

news release**FOR IMMEDIATE RELEASE****JANUARY 5, 2006****SYKES ENTERPRISES, INCORPORATED FURTHER STRENGTHENS SALES ORGANIZATION WITH APPOINTMENT OF LANCE ZINGALE**

TAMPA, FL – January 5, 2006 — Sykes Enterprises, Incorporated (“Sykes” or the “Company”) (NASDAQ: SYKE), a global leader in providing outsourced customer contact management solutions and services in the business process outsourcing (BPO) arena, today announced the appointment of Lawrence (Lance) Zingale as Senior Vice President of Global Sales and Client Management.

Mr. Zingale brings to SYKES an extensive background in sales management and business process outsourcing, most recently serving as the Executive Vice President and Chief Operating Officer of StarTek, Inc. since 2002, where his primary responsibilities included sales, marketing, client services and operations management. For almost 20 years, Mr. Zingale worked for AT&T, rising through the ranks within sales, marketing and operations with roles and P&L responsibilities across several divisions, including Vice President of Specialized Markets, Marketing Vice President of Global Services Markets, Product Group Director of Middle Market Family of Services, District Operations and Customer Care Manager, as well as various call center and sales management positions. “Lance has a proven track record of successfully creating and executing new go-to-market strategies within our industry. I am very pleased that Lance is joining a solid executive leadership team at an important crossroads in our Company — at a time when our focused delivery model continues to gain client acceptance worldwide and produces steady financial results,” commented Chuck Sykes, President and Chief Executive Officer.

“I am excited to be part of a solid business platform that encompasses a global delivery footprint serving diverse vertical markets through a broad suite of services. I am looking forward to making my contributions in helping the management team deliver on its future growth objectives, thus furthering SYKES’ position as an industry leader worldwide,” commented Lance Zingale.

SYKES Enterprises, Incorporated

Corporate Headquarters:

400 North Ashley Drive
Tampa, FL USA 33602

1 • 800 • TO • SYKES

<http://www.sykes.com>

EMEA Operations:

599 Calder Road
Edinburgh EH11 4GA
Scotland
+44 (0) 131 458-6500

About Sykes Enterprises, Incorporated

SYKES is a global leader in providing customer contact management solutions and services in the business process outsourcing (BPO) arena. SYKES provides an array of sophisticated customer contact management solutions to Fortune 1000 companies around the world, primarily in the communications, financial services, healthcare, technology and transportation and leisure industries. SYKES specializes in providing flexible, high quality customer support outsourcing solutions with an emphasis on inbound technical support and customer service. Headquartered in Tampa, Florida, with customer contact management centers throughout the world, SYKES provides its services through multiple communication channels encompassing phone, e-mail, web and chat. Utilizing its integrated onshore/offshore global delivery model, SYKES serves its clients through two geographic operating segments: the Americas (United States, Canada, Latin America and the Asia Pacific Rim) and EMEA (Europe, Middle East and Africa). SYKES also provides various enterprise support services in the Americas and fulfillment services in EMEA, which include multi-lingual sales order processing, payment processing, inventory control, product delivery and product returns handling. For additional information please visit www.sykes.com.

For additional information contact:

Subhaash Kumar

subhaash.kumar@sykes.com

(813) 233-7143



SECOND AMENDMENT TO EMPLOYMENT AGREEMENT

This Second Amendment to Employment Agreement (“Second Amendment”) is made as of the 3rd day of January, 2006, by and between **SYKES ENTERPRISES, INCORPORATED**, a Florida corporation (the “Company”), and **Charles E. Sykes** (the “Executive”).

WHEREAS, the parties entered into that certain Employment Agreement (the “Employment Agreement”) dated the 1st day of August, 2004, which was amended by that certain First Amendment to Employment Agreement dated the 28th day of July, 2005.

WHEREAS, the parties desire to further amend the Employment Agreement to increase the compensation to be received by the Executive.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The second paragraph on Exhibit “A” entitled “Base Salary” shall be deleted in its entirety and replaced by the following:

Base Salary — Effective August 1, 2004, \$7,211.54 per week payable bi-weekly. On August 1, 2005, Executive will be eligible for a compensation review with a contemplated minimum increase of 15%. Effective January 1, 2006, Executive’s compensation will be increased to \$9,615.38 per week payable bi-weekly. Any future salary increases will be dependent upon Executive satisfying certain performance goals established by joint agreement with the Board of Directors.

2. Except as specifically set forth herein, the terms and conditions of the Employment Agreement shall remain unmodified. All defined terms in the Employment Agreement shall apply to this Second Amendment.

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

SYKES ENTERPRISES, INCORPORATED

By: /s/ James T. Holder

James T. Holder

Vice President and General Counsel

EXECUTIVE

/s/ Charles E. Sykes

Charles E. Sykes

EMPLOYMENT AGREEMENT

PLEASE READ THIS AGREEMENT CAREFULLY. THIS AGREEMENT DESCRIBES THE BASIC LEGAL AND ETHICAL RESPONSIBILITIES THAT YOU ARE REQUIRED TO OBSERVE AS AN EXECUTIVE EXPOSED TO HIGHLY SENSITIVE TECHNOLOGY AND STRATEGIC INFORMATION. CONSULT WITH YOUR LEGAL COUNSEL IF ALL THE TERMS AND PROVISIONS OF THIS AGREEMENT ARE NOT FULLY UNDERSTOOD BY YOU.

THIS AGREEMENT is made as of the 3rd day of January, 2006, by and between SYKES ENTERPRISES, INCORPORATED, a Florida corporation (the "Company"), and James T. Holder (the "Executive").

WITNESSETH:

WHEREAS, the Company desires to assure itself of the Executive's continued employment in an executive capacity; and

WHEREAS, the Executive desires to be employed by the Company on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

1. EMPLOYMENT AND DUTIES. Subject to the terms and conditions of this Agreement, the Company shall employ the Executive during the Term (as hereinafter defined) in such management capacities as may be designated from time to time by the Company's Chief Executive Officer and/or the Chief Executive Officer's designee. The Executive accepts such employment and agrees to devote his/her best efforts and entire business time, skill, labor, and attention to the performance of such duties. The Executive agrees to promptly provide a description of any other commercial duties or pursuits engaged in by the Executive to the Company's Chief Executive Officer. If the Company's Chief Executive Officer determines in good faith that such activities conflict with the Executive's performance of his/her duties hereunder, the Chief Executive Officer shall notify Executive within thirty (30) days and the Executive shall promptly cease such activities to the extent as directed by the Chief Executive Officer. If the Chief Executive Officer does not provide such notice, Executive shall be free to engage in such commercial duties or pursuits. It is acknowledged and agreed that such description shall be made regarding any such activities in which the Executive owns more than 5% of the ownership of the organization or which may be in violation of Section 5 hereof, and that the failure of the Executive to provide any such description shall enable the Company to terminate the Executive for Cause (as provided in Section 6(c) hereof). The Company agrees to hold any such information provided by the Executive confidential and not disclose the same to any person other than a person to whom disclosure is reasonably necessary or appropriate in light of the circumstances. In addition, the Executive agrees to serve without additional compensation

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if elected or appointed to any office or position, including as a director, of the Company or any subsidiary or affiliate of the Company; provided, however, that the Executive shall be entitled to receive such benefits and additional compensation, if any, that is paid to executive officers of the Company in connection with such service.

2. **TERM.** Subject to the terms and conditions of this Agreement, including, but not limited to, the provisions for termination set forth in Section 6 hereof, the employment of the Executive under this Agreement shall commence on the effective date hereof and shall continue for an initial period of one (1) year (the "Initial Term"), and shall continue thereafter until terminated as provided herein (such term shall herein be defined as the "Term"). The Executive agrees that some portions of this Agreement, including the Sections entitled "Confidential Information," "Covenant Not-To-Compete And No Solicitation," "Termination," and "Arbitration of Disputes," will remain in force after the termination of this Agreement.

3. COMPENSATION.

(a) **Base Salary and Bonus.** As compensation for the Executive's services under this Agreement, the Executive shall receive and the Company shall pay a weekly base salary set forth on Exhibit "A". Such base salary may be increased but not decreased during the Term in the Company's discretion based upon the Executive's performance and any other factors the Company deems relevant. Such base salary shall be payable in accordance with the policy then prevailing for the Company's executives. In addition to such base salary, the Executive shall be entitled during the Term to a performance bonus and shall be eligible to participate in and receive payments or awards from all other bonus and other incentive compensation, stock option and restricted stock plans as may be adopted by the Company, all as determined by the Compensation Committee of the Board of Directors in its sole discretion.

(b) **Payments.** All amounts paid pursuant to this Agreement shall be subject to withholding or deduction by reason of the Federal Insurance Contribution Act, federal income tax, state and local income tax, if any, and comparable laws and regulations.

(c) **Other Benefits.** The Executive shall be reimbursed by the Company for all reasonable and customary travel and other business expenses incurred by the Executive in the performance of the Executive's duties hereunder in accordance with the Company's standard policy regarding expense verification practices. The Executive shall be entitled to that number of weeks paid vacation per year that is available to other executive officers of the Company in accordance with the Company's standard policy regarding vacations and such other fringe benefits as may be set forth on Exhibit "A" and shall be eligible to participate in such pension, life insurance, health insurance, disability insurance, and other executive benefits plans, if any, which the Company may from time to time make available to its executive officers generally.

4. CONFIDENTIAL INFORMATION.

(a) The Executive has acquired and will acquire information and knowledge respecting the intimate and confidential affairs of the Company, including, without

limitation, confidential information with respect to the Company's technical data, research and development projects, methods, products, software, financial data, business plans, financial plans, customer lists, business methodology, processes, production methods and techniques, promotional materials and information, and other similar matters treated by the Company as confidential (the "Confidential Information"). Accordingly, the Executive covenants and agrees that during the Executive's employment by the Company (whether during the Term hereof or otherwise) and thereafter, the Executive shall not, without the prior written consent of the Company, disclose to any person, other than a person to whom disclosure is reasonably necessary or appropriate in connection with the performance by the Executive of the Executive's duties hereunder, any Confidential Information obtained by the Executive while in the employ of the Company.

(b) The Executive agrees that all memoranda; notes; records; papers or other documents; computer disks; computer, video or audio tapes; CD-ROMs; all other media and all copies thereof relating to the Company's operations or business, some of which may be prepared by the Executive; and all objects associated therewith in any way obtained by the Executive shall be the Company's property. This shall include, but is not limited to, documents; computer disks; computer, video and audio tapes; CD-ROMs; all other media and objects concerning any technical data, methods, products, software, research and development projects, financial data, financial plans, business plans, customer lists, contracts, price lists, manuals, mailing lists, advertising materials; and all other materials and records of any kind that may be in the Executive's possession or under the Executive's control. The Executive shall not, except for the Company's use, copy or duplicate any of the aforementioned documents or objects, nor remove them from the Company's facilities, nor use any information concerning them except for the Company's benefit, either during the Executive's employment or thereafter. The Executive covenants and agrees that the Executive will deliver all of the aforementioned documents and objects, if any, that may be in the Executive's possession to the Company upon termination of the Executive's employment, or at any other time at the Company's request.

(c) In any action to enforce or challenge these Confidential Information provisions, the prevailing party is entitled to recover its attorney's fees and costs.

5. COVENANT NOT-TO-COMPETE AND NO SOLICITATION. Executive recognizes that the Company is in the business of employing individuals to provide specialized and technical services to the Company's Clients. The purpose of these Covenant Not-to-Compete and No Solicitation provisions are to protect the relationship which exists between the Company and its Clients while Executive is employed and after Executive leaves the employ of the Company. The consideration for these Covenant Not-to-Compete and No Solicitation provisions is the Executive's employment with the Company.

(a) Executive acknowledges the following:

(1) The Company expended considerable resources in obtaining contracts with its Clients;

(2) The Company expended considerable resources to recruit and hire employees who could perform services for its Clients;

(3) Through his/her employ with the Company, Executive will develop a substantial relationship with the Company's existing or potential Clients, including, but not limited to, being the sole or primary contact between the Client and the Company;

(4) Executive will be exposed to valuable confidential business information about the Company, its Clients, and the Company's relationship with its Clients;

(5) By providing services on behalf of the Company, Executive will develop and enhance the valuable business relationship between the Company and its Clients;

(6) The relationship between the Company and its Clients depends on the quality and quantity of the services Executive performs;

(7) Through employment with the Company, Executive will increase his/her opportunity to work directly for the Clients or for a competitor of the Company; and

(8) The Company will suffer irreparable harm if Executive breaches these Covenant Not-to-Compete and No Solicitation provisions of this Agreement.

(b) Executive agrees that:

(1) The relationship between the Company and its Clients (developed and enhanced when the Executive performs services on behalf of the Company) is a legitimate business interest for the Company to protect;

(2) The Company's legitimate business interest is protected by the existence and enforcement of these Covenant Not-to-Compete and No Solicitation provisions;

(3) The business relationship which is created or exists between the Company and its Client, or the goodwill resulting from it, is a business asset of the Company and not the Executive; and

(4) Executive will not seek to take advantage of opportunities which result from his/her employment with the Company and that entering into the Agreement containing Covenant Not-to-Compete and No Solicitation provisions is reasonable to protect the Company's business relationship with its Clients.

(c) Restrictions on Executive. During the Term of this Agreement and for the greater of one (1) year or such other period during which Executive may receive

Liquidated Damages hereunder, after the termination of this Agreement, for whatever reason, whether such termination was by the Company or the Executive, voluntarily or involuntarily, and whether with or without cause, Executive agrees that he/she shall not, as a principal, employer, stockholder, partner, agent, consultant, independent contractor, employee, or in any other individual or representative capacity:

- (1) Directly or indirectly engage in, continue in, or carry on the business of the Company or any business substantially similar thereto, including owning or controlling any financial interest in any corporation, partnership, firm, or other form of business organization which competes with or is engaged in or carries on any aspect of such business or any business substantially similar thereto;
- (2) Consult with, advise, or assist in any way, whether or not for consideration of any kind, any corporation, partnership, firm, or other business organization which is now, becomes, or may become a competitor of the Company in any aspect of the Company's business during the Executive's employment with the Company, including, but not limited to, advertising or otherwise endorsing the products of any such competitor or loaning money or rendering any other form of financial assistance to or engaging in any form of transaction whether or not on an arm's length basis with any such competitor;
- (3) Provide or attempt to provide or solicit the opportunity to provide or advise others of the opportunity to provide any services of the type Executive performed for the Company or the Company's Clients (regardless of whether and how such services are to be compensated, whether on a salaried, time and materials, contingent compensation, or other basis) to or for the benefit of any Client (i) to which Executive has provided services in any capacity on behalf of the Company, or (ii) to which Executive has been introduced to or about which the Executive has received information through the Company or through any Client from which Executive has performed services in any capacity on behalf of the Company;
- (4) Retain or attempt to retain, directly or indirectly, for itself or any other party, the services of any person, including any of the Company's employees, who were providing services to or on behalf of the Company while Executive was employed by the Company and to whom Executive has been introduced or about whom Executive has received information through the Company or through any Client for which Executive has performed services in any capacity on behalf of the Company;
- (5) Engage in any practice, the purpose of which is to evade the provisions of this Agreement or to commit any act which is detrimental to the successful continuation of or which adversely affects the business or the Company; provided, however, that the foregoing shall not preclude the Executive's ownership of not more than 2% of the equity securities of a company

whose securities are registered under Section 12 of the Securities Exchange Act of 1934, as amended;

(6) For purpose of these Covenant Not-to-Compete and No Solicitation provisions, Client includes any subsidiaries, affiliates, customers, and clients of the Company's Clients. The Executive agrees that the geographic scope of this Covenant Not-to-Compete shall extend to the geographic area where the Company's Clients conduct business at any time during the Term of this Agreement. For purposes of this Agreement, "Clients" means any person or entity to which the Company provides or has provided within a period of one (1) year prior to the Executive's termination of employment, labor, materials or services for the furtherance of such entity's or person's business or any person or entity that within such period of one (1) year the Company has pursued or communicated with for the purpose of obtaining business for the Company.

(d) Enforcement. These Covenant Not-to-Compete and No Solicitation provisions shall be construed and enforced under the laws of the State of Florida. In the event of any breach of this Covenant Not-to-Compete, the Executive recognizes that the remedies at law will be inadequate, and that in addition to any relief at law which may be available to the Company for such violation or breach and regardless of any other provision contained in this Agreement, the Company shall be entitled to equitable remedies (including an injunction) and such other relief as a court may grant after considering the intent of this Section 5. It is further acknowledged and agreed that the existence of any claim or cause of action on the part of the Executive against the Company, whether arising from this Agreement or otherwise, shall in no way constitute a defense to the enforcement of this Covenant Not-to-Compete, and the duration of this Covenant Not-to-Compete shall be extended in an amount which equals the time period during which the Executive is or has been in violation of this Covenant Not-to-Compete. In the event a court of competent jurisdiction determines that the provisions of this Covenant Not-to-Compete are excessively broad as to duration, geographic scope, prohibited activities or otherwise, the parties agree that this covenant shall be reduced or curtailed only to the extent necessary to render it enforceable.

(e) In an action to enforce or challenge these Covenant Not-to-Compete and No Solicitation provisions, the prevailing party is entitled to recover its attorney's fees and costs.

(f) By signing this Agreement, the Executive acknowledges that he/she understands the effects of these Covenant Not-to-Compete and No Solicitation provisions and agrees to abide by them.

6. TERMINATION

(a) Death. The Executive's employment hereunder shall terminate upon his/her death.

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(b) Disability. If during the Term of this Agreement the Executive becomes physically or mentally disabled in accordance with the terms and conditions of any disability insurance policy covering the Executive, or, if due to such physical or mental disability the Executive becomes unable for a period of more than six (6) consecutive months to perform his/her duties hereunder on substantially a full-time basis as determined by the Company in its sole reasonable discretion, the Company may, at its option, terminate the Executive's employment hereunder upon not less than thirty (30) days' written notice so long as the terms of any disability insurance policy then in effect provide for Executive to receive disability payments from that date forward.

(c) Cause. The Company may terminate the Executive's employment hereunder for Cause effective immediately upon notice. For purposes of this Agreement, the Company shall have "Cause" to terminate the Executive's employment hereunder: (i) if the Executive engages in conduct which has caused or is reasonably likely to cause demonstrable and serious injury to Company; (ii) if the Executive is convicted of a felony as evidenced by a binding and final judgment, order, or decree of a court of competent jurisdiction; (iii) for the Executive's failure or refusal to perform his/her duties or responsibilities hereunder as determined by the Company's Chief Executive Officer in good faith, if such failure or refusal continues for a period of ten (10) days after written notice of the same to the Executive; (iv) for gross incompetence; (v) for the Executive's violation of this Agreement, including, without limitation, Section 5 hereof; (vi) for chronic absenteeism; (vii) for use of illegal drugs; (viii) for insobriety by the Executive while performing his or her duties hereunder; and (ix) for any act of dishonesty or falsification of reports, records, or information submitted by the Executive to the Company.

(d) Termination by the Company for Convenience. Subject to the Company's obligation to pay Liquidated Damages in accordance with the terms and conditions of this Agreement, the Company may terminate Executive's employment hereunder at any time, for the Company's convenience and without reason, by delivering written notice of termination to the Executive.

(e) Payments Upon Termination. In the event of a termination of the Executive's employment, all payments and Company benefits to the Executive hereunder, except the payment of Liquidated Damages (if any) provided below, shall immediately cease and terminate. In the event the Company terminates the Executive's employment pursuant to Section 6(d) hereof, the Company shall pay the Executive an amount equal to the Liquidated Damages defined in this Section 6(e) in lieu of actual damages for such termination. If the Executive's employment terminates or is terminated for any reason other than as specified in the preceding sentence, the Executive shall not be entitled to any Liquidated Damages. Notwithstanding anything to the contrary herein contained, and in addition to any other compensation which the Executive may be entitled to receive pursuant to this Agreement, the Executive shall receive all compensation and other benefits to which he/she was entitled under this Agreement or otherwise as an executive of the Company through the termination date. The "Liquidated Damages" amount, if due as provided above, shall be equal to the weekly amount stated

is the principal place of business for Company and which is considered to be the place where this Agreement is made. Both parties hereby consent to such courts' exercise of personal jurisdiction over them.

9. ARBITRATION OF DISPUTES.

(a) Duty to Arbitrate. Except for any claim by the Company to enforce the restrictive covenants set forth in Sections 4 and 5 above, Company and Executive agree to resolve by binding arbitration any claim or controversy arising out of or related to Executive's employment by Company or this Agreement, to include all matters directly or indirectly related to your recruitment, employment or termination of employment by the Company including, but not limited to claims involving laws against discrimination whether brought under federal and/or state law, and/or claims involving co-employees but excluding workers compensation claims, whether such claim is based in contract, tort, statute, or any other legal theory, including any claim for damages, equitable relief, or both. The duty to arbitrate under this Section extends to any claim by or against any officer, director, shareholder, employee, agent, representative, parent, subsidiary, affiliate, heir, trustee, legal representative, successor, or assign of either party making or defending any claim that would otherwise be arbitrable under this Section. However, this Section shall not be interpreted to preclude either party from petitioning a court of competent jurisdiction for temporary injunctive relief, solely to preserve the status quo pending arbitration of the claim or controversy, upon a proper showing of the need for such relief.

(b) The Arbitrator. A single arbitrator will conduct the arbitration in Tampa, Florida, U.S.A., in accordance with the Commercial Arbitration Rules of the American Arbitration Association (the "Rules"), and judgment upon the written award rendered by the arbitrator may be entered in any court of competent jurisdiction. Notwithstanding the application of the Rules, however, discovery in the arbitration, including interrogatories, requests for production, requests for admission, and depositions, will be fully available and governed by the Federal Rules of Civil Procedure and Local Rules of the United States District Court for the Middle District of Florida. The parties may agree upon a person to act as sole arbitrator within thirty (30) days after submission of any claim or controversy to arbitration pursuant to this Section. If the parties are unable to agree upon such a person within such time period, an arbitrator shall be selected in accordance with the Rules. The parties will pay their own respective attorneys' fees, witness fees, and other costs and expenses incurred in any investigations, arbitrations, trials, bankruptcies, and appeals; provided, however, that the Company will pay the filing fees, hearing fees, and processing fees associated with arbitration hereunder.

(c) Limitations Period. The parties agree that any claim or controversy that would be arbitrable under this Section must be submitted to arbitration within one (1) year after the claim or controversy arises and that a failure to institute arbitration proceedings within such time period shall constitute an absolute bar to the institution of any proceedings, in arbitration or in any court, and a waiver of all such claims. This Section will survive the expiration or early termination of this Agreement.



(d) **Governing Law.** This Agreement shall be governed in its construction, interpretation, and performance by the laws of the State of Florida, without reference to law pertaining to conflict of laws. However, the Federal Arbitration Act, as amended, will govern the interpretation and enforcement of this Section.

(e) **Attorneys' Fees.** The prevailing party in any arbitration or dispute, or in any litigation, arising out of or related to Executive's employment by Company or this Agreement, shall be entitled to recover all reasonable attorneys' fees incurred on all levels and in all proceedings, unless otherwise provided by law.

(f) **Severability.** Each part of this Section is severable. A holding that any part of this Section is unenforceable will not affect the duty to arbitrate under this Section.

10. **MISCELLANEOUS.** No provision of this Agreement may be modified or waived unless such waiver or modification is agreed to in writing signed by the parties hereto; provided, however, that the terms of the performance bonus and fringe benefits set forth on Exhibit "A" may be amended by the Company in its discretion without the Executive's consent to the extent provided therein. No waiver by any party hereto of any breach by any other party hereto shall be deemed a waiver of any similar or dissimilar term or condition at the same or at any prior or subsequent time. This Agreement is the entire agreement between the parties hereto with respect to the Executive's employment by the Company and there are no agreements or representations, oral or otherwise, expressed or implied, with respect to or related to the employment of the Executive which are not set forth in this Agreement. Any prior agreement relating to the Executive's employment with the Company is hereby superseded and void, and is no longer in effect. This Agreement shall be binding upon and inure to the benefit of the Company, its respective successors and assigns, and the Executive and his/her heirs, executors, administrators and legal representatives. Except as expressly set forth herein, no party shall assign any of his/her or its rights under this Agreement without the prior written consent of the other party and any attempted assignment without such prior written consent shall be null and void and without legal effect; provided, however, that Company may assign this Agreement to any party that acquires all or substantially all of Company's assets or business, without Executive's consent. The parties agree that if any provision of this Agreement shall under any circumstances be deemed invalid or inoperative, the Agreement shall be construed with the invalid or inoperative provision deleted and the rights and obligations of the parties shall be construed and enforced accordingly. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute but one and the same instrument. This Agreement has been negotiated and no party shall be considered as being responsible for such drafting for the purpose of applying any rule construing ambiguities against the drafter or otherwise.

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

SYKES ENTERPRISES, INCORPORATED

EXECUTIVE

By: /s/ Jenna R. Nelson
Jenna R. Nelson
Senior Vice President, Human Resources

By: /s/ James T. Holder
James T. Holder
Vice President and General Counsel

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EXHIBIT "A" TO EMPLOYMENT AGREEMENT

BASE SALARY: \$4,230.77 per week payable biweekly beginning April 1, 2005

PERFORMANCE BONUS: Eligible to participate in performance based bonus program

FRINGE BENEFITS: Eligible for standard executive benefits

THE COMPANY RESERVES THE RIGHT, AT ITS DISCRETION, AT SUCH TIME OR TIMES AS IT ELECTS, TO CHANGE OR ELIMINATE THE PERFORMANCE BONUS, INCENTIVES, OR OTHER BENEFITS.

IN WITNESS WHEREOF, the parties have executed this Exhibit "A" as of the 3rd day of January, 2006.

SYKES ENTERPRISES, INCORPORATED

EXECUTIVE

By: /s/ Jenna R. Nelson
Jenna R. Nelson
Senior Vice President, Human Resources

By: /s/ James T. Holder
James T. Holder
Vice President and General Counsel

EMPLOYMENT AGREEMENT

PLEASE READ THIS AGREEMENT CAREFULLY. THIS AGREEMENT DESCRIBES THE BASIC LEGAL AND ETHICAL RESPONSIBILITIES THAT YOU ARE REQUIRED TO OBSERVE AS AN EXECUTIVE EXPOSED TO HIGHLY SENSITIVE TECHNOLOGY AND STRATEGIC INFORMATION. CONSULT WITH YOUR LEGAL COUNSEL IF ALL THE TERMS AND PROVISIONS OF THIS AGREEMENT ARE NOT FULLY UNDERSTOOD BY YOU.

THIS AGREEMENT is made as of the 3rd day of January, 2006, by and between SYKES ENTERPRISES, INCORPORATED, a Florida corporation (the "Company"), and William N. Rocktoff (the "Executive").

WITNESSETH:

WHEREAS, the Company desires to assure itself of the Executive's continued employment in an executive capacity; and

WHEREAS, the Executive desires to be employed by the Company on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

1. **EMPLOYMENT AND DUTIES.** Subject to the terms and conditions of this Agreement, the Company shall employ the Executive during the Term (as hereinafter defined) in such management capacities as may be designated from time to time by the Company's Chief Executive Officer and/or the Chief Executive Officer's designee. The Executive accepts such employment and agrees to devote his/her best efforts and entire business time, skill, labor, and attention to the performance of such duties. The Executive agrees to promptly provide a description of any other commercial duties or pursuits engaged in by the Executive to the Company's Chief Executive Officer. If the Company's Chief Executive Officer determines in good faith that such activities conflict with the Executive's performance of his/her duties hereunder, the Chief Executive Officer shall notify Executive within thirty (30) days and the Executive shall promptly cease such activities to the extent as directed by the Chief Executive Officer. If the Chief Executive Officer does not provide such notice, Executive shall be free to engage in such commercial duties or pursuits. It is acknowledged and agreed that such description shall be made regarding any such activities in which the Executive owns more than 5% of the ownership of the organization or which may be in violation of Section 5 hereof, and that the failure of the Executive to provide any such description shall enable the Company to terminate the Executive for Cause (as provided in Section 6(c) hereof). The Company agrees to hold any such information provided by the Executive confidential and not disclose the same to any person other than a person to whom disclosure is reasonably necessary or appropriate in light of the circumstances. In addition, the Executive agrees to serve without additional compensation

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if elected or appointed to any office or position, including as a director, of the Company or any subsidiary or affiliate of the Company; provided, however, that the Executive shall be entitled to receive such benefits and additional compensation, if any, that is paid to executive officers of the Company in connection with such service.

2. **TERM.** Subject to the terms and conditions of this Agreement, including, but not limited to, the provisions for termination set forth in Section 6 hereof, the employment of the Executive under this Agreement shall commence on the effective date hereof and shall continue for an initial period of one (1) year (the "Initial Term"), and shall continue thereafter until terminated as provided herein (such term shall herein be defined as the "Term"). The Executive agrees that some portions of this Agreement, including the Sections entitled "Confidential Information," "Covenant Not-To-Compete And No Solicitation," "Termination," and "Arbitration of Disputes," will remain in force after the termination of this Agreement.

3. COMPENSATION.

(a) **Base Salary and Bonus.** As compensation for the Executive's services under this Agreement, the Executive shall receive and the Company shall pay a weekly base salary set forth on Exhibit "A". Such base salary may be increased but not decreased during the Term in the Company's discretion based upon the Executive's performance and any other factors the Company deems relevant. Such base salary shall be payable in accordance with the policy then prevailing for the Company's executives. In addition to such base salary, the Executive shall be entitled during the Term to a performance bonus and shall be eligible to participate in and receive payments or awards from all other bonus and other incentive compensation, stock option and restricted stock plans as may be adopted by the Company, all as determined by the Compensation Committee of the Board of Directors in its sole discretion.

(b) **Payments.** All amounts paid pursuant to this Agreement shall be subject to withholding or deduction by reason of the Federal Insurance Contribution Act, federal income tax, state and local income tax, if any, and comparable laws and regulations.

(c) **Other Benefits.** The Executive shall be reimbursed by the Company for all reasonable and customary travel and other business expenses incurred by the Executive in the performance of the Executive's duties hereunder in accordance with the Company's standard policy regarding expense verification practices. The Executive shall be entitled to that number of weeks paid vacation per year that is available to other executive officers of the Company in accordance with the Company's standard policy regarding vacations and such other fringe benefits as may be set forth on Exhibit "A" and shall be eligible to participate in such pension, life insurance, health insurance, disability insurance, and other executive benefits plans, if any, which the Company may from time to time make available to its executive officers generally.

4. CONFIDENTIAL INFORMATION.

(a) The Executive has acquired and will acquire information and knowledge respecting the intimate and confidential affairs of the Company, including, without

limitation, confidential information with respect to the Company's technical data, research and development projects, methods, products, software, financial data, business plans, financial plans, customer lists, business methodology, processes, production methods and techniques, promotional materials and information, and other similar matters treated by the Company as confidential (the "Confidential Information"). Accordingly, the Executive covenants and agrees that during the Executive's employment by the Company (whether during the Term hereof or otherwise) and thereafter, the Executive shall not, without the prior written consent of the Company, disclose to any person, other than a person to whom disclosure is reasonably necessary or appropriate in connection with the performance by the Executive of the Executive's duties hereunder, any Confidential Information obtained by the Executive while in the employ of the Company.

(b) The Executive agrees that all memoranda; notes; records; papers or other documents; computer disks; computer, video or audio tapes; CD-ROMs; all other media and all copies thereof relating to the Company's operations or business, some of which may be prepared by the Executive; and all objects associated therewith in any way obtained by the Executive shall be the Company's property. This shall include, but is not limited to, documents; computer disks; computer, video and audio tapes; CD-ROMs; all other media and objects concerning any technical data, methods, products, software, research and development projects, financial data, financial plans, business plans, customer lists, contracts, price lists, manuals, mailing lists, advertising materials; and all other materials and records of any kind that may be in the Executive's possession or under the Executive's control. The Executive shall not, except for the Company's use, copy or duplicate any of the aforementioned documents or objects, nor remove them from the Company's facilities, nor use any information concerning them except for the Company's benefit, either during the Executive's employment or thereafter. The Executive covenants and agrees that the Executive will deliver all of the aforementioned documents and objects, if any, that may be in the Executive's possession to the Company upon termination of the Executive's employment, or at any other time at the Company's request.

(c) In any action to enforce or challenge these Confidential Information provisions, the prevailing party is entitled to recover its attorney's fees and costs.

5. COVENANT NOT-TO-COMPETE AND NO SOLICITATION. Executive recognizes that the Company is in the business of employing individuals to provide specialized and technical services to the Company's Clients. The purpose of these Covenant Not-to-Compete and No Solicitation provisions are to protect the relationship which exists between the Company and its Clients while Executive is employed and after Executive leaves the employ of the Company. The consideration for these Covenant Not-to-Compete and No Solicitation provisions is the Executive's employment with the Company.

(a) Executive acknowledges the following:

(1) The Company expended considerable resources in obtaining contracts with its Clients;

(2) The Company expended considerable resources to recruit and hire employees who could perform services for its Clients;

(3) Through his/her employ with the Company, Executive will develop a substantial relationship with the Company's existing or potential Clients, including, but not limited to, being the sole or primary contact between the Client and the Company;

(4) Executive will be exposed to valuable confidential business information about the Company, its Clients, and the Company's relationship with its Clients;

(5) By providing services on behalf of the Company, Executive will develop and enhance the valuable business relationship between the Company and its Clients;

(6) The relationship between the Company and its Clients depends on the quality and quantity of the services Executive performs;

(7) Through employment with the Company, Executive will increase his/her opportunity to work directly for the Clients or for a competitor of the Company; and

(8) The Company will suffer irreparable harm if Executive breaches these Covenant Not-to-Compete and No Solicitation provisions of this Agreement.

(b) Executive agrees that:

(1) The relationship between the Company and its Clients (developed and enhanced when the Executive performs services on behalf of the Company) is a legitimate business interest for the Company to protect;

(2) The Company's legitimate business interest is protected by the existence and enforcement of these Covenant Not-to-Compete and No Solicitation provisions;

(3) The business relationship which is created or exists between the Company and its Client, or the goodwill resulting from it, is a business asset of the Company and not the Executive; and

(4) Executive will not seek to take advantage of opportunities which result from his/her employment with the Company and that entering into the Agreement containing Covenant Not-to-Compete and No Solicitation provisions is reasonable to protect the Company's business relationship with its Clients.

(c) Restrictions on Executive. During the Term of this Agreement and for the greater of one (1) year or such other period during which Executive may receive

Liquidated Damages hereunder, after the termination of this Agreement, for whatever reason, whether such termination was by the Company or the Executive, voluntarily or involuntarily, and whether with or without cause, Executive agrees that he/she shall not, as a principal, employer, stockholder, partner, agent, consultant, independent contractor, employee, or in any other individual or representative capacity:

- (1) Directly or indirectly engage in, continue in, or carry on the business of the Company or any business substantially similar thereto, including owning or controlling any financial interest in any corporation, partnership, firm, or other form of business organization which competes with or is engaged in or carries on any aspect of such business or any business substantially similar thereto;
- (2) Consult with, advise, or assist in any way, whether or not for consideration of any kind, any corporation, partnership, firm, or other business organization which is now, becomes, or may become a competitor of the Company in any aspect of the Company's business during the Executive's employment with the Company, including, but not limited to, advertising or otherwise endorsing the products of any such competitor or loaning money or rendering any other form of financial assistance to or engaging in any form of transaction whether or not on an arm's length basis with any such competitor;
- (3) Provide or attempt to provide or solicit the opportunity to provide or advise others of the opportunity to provide any services of the type Executive performed for the Company or the Company's Clients (regardless of whether and how such services are to be compensated, whether on a salaried, time and materials, contingent compensation, or other basis) to or for the benefit of any Client (i) to which Executive has provided services in any capacity on behalf of the Company, or (ii) to which Executive has been introduced to or about which the Executive has received information through the Company or through any Client from which Executive has performed services in any capacity on behalf of the Company;
- (4) Retain or attempt to retain, directly or indirectly, for itself or any other party, the services of any person, including any of the Company's employees, who were providing services to or on behalf of the Company while Executive was employed by the Company and to whom Executive has been introduced or about whom Executive has received information through the Company or through any Client for which Executive has performed services in any capacity on behalf of the Company;
- (5) Engage in any practice, the purpose of which is to evade the provisions of this Agreement or to commit any act which is detrimental to the successful continuation of or which adversely affects the business or the Company; provided, however, that the foregoing shall not preclude the Executive's ownership of not more than 2% of the equity securities of a company

whose securities are registered under Section 12 of the Securities Exchange Act of 1934, as amended;

(6) For purpose of these Covenant Not-to-Compete and No Solicitation provisions, Client includes any subsidiaries, affiliates, customers, and clients of the Company's Clients. The Executive agrees that the geographic scope of this Covenant Not-to-Compete shall extend to the geographic area where the Company's Clients conduct business at any time during the Term of this Agreement. For purposes of this Agreement, "Clients" means any person or entity to which the Company provides or has provided within a period of one (1) year prior to the Executive's termination of employment, labor, materials or services for the furtherance of such entity's or person's business or any person or entity that within such period of one (1) year the Company has pursued or communicated with for the purpose of obtaining business for the Company.

(d) Enforcement. These Covenant Not-to-Compete and No Solicitation provisions shall be construed and enforced under the laws of the State of Florida. In the event of any breach of this Covenant Not-to-Compete, the Executive recognizes that the remedies at law will be inadequate, and that in addition to any relief at law which may be available to the Company for such violation or breach and regardless of any other provision contained in this Agreement, the Company shall be entitled to equitable remedies (including an injunction) and such other relief as a court may grant after considering the intent of this Section 5. It is further acknowledged and agreed that the existence of any claim or cause of action on the part of the Executive against the Company, whether arising from this Agreement or otherwise, shall in no way constitute a defense to the enforcement of this Covenant Not-to-Compete, and the duration of this Covenant Not-to-Compete shall be extended in an amount which equals the time period during which the Executive is or has been in violation of this Covenant Not-to-Compete. In the event a court of competent jurisdiction determines that the provisions of this Covenant Not-to-Compete are excessively broad as to duration, geographic scope, prohibited activities or otherwise, the parties agree that this covenant shall be reduced or curtailed only to the extent necessary to render it enforceable.

(e) In an action to enforce or challenge these Covenant Not-to-Compete and No Solicitation provisions, the prevailing party is entitled to recover its attorney's fees and costs.

(f) By signing this Agreement, the Executive acknowledges that he/she understands the effects of these Covenant Not-to-Compete and No Solicitation provisions and agrees to abide by them.

6. TERMINATION

(a) Death. The Executive's employment hereunder shall terminate upon his/her death.

(b) Disability. If during the Term of this Agreement the Executive becomes physically or mentally disabled in accordance with the terms and conditions of any disability insurance policy covering the Executive, or, if due to such physical or mental disability the Executive becomes unable for a period of more than six (6) consecutive months to perform his/her duties hereunder on substantially a full-time basis as determined by the Company in its sole reasonable discretion, the Company may, at its option, terminate the Executive's employment hereunder upon not less than thirty (30) days' written notice so long as the terms of any disability insurance policy then in effect provide for Executive to receive disability payments from that date forward.

(c) Cause. The Company may terminate the Executive's employment hereunder for Cause effective immediately upon notice. For purposes of this Agreement, the Company shall have "Cause" to terminate the Executive's employment hereunder: (i) if the Executive engages in conduct which has caused or is reasonably likely to cause demonstrable and serious injury to Company; (ii) if the Executive is convicted of a felony as evidenced by a binding and final judgment, order, or decree of a court of competent jurisdiction; (iii) for the Executive's failure or refusal to perform his/her duties or responsibilities hereunder as determined by the Company's Chief Executive Officer in good faith, if such failure or refusal continues for a period of ten (10) days after written notice of the same to the Executive; (iv) for gross incompetence; (v) for the Executive's violation of this Agreement, including, without limitation, Section 5 hereof; (vi) for chronic absenteeism; (vii) for use of illegal drugs; (viii) for insobriety by the Executive while performing his or her duties hereunder; and (ix) for any act of dishonesty or falsification of reports, records, or information submitted by the Executive to the Company.

(d) Termination by the Company for Convenience. Subject to the Company's obligation to pay Liquidated Damages in accordance with the terms and conditions of this Agreement, the Company may terminate Executive's employment hereunder at any time, for the Company's convenience and without reason, by delivering written notice of termination to the Executive.

(e) Payments Upon Termination. In the event of a termination of the Executive's employment, all payments and Company benefits to the Executive hereunder, except the payment of Liquidated Damages (if any) provided below, shall immediately cease and terminate. In the event the Company terminates the Executive's employment pursuant to Section 6(d) hereof, the Company shall pay the Executive an amount equal to the Liquidated Damages defined in this Section 6(e) in lieu of actual damages for such termination. If the Executive's employment terminates or is terminated for any reason other than as specified in the preceding sentence, the Executive shall not be entitled to any Liquidated Damages. Notwithstanding anything to the contrary herein contained, and in addition to any other compensation which the Executive may be entitled to receive pursuant to this Agreement, the Executive shall receive all compensation and other benefits to which he/she was entitled under this Agreement or otherwise as an executive of the Company through the termination date. The "Liquidated Damages" amount, if due as provided above, shall be equal to the weekly amount stated

as Base Salary on Exhibit "A" for fifty two (52) weeks. The amount of Liquidated Damages shall be paid biweekly in equal installments over such period.

(f) Condition Precedent to Receipt of Liquidated Damages. Executive expressly agrees that in the event of a termination of this Agreement, Executive will execute an agreement containing waiver and release provisions in form and substance acceptable to the Company. Executive agrees and acknowledges that the execution of such an agreement upon termination of employment is a condition precedent to the obligation of the Company to pay any Liquidated Damages hereunder. Executive acknowledges that the waiver and release provisions required by the Company will provide for the release and waiver of important rights and/or claims that Executive might have against the Company at the time of termination of this Agreement.

7. **NOTICE.** For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when hand-delivered, sent by telecopier, facsimile transmission, or other electronic means of transmitting written documents (as long as receipt is acknowledged) or mailed by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive, to the address set forth on the signature page.

If to the Company: Sykes Enterprises, Incorporated
400 North Ashley Drive, Suite 2800
Tampa, Florida 33602
Attention: Sr. VP of Human Resources

with a copy to:

Sykes Enterprises, Incorporated
400 North Ashley Drive, Suite 2800
Tampa, Florida 33602
Attention: General Counsel

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that a notice of change of address shall be effective only upon receipt.

8. **ENFORCEMENT AND GOVERNING LAW.** It is stipulated that a breach by Executive of the restrictive covenants set forth in Sections 4 and 5 of this Agreement will cause irreparable damage to Company or its Clients, and that in the event of any breach of those provisions, Company is entitled to injunctive relief restraining Executive from violating or continuing a violation of the restrictive covenants as well as other remedies it may have. Additionally, such covenants shall be enforceable against the Executive's heirs, executors, administrators and legal representatives, and enforceable by Company's successors or assigns.

The validity, interpretation, construction, and performance of this Agreement shall be governed by the internal laws of the State of Florida. Any litigation to enforce this Agreement shall be brought in the state or federal courts of Hillsborough County, Florida, which

is the principal place of business for Company and which is considered to be the place where this Agreement is made. Both parties hereby consent to such courts' exercise of personal jurisdiction over them.

9. ARBITRATION OF DISPUTES.

(a) Duty to Arbitrate. Except for any claim by the Company to enforce the restrictive covenants set forth in Sections 4 and 5 above, Company and Executive agree to resolve by binding arbitration any claim or controversy arising out of or related to Executive's employment by Company or this Agreement, to include all matters directly or indirectly related to your recruitment, employment or termination of employment by the Company including, but not limited to claims involving laws against discrimination whether brought under federal and/or state law, and/or claims involving co-employees but excluding workers compensation claims, whether such claim is based in contract, tort, statute, or any other legal theory, including any claim for damages, equitable relief, or both. The duty to arbitrate under this Section extends to any claim by or against any officer, director, shareholder, employee, agent, representative, parent, subsidiary, affiliate, heir, trustee, legal representative, successor, or assign of either party making or defending any claim that would otherwise be arbitrable under this Section. However, this Section shall not be interpreted to preclude either party from petitioning a court of competent jurisdiction for temporary injunctive relief, solely to preserve the status quo pending arbitration of the claim or controversy, upon a proper showing of the need for such relief.

(b) The Arbitrator. A single arbitrator will conduct the arbitration in Tampa, Florida, U.S.A., in accordance with the Commercial Arbitration Rules of the American Arbitration Association (the "Rules"), and judgment upon the written award rendered by the arbitrator may be entered in any court of competent jurisdiction. Notwithstanding the application of the Rules, however, discovery in the arbitration, including interrogatories, requests for production, requests for admission, and depositions, will be fully available and governed by the Federal Rules of Civil Procedure and Local Rules of the United States District Court for the Middle District of Florida. The parties may agree upon a person to act as sole arbitrator within thirty (30) days after submission of any claim or controversy to arbitration pursuant to this Section. If the parties are unable to agree upon such a person within such time period, an arbitrator shall be selected in accordance with the Rules. The parties will pay their own respective attorneys' fees, witness fees, and other costs and expenses incurred in any investigations, arbitrations, trials, bankruptcies, and appeals; provided, however, that the Company will pay the filing fees, hearing fees, and processing fees associated with arbitration hereunder.

(c) Limitations Period. The parties agree that any claim or controversy that would be arbitrable under this Section must be submitted to arbitration within one (1) year after the claim or controversy arises and that a failure to institute arbitration proceedings within such time period shall constitute an absolute bar to the institution of any proceedings, in arbitration or in any court, and a waiver of all such claims. This Section will survive the expiration or early termination of this Agreement.

(d) **Governing Law.** This Agreement shall be governed in its construction, interpretation, and performance by the laws of the State of Florida, without reference to law pertaining to conflict of laws. However, the Federal Arbitration Act, as amended, will govern the interpretation and enforcement of this Section.

(e) **Attorneys' Fees.** The prevailing party in any arbitration or dispute, or in any litigation, arising out of or related to Executive's employment by Company or this Agreement, shall be entitled to recover all reasonable attorneys' fees incurred on all levels and in all proceedings, unless otherwise provided by law.

(f) **Severability.** Each part of this Section is severable. A holding that any part of this Section is unenforceable will not affect the duty to arbitrate under this Section.

10. **MISCELLANEOUS.** No provision of this Agreement may be modified or waived unless such waiver or modification is agreed to in writing signed by the parties hereto; provided, however, that the terms of the performance bonus and fringe benefits set forth on Exhibit "A" may be amended by the Company in its discretion without the Executive's consent to the extent provided therein. No waiver by any party hereto of any breach by any other party hereto shall be deemed a waiver of any similar or dissimilar term or condition at the same or at any prior or subsequent time. This Agreement is the entire agreement between the parties hereto with respect to the Executive's employment by the Company and there are no agreements or representations, oral or otherwise, expressed or implied, with respect to or related to the employment of the Executive which are not set forth in this Agreement. Any prior agreement relating to the Executive's employment with the Company is hereby superseded and void, and is no longer in effect. This Agreement shall be binding upon and inure to the benefit of the Company, its respective successors and assigns, and the Executive and his/her heirs, executors, administrators and legal representatives. Except as expressly set forth herein, no party shall assign any of his/her or its rights under this Agreement without the prior written consent of the other party and any attempted assignment without such prior written consent shall be null and void and without legal effect; provided, however, that Company may assign this Agreement to any party that acquires all or substantially all of Company's assets or business, without Executive's consent. The parties agree that if any provision of this Agreement shall under any circumstances be deemed invalid or inoperative, the Agreement shall be construed with the invalid or inoperative provision deleted and the rights and obligations of the parties shall be construed and enforced accordingly. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute but one and the same instrument. This Agreement has been negotiated and no party shall be considered as being responsible for such drafting for the purpose of applying any rule construing ambiguities against the drafter or otherwise.

EXHIBIT "A" TO EMPLOYMENT AGREEMENT

BASE SALARY: \$3,640 per week payable biweekly beginning April 1, 2005
PERFORMANCE BONUS: Eligible to participate in performance based incentive program
FRINGE BENEFITS: Eligible for standard executive benefits

THE COMPANY RESERVES THE RIGHT, AT ITS DISCRETION, AT SUCH TIME OR TIMES AS IT ELECTS, TO CHANGE OR ELIMINATE THE PERFORMANCE BONUS, INCENTIVES, OR OTHER BENEFITS.

IN WITNESS WHEREOF, the parties have executed this Exhibit "A" as of the 3rd day January, 2006.

SYKES ENTERPRISES, INCORPORATED

EXECUTIVE

By: /s/ James T. Holder

By: /s/ William N. Rocktoff

James T. Holder
Vice President and General Counsel

William N. Rocktoff

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EMPLOYMENT AGREEMENT

PLEASE READ THIS AGREEMENT CAREFULLY. THIS AGREEMENT DESCRIBES THE BASIC LEGAL AND ETHICAL RESPONSIBILITIES THAT YOU ARE REQUIRED TO OBSERVE AS AN EXECUTIVE EXPOSED TO HIGHLY SENSITIVE TECHNOLOGY AND STRATEGIC INFORMATION. CONSULT WITH YOUR LEGAL COUNSEL IF ALL THE TERMS AND PROVISIONS OF THIS AGREEMENT ARE NOT FULLY UNDERSTOOD BY YOU.

THIS AGREEMENT is made as of the 3rd day of January, 2006 by and between SYKES ENTERPRISES, INCORPORATED, a Florida corporation (the "Company"), and *Daniel L. Hernandez* (the "Executive").

WITNESSETH:

WHEREAS, the Company desires to assure itself of the Executive's continued employment in an executive capacity; and

WHEREAS, the Executive desires to be employed by the Company on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

1. **EMPLOYMENT AND DUTIES.** Subject to the terms and conditions of this Agreement, the Company shall employ the Executive during the Term (as hereinafter defined) in such management capacities as may be designated from time to time by the Company's Chief Executive Officer and/or the Chief Executive Officer's designee. The Executive accepts such employment and agrees to devote his/her best efforts and entire business time, skill, labor, and attention to the performance of such duties. The Executive agrees to promptly provide a description of any other commercial duties or pursuits engaged in by the Executive to the Company's Chief Executive Officer. If the Company's Chief Executive Officer determines in good faith that such activities conflict with the Executive's performance of his/her duties hereunder, the Chief Executive Officer shall notify Executive within thirty (30) days and the Executive shall promptly cease such activities to the extent as directed by the Chief Executive Officer. If the Chief Executive Officer does not provide such notice, Executive shall be free to engage in such commercial duties or pursuits. It is acknowledged and agreed that such description shall be made regarding any such activities in which the Executive owns more than 5% of the ownership of the organization or which may be in violation of Section 5 hereof, and that the failure of the Executive to provide any such description shall enable the Company to terminate the Executive for Cause (as provided in Section 6(c) hereof). The Company agrees to hold any such information provided by the Executive confidential and not disclose the same to any person other than a person to whom disclosure is reasonably necessary or appropriate in light of the circumstances. In addition, the Executive agrees to serve without additional compensation

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if elected or appointed to any office or position, including as a director, of the Company or any subsidiary or affiliate of the Company; provided, however, that the Executive shall be entitled to receive such benefits and additional compensation, if any, that is paid to executive officers of the Company in connection with such service.

2. **TERM.** Subject to the terms and conditions of this Agreement, including, but not limited to, the provisions for termination set forth in Section 6 hereof, the employment of the Executive under this Agreement shall commence on the effective date hereof and shall continue until terminated as provided herein (such term shall herein be defined as the "Term"). The Executive agrees that some portions of this Agreement, including the Sections entitled "Confidential Information," "Covenant Not-To-Compete And No Solicitation," "Termination," and "Arbitration of Disputes," will remain in force after the termination of this Agreement.

3. COMPENSATION.

(a) **Base Salary and Bonus.** As compensation for the Executive's services under this Agreement, the Executive shall receive and the Company shall pay a weekly base salary set forth on Exhibit "A". Such base salary may be increased but not decreased during the Term in the Company's discretion based upon the Executive's performance and any other factors the Company deems relevant. Such base salary shall be payable in accordance with the policy then prevailing for the Company's executives. In addition to such base salary, the Executive shall be entitled during the Term to a performance bonus and shall be eligible to participate in and receive payments or awards from all other bonus and other incentive compensation, stock option and restricted stock plans as may be adopted by the Company, all as determined by the Compensation Committee of the Board of Directors in its sole discretion.

(b) **Payments.** All amounts paid pursuant to this Agreement shall be subject to withholding or deduction by reason of the Federal Insurance Contribution Act, federal income tax, state and local income tax, if any, and comparable laws and regulations.

(c) **Other Benefits.** The Executive shall be reimbursed by the Company for all reasonable and customary travel and other business expenses incurred by the Executive in the performance of the Executive's duties hereunder in accordance with the Company's standard policy regarding expense verification practices. The Executive shall be entitled to that number of weeks paid vacation per year that is available to other executive officers of the Company in accordance with the Company's standard policy regarding vacations and such other fringe benefits as may be set forth on Exhibit "A" and shall be eligible to participate in such pension, life insurance, health insurance, disability insurance, and other executive benefits plans, if any, which the Company may from time to time make available to its executive officers generally.

4. CONFIDENTIAL INFORMATION.

(a) The Executive has acquired and will acquire information and knowledge respecting the intimate and confidential affairs of the Company, including, without limitation, confidential information with respect to the Company's technical data,

research and development projects, methods, products, software, financial data, business plans, financial plans, customer lists, business methodology, processes, production methods and techniques, promotional materials and information, and other similar matters treated by the Company as confidential (the "Confidential Information"). Accordingly, the Executive covenants and agrees that during the Executive's employment by the Company (whether during the Term hereof or otherwise) and thereafter, the Executive shall not, without the prior written consent of the Company, disclose to any person, other than a person to whom disclosure is reasonably necessary or appropriate in connection with the performance by the Executive of the Executive's duties hereunder, any Confidential Information obtained by the Executive while in the employ of the Company.

(b) The Executive agrees that all memoranda; notes; records; papers or other documents; computer disks; computer, video or audio tapes; CD-ROMs; all other media and all copies thereof relating to the Company's operations or business, some of which may be prepared by the Executive; and all objects associated therewith in any way obtained by the Executive shall be the Company's property. This shall include, but is not limited to, documents; computer disks; computer, video and audio tapes; CD-ROMs; all other media and objects concerning any technical data, methods, products, software, research and development projects, financial data, financial plans, business plans, customer lists, contracts, price lists, manuals, mailing lists, advertising materials; and all other materials and records of any kind that may be in the Executive's possession or under the Executive's control. The Executive shall not, except for the Company's use, copy or duplicate any of the aforementioned documents or objects, nor remove them from the Company's facilities, nor use any information concerning them except for the Company's benefit, either during the Executive's employment or thereafter. The Executive covenants and agrees that the Executive will deliver all of the aforementioned documents and objects, if any, that may be in the Executive's possession to the Company upon termination of the Executive's employment, or at any other time at the Company's request.

(c) In any action to enforce or challenge these Confidential Information provisions, the prevailing party is entitled to recover its attorney's fees and costs.

5. COVENANT NOT-TO-COMPETE AND NO SOLICITATION. Executive recognizes that the Company is in the business of employing individuals to provide specialized and technical services to the Company's Clients. The purpose of these Covenant Not-to-Compete and No Solicitation provisions are to protect the relationship which exists between the Company and its Clients while Executive is employed and after Executive leaves the employ of the Company. The consideration for these Covenant Not-to-Compete and No Solicitation provisions is the Executive's employment with the Company.

(a) Executive acknowledges the following:

(1) The Company expended considerable resources in obtaining contracts with its Clients;

(2) The Company expended considerable resources to recruit and hire employees who could perform services for its Clients;

(3) Through his/her employ with the Company, Executive will develop a substantial relationship with the Company's existing or potential Clients, including, but not limited to, being the sole or primary contact between the Client and the Company;

(4) Executive will be exposed to valuable confidential business information about the Company, its Clients, and the Company's relationship with its Clients;

(5) By providing services on behalf of the Company, Executive will develop and enhance the valuable business relationship between the Company and its Clients;

(6) The relationship between the Company and its Clients depends on the quality and quantity of the services Executive performs;

(7) Through employment with the Company, Executive will increase his/her opportunity to work directly for the Clients or for a competitor of the Company; and

(8) The Company will suffer irreparable harm if Executive breaches these Covenant Not-to-Compete and No Solicitation provisions of this Agreement.

(b) Executive agrees that:

(1) The relationship between the Company and its Clients (developed and enhanced when the Executive performs services on behalf of the Company) is a legitimate business interest for the Company to protect;

(2) The Company's legitimate business interest is protected by the existence and enforcement of these Covenant Not-to-Compete and No Solicitation provisions;

(3) The business relationship which is created or exists between the Company and its Client, or the goodwill resulting from it, is a business asset of the Company and not the Executive; and

(4) Executive will not seek to take advantage of opportunities which result from his/her employment with the Company and that entering into the Agreement containing Covenant Not-to-Compete and No Solicitation provisions is reasonable to protect the Company's business relationship with its Clients.

(c) Restrictions on Executive. During the Term of this Agreement and for the greater of one (1) year or such other period during which Executive may receive

Liquidated Damages hereunder, after the termination of this Agreement, for whatever reason, whether such termination was by the Company or the Executive, voluntarily or involuntarily, and whether with or without cause, Executive agrees that he/she shall not, as a principal, employer, stockholder, partner, agent, consultant, independent contractor, employee, or in any other individual or representative capacity:

- (1) Directly or indirectly engage in, continue in, or carry on the business of the Company or any business substantially similar thereto, including owning or controlling any financial interest in any corporation, partnership, firm, or other form of business organization which competes with or is engaged in or carries on any aspect of such business or any business substantially similar thereto;
- (2) Consult with, advise, or assist in any way, whether or not for consideration of any kind, any corporation, partnership, firm, or other business organization which is now, becomes, or may become a competitor of the Company in any aspect of the Company's business during the Executive's employment with the Company, including, but not limited to, advertising or otherwise endorsing the products of any such competitor or loaning money or rendering any other form of financial assistance to or engaging in any form of transaction whether or not on an arm's length basis with any such competitor;
- (3) Provide or attempt to provide or solicit the opportunity to provide or advise others of the opportunity to provide any services of the type Executive performed for the Company or the Company's Clients (regardless of whether and how such services are to be compensated, whether on a salaried, time and materials, contingent compensation, or other basis) to or for the benefit of any Client (i) to which Executive has provided services in any capacity on behalf of the Company, or (ii) to which Executive has been introduced to or about which the Executive has received information through the Company or through any Client from which Executive has performed services in any capacity on behalf of the Company;
- (4) Retain or attempt to retain, directly or indirectly, for itself or any other party, the services of any person, including any of the Company's employees, who were providing services to or on behalf of the Company while Executive was employed by the Company and to whom Executive has been introduced or about whom Executive has received information through the Company or through any Client for which Executive has performed services in any capacity on behalf of the Company;
- (5) Engage in any practice, the purpose of which is to evade the provisions of this Agreement or to commit any act which is detrimental to the successful continuation of or which adversely affects the business or the Company; provided, however, that the foregoing shall not preclude the Executive's ownership of not more than 2% of the equity securities of a company

whose securities are registered under Section 12 of the Securities Exchange Act of 1934, as amended;

(6) For purpose of these Covenant Not-to-Compete and No Solicitation provisions, Client includes any subsidiaries, affiliates, customers, and clients of the Company's Clients. The Executive agrees that the geographic scope of this Covenant Not-to-Compete shall extend to the geographic area where the Company's Clients conduct business at any time during the Term of this Agreement. For purposes of this Agreement, "Clients" means any person or entity to which the Company provides or has provided within a period of one (1) year prior to the Executive's termination of employment, labor, materials or services for the furtherance of such entity's or person's business or any person or entity that within such period of one (1) year the Company has pursued or communicated with for the purpose of obtaining business for the Company.

(d) Enforcement. These Covenant Not-to-Compete and No Solicitation provisions shall be construed and enforced under the laws of the State of Florida. In the event of any breach of this Covenant Not-to-Compete, the Executive recognizes that the remedies at law will be inadequate, and that in addition to any relief at law which may be available to the Company for such violation or breach and regardless of any other provision contained in this Agreement, the Company shall be entitled to equitable remedies (including an injunction) and such other relief as a court may grant after considering the intent of this Section 5. It is further acknowledged and agreed that the existence of any claim or cause of action on the part of the Executive against the Company, whether arising from this Agreement or otherwise, shall in no way constitute a defense to the enforcement of this Covenant Not-to-Compete, and the duration of this Covenant Not-to-Compete shall be extended in an amount which equals the time period during which the Executive is or has been in violation of this Covenant Not-to-Compete. In the event a court of competent jurisdiction determines that the provisions of this Covenant Not-to-Compete are excessively broad as to duration, geographic scope, prohibited activities or otherwise, the parties agree that this covenant shall be reduced or curtailed only to the extent necessary to render it enforceable.

(e) In an action to enforce or challenge these Covenant Not-to-Compete and No Solicitation provisions, the prevailing party is entitled to recover its attorney's fees and costs.

(f) By signing this Agreement, the Executive acknowledges that he/she understands the effects of these Covenant Not-to-Compete and No Solicitation provisions and agrees to abide by them.

6. TERMINATION

(a) Death. The Executive's employment hereunder shall terminate upon his/her death.

(b) Disability. If during the Term of this Agreement the Executive becomes physically or mentally disabled in accordance with the terms and conditions of any disability insurance policy covering the Executive, or, if due to such physical or mental disability the Executive becomes unable for a period of more than six (6) consecutive months to perform his/her duties hereunder on substantially a full-time basis as determined by the Company in its sole reasonable discretion, the Company may, at its option, terminate the Executive's employment hereunder upon not less than thirty (30) days' written notice so long as the terms of any disability insurance policy then in effect provide for Executive to receive disability payments from that date forward.

(c) Cause. The Company may terminate the Executive's employment hereunder for Cause effective immediately upon notice. For purposes of this Agreement, the Company shall have "Cause" to terminate the Executive's employment hereunder: (i) if the Executive engages in conduct which has caused or is reasonably likely to cause demonstrable and serious injury to Company; (ii) if the Executive is convicted of a felony as evidenced by a binding and final judgment, order, or decree of a court of competent jurisdiction; (iii) for the Executive's failure or refusal to perform his/her duties or responsibilities hereunder as determined by the Company's Chief Executive Officer in good faith, if such failure or refusal continues for a period of ten (10) days after written notice of the same to the Executive; (iv) for gross incompetence; (v) for the Executive's violation of this Agreement, including, without limitation, Section 5 hereof; (vi) for chronic absenteeism; (vii) for use of illegal drugs; (viii) for insobriety by the Executive while performing his or her duties hereunder; and (ix) for any act of dishonesty or falsification of reports, records, or information submitted by the Executive to the Company.

(d) Termination by the Company for Convenience. Subject to the Company's obligation to pay Liquidated Damages in accordance with the terms and conditions of this Agreement, the Company may terminate Executive's employment hereunder at any time, for the Company's convenience and without reason, by delivering written notice of termination to the Executive.

(e) Payments Upon Termination. In the event of a termination of the Executive's employment, all payments and Company benefits to the Executive hereunder, except the payment of Liquidated Damages (if any) provided below, shall immediately cease and terminate. In the event the Company terminates the Executive's employment pursuant to Section 6(d) hereof, the Company shall pay the Executive an amount equal to the Liquidated Damages defined in this Section 6(f) in lieu of actual damages for such termination. If the Executive's employment terminates or is terminated for any reason other than as specified in the preceding sentence, the Executive shall not be entitled to any Liquidated Damages. Notwithstanding anything to the contrary herein contained, and in addition to any other compensation which the Executive may be entitled to receive pursuant to this Agreement, the Executive shall receive all compensation and other benefits to which he/she was entitled under this Agreement or otherwise as an executive of the Company through the termination date. The "Liquidated Damages" amount, if due as provided above, shall be equal to the weekly amount stated

as Base Salary on Exhibit "A" for fifty two (52) weeks. The amount of Liquidated Damages shall be paid biweekly in equal installments over such period.

(f) Condition Precedent to Receipt of Liquidated Damages. Executive expressly agrees that in the event of a termination of this Agreement, Executive will execute an agreement containing waiver and release provisions in form and substance acceptable to the Company. Executive agrees and acknowledges that the execution of such an agreement upon termination of employment is a condition precedent to the obligation of the Company to pay any Liquidated Damages hereunder. Executive acknowledges that the waiver and release provisions required by the Company will provide for the release and waiver of important rights and/or claims that Executive might have against the Company at the time of termination of this Agreement.

7. **NOTICE.** For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when hand-delivered, sent by telecopier, facsimile transmission, or other electronic means of transmitting written documents (as long as receipt is acknowledged) or mailed by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive, to the address set forth on the signature page.

If to the Company: Sykes Enterprises, Incorporated
400 North Ashley Drive, Suite 2800
Tampa, Florida 33602
Attention: Sr. VP of Human Resources

with a copy to:

Sykes Enterprises, Incorporated
400 North Ashley Drive, Suite 2800
Tampa, Florida 33602
Attention: General Counsel

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that a notice of change of address shall be effective only upon receipt.

8. **ENFORCEMENT AND GOVERNING LAW.** It is stipulated that a breach by Executive of the restrictive covenants set forth in Sections 4 and 5 of this Agreement will cause irreparable damage to Company or its Clients, and that in the event of any breach of those provisions, Company is entitled to injunctive relief restraining Executive from violating or continuing a violation of the restrictive covenants as well as other remedies it may have. Additionally, such covenants shall be enforceable against the Executive's heirs, executors, administrators and legal representatives, and enforceable by Company's successors or assigns.

The validity, interpretation, construction, and performance of this Agreement shall be governed by the internal laws of the State of Florida. Any litigation to enforce this Agreement shall be brought in the state or federal courts of Hillsborough County, Florida, which

Daniel L. Hernandez

is the principal place of business for Company and which is considered to be the place where this Agreement is made. Both parties hereby consent to such courts' exercise of personal jurisdiction over them.

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9. ARBITRATION OF DISPUTES.

(a) Duty to Arbitrate. Except for any claim by the Company to enforce the restrictive covenants set forth in Sections 4 and 5 above, Company and Executive agree to resolve by binding arbitration any claim or controversy arising out of or related to Executive's employment by Company or this Agreement, to include all matters directly or indirectly related to your recruitment, employment or termination of employment by the Company including, but not limited to claims involving laws against discrimination whether brought under federal and/or state law, and/or claims involving co-employees but excluding workers compensation claims, whether such claim is based in contract, tort, statute, or any other legal theory, including any claim for damages, equitable relief, or both. The duty to arbitrate under this Section extends to any claim by or against any officer, director, shareholder, employee, agent, representative, parent, subsidiary, affiliate, heir, trustee, legal representative, successor, or assign of either party making or defending any claim that would otherwise be arbitrable under this Section. However, this Section shall not be interpreted to preclude either party from petitioning a court of competent jurisdiction for temporary injunctive relief, solely to preserve the status quo pending arbitration of the claim or controversy, upon a proper showing of the need for such relief.

(b) The Arbitrator. A single arbitrator will conduct the arbitration in Tampa, Florida, U.S.A., in accordance with the Commercial Arbitration Rules of the American Arbitration Association (the "Rules"), and judgment upon the written award rendered by the arbitrator may be entered in any court of competent jurisdiction. Notwithstanding the application of the Rules, however, discovery in the arbitration, including interrogatories, requests for production, requests for admission, and depositions, will be fully available and governed by the Federal Rules of Civil Procedure and Local Rules of the United States District Court for the Middle District of Florida. The parties may agree upon a person to act as sole arbitrator within thirty (30) days after submission of any claim or controversy to arbitration pursuant to this Section. If the parties are unable to agree upon such a person within such time period, an arbitrator shall be selected in accordance with the Rules. The parties will pay their own respective attorneys' fees, witness fees, and other costs and expenses incurred in any investigations, arbitrations, trials, bankruptcies, and appeals; provided, however, that the Company will pay the filing fees, hearing fees, and processing fees associated with arbitration hereunder.

(c) Limitations Period. The parties agree that any claim or controversy that would be arbitrable under this Section must be submitted to arbitration within one (1) year after the claim or controversy arises and that a failure to institute arbitration proceedings within such time period shall constitute an absolute bar to the institution of any proceedings, in arbitration or in any court, and a waiver of all such claims. This Section will survive the expiration or early termination of this Agreement.

(d) Governing Law. This Agreement shall be governed in its construction, interpretation, and performance by the laws of the State of Florida, without reference to

law pertaining to conflict of laws. However, the Federal Arbitration Act, as amended, will govern the interpretation and enforcement of this Section.

(e) Attorneys' Fees. The prevailing party in any arbitration or dispute, or in any litigation, arising out of or related to Executive's employment by Company or this Agreement, shall be entitled to recover all reasonable attorneys' fees incurred on all levels and in all proceedings, unless otherwise provided by law.

(f) Severability. Each part of this Section is severable. A holding that any part of this Section is unenforceable will not affect the duty to arbitrate under this Section.

10. **MISCELLANEOUS.** No provision of this Agreement may be modified or waived unless such waiver or modification is agreed to in writing signed by the parties hereto; provided, however, that the terms of the performance bonus and fringe benefits set forth on Exhibit "A" may be amended by the Company in its discretion without the Executive's consent to the extent provided therein. No waiver by any party hereto of any breach by any other party hereto shall be deemed a waiver of any similar or dissimilar term or condition at the same or at any prior or subsequent time. This Agreement is the entire agreement between the parties hereto with respect to the Executive's employment by the Company and there are no agreements or representations, oral or otherwise, expressed or implied, with respect to or related to the employment of the Executive which are not set forth in this Agreement. Any prior agreement relating to the Executive's employment with the Company is hereby superseded and void, and is no longer in effect. This Agreement shall be binding upon and inure to the benefit of the Company, its respective successors and assigns, and the Executive and his/her heirs, executors, administrators and legal representatives. Except as expressly set forth herein, no party shall assign any of his/her or its rights under this Agreement without the prior written consent of the other party and any attempted assignment without such prior written consent shall be null and void and without legal effect; provided, however, that Company may assign this Agreement to any party that acquires all or substantially all of Company's assets or business, without Executive's consent. The parties agree that if any provision of this Agreement shall under any circumstances be deemed invalid or inoperative, the Agreement shall be construed with the invalid or inoperative provision deleted and the rights and obligations of the parties shall be construed and enforced accordingly. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute but one and the same instrument. This Agreement has been negotiated and no party shall be considered as being responsible for such drafting for the purpose of applying any rule construing ambiguities against the drafter or otherwise.

[The remainder of this page intentionally left blank — Signatures on following page]

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

SYKES ENTERPRISES, INCORPORATED

EXECUTIVE

By: /s/ James T. Holder

James T. Holder
Vice President and General Counsel

By: /s/ Daniel L. Hernandez

Daniel L. Hernandez

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EXHIBIT "A" TO EMPLOYMENT AGREEMENT

BASE SALARY: \$3,846.15 per week payable bi-weekly, effective October 6, 2005

PERFORMANCE BONUS: Eligible to participate in both short-term and long-term performance based incentive programs

FRINGE BENEFITS: Eligible for standard executive benefits

THE COMPANY RESERVES THE RIGHT, AT ITS DISCRETION, AT SUCH TIME OR TIMES AS IT ELECTS, TO CHANGE OR ELIMINATE THE PERFORMANCE BONUS, INCENTIVES, OR OTHER BENEFITS.

IN WITNESS WHEREOF, the parties have executed this Exhibit "A" as of the 3rd day January, 2006.

SYKES ENTERPRISES, INCORPORATED

EXECUTIVE

By: /s/ James T. Holder
James T. Holder
Vice President and General Counsel

By: /s/ Daniel L. Hernandez
Daniel L. Hernandez

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