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

FORM 10-K

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

For the fiscal year ended December 31, 2021

or

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

For the transition period from _______ to _______
Commission file number 001-35108

SERVICESOURCE INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware	**81-0578975**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
707 17th Street, 25th Floor **Denver, Colorado**	**80202**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code **(720) 889-8500**

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $0.0001 Par Value	**SREV**	**The Nasdaq Stock Market LLC**

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

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes ☐ No ☒

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

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

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

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☒
Emerging growth company	☐		

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C.7262(b)) by the registered public accounting firm that prepared or issued its audit report.
☒

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

The aggregate market value of voting and non-voting common stock held by non-affiliates of the registrant as of June 30, 2021, the last business day of the Registrant's most recently completed second fiscal quarter, was approximately $107.3 million. Shares of common stock held by each executive officer, director and holder of 10% or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status does not reflect a determination that such persons are affiliates of the registrant for any other purpose.

As of February 17, 2022, there were approximately 99,112,032 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement for its 2022 annual meeting of stockholders are incorporated by reference in Part III of this annual report on Form 10-K. Such proxy statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates. Except with respect to information specifically incorporated by reference in this Form 10-K, the proxy statement is not deemed to be filed as part of this Form 10-K.

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FORWARD LOOKING STATEMENTS

This Annual Report on Form 10-K (this "annual report") includes estimates, projections, statements relating to our business plans, objectives, and expected operating results that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements may appear throughout this annual report. These forward-looking statements are generally identified by the words "believe," "project," "target," "forecast", "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and variations of such words or similar expressions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties that may cause actual results to differ materially. Factors that could cause or contribute to such differences include, but are not limited to, those identified elsewhere in this annual report, including the risks and uncertainties related to the impact and duration of the COVID-19 pandemic in "Risk Factors" (Part I, Item 1.A. of this Form 10-K) and "Management's Discussion and Analysis of Financial Condition and Results of Operations" (Part II, Item 7 of this Form 10-K). Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events, or otherwise, except as required by applicable law.

"ServiceSource," "the Company," "we," "us," or "our", as used herein, refer to ServiceSource International, Inc. and its wholly owned subsidiaries, unless the context indicates otherwise.

For a summary of commonly used industry terms and abbreviations used in this annual report, see the Glossary of Terms.

PART I

ITEM 1. BUSINESS

About ServiceSource

ServiceSource is a leading provider of BPaaS solutions that enable the transformation of go-to-market organizations and functions for global technology clients. We design, deploy, and operate a suite of innovative solutions and complex processes that support and augment our clients' B2B customer acquisition, engagement, expansion and retention activities. Our clients - ranging from Fortune 500 technology titans to high-growth disruptors and innovators - rely on our holistic customer engagement methodology and process excellence, global scale and delivery footprint, and data analytics and business insights to deliver trusted business outcomes that have a meaningful and material positive impact to their long-term revenue and profitability objectives. Through our unique integration of people, process and technology - leveraged against our more than 20 years of experience and domain expertise in the cloud, software, hardware, medical device and diagnostic equipment, and industrial IoT sectors - we effect and transact billions of dollars of B2B commerce in more than 175 countries on our clients' behalf annually.

Our services are delivered globally by approximately 2,900 professionals speaking 45 languages. Our net revenue was $195.7 million for the year ended December 31, 2021.

Our Market Opportunity

Our clients operate in rapidly changing and dynamic environments where they face increasing pressure to gain market share, expand globally, accelerate revenue growth, and streamline operating expenses. In an era of more intense competition, rapid technology disruption, and lower customer switching costs, the most successful B2B companies are recognizing the imperative of a customer-centric mindset. Enabling and delivering a superior customer experience is mission-critical for these companies, yet many lack the appropriate internal resources and capabilities required for longstanding success. Increasingly, they are seeking strategic partners and thought leaders who possess the requisite expertise and proven competencies to enhance the loyalty and lifetime value of their customers by accelerating their go-to-market transformation strategies. Against this market opportunity backdrop, we believe ServiceSource is uniquely positioned and competitively differentiated to benefit from the following dynamics:

- *Consumerization of B2B commerce.* In today's hyper-connected digital economy, individuals have become accustomed to engaging with B2C brands through channels and interactions that are efficient, effective and effortless. These individuals are bringing their consumer expectations into the workplace, fundamentally reshaping how companies market, sell to and engage with their business customers. The majority of business buyers expect their B2B customer experiences to mirror their B2C encounters and are willing to award a greater share of wallet and higher loyalty to vendors who can meet these raised expectations. While factors such as price, quality and feature functionality remain important considerations, leading B2B companies recognize that durable competitive advantage is increasingly based on facilitating interactions that are proactive, predictive and personalized across all touchpoints of the customer journey. We believe more companies are turning to external specialists like ServiceSource to structure, deploy and operate integrated solutions and processes that can holistically address and serve the unique and heightened demands of this emerging consumerization trend.

- *Deployment of customer-centric models that disrupt legacy go-to-market channels.* Technology companies have relied for decades on a variety of third-party intermediaries to reach their mid-market customers. For many companies, 50% - 75% or more of their revenue has historically been attributed to indirect channels, including distributors, resellers, system integrators, and managed service providers, among others. These legacy routes to market are rapidly losing relevance due to the consumerization of IT, the growth of as-a-service offerings, the proliferation of cloud delivery and distribution models, and the rapid adoption of subscription and consumption-based billing plans. In light of these shifts and driven by a growing desire for greater customer insight and intimacy, more companies are deprioritizing investments away from these indirect channels, while assigning more focus to direct-to-consumer pathways. We believe these organizations are looking to strategic thought leaders such as ServiceSource who can help them reimagine their go-to-market strategies, accelerate their channel transformation initiatives, and design and manage new customer-centric operating models that will enable them to grow closer to their customers.

- *Emergence of customer experience as a competitive differentiator.* Increased global competition, lower barriers to entry and shortened product lifecycles are prompting technology companies to reassess their competitive advantage and reevaluate their core competencies. While areas such as intellectual property, engineering, research and development, and product development still remain core, successful forward-thinking organizations realize and appreciate the positive impact of a well-orchestrated customer experience on their revenue and profitability objectives. While these companies are attempting to allocate greater resources to build internal customer-facing capacity in areas including demand generation and conversion, account management, and customer success management, they are often encumbered by pre-existing organizational dynamics, departmental silos, and corporate inertia. We believe more companies will increasingly seek to partner with differentiated BPaaS providers like ServiceSource who can help them to more rapidly scale their customer experience initiatives with a value-driven and outcomes-based business case. Our clients choose us to help them drive greater customer engagement, trust, and loyalty given our integrated solution suite, demonstrable track record, proven process improvement methodology, global scale and infrastructure, and data expertise and insights.

Our Strategy and Solutions

Our strategy is to drive client success by bringing the world’s greatest brands closer to their customers through people-powered, digitally-enabled solutions and data-driven insights. We are pioneers in the CJX® market and believe our solution scope, process expertise and global operating scale position us as a category leader. Our unified CJX® solution suite spans the pre- and post-sale B2B customer journey and is deployed through a holistic model that enables our clients to more efficiently and effectively identify, land, adopt, expand and renew their customers and end-users.

The ServiceSource CJX® solution suite has been built on three primary solution pillars, encompassing digital sales, customer success, and channel management, all underpinned by enabling competencies centered around our highly trained people, proprietary processes, and best-in-class technologies. Depending on our clients’ needs, we can provide our solutions and motions on a fully integrated basis or we can design and deploy them on a discrete, á la carte basis to address our clients’ unique requirements.

Digital sales. Through our digital sales solution, we help our clients accelerate their acquisition and expansion efforts across both net-new and installed-base customer accounts. Our core motions of demand qualification, demand conversion, and account management are designed to drive higher quality leads, improved pipeline hygiene, greater marketing and sales funnel velocity, better sales conversion rates, higher net expansion rates, and increased consumption for our clients' products and services.

- *Demand qualification.* We serve as a seamless extension to our clients' advertising, marketing, and digital demand generation activities. Through proactive customer interaction and leveraged with our data analytics expertise, our business development reps digitally engage with marketing-generated leads to evaluate and score their budget, authority, need, and timing to progress them through the funnel into sales-qualified and sales-accepted leads.

- *Demand conversion.* We serve as a high velocity augmentation to our clients' inside sales teams, allowing for enhanced coverage and increased conversion of their sales pipeline. Our sales development reps are extensively trained on our clients' products, services, and features, and are experts at value- and persona-based selling. Through omnichannel media - including voice, chat, email, video, and social - our teams nurture leads, educate prospects, and conduct sales demos to convert qualified opportunities into confirmed orders and closed bookings for our clients.

- *Account management.* We serve as a natural complement to our clients' installed-based account management sales motions. Our highly-skilled digital sales professionals develop, formulate, and implement account-based sales plans to identify and execute expansion selling opportunities, driving high margin incremental revenue for our clients through higher cloud consumption levels, upsell and cross-sell rates, multi-year conversions, and service and support attach rates.

Customer success and renewals. Through our customer success and renewals solution, we are an integrated component of our clients' customer experience strategies and engagement efforts. Our core motions of onboarding, adoption, and renewals management are uniquely tailored and customized to improve the satisfaction, referenceability, loyalty, retention and lifetime value of our clients' customers.

- *Onboarding*. Our onboarding experts engage and communicate with our clients' new customers to ensure they are positioned for success from the first day of their relationship. We confirm subscriptions were successfully activated, downloads were successfully installed, assets and entitlements were successfully provisioned, and payments and credits were successfully applied. Where required, we further triage and support the coordination of our clients' technical support and professional services resources to drive higher initial customer satisfaction and issue resolution outcomes.

- *Adoption*. Our adoption specialists are thoroughly trained and well-versed in the full range of features and functionality of our clients' products, services and solutions. Leveraging telemetry from a variety of data feeds complemented with proactive real-time customer interaction, we ensure that our clients' customers are appropriately educated, informed and empowered on how they can best achieve faster speed-to-value and return-on-investment for their subscription or purchase.

- *Renewals management*. Our renewals representatives are equipped with our industry-leading high-performance sales methodology and complemented by best-in-class technology and processes to manage revenue that may be at risk of loss for our clients. Our systems and global teams cleanse, validate, enhance and supplement our clients' CRM and ERP data in order to proactively configure, price, quote and sell customer contracts that are nearing expiration or cancellation. Through extensive integration with our clients' internal systems, teams and processes, we deliver performance outcomes that allow our clients to recognize lower customer churn and attrition, enhanced contract renewal rates, and higher revenue retention metrics.

Channel management. Through our channel management solution, we support the full lifecycle management of our clients' indirect channels and routes to market. Our core motions of partner recruitment, partner onboarding and enablement, and partner success management are designed to increase partner mindshare, productivity, and sales of our clients' products and services across both one-tier and two-tier distribution channel models.

- *Partner onboarding*. Our partner onboarding specialists are dedicated to onboarding new distributors, value-added resellers, resellers, system integrators, managed service providers, agents and related third parties to our clients' channel partner programs. Through early engagement, proactive outreach, and onboarding assistance, we ensure that our clients' new partners are best positioned to more effectively market, sell and support our clients' offerings in their respective regions and territories.

- *Partner enablement.* Our partner enablement specialists are thoroughly trained in the program design, tiering levels and criteria, and incentives available to partners through our clients' channel programs. Through engagement, intervention, and training, we promote greater program awareness, understanding, and focus for partners, equipping them to achieve better outcomes with our clients.

- *Partner success management.* Our partner success managers support our clients' partners in developing and formulating quarterly and annual performance objectives, analyzing and forecasting sales and renewals pipelines, and identifying and resolving barriers to their success. Through ongoing engagement and interaction with our clients' indirect partners, we proactively manage the relationships to ensure higher levels of success for our clients, the partners, and their mutual customers.

Our CJX® solution suite is provided to our clients primarily through a unique outcomes-based, pay-for-performance model that ensures optimal alignment to their business growth priorities, return-on-investment mandates and customer experience objectives. Through this model, our clients pay us commissions that are either flat-rate or variable based on the pipeline, bookings, and/or revenue we generate on their behalf. For engagements where other pricing options are more appropriate, including our professional services, sales enablement and data management services, our clients pay us through either fixed-fee or full-time employee-based pricing models. Oftentimes, our client contracts incorporate multiple pricing models to most appropriately balance our assessment of the data quality, operational complexity and risk-reward profile of the engagement. For the year ended December 31, 2021, 72% of our revenue was derived from pay-for-performance pricing arrangements and 28% was derived from fixed-fee or full-time employee-based pricing arrangements.

Our relationship with our clients begins in the pre-sales process and continues through the lifecycle of our engagement:

- *Sales performance analysis.* We typically begin engagements with our prospective clients by conducting a SPA. Through our SPA process, we conduct in-depth executive interviews and data analysis to understand a client's unique challenges and desired business outcomes, evaluate and benchmark its performance against those outcomes, analyze opportunities for improvement using proprietary analytical models, and deliver expertise and recommendations to drive an enhanced customer experience, improved operational KPIs, and targeted financial gains.

- *Business case, pricing and contract structuring.* We use our reservoir of data, benchmarks, and best practices to estimate the critical components of the business case, to calculate our ability to improve our clients' performance based on our extensive track record of execution for similar engagements, to scope and design an optimal delivery model, and to derive an appropriate value-based pricing structure and contractual arrangement.

- *Data integration, implementation and launch.* Once we have entered into a contract with a client, we deploy our professional services to rapidly integrate our tools and platforms with our clients' systems, while our data and ops services teams ensure that high velocity data feeds are appropriately configured, mapped, loaded, enabled, and enhanced. Our talent acquisition teams launch a highly selective recruiting and onboarding process, while our learning and development teams build and deliver a robust training curriculum and certification program.

- *Performance and execution.* Following the implementation and ramp of an engagement, we leverage our reporting platform, data reservoir, and performance optimization tools to continuously monitor, measure, analyze, benchmark, and enhance the performance of our teams to ensure we are positioned to deliver against the business case and exceed our clients' expectations.

- *Client benchmarking and continuous improvement.* Our extensive platform and the accumulation of more than 20 years of experience serve as the foundation for benchmarking our clients' performance against internal parity rates, industry peers, and previous performance periods. We generally conduct monthly and quarterly business review meetings and host frequent executive steering reviews with our clients to assess our results, identify potential process gaps, determine opportunities for continuous improvement, and make recommendations that we believe will allow our clients and us to achieve higher levels of performance and efficiencies.

Markets We Serve

We target our solutions exclusively to B2B technology companies and focus on chosen market segments where we have deep domain expertise, proven competencies and best practices, robust executive relationships, and the ability to leverage existing client references and advocacy.

- *Cloud and SaaS.* In this segment, we serve companies who provide their solutions via public, private, or hybrid cloud delivery models, including SaaS, PaaS, and IaaS vendors. Within this market, customers and end-users typically purchase from our clients through a recurring subscription or a consumption-based utility billing model. IDC, a market research firm, estimates the total global market for cloud software was approximately $231 billion in 2021 with a forecasted 18% compound annual growth rate through 2024.

- *Software.* Our clients in this segment include companies who primarily provide their software in an on-premise environment, where our clients' customers and end-users typically pay for a defined number of licenses or subscribers, as well as related software support, maintenance and service contracts. We have developed extensive expertise in a variety of software sub-sectors, supporting vendors of application and system software, collaboration software, CRM software, cyber-security software, open source operating system software, and virtualization software, among others. IDC estimates the total global market for software license and maintenance was approximately $281 billion in 2021, while the software subscription market was approximately $292 billion in 2021 with a forecasted 18% compound annual growth rate through 2024.

- *Hardware.* In this segment, we serve companies who provide IT hardware and related assets, including data center systems (servers, storage, gateways, and arrays), networking and communications equipment (switches, routers, access points, and appliances), and computing equipment and peripherals (workstations, PCs, thin-clients, and imaging devices), among others. Within this segment, our services are primarily directed at selling, renewing, and extending hardware maintenance and support contracts on our clients' behalf. IDC estimates the total global market for hardware maintenance and support was approximately $64 billion in 2021 with a forecasted 3% compound annual growth rate through 2024.

- *Medical device and diagnostic equipment.* Our clients in this segment include companies who provide products, software and services to the healthcare and medical field, including vendors of radiology and diagnostic imaging equipment, surgical and laboratory instruments, and healthcare IT software, among others. Fortune Business Insights, a market research firm, estimates the total global medical device market was approximately $455 billion in 2021 with a forecasted 5% compound annual growth rate through 2028.

- *Industrial IoT.* In this segment, we serve companies who provide hardware, sensors, software and related services to monitor and automate smart and connected devices for manufacturing environments, process control applications, and energy and utility customers, among others. Grand View Research, a market research firm, estimates the total global market for industrial IoT applications was approximately $264 billion in 2021 with a forecasted 23% compound annual growth rate through 2028.

Our Clients

We seek to build long-term, durable relationships with leading companies and high-growth innovators within each of our target markets, where our strategy, solutions, and capabilities provide a compelling client value proposition and opportunity for us to drive enduring client success and trusted business outcomes. We typically enter into contracts with our clients with average terms ranging from one to three years. Our client contracts are generally comprised of a master services agreement, which is a framework agreement that defines broad governing terms, supplemented by one or multiple order forms or statements of work that outline detailed terms, conditions, pricing, description of services and definition of scope. While most of our contracts may be terminated for convenience with relatively short notice, often subject to the payment of an early termination fee by the client, our top 10 client relationships range in duration from 5 to 15 years, with an average tenure of approximately 11 years.

During the year ended December 31, 2021, our top ten clients each generated more than $4.0 million in revenue and represented a combined 82% of our total net revenue, and four clients each represented over 10% of our revenue during this period. A relatively small number of clients may continue to account for a significant portion of our revenue for the foreseeable future. The loss of revenue from any of our significant clients for any reason may cause a significant decrease in our revenue.

Competition and Our Competitive Strengths

The market for our BPaaS services and CJX® solution suite is dynamic and evolving. Historically, B2B companies have managed their customer acquisition, engagement, expansion, and retention efforts internally and have relied upon a variety of third-party technologies and tools - including enterprise resource planning software, customer relationship management software, customer success management software, business intelligence software, channel management software, customer experience management software, and sales enablement software - from vendors such as Adobe, Gainsight, Gong, Medallia, Oracle, SAP, salesforce.com, and Totango, to enable their in-house teams and workflows. Some companies have made further investments in this area using firms such as Bain & Company, Deloitte Digital and McKinsey & Company for customer experience design and digital transformation consulting services for their go-to-market organizations. These internally developed solutions represent the primary alternative to our integrated approach of combining people, processes and technology to provide a purpose-built, end-to-end optimized solution.

We believe we are the only company of scale exclusively focused on serving the unique requirements of B2B technology companies with a solution suite that addresses the entirety of the customer journey experience continuum. Within the broader BPaaS market, at times we may compete with larger, more diversified and less-focused companies such as Accenture, Cognizant, Concentrix, Genpact, TTEC, and Webhelp, as well as smaller companies offering more narrow point solutions.

We believe our principal competitive strengths and differentiators include our:

- 20+ year track record of innovation and market leadership;
- B2B technology industry domain expertise;
- ability to drive client success and value;
- scope and completeness of our solution;
- robust global delivery footprint and infrastructure;
- extensive geographic and language coverage model;

- outcomes-based, pay-for-performance pricing;
- data-driven insights, best practices and benchmarks;
- speed and agility;
- experience and quality of our leadership team;
- reputation and referenceable client base; and
- size and financial stability of our operations.

Although we currently have few direct competitors that offer integrated solutions at our scale, we expect competition and competitive pressure, from both new and existing competitors, to increase in the future.

Human Capital

We believe our people are our greatest asset and central to the success of ServiceSource and our clients. Through our core values of trust, caring, collaboration, and dedication, we direct our efforts and invest extensive resources to ensure we attract, hire, develop, incentivize, promote, and retain a world-class workforce. We are committed to building a culture that inspires success for our people and fostering a workplace environment that promotes trust, diversity, and inclusion while providing multiple avenues for continuous personal and professional development.

As of December 31, 2021, we had approximately 2,900 employees worldwide, of which nearly all were full-time, with 71% located outside of the U.S. Our employees are not covered by collective bargaining agreements. We believe we have good relations with our employees, as demonstrated by our average employee tenure of 3.5 years and an employee net promoter score that improved by approximately 11 points in 2021.

In 2021, we brought greater focus and Board governance to our Human Capital strategies by expanding the Compensation Committee's responsibilities to include periodically reviewing and reporting to the Board, as appropriate, on (i) the Company's talent management strategies, such as the Company's recruitment, development, promotion, and retention programs, (ii) diversity and inclusion within the Company, and (iii) employee engagement and Company culture. In order to more accurately reflect the committee's expanded responsibilities, we renamed our Compensation Committee the Compensation and Human Resources Committee.

Employee health and well-being. We believe a loyal and productive workforce requires a holistic approach to caring for the whole self. We provide a variety of programs and benefits to support the physical, mental, emotional, and spiritual health and well-being of our employees.

We are committed to the health and safety of our employees. To keep our employees safe during the COVID-19 pandemic, we created a dedicated crisis team to proactively implement business continuity plans and quickly transitioned to a 100% work-from-home model. As a result of this successful work-from-home implementation, we have shifted to a virtual-first operating model whereby our employees will continue to primarily work from their home offices and our facilities will be used for collaboration, innovation, and connection. Additionally, this model includes virtual sourcing, hiring, and onboarding for new employees as well as a process for driving performance and culture in a virtual environment.

Inclusion and diversity. We believe high-performing organizations are defined by policies and practices that encourage and celebrate an inclusive and diverse workforce. We have adopted metrics that measure the racial, ethnic, and gender diversity of our organization and practices to ensure our organization is representative of the communities we serve. We are committed to equal pay for equal work, and continually monitor and analyze our compensation programs for equality.

We have further advanced our gender equality initiative with women representing nearly half of our total employee base and more than one-third of our leadership ranks.

Benefits. We offer a complete set of benefits for our employees, including competitive base salaries, annual cash bonuses and an equity incentive program, as well as comprehensive health benefits, retirement plans, and a generous time off policy. For our U.S.-based employees, we offer 12 weeks of paid parental leave, providing important support for our employees as they strive to care for, bond with and welcome new family members and integrate family life with work life. In addition, every employee receives a day of birthday time off, to enable that employee to celebrate on a day during the month of their birth.

Community engagement and involvement. We are active and involved members in the communities in which our employees live and work, and we promote a culture of volunteering and giving back. Every employee globally receives eight hours of paid volunteer time off annually, which encourages our employees to serve the communities in which we live and work. Through our paid volunteer time off program, our employees collectively volunteered more than 5,000 hours supporting a variety of charitable causes and organizations in their communities during 2021.

Training, development, and performance. In July 2020, we launched CJX® University, a world-class learning and development platform designed to help employees grow and develop in their careers. Since launch, our employees have logged more than 17,000 training hours. Additionally, we hold bi-annual unrated performance reviews, designed to encourage employees to have conversations with their managers relating to their areas of strength and growth opportunities and allowing for a plan for future career progression and development.

Our Intellectual Property

We believe our ability to innovate is a key driver of value for our clients and our business. The solutions we provide to our clients often include a variety of proprietary tools, technologies, processes, methodologies, and expertise which comprise our intellectual property. In addition, our intellectual property includes patents, trademarks, and copyrights, as well as various trade secrets, which we believe provide us with a competitive advantage in the marketplace. We protect our intellectual property by leveraging U.S. and foreign patent, trademark, copyright, and trade secret laws, in addition to entering into non-competition, confidentiality, non-disclosure, and related intellectual property protection agreements with our clients, employees, contractors and suppliers.

Partnerships and Alliances

We enter into partnerships and alliances with companies that can enhance our solutions, differentiate our capabilities, advance our technologies and tools, and complement our sales and marketing activities. These relationships include strategic go-to-market alliances, joint-selling agreements, "white-labeled" technology integrations and business transformation and consulting partners.

Additional Information

Our predecessor company was founded in 1999 and we were formed as a Delaware limited liability company in 2002 and converted to a Delaware corporation in 2011. Additional information about us is available on our website at http://www.servicesource.com. The information on our website is not incorporated into this annual report by reference and is not a part of this Form 10-K. We make available free of charge on our website our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after those reports are electronically filed with, or furnished to, the SEC. In addition, the SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at http://www.sec.gov. From time to time, we may use our website as a channel of distribution of material information about our company. Financial and other important information regarding our business is routinely posted on and accessible at http://ir.servicesource.com.

ITEM 1A. RISK FACTORS

Investing in our common stock involves risk. Our operations and financial results are subject to various risks and uncertainties, including those described below, that could adversely affect our business, financial condition, results of operations, cash flows and the trading price of our common stock. You should carefully consider the risks described below and the other information in this Annual Report on Form 10-K.

Risks Related to Our Business and Industry

Our business and growth depend substantially on clients renewing their agreements with us and expanding their use of our solution for additional available markets. Any decline in our client renewals, termination of ongoing engagements or failure to expand their relationships with us could harm our future operating results.

In order for us to improve our operating results and grow, it is important that our clients renew their agreements with us when the initial contract term expires and that we expand our client relationships to add new market opportunities and the related revenue management opportunity. Our clients may elect not to renew their contracts with us after the expiration of their initial term, which typically vary between one and two years, or may elect to otherwise terminate our services, and we cannot assure you that our clients will renew service contracts with us at the same or higher level of service, if at all, or provide us with the opportunity to manage additional revenue management opportunities. Although our renewal rates have been historically higher than those achieved by our clients prior to their use of our solution, some clients have still elected not to renew their agreements with us. Our clients' renewal rates may decline or fluctuate as a result of a number of factors, many of which are beyond our control, including their satisfaction or dissatisfaction with our solution and results, our pricing, mergers and acquisitions affecting our clients or their end customers, the effects of economic conditions or reductions in our clients' or their end customers' spending levels. If our clients do not renew their agreements with us, renew on less favorable terms, terminate their services with us or fail to contract with us for additional services, our revenue may decline and our operating results may be adversely affected.

Our revenue will decline if there is a decrease in the overall demand for our clients' products and services.

A majority of our revenue is based on a pay-for-performance model, which means that we are paid a commission based on the service contracts we sell on behalf of our clients. If a client's products or services fail to appeal to its end customers, our revenue will decline for our work with that client. In addition, if end customer demand decreases for other reasons, such as negative news regarding our clients or their products, unfavorable economic conditions, shifts in strategy by our clients away from promoting the service contracts we sell in favor of selling their other products or services to their end customers, or if end customers experience financial constraints and terminate or fail to renew the service contracts we sell, we may experience a decrease in our revenue as the demand for our clients' service contracts declines. Similarly, if our clients come under economic pressure, they may be more likely to terminate their contracts with us or seek to restructure those contracts.

The ongoing COVID-19 pandemic may have a material adverse effect on our business, financial position, results of operations and/or cash flows.

COVID-19 has had, and continues to have, a significant impact around the world, prompting governments and businesses to take unprecedented measures in response. Such measures have included restrictions on travel and business operations, temporary closures of businesses, and quarantine and shelter-in-place orders. The COVID-19 pandemic has at times significantly curtailed global economic activity and caused significant volatility and disruption in global financial markets.

The Company continues to monitor the situation and take appropriate actions in accordance with the recommendations and requirements of relevant authorities. The extent to which the COVID-19 pandemic may impact the Company's operational and financial performance remains uncertain and will depend on many factors outside the Company's control, including the timing, extent, trajectory and duration of the pandemic, the emergence of new variants, the development, availability, distribution and effectiveness of vaccines and treatments, the imposition of protective public safety measures, and the impact of the pandemic on the global economy.

To the extent the COVID-19 pandemic adversely affects the Company's business, results of operations, financial condition and stock price, it may also have the effect of heightening many of the other risks described in this Part I, Item 1A of this Form 10-K.

If our performance falls short of our estimates, our client relationships will be at risk, our revenue will suffer and our ability to grow could be harmed.

A majority of our business depends on driving new or renewal revenue for our clients, and we then receive a commission on the new or renewal revenue that we generate on our clients' behalf. In some cases, our commission rates vary depending on our performance —for example, if we overperform compared to our estimates then we may receive a higher commission. In addition, our clients rely on us to accurately forecast our performance, especially because we drive revenue on their behalf. These forecasts are based upon the data our clients provide to us, and are subject to significant business, economic and competitive uncertainties and are based on assumptions and estimates that may not prove to be accurate. In addition, these forecasted expectations are based upon historical trends and data that may not be true in subsequent periods. If our performance for a particular client is lower than anticipated, then our revenue for that client will also be lower than projected. If our performance falls short of expectations across a broad range of clients, or if our performance falls below expectations for a particularly large client, then the impact on our revenue and our overall business will be significant. In the event our performance is lower than expected for a given client, our margins will suffer because we will have already incurred a certain level of costs in both personnel and infrastructure to support the engagement. This risk is compounded by the fact that many of our client relationships can be terminated by the client if we fail to meet certain specified sales targets, including bookings rates, over a sustained period of time. If our performance falls to a level at which our revenue and client contracts are at risk, then our financial performance will decline and we may have difficulty attracting and retaining new clients.

We depend on a limited number of clients for a significant portion of our revenue, and the loss of business from one or more of our key clients could adversely affect our results of operations.

Our top ten clients accounted for 82% of our revenue for the year ended December 31, 2021, and four clients each represented over 10% of our revenue during this period. A relatively small number of clients may continue to account for a significant portion of our revenue for the foreseeable future. The loss of revenue from any of our significant clients for any reason, including the failure to renew our contracts, termination of some or all of our services, a change of relationship with any of our key clients, or the acquisition of one of our significant clients, may cause a significant decrease in our revenue.

If we cannot efficiently implement our offering for clients, we may be delayed in generating revenue, fail to generate revenue and/or incur significant costs.

In general, our client engagements are complex and we must undertake lengthy and significant work to implement our offerings. We generally incur sales and marketing expenses related to the commissions owed to our sales representatives and make upfront investments in technology and personnel to support the engagements one to three months before we begin selling end customer contracts on behalf of our clients. Each client's situation may be different, and unanticipated difficulties and delays may arise as a result of our failure, or that of our client, to meet implementation responsibilities. If the client implementation process is not executed successfully or if execution is delayed, we could incur significant costs without generating revenue, and our relationships with some of our clients and operating results may be adversely impacted.

Because competition for our target employees is intense, we may be unable to attract and retain the highly skilled employees we need to support our planned growth.

To continue to execute on our growth plan, we must attract and retain highly qualified employees in the international markets in which we have operations. Competition for these personnel is intense, especially for highly educated, qualified sales representatives with multiple language skills. We have from time to time in the past experienced, and we expect to continue to experience in the future, difficulty in hiring and retaining highly skilled key employees with appropriate qualifications. Our shift to a virtual-first operating model may increase the difficulty in hiring and retaining these highly skilled key employees. If we are unable to hire and retain these highly skilled workers, our company's culture could be negatively influenced and potentially lead to increased employee attrition and loss of key personnel. In addition, hiring and retaining highly skilled key employees could become more difficult in the future if COVID-19 vaccine mandates become required. We may incur significant costs to attract and retain highly skilled key employees, and we may lose new employees to our competitors or other companies before we realize the benefit of our investment in recruiting and training them. If we fail to attract new highly skilled key employees, or fail to retain and motivate our most successful employees, our business and future growth prospects could be harmed.

If our security measures are breached or fail, resulting in unauthorized access to client data, our solution may be perceived as insecure, the attractiveness of our solution to current or potential clients may be reduced and we may incur significant liabilities.

Our solution involves the storage and transmission of the proprietary information and protected data that we receive from our clients. We rely on proprietary and commercially available systems, software, tools and monitoring, as well as other processes, to provide security for processing, transmission and storage of such information. Despite the implementation of these security measures, our systems may still be vulnerable. If our, or our clients', security measures are breached or fail as a result of third-party action, employee negligence, error, malfeasance or otherwise, unauthorized access to client or end customer data may occur. Techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched against a target, and we may be unable to anticipate these techniques or implement adequate protective measures. Our security measures may not be effective in preventing these types of activities, and the security measures of our third-party data centers and service providers may not be adequate. In addition, these risks may be increased as a result of our virtual-first operating model and our third-party data centers and service providers working remotely, including as a result of the COVID-19 pandemic.

Our client contracts generally provide that we will indemnify our clients for data privacy breaches caused by our acts or omissions and the acts and omissions of our service providers. If a data privacy breach occurs, we could face contractual damages, damages and fees arising from our indemnification obligations, penalties for violation of applicable laws or regulations, possible lawsuits by affected individuals and significant remediation costs and efforts to prevent future occurrences. Insurance may not be able to cover these costs in full, in particular if the damages are large. In addition, whether there is an actual or a perceived breach of our security, the market perception of the effectiveness of our security measures could be harmed significantly and we could lose current or potential clients.

We may be liable to our clients or third parties if we make errors in providing our solution or fail to properly safeguard our clients' confidential information.

The solution we offer is complex, and we may make errors from time to time. These may include human errors made in the course of managing the sales process for our clients as we interact with their end customers, or errors arising from our technology solution as it interacts with our clients' systems and the disparate data contained on such systems. For example, our employees enter codes to classify their interactions with our clients' end customers, and incorrect code entry could result in our clients' end customer not receiving the service or solution they requested, which in turn could lead to customer dissatisfaction or termination causing our client relationships to suffer and our revenue and our clients' revenue to decline. The costs incurred in correcting any material errors may be substantial. Any claims based on errors could subject us to exposure for damages, significant legal defense costs, adverse publicity and reputational harm, regardless of the merits or eventual outcome of such claims.

We conduct operations in a number of countries and are subject to risks of international operations.

Outside of the U.S., we conduct operations in Bulgaria, Ireland, Japan, Malaysia, the Philippines, Singapore and the United Kingdom. In 2021, approximately 45% of our revenue was related to operations located outside of the U.S. In addition, 71% of our employees are located in offices outside of the U.S. Our employees and clients in a particular country or region in the world may be impacted as a result of a variety of factors, including: geopolitical events, such as war, the threat of war, or terrorist activity; natural disasters (such as drought, flooding, wildfires, increased storm severity, and sea level rise), which may become more common as a result of climate change; power shortages or outages, major public health issues, including pandemics (such as the COVID-19 pandemic); and significant local, national or global events capturing the attention of a large part of the population. If any of these, or any other factors, disrupt a country or region where we have a significant workforce our business could be materially adversely affected.

We expect to continue our international growth, with international revenue accounting for an increased portion of total revenue in the future. Our international operations involve risks that differ from or are in addition to those faced by our U.S. operations. These risks include different employment laws and rules and related social and cultural factors; different regulatory and compliance requirements, including in the areas of privacy and data protection, anti-bribery and anti-corruption, trade sanctions, marketing and sales and other barriers to conducting business; cultural and language differences; diverse or less stable political, operating and economic environments and market fluctuations; and civil disturbances or other catastrophic events that affect business activity (including the ongoing COVID-19 pandemic). If we are not able to efficiently adapt to or effectively manage our business in markets outside of the U.S., our business prospects and operating results could be materially and adversely affected. Although we have business continuity plans in place for our operations, an extended period of civil unrest that halts or significantly impedes operations could have a material adverse effect on our business.

Laws or public perception may eliminate or restrict our ability to use revenue delivery centers not located in the U.S., which could have a material adverse impact on our business and results of operations.

The issue of companies outsourcing services to organizations operating in other countries is a politically sensitive topic and has been under heightened scrutiny in many countries, including the U.S. We provide our BPaaS solutions in several non-U.S. locations, including the Philippines and Malaysia, and our growth strategy includes increasing reliance on these "offshore" revenue delivery centers. Many organizations and public figures in the U.S. have publicly expressed concern about a perceived association between offshore outsourcing providers and the loss of jobs in the U.S., and the topic of offshore outsourcing has recently received a great deal of negative attention from the U.S. executive branch. Because of negative public perception about offshore outsourcing, measures aimed at limiting or restricting offshore outsourcing by U.S. companies are periodically considered in the U.S. Congress. Current or prospective clients may elect to perform such services themselves or may be discouraged from transferring these services from onshore to offshore providers to avoid negative perceptions that may be associated with using an offshore provider. Any slowdown or reversal of existing industry trends towards offshore outsourcing, including due to the enactment of any legislation restricting offshore outsourcing by U.S. companies, would harm our ability to provide certain of our services to our clients at a competitive and cost-effective price point and would have a material adverse effect on our business and results of operations.

Changes in the legal and regulatory environment that affect our operations, including laws and regulations relating to the handling of personal data, data security and cross-border data flows, may impede the adoption of our services, disrupt our business or result in increased costs, legal claims, or fines against us.

We are subject to a wide variety of laws and regulations in the U.S. and the other jurisdictions in which we operate, and changes in the level of government regulation of our business have the potential to materially alter our business practices with resultant increases in costs and decreases in profitability. Depending on the jurisdiction, those changes may come about through new legislation, the issuance of new regulations or changes in the interpretation of existing laws and regulations by a court, regulatory body or governmental official. Sometimes those changes have both prospective and retroactive effect, which is particularly true when a change is made through reinterpretation of laws or regulations that have been in effect for some time.

Our international operations and global client base rely increasingly on the movement of data across national boundaries. Legal requirements relating to the collection, storage, handling and transfer of personal data continue to evolve, and additional regulation in those areas, some of it potentially difficult and costly for us to accommodate, is frequently proposed and occasionally adopted. Laws in many countries and jurisdictions, particularly in the European Union, United Kingdom, and Canada, govern the requirements related to how we store, transfer or otherwise process the private data provided to us by our clients. For example, in the European Union, the GDPR imposes substantial requirements regarding the handling of personal data. The GDPR, as well as other data privacy, cyber security and data localization laws and regulations, has changed in recent years and is likely to continue to evolve in the future. Although we have implemented measures designed to comply with the laws and regulations applicable to our business, our ongoing efforts to comply with the GDPR and other changes in laws and regulations (such as the California Consumer Privacy Act that became effective in January 2020) may entail substantial expenses and divert resources from other initiatives. These changes have in the past increased, and may continue to increase, our cost of providing our services, could limit us from offering solutions in certain jurisdictions, could adversely affect our sales cycles, and could impact our new technology innovation. In addition, the centralized nature of our information systems at the data and operations centers that we use requires the routine flow of data relating to our clients and their respective end customers across national borders, both with respect to the jurisdictions within which we have operations and the jurisdictions in which we provide services to our clients. If this flow of data becomes subject to new or different restrictions, our ability to serve our clients and their respective end customers could be seriously impaired for an extended period of time.

We also have entered into various model contracts and related contractual provisions to enable these data flows. For any jurisdictions in which these measures are not recognized or otherwise not compliant with the laws of the countries in which we process data, or where more stringent data privacy laws are enacted irrespective of international treaty arrangements or other existing compliance mechanisms, we could face increased compliance expenses and face penalties for violating such laws or be excluded from those markets altogether, in which case our operations could be materially damaged.

Consolidation in the technology sector could harm our business in the event that our clients are acquired and their contracts are canceled.

Consolidation among technology companies in our target market has been robust in recent years, and this trend poses a risk for us. Acquisitions of our clients could lead to cancellation of our contracts with those end customers by the acquiring companies and could reduce the number of our existing and potential clients. If mergers and acquisitions take place within our client base, some of the acquiring companies may terminate, renegotiate and/or elect not to renew our contracts with the companies they acquire, which would reduce our revenue. In addition, acquisitions in our client base may adversely impact our revenue even if the contract is not terminated. The sales we make on behalf of our clients are processed through our clients' billing and quoting platforms. If our clients are acquired or merge with another company and as a result, their billing platforms or the procedures for processing closed sales are changed or slowed down, we will be unable to close our sales and our closure rate will fall, and therefore our revenue and our ability to keep our clients, could suffer.

We enter into long-term, commission-based contracts with our clients, and our failure to correctly price these contracts may negatively affect our profitability.

We enter into long-term contracts with our clients that are priced based on multiple factors determined in large part by the performance analysis we conduct for our clients. These factors include opportunity size, anticipated booking rates and expected commission rates at various levels of sales performance. Some of these factors require forward-looking assumptions that may prove incorrect. If our assumptions are inaccurate, or if we otherwise fail to correctly price our client contracts, particularly those with lengthy contract terms, then our revenue, profitability and overall business operations may suffer. Further, if we fail to anticipate any unexpected increase in our costs for employees, office space, technology, and other costs of providing services, as a result of inflation or otherwise, we could be exposed to risks associated with cost overruns related to our required performance under our contracts, which could have a negative effect on our margins and earnings.

A substantial portion of our business consists of supporting our clients' channel partners in the sale of service contracts. If those channel partners become unreceptive to our solution, our business could be harmed.

Many of our clients, including some of our largest clients, sell service contracts through their channel partners and engage our solution to help those channel partners become more effective at selling service contract renewals. In this context, the ultimate buyers of the service contracts are end customers of those channel partners, who then receive the actual services from our clients. In the event our clients' channel partners become unreceptive to our involvement in the renewals process, those channel partners could discourage our current or future clients from engaging our solution to support channel sales. This risk is compounded by the fact that large channel partners may have relationships with more than one of our clients or prospects, in which case the negative reaction of one or more of those large channel partners could impact multiple client relationships. Accordingly, with respect to those clients and prospective clients who sell service contracts through channel partners, any significant resistance to our solution by their channel partners could harm our ability to attract or retain clients, which would damage our overall business operations.

We face long sales cycles to secure new client contracts, making it difficult to predict the timing of specific new client relationships.

We face a variable selling cycle to secure new client agreements, typically spanning a number of months and requiring our effort to obtain and analyze our prospect's business through the service performance analysis, for which we are not paid. Moreover, even if we succeed in developing a relationship with a potential new client, the scope of the potential subscription or service revenue management engagement frequently changes over the course of the business discussions and, for a variety of reasons, our sales discussions may fail to result in new client acquisitions. Consequently, we have only a limited ability to predict the timing and size of specific new client relationships.

The length of time it takes our newly hired sales representatives and global account managers to become productive could adversely impact our success rate, the execution of our overall business plan and our costs.

It can take twelve months or longer before our internal sales representatives and global account managers are fully trained and productive in selling our solution to prospective clients. This long ramp period, which could be further increased by our shift to a virtual-first operating model, presents a number of operational challenges as the cost of recruiting, hiring and carrying new sales representatives and global account managers cannot be offset by the revenue such new sales representatives produce until after they complete their long ramp periods. Given the length of the ramp period, we often cannot determine if a sales representative or global account manager will succeed until he or she has been employed for a year or more. If we cannot reliably develop our sales representatives and global account managers to a productive level, or if we lose productive representatives and account managers in whom we have heavily invested, our future growth rates and revenue will suffer.

Our revenue and earnings are affected by foreign currency exchange rate fluctuations.

Our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the Euro, British Pound, Singapore Dollar, Philippine Peso, Bulgarian Lev and Malaysian Ringgit. We currently do not undertake hedging activities to manage these currency fluctuations. Even if we were to implement hedging strategies to mitigate this risk, these strategies might not eliminate our exposure to foreign exchange rate fluctuations and would involve costs and risks of their own, such as ongoing management time and expense, external costs to implement the strategies and potential accounting implications. In addition, if the effective price of the contracts we sell to end customers were to increase as a result of fluctuations in the exchange rate of the relevant currencies, demand for such contracts could fall, which in turn would reduce our revenue.

The exit of the United Kingdom from the European Union could adversely affect our business.

In January 2020, the United Kingdom formally left the European Union, an action referred to as Brexit. Several political, legal, regulatory, and economic factors which are currently unknown will influence Brexit's impact on our business. We have a revenue delivery center in Liverpool, United Kingdom, and Brexit has, and could continue to, create uncertainty in our employee base relating to immigration and other cross-border matters. Brexit could lead to economic and legal uncertainty, including significant volatility in currency exchange rates, reduced customer demand for our services, and increasingly divergent laws and regulations as the United Kingdom determines which European Union laws to replace or replicate. In addition, Brexit could cause a shift or increase in data privacy regulations for data transfers between the United Kingdom and European Union. Any of these effects of Brexit, among others, could adversely affect our operations in the United Kingdom and our financial results.

Claims by others that we infringe or violate their intellectual property could force us to incur significant costs and require us to change the way we conduct our business.

Our services or solutions could infringe the intellectual property rights of others, impacting our ability to deploy our services or solutions with our clients. From time to time, we receive letters from other parties alleging, or inquiring about, possible breaches of their intellectual property rights. These claims could require us to cease activities, incur expensive licensing costs, or engage in costly litigation, each of which could adversely affect our business and results of operations.

In addition, we may incorporate open source software into our technology solution. The terms of many open source licenses have not been interpreted by U.S. or foreign courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our commercialization of any of our solutions that may include open source software. As a result, we will be required to analyze and monitor our use of open source software closely. As a result of the use of open source software, we could be required to seek licenses from third parties in order to develop such future products, re-engineer our products, discontinue sales of our solutions or release our software code under the terms of an open source license to the public. Given the nature of open source software, there is also a risk that third parties may assert copyright and other intellectual property infringement claims against us based on any use of such open source software. These claims could result in significant expense to us, which could harm our business.

Interruption of operations at our data centers and revenue delivery centers could have a materially adverse effect on our business.

If we experience a temporary or permanent interruption in our operations at one or more of our data or revenue delivery centers, through natural disaster (such as drought, flooding, wildfires, increased storm severity, and sea level rise), which may become more common as a result of climate change, pandemics or other public health emergencies (including the ongoing COVID-19 pandemic), casualty, operating malfunction, cyberattack, sabotage or other causes, we may be unable to provide the services we are contractually obligated to deliver. Failure to provide contracted services could result in contractual damages or clients' termination or renegotiation of their contracts. Although we maintain disaster recovery and business continuity plans and precautions designed to protect our company and our clients from events that could interrupt our delivery of services, there is no guarantee that such plans and precautions will be effective or that any interruption will not be prolonged. Any prolonged interruption in our ability to provide services to our clients for whom our plans and precautions fail to adequately protect us could have a material adverse effect on our business, results of operation and financial condition.

We are dependent on the continued participation and level of service of our third-party platform provider. Any failure or disruption in this service could materially and adversely affect our ability to manage our business effectively.

We rely on salesforce.com to provide the platform supporting many of our technologies and AWS to support a significant portion of our data storage. If salesforce.com or AWS stops supporting our technologies or if they fail to provide a platform that consistently and adequately supports our solution, including as a result of errors or failures in their systems or events beyond their control, or refuse to provide their platforms on terms acceptable to us or at all and we are not able to find suitable alternatives, our business may be materially and adversely affected.

We may be subject to state, local and foreign taxes that could harm our business.

We operate revenue delivery centers in multiple locations. Some of the jurisdictions in which we operate, such as Ireland, Malaysia, and the Philippines, give us the benefit of either relatively low tax rates, tax holidays or government grants, in each case, that are dependent on how we operate or how many jobs we create and employees we retain. We plan on utilizing such tax incentives in the future, as opportunities are made available to us. Any failure on our part to operate in conformity with applicable requirements to remain qualified for any such tax incentives or grants may result in an increase in our taxes. In addition, jurisdictions may choose to increase rates at any time due to economic or other factors. Any such rate increases may harm our results of operations.

We may lose sales or incur significant costs should various tax jurisdictions impose taxes on either a broader range of services or services that we have performed in the past. We may be subject to audits of the taxing authorities in the jurisdictions where we do business that would require us to incur costs in responding to such audits. Imposition of such taxes on our services could result in substantial unplanned costs, would effectively increase the cost of such services to our clients and may adversely affect our ability to retain existing clients or to gain new clients in the areas in which such taxes are imposed.

We may incur material restructuring charges.

We continually evaluate ways to reduce our operating expenses and adapt to changing industry and market conditions through new restructuring opportunities, including more effective utilization of our assets, workforce and operating facilities. We have recorded restructuring charges in the past and we may incur material restructuring charges in the future. The risk that we incur material restructuring charges may be heightened during economic downturns or with expanded global operations.

We have incurred indebtedness in connection with our business and may incur additional indebtedness in the future.

In July 2021, we entered into a $35.0 million Revolver that allows us to borrow against our domestic receivables as defined in the 2021 Credit Agreement. As of February 23, 2022, we had $10.0 million of borrowings under the Revolver through a six-month BSBY borrowing at an effective interest rate of 3.04% maturing in August 2022. An additional $18.0 million was available for borrowing under the Revolver as of February 23, 2022. The BSBY borrowings may be extended upon maturity, converted into a base rate borrowing upon maturity or require an incremental payment if the Company's borrowing base decreases below the current amount outstanding during the term of the BSBY borrowing. We may incur additional indebtedness in connection with financing acquisitions, strategic transactions or for other purposes.

If we are unable to secure additional borrowing options in the future, it may have an adverse effect on our business.

The Revolver matures in July 2024, and we are subject to the risks normally associated with debt obligations, including the risk that we will be unable to refinance our indebtedness, or that the terms of such refinancing will not be as favorable as the terms of our indebtedness. If we are unable to generate sufficient cash flow or otherwise obtain funds necessary to make required payments or otherwise refinance any debt that we incur, our business could suffer.

Covenants in our 2021 Credit Agreement currently impose, and future financing agreements may impose, significant operating and financial restrictions.

Our current 2021 Credit Agreement contains restrictions, and future financing agreements may contain additional restrictions, on our activities, including covenants that restrict our ability to incur additional debt, pay dividends on, redeem or repurchase stock, create liens, make specified types of investments, engage in transactions with our affiliates, merge or consolidate, and sell, assign, transfer, lease, convey or dispose of assets.

Our financial condition and results of operations could suffer if there is an impairment of goodwill.

We are required to test goodwill annually or more frequently if certain circumstances change that would more-likely-than-not indicate the carrying value of the reporting unit may not be recoverable. As of December 31, 2021, our goodwill was $6.3 million. When the carrying value of a reporting unit exceeds its fair value, an impairment loss equal to the difference is recorded. This would result in incremental expenses for that period, which would reduce any earnings or increase any loss for the period in which the impairment was determined to have occurred. Declines in our level of revenues or declines in our operating margins, or sustained declines in our stock price, increase the risk that goodwill may become impaired in future periods. Our goodwill impairment analysis is sensitive to changes in key assumptions used in our analysis, such as expected future cash flows and our stock price. If the assumptions used in our analysis are not realized, it is possible that an impairment charge may need to be recorded in the future. We cannot accurately predict the amount and timing of any impairment of goodwill.

If we were to experience an ownership change, we could be limited in our ability to use NOLs arising prior to the ownership change to offset future taxable income. In addition, our ability to use NOLs to reduce future tax payments may be limited if our taxable income does not reach sufficient levels.

As of December 31, 2021, we had federal net operating losses of $325.4 million. If we were to experience an “ownership change,” as determined under Section 382 of the IRC, our ability to offset taxable income arising after the ownership change with net operating losses arising prior to the ownership change would be limited, possibly substantially. In addition, our ability to use our net operating losses is dependent on our ability to generate taxable income, and the net operating losses could expire before we generate sufficient taxable income to make use of our net operating losses.

General Risk Factors

Anti-takeover provisions contained in our certificate of incorporation and bylaws, as well as provisions of Delaware law, could impair a takeover attempt.

Our certificate of incorporation, bylaws and Delaware law contain provisions that could have the effect of rendering more difficult or discouraging an acquisition deemed undesirable by our board of directors. Our corporate governance documents include provisions:

- authorizing blank check preferred stock, which could be issued by our board of directors without stockholder approval, with voting, liquidation, dividend and other rights superior to our common stock;
- limiting the liability of, and providing indemnification to, our directors and officers;
- limiting the ability of our stockholders to call and bring business before special meetings and to take action by written consent in lieu of a meeting;
- requiring advance notice of stockholder proposals for business to be conducted at meetings of our stockholders and for nominations of candidates for election to our board of directors;
- controlling the procedures for the conduct and scheduling of stockholder meetings;
- providing the board of directors with the express power to postpone previously scheduled annual meetings and to cancel previously scheduled special meetings;

- limiting the determination of the number of directors on our board and the filling of vacancies or newly created seats on the board to our board of directors then in office; and

- providing that directors may be removed by stockholders only for cause.

These provisions, alone or together, could delay hostile takeovers and changes in control or changes in our management. As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the Delaware General Corporation law, which limits the ability of stockholders owning in excess of 15% of our outstanding common stock to merge or combine with us.

Any provision of our certificate of incorporation, bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock and could also affect the price that some investors are willing to pay for our common stock.

We may be unable to maintain compliance with Nasdaq Marketplace Rules which could cause our common stock to be delisted from the Nasdaq Global Select Market. This could result in the lack of a market for our common stock, cause a decrease in the value of our common stock, and adversely affect our business, financial condition and results of operations.

Under the Nasdaq Marketplace Rules our common stock must maintain a minimum price of $1.00 per share for continued inclusion on the Nasdaq Global Select Market.

Our stock price was previously below $1.00 on certain dates during December 2021, and we cannot guarantee that our stock price will remain at or above $1.00 per share. If the price of our stock were to close below $1.00 per share for 30 consecutive business days, our stock could become subject to delisting, and we may seek stockholder approval for a reverse stock split, which in turn could produce adverse effects and may not result in a long-term or permanent increase in the price of our common stock.

If our common stock is delisted, trading of the stock will most likely take place on an over-the-counter market established for unlisted securities. An investor is likely to find it less convenient to sell, or to obtain accurate quotations in seeking to buy, our common stock on an over-the-counter market, and many investors may not buy or sell our common stock due to difficulty in accessing over-the-counter markets, or due to policies preventing them from trading in securities not listed on a national exchange or other reasons. For these reasons and others, delisting would adversely affect the liquidity, trading volume and price of our common stock, causing the value of an investment in us to decrease and having an adverse effect on our business, financial condition and results of operations by limiting our ability to attract and retain qualified executives and employees and limiting our ability to raise capital.

If securities or industry analysts do not publish or cease publishing research or reports about us, our business or our market, or if they change their recommendations regarding our stock, our stock price and trading volume could decline.

The trading market for our common stock could depend in part on the research and reports that securities or industry analysts publish about us or our business, which in part depends on our market capitalization. If analysts downgrade our stock or publish inaccurate or unfavorable research about our business, our stock price could also likely decline. If analysts cease coverage of us, the trading price and trading volume of our stock could be negatively impacted. As of December 31, 2021, the Company is not aware of any active analyst coverage.

Because we currently do not intend to pay dividends, stockholders will benefit from an investment in our common stock only if it appreciates in value.

We currently intend to retain our future earnings, if any, for use in the operation of our business and do not expect to pay any cash dividends in the foreseeable future on our common stock. As a result, the success of an investment in our common stock will depend upon any future appreciation in its value. There is no guarantee that our common stock will appreciate in value or even maintain the price at which stockholders have purchased their shares.

Our business or the value of our common stock could be negatively affected as a result of actions by activist stockholders.

Our company values constructive input from investors and regularly engages in dialogue with stockholders regarding strategy and performance. Our board of directors and management team are committed to acting in the best interests of all of our stockholders. There is no assurance that the actions taken by our board of directors and management in seeking to maintain constructive engagement with stockholders will be successful.

Activist stockholders who disagree with the composition of our board of directors, our strategy, or the way our company is managed may seek to effect change through various strategies that range from private engagement to publicity campaigns, proxy contests, efforts to force transactions not supported by our board of directors, and litigation. Responding to some of these actions can be costly and time-consuming, may disrupt our operations and divert the attention of our board of directors, management, and employees. Such activities could interfere with our ability to execute our strategic plan and to attract and retain qualified executive leadership and could cause concern to our current or potential clients. The perceived uncertainty as to our future direction resulting from activist strategies could also affect the market price and volatility of our common stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The Company leases the office space that houses its corporate headquarters located in Denver, Colorado. The Company also leases additional office space for its U.S. offices in California and Tennessee, and international offices in Bulgaria, Ireland, Japan, Malaysia, Philippines, Singapore and the United Kingdom.

ITEM 3. LEGAL PROCEEDINGS

The information required by this item is incorporated by reference from the information contained in “Note 11 — Commitments and Contingencies” in Notes to the Consolidated Financial Statements in Part II, Item 8.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is traded on The Nasdaq Stock Market LLC under the symbol “SREV.”

Holders

As of January 31, 2022, there were 51 holders of record of our common stock. A substantially greater number of holders of our common stock are “street name” or beneficial holders, whose shares are held by banks, brokers and other financial institutions.

Dividends

We have never declared or paid cash dividends on our common stock. We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not anticipate paying any dividends on our common stock in the foreseeable future. Any future determination to declare dividends will be made at the discretion of our board of directors and will depend on our financial condition, operating results, capital requirements, general business conditions and other factors that our board of directors may deem relevant.

ITEM 6. [RESERVED.]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following MD&A should be read in conjunction with our annual Consolidated Financial Statements and notes thereto appearing elsewhere in this annual report on Form 10-K. MD&A contains forward-looking statements. See "Forward-Looking Statements" and "Item 1A. Risk Factors" for a discussion of the uncertainties, risks and assumptions associated with these statements. Actual results may differ materially from those contained in any forward-looking statements.

Overview

ServiceSource is a leading provider of BPaaS solutions that enable the transformation of go-to-market organizations and functions for global technology clients. We design, deploy, and operate a suite of innovative solutions and complex processes that support and augment our clients' B2B customer acquisition, engagement, expansion and retention activities. Our clients - ranging from Fortune 500 technology titans to high-growth disruptors and innovators - rely on our holistic customer engagement methodology and process excellence, global scale and delivery footprint, and data analytics and business insights to deliver trusted business outcomes that have a meaningful and material positive impact to their long-term revenue and profitability objectives. Through our unique integration of people, process and technology - leveraged against our more than 20 years of experience and domain expertise in the cloud, software, hardware, medical device and diagnostic equipment, and industrial IoT sectors - we effect and transact billions of dollars of B2B commerce in more than 175 countries on our clients' behalf annually.

Factors Affecting our Performance

We generate a significant portion of our revenue from a limited number of clients. The loss of revenue from any of our top clients for any reason, including the failure to renew our contracts, termination of some or all of our services, or a change of relationship with any of our key clients or their acquisition, may cause a significant decrease in our revenue.

Our business is geographically diversified. During 2021, 55% of our net revenue was earned in NALA, 30% in EMEA and 15% in APJ, compared to 57% in NALA, 28% in EMEA and 15% in APJ during 2020. All of NALA's revenue represents revenue generated within the U.S. Net revenue for a particular geography generally reflects commissions earned from sales of service contracts managed from our revenue delivery center in that geography. Predominantly all of the service contracts sold and managed by our revenue delivery centers relate to end customers located in the same geography.

Sales Cycle. We sell our integrated solution through our sales organization. At the beginning of the sales process, our quota-carrying sales representatives contact prospective clients and educate them about our offerings. Educating prospective clients about the benefits of our solutions can take time, as many of these prospects have not historically relied upon integrated solutions like ours for service revenue management, nor have they typically put out a formal request for proposal or otherwise made a decision to focus on this area. As part of our sales process, our solutions design team performs a service performance analysis of our prospect's service revenue. This includes an analysis of best practices and benchmarks the prospect's service revenue against industry peers. Through this process, which typically takes several weeks, we are able to assess the characteristics and size of the prospect's service revenue, identify potential areas of performance improvement, and formulate our proposal for managing the prospect's service revenue. The length of our sales cycle for a new client, inclusive of the service performance analysis process and measured from our first formal discussion with the client until execution of a new client contract, is typically six to twelve months.

Implementation Cycle. After entering into an engagement with a new client, and, to a lesser extent, after adding an engagement with an existing client, we incur sales and marketing expenses related to the commissions owed to our sales personnel. These commissions are based on realized revenue that the contract delivers over time and on the estimated total annual contract value. Commission amounts based on realized revenue are expensed in the period the related revenue is recognized by the Company. Upfront commissions based on estimated total annual contract value are capitalizable as contract acquisition costs and expensed ratably over the expected life of the applicable contract or five years if the contract is between the Company and one of its long-standing clients. We also make upfront investments in technology and personnel to support the engagement. These upfront commissions and investments are typically incurred one to three months before we begin generating sales and recognizing revenue. Accordingly, in a given quarter, an increase in new clients, and, to a lesser extent, an increase in engagements with existing clients, or a significant increase in the contract value associated with such new clients and engagements, will negatively impact our gross margin and operating margins until we begin to achieve anticipated sales levels associated with the new engagements, which is typically two to three quarters after we begin selling contracts on behalf of our clients.

Although we expect new client engagements to contribute to our operating profitability over time, in the initial periods of a client relationship, our near-term profitability can be negatively impacted by slower-than anticipated growth in revenues for these engagements as well as the impact of the upfront costs we incur, the lower initial level of associated service sales team productivity and lack of mature data and technology integration with the client. As a result, an increase in the mix of new clients as a percentage of total clients may initially have a negative impact on our operating results. Similarly, a decline in the ratio of new clients to total clients may positively impact our near-term operating results.

Contract Terms. A significant portion of our revenue comes from our pay-for-performance model. Under our pay-for-performance model, we earn commissions based on the value of service contracts we sell on behalf of our clients. In some cases, we earn additional performance-based commissions for exceeding pre-determined service performance targets.

Our new client contracts typically have an initial term between one and two years. Our contracts generally require our clients to deliver a minimum value of qualifying service revenue contracts for us to renew on their behalf during a specified period. To the extent that our clients do not meet their minimum contractual commitments over a specified period, they may be subject to fees for the shortfall. Our client contracts are cancelable with relatively short notice and can be subject to the payment of an early termination fee by the client. The amount of this fee is based on the length of the remaining term and value of the contract.

Merger and Acquisition Activity. Our clients, particularly those in the technology sector, participate in an active environment for mergers and acquisitions. Large technology companies have maintained active acquisition programs to increase the breadth and depth of their product and service offerings and small and mid-sized companies have combined to better compete with large technology companies. A number of our clients have merged, purchased other companies or been acquired by other companies. We expect merger and acquisition activity to continue to occur in the future.

The impact of these transactions on our business can vary. Acquisitions of other companies by our clients can provide us with the opportunity to pursue additional business to the extent the acquired company is not already one of our clients. Similarly, when a client is acquired, we may be able to use our relationship with the acquired company to build a relationship with the acquirer. In some cases, we have been able to maintain our relationship with an acquired client even where the acquiring company handles its other service contract renewals through internal resources. In other cases, however, acquirers have elected to terminate or not renew our contract with the acquired company.

Seasonality. We experience a seasonal variance in our revenue which is typically higher in the fourth quarter when many of our clients' products come up for renewal, and for the third quarter of the year which is typically lower as a result of lower or flat renewal volume corresponding to the timing of our clients' product sales, particularly in the international regions. The impact of this seasonal fluctuation can be amplified if the economy as a whole is experiencing disruption or uncertainty, leading to deferral of some renewal decisions.

Foreign currency. Our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the Euro, British Pound, Singapore Dollar, Philippine Peso, Bulgarian Lev and Malaysian Ringgit. To date, we have not entered into any foreign currency hedging contracts, but may consider entering into such contracts in the future. We believe our operating activities act as a natural hedge for a portion of our foreign currency exposure because we typically collect revenue and incur costs in the currency in the location in which we provide our solution from our revenue delivery centers. As our international operations grow, we will continue to reassess our approach to managing our risk relating to fluctuations in currency rates. See Item.1A. "Risk Factors" for a description of the risks associated with fluctuations of the foreign currency exchange rate in our foreign operations.

Inflation. We do not believe that inflation had a material effect on our business, financial condition or results of operations as of December 31, 2021 and December 31, 2020. Nonetheless, if our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations.

Impact of the COVID-19 Pandemic. With the global outbreak of COVID-19 and the declaration of a pandemic by the World Health Organization on March 11, 2020, we created a dedicated crisis team to proactively implement our business continuity plans. By March 19, 2020, more than 95% of our employees had moved from an in-office to a work-from-home environment and as of April 1, 2020, we transitioned to a 100% virtual operating model. As a result of this successful work-from-home implementation, we have shifted to a virtual-first operating model whereby our employees will continue to primarily work from their home offices and our facilities will be used for collaboration, innovation, and connection. Additionally, this model includes virtual sourcing, hiring, and onboarding for new employees as well as a process for driving performance and culture in a virtual environment. As a result of the implementation of these business continuity measures, we have not experienced material disruptions in our operations.

We believe we have sufficient liquidity on hand to continue business operations even during periods of volatility such as those experienced since early 2020. As of December 31, 2021, we had total available liquidity of $46.5 million consisting of cash on hand and borrowing availability under our Revolver. See "Liquidity and Capital Resources" for additional information.

There was no material adverse impact on the results of operations for the years ended December 31, 2021 and 2020 as a result of the COVID-19 pandemic. We expect to continue to invest capital to allow our employees to function in our virtual, work-from-home operating model. However, we are benefiting and will continue to benefit from decreases in certain costs related to our facilities and reduced travel and entertainment costs.

During 2020, ServiceSource received various grants from the Singapore government, including the Job Support Scheme, which assists enterprises in retaining their local employees during the COVID-19 pandemic. The Company received and recognized income related to the grants of approximately $0.3 million and $1.3 million from the grant during the years ended December 31, 2021 and 2020, respectively. The Company does not expect to receive additional income related to these grants.

The situation surrounding COVID-19 remains fluid and the potential for a negative impact on our financial condition and results of operations increases the longer the virus impacts the economic activity in the U.S. and globally. See Part I, Item 1A - “Risk Factors” for additional information.

Basis of Presentation

Net Revenue

The majority of our net revenue is attributable to commissions we earn from the sale of renewals of maintenance, support and subscription agreements on behalf of our clients. We generally invoice our clients for our selling services on a monthly basis for sales commissions, and on a quarterly basis for certain performance sales commissions. We do not set the price, terms or scope of services in the service contracts with end customers and do not have any obligations related to the underlying service contracts between our clients and their end customers. We also generate revenues from selling professional services for which we are the principal. Professional services involve providing data integration at scale with our systems and processes, combined with client data enhancement, enablement and optimization. We typically invoice our clients for professional services on a monthly basis.

Cost of Revenue and Gross Profit

Our cost of revenue includes employee compensation, technology costs, including those related to the delivery of our cloud-based technologies, and allocated overhead expenses. Employee compensation includes salary, bonus, commissions, benefits, and stock-based compensation for our dedicated service sales teams. Allocated overhead expenses include depreciation, amortization of internal-use software associated with our selling services revenue technology platform and cloud applications, and costs for facilities and information technology. Allocated overhead expenses for facilities consist of rent, maintenance, and compensation of personnel in our facilities departments. Our allocated overhead expenses for information technology include costs associated with third-party data centers where we maintain our data servers, compensation of our information technology personnel and the cost of support and maintenance contracts associated with computer hardware and software. To the extent our client base or business with our existing client base expands, we may need to hire additional service sales personnel and invest in infrastructure to support such growth. Our cost of revenue may fluctuate significantly and increase or decrease on an absolute basis and as a percentage of revenue in the near term, including for the reasons discussed under, “Factors Affecting Our Performance-Implementation Cycle.”

Operating Expenses

Sales and Marketing

Sales and marketing expenses primarily consist of employee compensation expense and sales commissions paid to our sales and marketing employees, amortization of contract acquisition costs, marketing programs and events and allocated overhead expenses which consist of depreciation, amortization of internally developed software, and facility and technology costs. We sell our solutions through our global sales organization, which is organized across three geographic regions: NALA, EMEA and APJ. Our commission plans generally provide multiple payments of commissions to our sales representatives based in part on the execution of a client contract and then on a percentage of revenue recorded during the first one to two years of the contract term. Commissions paid as a percentage of recorded revenue is contingent on the sales representatives' continued employment. We generally capitalize the amounts payable for obtaining a contract and amortize ratably to sales and marketing expense over the contract term for new clients or five years for long-standing client relationships. Revenue based commissions are generally expensed to sales and marketing expense each quarter as revenue is recorded.

Research and Development

Research and development expenses primarily consist of employee compensation expense, third-party consultant costs and allocated overhead expenses which consist of depreciation, amortization of internally developed software, and facility and technology costs. We focus our research and development efforts on developing new products and applications related to our technology platform. We capitalize certain expenditures related to the development and enhancement of internal-use software related to our technology platform.

General and Administrative

General and administrative expenses primarily consist of employee compensation expense for our executive, human resources, finance and legal functions and expenses for professional fees for accounting, tax and legal services, as well as allocated overhead expenses, which consist of depreciation, amortization of internally developed software, facility and technology costs.

Restructuring and Other Related Costs

Restructuring and other related costs primarily consist of employees' severance payments and related employee benefits, related legal fees and charges related to lease termination costs.

During 2020, the Company announced a restructuring effort to align with its virtual-first operating model and reduce the operating cost structure resulting in a reduction of headcount and office lease costs. As of December 31, 2021, the Company does not expect to incur additional restructuring charges related to this restructuring effort.

Interest and Other Expense, Net

Interest and other expense, net consists of interest expense associated with our Revolver, imputed interest from finance lease payments, interest income earned on our cash and cash equivalents, amortization of debt issuance costs and foreign exchange gains and losses.

Provision for Income Tax Expense

We account for income taxes using an asset and liability method, which requires the recognition of taxes payable or refundable for the current year and deferred tax assets and liabilities for the expected future tax consequences of temporary differences that currently exist between the tax basis and the financial reporting basis of our taxable subsidiaries' assets and liabilities using the enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in operations in the period that includes the enactment date. The measurement of deferred tax assets is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realized.

We evaluate our ability to realize the tax benefits associated with deferred tax assets on a jurisdictional basis. This evaluation utilizes the framework contained in ASC 740 wherein management analyzes all positive and negative evidence available at the balance sheet date to determine whether all or some portion of our deferred tax assets will not be realized. Under this guidance, a valuation allowance must be established for deferred tax assets when it is more-likely-than-not (a probability level of more than 50 percent) that they will not be realized. In assessing the realization of our deferred tax assets, we consider all available evidence, both positive and negative, and place significant emphasis on guidance contained in ASC 740, which states that “a cumulative loss in recent years is a significant piece of negative evidence that is difficult to overcome.”

We account for unrecognized tax benefits using a more-likely-than-not threshold for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. We establish reserves for tax-related uncertainties based on estimates of whether, and the extent to which, additional taxes will be due. We record an income tax liability, if any, for the difference between the benefit recognized and measured and the tax position taken or expected to be taken on our tax returns. To the extent that the assessment of such tax positions change, the change in estimate is recorded in the period in which the determination is made. The provision for income taxes includes the impact of reserve provisions and changes to reserves that are considered appropriate.

Key Financial Results – Full Year Ended December 31, 2021

- GAAP revenue was $195.7 million, compared with $194.6 million reported for the year ended December 31, 2020.

- GAAP net loss was $14.7 million or $0.15 per diluted share, compared with GAAP net loss of $18.5 million or $0.19 per diluted share reported for the year ended December 31, 2020.

- Adjusted EBITDA, a non-GAAP financial measure, was $9.8 million compared with $4.3 million reported for the year ended December 31, 2020. See “Non-GAAP Financial Measurements” below for a reconciliation of Adjusted EBITDA from net loss.

- Ended the year with $30.8 million of cash and cash equivalents and restricted cash and $10.0 million of borrowings under the Company’s $35.0 million Revolver.

Results of Operations

For the Year Ended December 31, 2021 Compared to the Year Ended December 31, 2020

Net Revenue, Cost of Revenue and Gross Profit

	For the Year Ended December 31,					
	2021		2020			
	Amount	% of Net Revenue	Amount	% of Net Revenue	$ Change	% Change
	(in thousands)		(in thousands)		(in thousands)	
Net revenue	$ 195,704	100 %	$ 194,601	100 %	$ 1,103	1 %
Cost of revenue	140,002	72 %	137,041	70 %	2,961	2 %
Gross profit	$ 55,702	28 %	$ 57,560	30 %	$ (1,858)	(3)%

Net revenue increased by $1.1 million, or 1%, for the year ended December 31, 2021 compared to the same period in 2020, primarily due to lower client churn and increased bookings.

Cost of revenue increased $3.0 million, or 2%, for the year ended December 31, 2021 compared to the same period in 2020, primarily due to the following:

- $3.0 million increase in employee related costs primarily due to increased compensation expense associated with higher revenue attainment;

- $2.5 million increase in depreciation and amortization expense; and

- $1.2 million increase in information technology costs; partially offset by
- $3.7 million decrease in facility costs primarily related to transitioning to a virtual-first operating model and sublease income.

Operating Expenses

	For the Year Ended December 31,					
	2021		2020			
	Amount (in thousands)	% of Net Revenue	Amount (in thousands)	% of Net Revenue	$ Change (in thousands)	% Change
Operating expenses:						
Sales and marketing	$ 17,056	9 %	$ 24,999	13 %	$ (7,943)	(32)%
Research and development	5,183	3 %	5,602	3 %	(419)	(7)%
General and administrative	45,051	23 %	41,970	22 %	3,081	7 %
Restructuring and other related costs	1,071	1 %	1,542	1 %	(471)	(31)%
Total operating expenses	$ 68,361	35 %	$ 74,113	38 %	$ (5,752)	(8)%

Sales and Marketing

Sales and marketing expense decreased $7.9 million, or 32%, for the year ended December 31, 2021 compared to the same period in 2020, primarily due to a $4.9 million decrease in employee related costs largely associated with a reduction in headcount, a $2.8 million decrease in information technology and facility costs related to transitioning to a virtual-first operating model, and a $0.2 million decrease in marketing cost.

Research and Development

Research and development expense decreased $0.4 million, or 7%, for the year ended December 31, 2021 compared to the same period in 2020, primarily due to a $0.7 million decrease in information technology and facility costs and a $0.5 million decrease in professional fees, partially offset by a $0.4 million increase in employee related costs primarily due to increased compensation expense associated with higher revenue attainment and a $0.4 million reduction in third-party capitalizable software development costs.

General and Administrative

General and administrative expense increased $3.1 million, or 7%, for the year ended December 31, 2021 compared to the same period in 2020, primarily due to the following:

- $3.9 million increase in information technology and facility costs;
- $1.3 million increase in stock-based compensation costs; and
- $0.2 million increase in professional fees; partially offset by
- $1.7 million decrease in depreciation and amortization expense; and
- $0.6 million decrease in employee related costs primarily associated with a reduction in headcount.

Restructuring and Other Related Costs

Restructuring and other related costs decreased $0.5 million, or 31%, for the year ended December 31, 2021 compared to the same period in 2020 due to decreased costs incurred during the year ended December 31, 2021 related to restructuring efforts resulting in a reduction of headcount and office lease costs compared to the year ended December 31, 2020.

Interest and Other Expense, Net

	For the Year Ended December 31,					
	2021		2020			
	Amount	% of Net Revenue	Amount	% of Net Revenue	$ Change	% Change
	(in thousands)		(in thousands)		(in thousands)	
Interest expense	$ (471)	— %	(608)	— %	$ 137	23 %
Other expense, net	$ (1,313)	(1)%	(671)	— %	$ (642)	(96)%

Interest expense decreased $0.1 million, or 23%, for the year ended December 31, 2021 compared to the same period in 2020 primarily due to lower average borrowings on the Revolver.

Other expense, net increased $0.6 million, or 96%, for the year ended December 31, 2021 compared to the same period in 2020 primarily due to foreign currency fluctuations.

Income Tax Provision

	For the Year Ended December 31,					
	2021		2020			
	Amount	% of Net Revenue	Amount	% of Net Revenue	$ Change	% Change
	(in thousands)		(in thousands)		(in thousands)	
Provision for income tax expense	$ (278)	(0)%	$ (709)	— %	$ 431	61 %

Provision for income tax expense resulted primarily from profitable jurisdictions where current taxes are required to be provided. Income tax expense decreased $0.4 million, or 61% for the year ended December 31, 2021 compared to 2020, primarily due to approval of a one-year tax holiday and a decrease in profitable operations in certain foreign jurisdictions.

Liquidity and Capital Resources

Our primary operating cash requirements include the payment of compensation and related employee costs and costs for our facilities and information technology infrastructure. Historically, we have financed our operations from cash provided by our operating activities. We believe our existing cash and cash equivalents will be sufficient to meet our working capital and capital expenditure needs over the next twelve months.

We have considered the effects of the COVID-19 pandemic, including customer purchasing and renewal decisions, in our assessment of the sufficiency of our liquidity and capital resources. We will continue to monitor our financial position to the extent that pandemic-related challenges continue.

As of December 31, 2021, we had cash and cash equivalents of $28.5 million, which primarily consist of demand deposits and money market mutual funds. Included in cash and cash equivalents was $6.5 million held by our foreign subsidiaries used to satisfy their operating requirements. We consider the undistributed earnings of ServiceSource Europe Ltd. and ServiceSource International Singapore Pte. Ltd. permanently reinvested in foreign operations and have not provided for U.S. income taxes on such earnings. As of December 31, 2021, the Company had no unremitted earnings from our foreign subsidiaries.

In July 2021, ServiceSource, together with its wholly owned subsidiary, ServiceSource Delaware, Inc., entered into the 2021 Credit Agreement, which provides for a $35.0 million revolving line of credit allowing each borrower to borrow against its receivables as defined in the 2021 Credit Agreement. At the Company's request and subject to customary conditions, the aggregate commitments under the 2021 Credit Agreement may be increased up to an additional $10.0 million, for a total maximum commitment amount of $45.0 million. The Revolver in the 2021 Credit Agreement matures in July 2024 and bears interest at a rate equal to BSBY plus 2.00% to 2.50% per annum or, at our election, an alternate base rate plus 1.00% to 1.50% per annum.

As of December 31, 2021, the Company had $10.0 million of borrowings under the Revolver through a three-month BSBY borrowing at an effective interest rate of 2.40% maturing February 2022. An additional $18.0 million was available for borrowing under the Revolver as of December 31, 2021. The BSBY borrowings may be extended upon maturity, converted into a base rate borrowing upon maturity or require an incremental payment if the borrowing base decreases below the current amount outstanding during the term of the BSBY borrowing. Proceeds from the Revolver are used for working capital and general corporate purposes.

The obligations under the 2021 Credit Agreement are secured by substantially all of the assets of ServiceSource and certain of its subsidiaries, including pledges of equity in certain of the Company's subsidiaries. The 2021 Credit Agreement has financial covenants which the Company was in compliance with as of December 31, 2021.

Letters of Credit and Restricted Cash

In connection with two of our leased facilities, the Company is required to maintain two letters of credit totaling $2.3 million. The letters of credit are secured by $2.3 million of cash in money market accounts, which are classified as restricted cash in "Prepaid expenses and other" and "Other assets" in the Consolidated Balance Sheets.

Cash Flows

The following table presents a summary of our cash flows:

	For the Year Ended December 31,	
	2021	2020
	(in thousands)	
Net cash provided by operating activities	$ 3,605	$ 401
Net cash used in investing activities	(3,932)	(7,855)
Net cash (used in) provided by financing activities	(5,743)	14,301
Effect of exchange rate changes on cash and cash equivalents and restricted cash	545	96
Net change in cash and cash equivalents and restricted cash	$ (5,525)	$ 6,943

Depreciation and amortization expense were comprised of the following:

	For the Year Ended December 31,	
	2021	2020
	(in thousands)	
Internally developed software amortization	$ 9,388	$ 7,701
Property and equipment depreciation	5,279	6,224
Total depreciation and amortization	$ 14,667	$ 13,925

Operating Activities

Net cash provided by operating activities increased $3.2 million during the year ended December 31, 2021 compared to the same period in 2020, primarily as a result of lower payments for operating costs and increased revenue, partially offset by a decrease in cash collections from our clients.

Investing Activities

Net cash used in investing activities decreased $3.9 million during the year ended December 31, 2021 compared to the same period in 2020, due to decreased cash outflows from purchases of property and equipment during the year ended December 31, 2021.

Financing Activities

Net cash provided by financing activities decreased $20.0 million during the year ended December 31, 2021 compared to the same period in 2020, primarily due to $5.0 million in net cash outflows from repayments on the Revolver during the current period compared to $15.0 million in net cash inflows from borrowings on the Revolver during the prior period.

Critical Accounting Estimates

General

The preparation of financial statements in conformity with GAAP requires management to use judgment in the application of accounting policies, including making estimates and assumptions. If our judgment or interpretation of the facts and circumstances relating to various transactions had been different or different assumptions were made, it is possible that different accounting policies would have been applied, resulting in different financial results or a different presentation of our financial statements. Our discussion and analysis of financial condition and results of operations is based on our Consolidated Financial Statements, which have been prepared in accordance with GAAP. Estimates, judgments and assumptions are based on historical experiences that we believe to be reasonable under the circumstances. From time to time, we re-evaluate those estimates and assumptions.

The Company's significant accounting policies are described in Notes to the Consolidated Financial Statements, "Note 2 — Summary of Significant Accounting Policies." These policies were followed in preparing the Consolidated Financial Statements as of and for the year ended December 31, 2021 and are consistent with the year ended December 31, 2020.

Revenue Recognition

The Company derives its revenues primarily from selling and professional services. Revenue is recognized in accordance with ASC 606 when performance obligations identified in a contract are satisfied, which is achieved through the transfer of control of the services to our client.

Significant estimates and judgments for revenue recognition include: (1) identifying and determining distinct performance obligations in contracts with clients, (2) determining the timing of the satisfaction of performance obligations, (3) estimating the timing and amount of variable consideration in a contract, (4) determining SSP for each performance obligations and the methodology to allocate the total contract consideration to the distinct performance obligations, and (5) determining and measuring variable revenue that has yet to be invoiced as of period end.

Our revenue contracts often include promises to transfer services involving multiple selling motions to a client. Determining whether those services are considered distinct and qualify as a series of distinct services that represent a single performance obligation requires significant judgment. Also, due to the continuous nature of providing services to our clients, judgment is required in determining when control of the services is transferred to the client.

A significant portion of our contracts is based on a pay-for-performance model that provides the Company with commissions and revenue based on a volume of closed bookings each time period and variable consideration if certain performance targets are achieved during a given period of time (such as exceeding quarterly closure rate thresholds or achieving absolute dollar volume sales targets). Significant judgment is required to determine if this type of variable consideration should be constrained, and to what extent, until the risk of a significant revenue reversal is not probable.

We also enter into contracts with multiple performance obligations that incorporate fixed consideration, pay-for-performance commissions and variable bonus commissions. Judgment is required to estimate the amount of variable consideration to include when estimating the total contract consideration and how to allocate the consideration if one of the distinct performance obligations is not sold at SSP.

Stock-Based Compensation

Stock-based compensation expense for RSUs and PSUs is determined using the fair value of our common stock on the date of grant and is recognized on a straight-line basis over the vesting period. PSU compensation expense is only recorded if it is probable the performance conditions will be met. Judgment is required to estimate achievement of the performance metrics.

Impairment of Goodwill

We evaluate goodwill for possible impairment at least annually or if indicators of impairment arise, such as significant changes in key factors including the industry and competitive environment, stock price, actual revenue performance year over year, EBITDA and cash flow generation that would more-likely-than-not indicate the carrying amount of such assets may not be recoverable. Significant judgments are required to estimate the fair value of the reporting unit which include estimating future cash flows. Changes in these estimates and assumptions could materially affect the determination of fair value for the reporting unit which could trigger impairment.

Income Taxes

We account for income taxes using an asset and liability method, which requires the recognition of taxes payable or refundable for the current year and deferred tax assets and liabilities for the expected future tax consequences of temporary differences that currently exist between the tax basis and the financial reporting basis of our taxable subsidiaries' assets and liabilities using the enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in operations in the period that includes the enactment date. The measurement of deferred tax assets is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realized.

We regularly assess the need for a valuation allowance against our deferred tax assets. In making that assessment, we consider both positive and negative evidence related to the likelihood of realization of the deferred tax assets on a jurisdictional basis to determine, based on the weight of available evidence, whether it is more-likely-than-not that some or all of the deferred tax assets will not be realized. Examples of positive and negative evidence include future growth, forecasted earnings, future taxable income, the mix of earnings in the jurisdictions in which we operate, historical earnings, taxable income in prior years, if carryback is permitted under the law and prudent and feasible tax planning strategies. In the event we were to determine that we would not be able to realize all or part of our net deferred tax assets in the future, an adjustment to the deferred tax assets valuation allowance would be charged to earnings in the period in which we make such a determination, or goodwill would be adjusted at our final determination of the valuation allowance related to an acquisition within the measurement period. If we later determine that it is more-likely-than-not that the net deferred tax assets would be realized, we would reverse the applicable portion of the previously provided valuation allowance as an adjustment to earnings at such time.

We account for unrecognized tax benefits using a more-likely-than-not threshold for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. We establish reserves for tax-related uncertainties based on estimates of whether, and the extent to which, additional taxes will be due. We record an income tax liability, if any, for the difference between the benefit recognized and measured and the tax position taken or expected to be taken on our tax returns. We recognize interest accrued and penalties related to unrecognized tax benefits in the income tax provision. To the extent that the assessment of such tax positions change, the change in estimate is recorded in the period in which the determination is made. The provision for income taxes includes the impact of reserve provisions and changes to reserves that are considered appropriate.

Recent Accounting Pronouncements

See Notes to the Consolidated Financial Statements "Note 2 — Summary of Significant Accounting Policies" in Item 8. Financial Statements and Supplementary Data for a full description of recent accounting pronouncements including the expected dates of adoption and the anticipated impact to our Consolidated Financial Statements.

Non-GAAP Financial Measurements

ServiceSource believes net income (loss), as defined by GAAP, is the most appropriate financial measure of our operating performance; however, ServiceSource considers Adjusted EBITDA to be a useful supplemental, non-GAAP financial measure of our operating performance. We believe Adjusted EBITDA can assist investors in understanding and assessing our operating performance on a consistent basis, as it removes the impact of the Company's capital structure and other non-cash or non-recurring items from operating results and provides an additional tool to compare ServiceSource's financial results with other companies in the industry, many of which present similar non-GAAP financial measures.

EBITDA consists of net income (loss) plus provision for income tax expense (benefit), interest and other expense (income), net and depreciation and amortization. Adjusted EBITDA consists of EBITDA plus stock-based compensation, restructuring and other related costs, amortization of contract acquisition costs related to the initial adoption of ASC 606, costs attributable to establishing a litigation reserve, and loss (gain) on disposal of fixed assets and other, net.

This non-GAAP measure should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP.

The following table presents the reconciliation of "Net loss" to Adjusted EBITDA:

	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
	(in thousands)	
Net loss	$ (14,721)	$ (18,541)
Provision for income tax expense	278	709
Interest and other expense, net	1,784	1,279
Depreciation and amortization	14,667	13,925
EBITDA	2,008	(2,628)
Stock-based compensation	6,127	4,865
Restructuring and other related costs	1,071	1,542
Amortization of contract acquisition asset costs - ASC 606 initial adoption	215	605
Litigation reserve	—	(74)
Loss on disposal of fixed assets and other, net	377	—
Adjusted EBITDA	$ 9,798	$ 4,310

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable to smaller reporting companies as defined by Rule 12b-2 of the Exchange Act.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Index to Consolidated Financial Statements

ServiceSource International, Inc.
Consolidated Balance Sheets
(in thousands, except per share and par value amounts)

	December 31, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 28,507	$ 34,006
Accounts receivable, net	43,571	38,890
Prepaid expenses and other	8,995	9,275
Total current assets	81,073	82,171
Property and equipment, net	18,721	29,948
ROU assets	23,043	29,798
Contract acquisition costs	558	872
Goodwill	6,334	6,334
Other assets	2,719	3,490
Total assets	$ 132,448	$ 152,613
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 832	$ 1,204
Accrued expenses	4,152	3,217
Accrued compensation and benefits	19,999	18,342
Revolver	10,000	15,000
Operating lease liabilities	8,614	10,797
Other current liabilities	793	1,209
Total current liabilities	44,390	49,769
Operating lease liabilities, net of current portion	19,869	25,975
Other long-term liabilities	1,155	1,593
Total liabilities	65,414	77,337
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Preferred stock, $0.0001 par value; 20,000 shares authorized and none issued and outstanding	—	—
Common stock, $0.0001 par value; 1,000,000 shares authorized; 99,233 shares issued and 99,112 shares outstanding as of December 31, 2021; 97,248 shares issued and 97,127 shares outstanding as of December 31, 2020	10	10
Treasury stock	(441)	(441)
Additional paid-in capital	385,827	379,696
Accumulated deficit	(319,328)	(304,607)
Accumulated other comprehensive income	966	618
Total stockholders' equity	67,034	75,276
Total liabilities and stockholders' equity	$ 132,448	$ 152,613

The accompanying notes are an integral part of these Consolidated Financial Statements

ServiceSource International, Inc.
Consolidated Statements of Operations
(in thousands, except per share amounts)

	For the Year Ended December 31, 2021	2020
Net revenue	$ 195,704	$ 194,601
Cost of revenue	140,002	137,041
Gross profit	55,702	57,560
Operating expenses:		
Sales and marketing	17,056	24,999
Research and development	5,183	5,602
General and administrative	45,051	41,970
Restructuring and other related costs	1,071	1,542
Total operating expenses	68,361	74,113
Loss from operations	(12,659)	(16,553)
Interest and other expense, net	(1,784)	(1,279)
Loss before provision for income taxes	(14,443)	(17,832)
Provision for income tax expense	(278)	(709)
Net loss	$ (14,721)	$ (18,541)
Net loss per common share:		
Basic and diluted	$ (0.15)	$ (0.19)
Weighted-average common shares outstanding:		
Basic and diluted	98,050	95,787

The accompanying notes are an integral part of these Consolidated Financial Statements.

ServiceSource International, Inc.
Consolidated Statements of Comprehensive Loss
(in thousands)

	For the Year Ended December 31,	
	2021	2020
Net loss	$ (14,721)	$ (18,541)
Other comprehensive income:		
Foreign currency translation adjustments	348	208
Other comprehensive income:	348	208
Comprehensive loss	$ (14,373)	$ (18,333)

The accompanying notes are an integral part of these Consolidated Financial Statements.

ServiceSource International, Inc.
Consolidated Statements of Stockholders' Equity
(in thousands)

	Common Stock		Treasury Shares/Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
	Shares	Amount	Shares	Amount				
Balance at December 31, 2019	94,972	$ 9	(121)	$ (441)	$ 374,525	$ (286,066)	$ 410	$ 88,437
Net loss	—	—	—	—	—	(18,541)	—	(18,541)
Other comprehensive income	—	—	—	—	—	—	208	208
Stock-based compensation	—	—	—	—	4,919	—	—	4,919
Issuance of common stock, RSUs	1,845	1	—	—	(1)	—	—	—
Proceeds from the exercise of stock options and ESPP	431	—	—	—	414	—	—	414
Net cash paid for payroll taxes on RSU releases	—	—	—	—	(161)	—	—	(161)
Balance at December 31, 2020	97,248	10	(121)	(441)	379,696	(304,607)	618	75,276
Net loss	—	—	—	—	—	(14,721)	—	(14,721)
Other comprehensive income	—	—	—	—	—	—	348	348
Stock-based compensation	—	—	—	—	6,169	—	—	6,169
Issuance of common stock, RSUs	1,812	—	—	—	—	—	—	—
Proceeds from the exercise of stock options and ESPP	173	—	—	—	154	—	—	154
Net cash paid for payroll taxes on RSU releases	—	—	—	—	(192)	—	—	(192)
Balance at December 31, 2021	99,233	$ 10	(121)	$ (441)	$ 385,827	$ (319,328)	$ 966	$ 67,034

The accompanying notes are an integral part of these Consolidated Financial Statements.

ServiceSource International, Inc.
Consolidated Statements of Cash Flows
(in thousands)

	For the Year Ended December 31, 2021	2020
Cash flows from operating activities:		
Net loss	$ (14,721)	$ (18,541)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	14,667	13,925
Amortization of contract acquisition costs	541	1,003
Amortization of ROU assets	9,399	9,841
Stock-based compensation	6,127	4,865
Restructuring and other related costs	1,007	1,460
Loss on disposal of fixed assets and other, net	377	—
Other	51	71
Net changes in operating assets and liabilities:		
Accounts receivable, net	(4,983)	3,232
Prepaid expenses and other assets	420	(82)
Contract acquisition costs	(229)	(266)
Accounts payable	(355)	(3,213)
Accrued compensation and benefits	1,092	(97)
Operating lease liabilities	(10,758)	(10,195)
Accrued expenses	1,193	(107)
Other liabilities	(223)	(1,495)
Net cash provided by operating activities	3,605	401
Cash flows from investing activities:		
Purchases of property and equipment	(3,932)	(7,855)
Net cash used in investing activities	(3,932)	(7,855)
Cash flows from financing activities:		
Repayment on finance lease obligations	(608)	(952)
Debt issuance costs	(97)	—
Proceeds from Revolver	13,500	27,000
Repayment of Revolver	(18,500)	(12,000)
Proceeds from issuance of common stock	154	414
Payments related to minimum tax withholdings on RSU releases	(192)	(161)
Net cash (used in) provided by financing activities	(5,743)	14,301
Effect of exchange rate changes on cash and cash equivalents and restricted cash	545	96
Net change in cash and cash equivalents and restricted cash	(5,525)	6,943
Cash and cash equivalents and restricted cash, beginning of period	36,326	29,383
Cash and cash equivalents and restricted cash, end of period	$ 30,801	$ 36,326
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 386	$ 517
Income taxes paid, net	$ 690	$ 448
Supplemental disclosures of non-cash activities:		
Purchases of property and equipment accrued in accounts payable and accrued expenses	$ 23	$ 8
ROU assets obtained in exchange for new lease liabilities	$ 3,507	$ 2,271

The accompanying notes are an integral part of these Consolidated Financial Statements.

ServiceSource International, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 — The Company

ServiceSource is a leading provider of BPaaS solutions that enable the transformation of go-to-market organizations and functions for global technology clients. We design, deploy, and operate a suite of innovative solutions and complex processes that support and augment our clients’ B2B customer acquisition, engagement, expansion and retention activities. Our clients – ranging from Fortune 500 technology titans to high-growth disruptors and innovators – rely on our holistic customer engagement methodology and process excellence, global scale and delivery footprint, and data analytics and business insights to deliver trusted business outcomes that have a meaningful and material positive impact to their long-term revenue and profitability objectives. Through our unique integration of people, process and technology – leveraged against our more than 20 years of experience and domain expertise in the cloud, software, hardware, medical device and diagnostic equipment, and industrial IoT sectors – we effect and transact billions of dollars of B2B commerce in more than 175 countries on our clients’ behalf annually.

“ServiceSource,” “the Company,” “we,” “us,” or “our”, as used herein, refer to ServiceSource International, Inc. and its wholly owned subsidiaries, unless the context indicates otherwise.

For a summary of commonly used industry terms and abbreviations used in this annual report on Form 10-K, see the Glossary of Terms.

Note 2 — Summary of Significant Accounting Policies

Basis of Presentation

The accompanying Consolidated Financial Statements include the accounts of ServiceSource International, Inc. and its wholly owned subsidiaries and have been prepared in accordance with GAAP and with the instructions to Form 10-K. All intercompany balances and transactions have been eliminated in consolidation.

The CEO manages and allocates resources on a company-wide basis as a single segment that is focused on service offerings which integrate data, processes and cloud technologies.

Use of Estimates

The preparation of the Consolidated Financial Statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amount of net revenue and expenses during the reporting period.

The Company bases its estimates and judgments on historical experience and on various assumptions that it believes are reasonable under the circumstances. The Company has considered the effects of the COVID-19 pandemic in determining its estimates. However, future events are difficult to predict and subject to change, especially with the risks and uncertainties related to the impact of the COVID-19 pandemic, which could cause estimates and judgments to require adjustment. Actual results and outcomes may differ from our estimates.

Significant Risks and Uncertainties

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. The Company is also exposed to market risks, including the effects of changes in foreign currency exchange rates and interest rates.

Cash is maintained in demand deposit accounts at U.S., European and Asian financial institutions that management believes are credit worthy. Deposits in these institutions may exceed the amount of insurance provided on these deposits.

Fair Value of Financial Instruments

The Company accounts for certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value guidance establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. An asset or liability's level is based upon the lowest level of input that is significant to the fair value measurement. The guidance requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable;

Level 3: Inputs that are generally unobservable and typically reflect management's estimates or assumptions that market participants would use in pricing the asset or liability.

The carrying amount of financial instruments including cash and cash equivalents, restricted cash, accounts receivable, accounts payable, accrued expenses and other current liabilities approximate their fair value due to their short-term maturities.

Cash Equivalents and Restricted Cash

Cash equivalents consist of highly liquid investments with original maturities of three months or less at the time of purchase and are classified as a Level 1 investment.

Restricted cash consists of cash in money market accounts that are used to secure letters of credit in connection with two of our leased facilities. Restricted cash is recorded within "Prepaid expenses and other" and "Other assets" in the Consolidated Balance Sheets and is classified as a Level 1 investment. The Company had restricted cash of $2.3 million as of December 31, 2021 and 2020.

Foreign Currency Translation and Remeasurement

Assets and liabilities of non-U.S. subsidiaries that operate in a local currency environment, where that local currency is the functional currency, are translated to U.S. dollars at exchange rates at the balance sheet date. Net revenue and expenses are translated at monthly average exchange rates. The Company accumulates net translation adjustments in equity as a component of accumulated other comprehensive income. For non-U.S. subsidiaries whose functional currency is the U.S. dollar, transactions that are denominated in foreign currencies are remeasured in U.S. dollars, and any resulting gains and losses are reported in "Interest and other expense, net" in the Consolidated Statements of Operations. Foreign currency transaction losses were approximately $1.0 million and $0.9 million for the years ended December 31, 2021 and 2020, respectively.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are derived from services performed for clients located primarily in the U.S., Europe and Asia. The Company attempts to mitigate the credit risk in its trade receivables through its ongoing credit evaluation process and historical collection experience.

Accounts receivable are stated at their carrying values net of an allowance for doubtful accounts, if applicable. The Company evaluates the ongoing collectability of its accounts receivable based on a number of factors such as the credit quality of its clients, the age of accounts receivable balances, collections experience, current economic conditions and other factors that may affect a client's ability to pay. In circumstances where the Company is aware of a specific client's inability to meet its financial obligations to the Company, a specific allowance for doubtful accounts is estimated and recorded, which reduces the recognized receivable to the estimated amount that management believes will ultimately be collected. Account balances are charged off against the allowance when it is probable that the receivable will not be recovered. The allowance for doubtful accounts as of December 31, 2021 and 2020, and recoveries and reductions to revenue for the years ended December 31, 2021 and 2020, were insignificant.

Property and Equipment

The Company records property and equipment at cost, less accumulated depreciation and amortization. Depreciation is recorded using the straight-line method over the estimated useful life for each asset class. Depreciation for leasehold improvements is recorded using the straight-line method over the lesser of the estimated useful life or life of the lease.

When assets are disposed, the cost and related accumulated depreciation and amortization are written-off and any gain or loss on sale or disposal is reported in “General and administrative” expense in the Consolidated Statements of Operations.

Lease Asset Retirement Obligations

The fair value of a liability for an ARO is recognized in the period in which it is incurred. The Company’s AROs are associated with leasehold improvements at our international office locations, which, at the end of a lease, are contractually obligated to be removed. AROs were approximately $1.0 million and $1.5 million as of December 31, 2021 and 2020, respectively. Approximately $0.5 million of liabilities were settled as of December 31, 2021. Accretion expense was insignificant for the years ended December 31, 2021 and 2020.

Capitalized Internal-Use Software

Expenditures related to software developed or obtained for internal use are capitalized and amortized over a period of two to seven years on a straight-line basis. The Company capitalizes direct external costs associated with developing or obtaining internal-use software. In addition, the Company also capitalizes certain payroll and payroll-related costs for employees or professional fees for consultants who are directly associated with the development of such applications. Costs associated with preliminary project stage activities, training, maintenance, and all other post-implementation stage activities are expensed as incurred and are recorded in “Research and development” expenses in the Consolidated Statements of Operations. Capitalized costs related to internal-use software under development are treated as construction-in-progress until the program, feature or functionality is ready for its intended use, at which time amortization commences.

Goodwill Impairment

Goodwill represents the excess of the purchase price over the estimated fair market value of net identifiable assets of acquired businesses. The Company evaluates goodwill for possible impairment at least annually or whenever events or changes in circumstances indicate the carrying amount of such assets may not be recoverable. This evaluation includes an assessment of qualitative factors to determine whether it is necessary to compare the fair value of the reporting unit with its carrying value. If there are indicators of impairment, the fair value of the reporting unit is compared to its carrying value. If the carrying value of the reporting unit exceeds its fair value, an impairment loss equal to the difference is recorded. The carrying value of goodwill for the years ended December 31, 2021 and 2020 was $6.3 million. No impairment was recorded for the years ended December 31, 2021 and 2020.

Impairment of Long-Lived Assets

The Company evaluates the recoverability of its long-lived assets whenever events or changes in circumstances indicate the carrying amount of the long-lived asset may not be recoverable. Recoverability of these assets is measured by comparison of their carrying amounts to future undiscounted cash flows the assets are expected to generate. If the long-lived asset is impaired, an impairment is recognized for the amount by which the carrying value of the asset exceeds its fair value. No impairment was recorded for the years ended December 31, 2021 and 2020.

Comprehensive Loss

We report comprehensive loss in our Consolidated Statements of Comprehensive Loss. Amounts reported in “Accumulated other comprehensive income” consist of foreign currency translation adjustments from subsidiaries with a functional currency other than the U.S. dollar.

Revenue Recognition

The Company provides a comprehensive suite of selling and professional services to its clients.

Selling services consists of sales earned from the following categories of selling motions:

- *Digital sales* activities include demand qualification, demand conversion, and account management;
- *Customer success and renewals* activities include onboarding, adoption, and renewals management; and
- *Channel management* efforts include partner onboarding, partner enablement, and partner success management.

Professional services involve providing data integration at scale with our systems and processes, combined with client data enhancement, enablement and optimization.

The Company derives all of its revenue from contracts with clients. Revenue is measured based on the consideration specified in a contract. The Company’s contracts generally contain one to two distinct performance obligations that are sold on a variable and/or fixed consideration basis. These two distinct performance obligations are identified as selling services and professional services. Selling services are generally invoiced on a monthly or quarterly basis with standard 30-day payment terms over the length of the contract, typically one to three years. Professional services are generally invoiced upfront upon obtaining a client contract and are typically fulfilled within 90 days.

The Company recognizes revenue when it satisfies the performance obligations identified in the contract, which is achieved through the transfer of control of the services to the client. The timing of satisfying performance obligations and the receipt of client consideration can be different and will give rise to contract assets and contract liabilities. Contract assets relate to the Company’s conditional rights to consideration for services provided but not yet billable at the reporting date. Accounts receivable balances reflected in the Consolidated Balance Sheet represent the Company’s unconditional rights to consideration for services provided. Contract asset amounts are transferred to accounts receivables when the rights become unconditional, typically in the same period control of services is transferred to the client and the amount is contractually billable. Contract liabilities primarily relate to the advance consideration received from clients for fixed consideration contracts where transfer of control of the services has not yet occurred. Contract liability balances generally convert to revenue upon either the satisfaction of professional services obligations or when services under fixed consideration contracts are transferred to the client, typically within six months of being recorded. These contract balances are reflected in "Prepaid expenses and other", "Other assets" and "Other current liabilities" in the Consolidated Balance Sheets.

The Company accounts for individual services within a single contract separately if they are distinct. A service is distinct if it is separately identifiable from other services in the contract and if a client can benefit from the service on its own or with other resources that are readily available to the client. Determining whether these services are considered distinct performance obligations and qualify as a series of distinct performance obligations that represent a single performance obligation requires significant judgment. The total contract consideration, or transaction price, is allocated between the separate services identified in the contract based on their SSP. SSP is determined based on a cost-plus margin analysis for selling services and a standard hourly rate card for professional services. For professional services that are contractually priced differently from SSP, the Company estimates the SSP using a standard hourly rate card and allocates a portion of the total contract consideration to reflect professional services revenue at SSP.

The Company’s performance obligations are satisfied over time and revenue is recognized based on monthly or quarterly time increments and the variable volume of closed bookings during the period at the contractual commission rates for selling services, or proportional performance during the period at SSP for professional services. Due to the continuous nature of providing services to our clients, judgment is required in determining when control of the services is transferred to the client. Because the client simultaneously receives and consumes the benefit of the Company’s selling and professional services as provided, the time increment output method depicts the measure of progress in transferring control of the services to the client. A significant portion of the Company’s contracts is based on a pay-for-performance model in which commission revenue is based on a volume of closed bookings each time period, which is recorded as a component of “Net revenue” in the Consolidated Statements of Operations. At each reporting period, the Company makes an estimate of this revenue for amounts that have yet to be invoiced, which was $15.8 million and $16.3 million as of

December 31, 2021 and 2020, respectively. These accrued revenue balances are reflected in "Accounts Receivable" in the Consolidated Balance Sheets.

While multiple selling motions in a contract are performed at various times and patterns throughout the month or quarter and the number of closed bookings vary in any given period, each time increment of a service activity is substantially the same and has the same pattern of transfer to the client, and therefore, represents a series of distinct performance obligations that form a single performance obligation. As a result, the Company allocates all variable consideration in a contract to the selling services performance obligation in accordance with the variable consideration allocation exception provisions in ASC 606, (less amounts for which it is probable a significant reversal of revenue will occur when the uncertainties related to the variability are resolved) and applies a single measure of progress to record revenue in the period based on when the output of the variable number of closed bookings occurs or when the variable performance metric is achieved. Judgment is required to estimate the amount of variable consideration to include when estimating the total contract consideration and how to allocate the consideration if one of the distinct performance obligations is not sold at SSP. In addition, judgment is required to determine if the variable consideration should be constrained, and to what extent, until the risk of a significant revenue reversal is not probable. The Company applies the optional disclosure exemptions related to variable consideration and the requirement to disclose the remaining transaction price allocated to a wholly unsatisfied promise to transfer a distinct service that forms part of a single performance obligation.

Significant estimates and judgments for revenue recognition include: (1) identifying and determining distinct performance obligations in contracts with clients, (2) determining the timing of the satisfaction of performance obligations, (3) estimating the timing and amount of variable consideration in a contract, (4) determining SSP for each performance obligations and the methodology to allocate the total contract consideration to the distinct performance obligations, and (5) determining and measuring variable revenue that has yet to be invoiced as of period end.

Our revenue contracts often include promises to transfer services involving multiple selling motions to a client. Determining whether those services are considered distinct and qualify as a series of distinct services that represent a single performance obligation requires significant judgment. Also, due to the continuous nature of providing services to our clients, judgment is required in determining when control of the services is transferred to the client.

We also enter into contracts with multiple performance obligations that incorporate fixed consideration, pay-for-performance commissions and variable bonus commissions. Judgment is required to estimate the amount of variable consideration to include when estimating the total contract consideration and how to allocate the consideration if one of the distinct performance obligations is not sold at SSP.

Contract Acquisition Costs

To obtain contracts with clients, the Company pays its sales team commissions partly based on the estimated value of the contract. Because these sales commissions are incurred and paid upon contract execution and would not have been incurred or payable otherwise, they are considered incremental costs to acquire the contract; and if recoverable, are capitalized as contract acquisition costs in the period the contract is executed. Capitalized sales commissions are amortized to “Sales and marketing" expense in the Consolidated Statements of Operations based on the transfer of services over the contract term, generally one to three years for a new client or five years for long-standing client relationships. The contract acquisition costs asset is evaluated for recoverability and impairment each reporting period. For initial amortization periods one year or less, the Company recognizes any incremental costs of obtaining contracts as expense when the cost is incurred. These costs are included in "Sales and marketing" expense in the Consolidated Statements of Operations.

Advertising Costs

Advertising costs are expensed as incurred and are reported in "Sales and marketing" in the Consolidated Statements of Operations. Advertising costs was $0.2 million for the year ended December 31, 2021 and insignificant for the year ended December 31, 2020.

Stock-Based Compensation

The Company issues stock-based awards to employees and directors. The Company previously offered an ESPP until it expired in February 2021.

Stock options are recorded at fair value on the date of grant date using the Black-Scholes option-pricing model and generally vest ratably over a three to four-year period. Vested options may be exercised up to ten years from the grant date, as defined in the 2020 Plan. Vested but unexercised options expire 90 days after termination of employment with the Company. Stock-based compensation expense is amortized on a straight-line basis over the service period during which the right to exercise such options fully vests.

RSUs are recorded at fair value on the date of grant and amortized on a straight-line basis over the service period during which the stock vests. RSUs generally vest ratably over three years with vesting contingent upon employment of the Company.

PSUs are stock-based awards in which the number of shares ultimately received by the employee varies depending on the Company's achievement of specified targets. PSU expense is based on a fixed grant date fair value and adjusted based on the estimated achievement of the performance metrics and recognized on a straight-line basis over the vesting period.

The Company estimates the fair value of purchase rights under the ESPP using the Black-Scholes option-pricing model and the straight-line attribution approach.

The fair value of stock options and purchase rights under the ESPP was determined by the Company using the methods and assumptions discussed below. Each of these inputs is subjective and generally requires significant judgment to determine.

Expected Term - The expected term represents the period that the Company's share-based awards are expected to be outstanding. The Company calculates the expected term based on the average of the weighted-average vesting term and contractual term.

Expected Volatility - The expected volatility is based on the historical stock volatility of the Company's own common shares.

Risk-Free Interest Rate - The risk-free interest rate is based on the implied yield on U.S. Treasury zero-coupon issues for each option grant date with maturities approximately equal to the option's contractual term.

Expected Dividend Yield - The Company has not paid dividends on its common shares nor does it expect to pay dividends in the foreseeable future.

See "Note 7 — Stock-Based Compensation" for additional information.

Income Taxes

The Company accounts for income taxes using an asset and liability method, which requires the recognition of taxes payable or refundable for the current year and deferred tax assets and liabilities for the expected future tax consequences of temporary differences that currently exist between the tax basis and the financial reporting basis of our taxable subsidiaries' assets and liabilities using the enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in operations in the period that includes the enactment date. The measurement of deferred tax assets is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realized.

The Company files U.S. federal and state and foreign income tax returns in jurisdictions with varying statutes of limitations. In the normal course of business the Company is subject to examination by taxing authorities throughout the world. These audits include questioning the timing and amount of deductions, the allocation of income among various tax jurisdictions and compliance with federal, state, local and foreign tax laws. The Company accounts for unrecognized tax benefits using a more-likely-than-not threshold for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. The Company establishes reserves for tax-related uncertainties based on estimates of whether, and the extent to which, additional taxes will be due. The Company records an income tax liability, if any, for the difference between the benefit recognized and measured and the tax position taken or expected to be taken on our tax returns. The Company recognizes interest accrued and penalties related to unrecognized tax benefits in the income tax provision.

Net Loss Per Common Share

Basic net income (loss) per share is computed by dividing income (loss) available to common shareholders by the weighted-average number of shares of common stock outstanding during the period. Diluted net income per share is computed by dividing income available to common shareholders by the weighted-average number of shares of common stock outstanding during the period increased to include the number of additional shares of common stock that would have been outstanding if the potentially dilutive securities had been issued. Potentially dilutive securities include outstanding stock options, shares to be purchased under the Company's ESPP, non-vested RSUs and PSUs. The dilutive effect of potentially dilutive securities is reflected in diluted earnings per share by application of the treasury stock method. Under the treasury stock method, an increase in the fair market value of the Company's common stock can result in a greater dilutive effect from potentially dilutive securities.

Potential shares of common stock that are not included in the determination of diluted net income per share because they are anti-dilutive for the periods presented consist of stock options, non-vested RSUs and PSUs, and shares to be purchased under our ESPP.

The Company excluded from diluted earnings per share the weighted-average common share equivalents related to 1.7 million and 3.3 million shares for the years ended December 31, 2021 and 2020, respectively, because their effect would have been anti-dilutive.

Government Assistance

During 2020, ServiceSource received various grants from the Singapore government, including the Job Support Scheme, which assists enterprises in retaining their local employees during the COVID-19 pandemic. ServiceSource received and recognized income related to the grants of $0.3 million and $1.3 million for the years ended December 31, 2021 and 2020, respectively. There are no conditions to repay the grants. The Company does not expect to receive additional income related to these grants. Government grants are primarily recognized within "Cost of revenue" expense in the Company's Consolidated Statements of Operations during the same period that the expenses related to the grant are incurred if there is reasonable assurance the grant will be received, and the Company has complied with any conditions attached to the grant.

New Accounting Standards Issued but Not Yet Adopted

Financial Instruments - Credit Losses

In June 2016, the FASB issued an ASU that amends the measurement of credit losses on financial instruments and requires measurement and recognition of expected versus incurred credit losses for financial assets held. This ASU is effective for annual periods and interim periods for those annual periods beginning after December 15, 2022, with early adoption permitted. This standard will apply to the Company's accounts receivable and contract assets. Based on our current analysis, the Company does not expect the adoption to have material impact on the Consolidated Financial Statements as credit losses from trade receivables have historically been insignificant. The Company expects to adopt this standard effective January 1, 2023.

New Accounting Standards Adopted

Income Taxes

In December 2019, the FASB issued an ASU that simplifies the accounting for income taxes by eliminating certain exceptions to the guidance in ASC 740 related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. This ASU is effective for annual periods and interim periods for those annual periods beginning after December 15, 2020, with early adoption permitted. The Company adopted this standard effective January 1, 2021. The adoption of this standard did not have an impact on the Company's Consolidated Financial Statements.

Government Assistance

In November 2021, the FASB issued an ASU which requires and clarifies disclosures of government assistance received by business entities. This ASU is effective for annual periods beginning after December 15, 2021, with early adoption permitted. The Company adopted this standard retrospectively effective December 1, 2021. The adoption of this standard did not have an impact on the Company's Consolidated Financial Statements.

Note 3 — Consolidated Financial Statement Details

Property and equipment, net is comprised of the following:

	Depreciable Life	December 31, 2021	December 31, 2020
		(in thousands)	
Computers and equipment	2 - 5 years	$ 17,949	$ 17,904
Software[(1)]	2 - 7 years	45,683	60,771
Furniture and fixtures	2 - 7 years	8,766	10,727
Leasehold improvements	Lesser of estimated useful life or life of lease	14,890	17,823
Finance leases		2,861	2,880
Property and equipment		90,149	110,105
Less: accumulated depreciation and amortization		(71,428)	(80,157)
Property and equipment, net		$ 18,721	$ 29,948

[(1)]Includes capitalized internally developed software as follows (in thousands):

Balance as of January 1, 2020	$ 19,417
Capitalized costs	5,076
Amortization expense	(7,701)
Balance as of December 31, 2020	16,792
Capitalized costs	2,864
Amortization expense	(9,510)
Balance as of December 31, 2021	$ 10,146

Depreciation and amortization expense related to property and equipment, which includes amortization expense for internally developed software and finance leases, was $14.7 million and $13.9 million during the years ended December 31, 2021 and 2020, respectively.

The following table presents long-lived assets by geographic location:

	December 31, 2021	December 31, 2020
	(in thousands)	
NALA	$ 15,947	$ 24,420
APJ	2,137	4,456
EMEA	637	1,072
Property and equipment, net	$ 18,721	$ 29,948

Note 4 — Debt

Revolving Line of Credit

In July 2018, ServiceSource, together with its wholly owned subsidiary, ServiceSource Delaware, Inc., entered into the 2018 Credit Agreement, providing for a $40.0 million revolving line of credit allowing each borrower to borrow against its domestic receivables as defined in the 2018 Credit Agreement. The Revolver in the 2018 Credit Agreement was scheduled to mature in July 2021 and was repaid in full in connection with the Company's entry into the 2021 Credit Agreement.

In July 2021, ServiceSource, together with its wholly owned subsidiary, ServiceSource Delaware, Inc., entered into the 2021 Credit Agreement, which provides for a $35.0 million revolving line of credit allowing each borrower to borrow against its receivables subject to the terms and conditions set forth in the 2021 Credit Agreement. At the Company's request and subject to customary conditions, the aggregate commitments under the 2021 Credit Agreement may be increased up to an additional $10.0 million, for a total maximum commitment amount of $45.0 million. The Revolver in the 2021 Credit Agreement matures in July 2024 and bears interest at a rate equal to BSBY plus 2.00% to 2.50% per annum or, at our election, an alternate base rate plus 1.00% to 1.50% per annum.

As of December 31, 2021, the Company had $10.0 million of borrowings under the Revolver in the 2021 Credit Agreement through a three-month BSBY borrowing at an effective interest rate of 2.40% maturing February 2022. An additional $18.0 million was available for borrowing under the Revolver as of December 31, 2021. The BSBY borrowings may be extended upon maturity, converted into a base rate borrowing upon maturity or require an incremental payment if the borrowing base decreases below the current amount outstanding during the term of the BSBY borrowing.

The obligations under the 2021 Credit Agreement are secured by substantially all assets of ServiceSource and certain of its subsidiaries, including pledges of equity in certain of the Company's subsidiaries. The 2021 Credit Agreement has financial covenants that the Company was in compliance with as of December 31, 2021.

Subsequent to December 31, 2021, the $10.0 million BSBY borrowing was extended for a six-month term at an effective interest rate of 3.04% maturing August 2022.

Interest Expense

Unamortized debt issuance costs related to the 2021 Revolver was $0.1 million as of December 31, 2021.

Interest expense related to the amortization of debt issuance costs and interest expense associated with the Company's debt obligation was $0.4 million and $0.5 million for the years ended December 31, 2021 and 2020, respectively.

Note 5 — Leases

The Company has operating leases for office space and finance leases for certain equipment under non-cancelable agreements with various expiration dates through May 2030. Certain office leases include the option to extend the term between one to seven years and certain office leases include the option to terminate the lease upon written notice within one year after lease commencement. Leases with an initial term of 12 months or less are not recorded on the balance sheet.

During 2021, the Company extended its agreement to sublease one floor of office space at one of its locations in Manila, Philippines to a third-party through the end of the original lease term in September 2023, entered into an agreement to sublease two floors of office space at a second location in Manila, Philippines to a third-party through the end of the original lease term in December 2021, extended its lease for reduced office space at its location in Yokohama, Japan through May 2024, and extended its lease for reduced office space at its location in Manila, Philippines through December 2026.

The Company recognizes rent expense and sublease income on a straight-line basis over the lease period and accrues for rent expense and sublease income incurred but not paid.

Supplemental income statement information related to leases was as follows:

	For the Year Ended December 31,	
	2021	2020
	(in thousands)	
Operating lease cost	$ 11,346	$ 12,264
Finance lease cost:		
Amortization of leased assets	442	744
Interest on lease liabilities	25	88
Total finance lease cost	467	832
Sublease income	(4,903)	(3,599)
Net lease cost	$ 6,910	$ 9,497

Supplemental balance sheet information related to leases was as follows:

	December 31, 2021	December 31, 2020
	(in thousands)	
Operating leases:		
ROU assets	$ 23,043	$ 29,798
Operating lease liabilities	$ 8,614	$ 10,797
Operating lease liabilities, net of current portion	19,869	25,975
Total operating lease liabilities	$ 28,483	$ 36,772
Finance leases:		
Property and equipment	$ 2,861	$ 2,880
Accumulated depreciation	(2,397)	(1,963)
Property and equipment, net	$ 464	$ 917
Other current liabilities	$ 63	$ 608
Other long-term liabilities	—	63
Total finance lease liabilities	$ 63	$ 671

Lease term and discount rate information was as follows:

	For the Year Ended December 31, 2021	2020
Weighted-average remaining lease term (in years):		
Operating lease	5.7	5.7
Finance lease	0.1	1.0
Weighted-average discount rate:		
Operating lease	6.0 %	6.2 %
Finance lease	6.5 %	6.5 %

Maturities of lease liabilities were as follows as of December 31, 2021:

	Operating Leases	Operating Sublease	Finance Leases	Total
	(in thousands)			
2022	$ 10,030	$ (3,588)	$ 64	$ 6,506
2023	4,952	(1,410)	—	3,542
2024	3,579	—	—	3,579
2025	3,563	—	—	3,563
2026	3,329	—	—	3,329
Thereafter	8,468	—	—	8,468
Total lease payments	33,921	(4,998)	64	28,987
Less: interest	(5,438)	—	(1)	(5,439)
Total	$ 28,483	$ (4,998)	$ 63	$ 23,548

Note 6 — Revenue Recognition

The following tables present the disaggregation of revenue from contracts with our clients:

Revenue by Performance Obligation

	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
	(in thousands)	
Selling services	$ 192,525	$ 190,906
Professional services	3,179	3,695
Total revenue	$ 195,704	$ 194,601

Revenue by Geography

Revenue for each geography generally reflects commissions earned from sales of service contracts managed from revenue delivery centers in that geography and subscription sales and professional services to deploy the Company's solutions. Predominantly all the service contracts sold and managed by the revenue delivery centers relate to end customers located in the same geography. All NALA revenue represents revenue generated within the U.S.

	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
	(in thousands)	
NALA	$ 107,326	$ 111,085
EMEA	58,189	54,975
APJ	30,189	28,541
Total revenue	$ 195,704	$ 194,601

Revenue by Contract Pricing

	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
	(in thousands)	
Variable consideration	$ 141,529	$ 142,355
Fixed consideration	54,175	52,246
Total revenue	$ 195,704	$ 194,601

Four of our clients represented 16%, 16%, 15% and 12% of our revenue, respectively, for the year ended December 31, 2021.

Contract Assets and Liabilities

As of December 31, 2021, contract liabilities were $0.5 million. As of December 31, 2020, contract assets and liabilities were $0.5 million and $0.4 million, respectively.

Transaction Price Allocated to Remaining Performance Obligations

As of December 31, 2021, assuming none of the Company's current contracts with fixed consideration are renewed, the Company estimates receiving approximately $36.6 million in future selling services fixed consideration and approximately $0.7 million in professional services fixed consideration.

Contract Acquisition Costs

As of December 31, 2021 and 2020, capitalized contract acquisition costs were $0.6 million and $0.9 million, respectively. The Company recorded amortization expense related to capitalized contract acquisition costs of $0.5 million and $0.8 million for the years ended December 31, 2021 and 2020, respectively.

Impairment recognized on contract costs was insignificant for the years ended December 31, 2021 and 2020.

Note 7 — Stock-Based Compensation

2020 Equity Incentive Plan

The 2020 Plan was approved by the Company’s stockholders on May 14, 2020 and expires March 4, 2025. The 2020 Plan provides for the Company’s common stock to be issued pursuant to permitted awards, which include, but are not limited to, options, stock appreciation rights, restricted stock units, performance stock units and other cash and stock-based awards. As of December 31, 2021, 8.5 million shares were available for grant under the 2020 Plan.

On May 14, 2020, following the approval of the 2020 Plan, the Company’s board of directors terminated the 2011 Plan with the effect that no additional awards may be issued under the 2011 Plan and all outstanding awards under the 2011 Plan shall continue and be unaffected by the termination of the 2011 Plan.

2021 PSU Awards

During March 2021, the Company granted PSUs under the 2020 Plan to certain executives in which the number of shares ultimately received depends on the Company’s achievement of two performance goals for fiscal year 2021 and a rTSR modifier based on the Company’s rTSR for fiscal years 2021, 2022, and 2023 compared to a peer group. The aggregate target number of shares subject to these awards is 0.8 million. The awards were valued on the grant date using a Monte Carlo simulation for the rTSR modifier and using the Company’s closing stock price for the performance metrics for an aggregate grant date fair value of $1.2 million. The number of shares ultimately received related to these awards will range from 0% to 173% of the participant’s target award and will vest on the third anniversary of the grant date. The Company’s expense will be recognized over the service period and adjusted based on estimated achievement of the performance goals.

Additionally, certain of the Company’s senior leaders elected to receive a portion of their annual cash corporate incentive plan in PSUs. The Company granted the PSUs under the 2020 Plan during March 2021. The number of shares ultimately received depends on the Company’s achievement of specified revenue, Adjusted EBITDA, and free cash flow performance goals for fiscal year 2021. The aggregate target number of shares subject to these awards is 0.4 million. The awards were valued using the Company’s closing stock price on the grant date and had an aggregate grant date fair value of $0.6 million. The number of shares ultimately received related to these awards ranges from 0% to 200% of the participant’s target award and will vest on the first anniversary of the grant date. The Company’s expense will be recognized over the service period and adjusted based on estimated achievement of the performance targets.

2020 PSU Awards

During May 2020 and prior to expiration of the 2011 Plan, the Company granted PSUs to certain executives under the 2011 Plan. The aggregate target number of shares outstanding as of December 31, 2020 subject to these awards is 0.7 million, with an aggregate grant date fair value of $0.9 million. The number of shares ultimately received related to these awards ranges from 0% to 150% of the executive's target award depending on the Company's achievement of specified Adjusted EBITDA and net bookings targets over a two-year performance period and will vest on the third anniversary of the grant date.

Stock-Based Compensation Expense

The following table presents stock-based compensation expense as allocated within the Company’s Consolidated Statements of Operations:

	For the Year Ended December 31,	
	2021	2020
	(in thousands)	
Cost of revenue	$ 512	$ 389
Sales and marketing	1,236	1,416
Research and development	74	57
General and administrative	4,305	3,003
Total stock-based compensation	$ 6,127	$ 4,865

The above table does not include capitalized stock-based compensation related to internal-use software that was insignificant for the years ended December 31, 2021 and 2020.

Fair Value of Equity Compensation

The Black-Scholes option-pricing model assumptions for stock options were as follows:

	2020
Expected term (in years)	5.0
Expected volatility	56%
Risk-free interest rate	0.75%
Expected dividend yield	—%
Weighted-average grant date fair value	$0.63

The Black-Scholes option-pricing model assumptions for purchase rights under the ESPP were as follows:

	2020
Expected term (in years)	0.5 - 1.0
Expected volatility	53% - 60%
Risk-free interest rate	0.12% - 1.52%
Expected dividend yield	—%

Stock Awards

A summary of the Company's stock option activity and related information was as follows:

	Shares (in thousands)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)	Intrinsic Value (in thousands)
Outstanding as of December 31, 2020	3,030	$ 2.09		$ 1,372
Exercised	(292)	$ 1.16		
Expired and/or forfeited	(862)	$ 2.22		
Outstanding as of December 31, 2021	1,876	$ 2.18	6.11	$ 16
Exercisable as of December 31, 2021	1,782	$ 2.24	6.03	$ 11

	For the Year Ended December 31, 2021	2020
	(in thousands)	
Fair value of options vested	$ 96	$ 733
Intrinsic value of options exercised	$ 127	$ 46

As of December 31, 2021, there was $0.04 million of unrecognized compensation expense related to stock options, which is expected to be recognized over a weighted-average period of 0.9 years.

A summary of the Company's RSU and PSU activity and related information was as follows:

	Units (in thousands)	Weighted-Average Grant Date Fair Value
Non-vested as of December 31, 2020	7,015	$ 1.55
Granted	4,831	$ 1.51
Vested(1)	(1,950)	$ 1.64
Forfeited	(1,665)	$ 1.60
Non-vested as of December 31, 2021	8,231	$ 1.49

(1) 1,812 shares of common stock were issued for RSUs and PSUs vested and the remaining 138 shares were withheld for taxes.

	For the Year Ended December 31,	
	2021	2020
	(in thousands)	
Fair value of RSUs and PSUs vested	$ 2,837	$ 2,940

As of December 31, 2021, there was $6.5 million of unrecognized compensation expense related to RSUs and PSUs, which is expected to be recognized over a weighted-average period of 1.7 years.

Note 8 — Restructuring and Other Related Costs

The Company has undergone restructuring efforts to better align its cost structure with its business and market conditions. These restructuring efforts include severance and other employee costs, lease and other contract termination costs and asset impairments. Severance and other employee costs include severance payments, related employee benefits, stock-based compensation related to the accelerated vesting of certain equity awards and employee-related legal fees. Lease and other contract termination costs include charges related to lease consolidation and abandonment of spaces no longer utilized and the cancellation of certain contracts with outside vendors. Asset impairments include charges related to leasehold improvements and furniture in spaces vacated or no longer in use. The restructuring plans and future cash outlays are recorded in "Accrued expenses," "Accrued compensation and benefits," and "Other long-term liabilities" in the Consolidated Balance Sheets as of December 31, 2020. There are no future restructuring plans and future cash outlays as of December 31, 2021.

During 2020, the Company announced a restructuring effort to align with its virtual-first operating model and reduce the operating cost structure resulting in a reduction of headcount and office lease costs. The Company recognized charges related to this restructuring effort of $1.1 million and $0.8 million for the years ended December 31, 2021 and 2020, respectively. The Company does not expect to incur additional charges related to this restructuring effort as of December 31, 2021.

The following table presents a reconciliation of the beginning and ending fair value liability balance related to the 2020 restructuring effort:

	Severance and Other Employee Costs	Lease Termination Costs	Total
		(in thousands)	
Balance as of January 1, 2020	$ —	$ —	$ —
Restructuring and other related costs	780	59	839
Cash paid	(442)	—	(442)
Balance as of December 31, 2020	338	59	397
Restructuring and other related costs	897	174	1,071
Cash paid	(1,235)	(233)	(1,468)
Balance as of December 31, 2021	$ —	$ —	$ —

Note 9 — Income Taxes

Loss from continuing operations before provision for income taxes for the Company’s domestic and international operations was as follows:

	For the Year Ended December 31,	
	2021	2020
	(in thousands)	
U.S.	$ (12,150)	$ (18,278)
International	(2,293)	446
Loss before provision for income taxes	$ (14,443)	$ (17,832)

The income tax provision consisted of the following:

	For the Year Ended December 31, 2021	2020
	(in thousands)	
Current:		
Federal	$ 43	$ 121
Foreign	216	559
State and local	57	43
Total current income tax provision	316	723
Deferred:		
Federal	(16)	(13)
Foreign	(21)	7
State and local	(1)	(8)
Total deferred income tax provision	(38)	(14)
Income tax provision	$ 278	$ 709

The following table provides a reconciliation of income taxes provided at the federal statutory rate of 21% for the years ended December 31, 2021 and 2020 to the income tax provision:

	For the Year Ended December 31, 2021	2020
	(in thousands)	
U.S. income tax at federal statutory rate	$ (3,032)	$ (3,745)
State income taxes, net of federal benefit	(344)	(1,575)
Share-based compensation	409	277
Foreign tax rate differential	147	(1,749)
Permanent differences	(270)	3,355
Tax law change	(256)	—
Valuation allowance	3,456	3,756
Other, net	168	390
Income tax provision	$ 278	$ 709

In November 2015, the Philippine Economic Zone Authority granted a four-year tax holiday to the Company’s Philippine affiliate, commencing with its fiscal year beginning January 1, 2016 and was initially set to expire on December 31, 2019. The Company applied for a one-year tax holiday extension and received notice during the year ended December 31, 2021 that the full exclusion for the year ended December 31, 2020 was granted. As the extension was not received before December 31, 2020 the tax expense accrued in 2020 was reversed in 2021.

In December 2013, Malaysia granted a ten-year tax holiday to the Company’s Malaysia affiliate, commencing with its fiscal year beginning January 1, 2014. The earnings per share benefit in 2021 and 2020 was not material.

The following table provides the effect of temporary differences that created deferred income taxes as of December 31, 2021 and 2020. Deferred tax assets and liabilities represent the future effects on income taxes resulting from temporary differences and carryforwards at the end of the respective periods:

	December 31, 2021	December 31, 2020
	(in thousands)	
Deferred tax assets:		
Accrued liabilities	$ 4,284	$ 5,710
Share-based compensation	1,188	864
Net operating loss carryforwards	87,431	84,450
Tax credits	7,527	7,310
Interest	265	187
Total deferred tax assets	100,695	98,521
Deferred tax liabilities:		
Property and equipment	(2,254)	(3,423)
ROU assets	(2,509)	(3,704)
Amortization of tax intangibles	(1,577)	(232)
Other, net	(247)	(533)
Total deferred tax liabilities	(6,587)	(7,892)
Net deferred tax assets	94,108	90,629
Less: valuation allowance	(94,341)	(90,899)
Net deferred tax liabilities	$ (233)	$ (270)

As of December 31, 2021 and 2020, management assessed the realizability of deferred tax assets and evaluated the need for a valuation allowance for deferred tax assets on a jurisdictional basis. This evaluation utilizes the framework contained in ASC 740 wherein management analyzes all positive and negative evidence available at the balance sheet date to determine whether all or some portion of the Company’s deferred tax assets will not be realized. Under this guidance, a valuation allowance must be established for deferred tax assets when it is more-likely-than-not that the asset will not be realized. In assessing the realization of the Company’s deferred tax assets, management considers all available evidence, both positive and negative.

In concluding on the evaluation, management placed significant emphasis on guidance in ASC 740, which states that “a cumulative loss in recent years is a significant piece of negative evidence that is difficult to overcome.” Based upon available evidence, it was concluded on a more-likely-than-not basis that all deferred tax assets were not realizable as of December 31, 2021. Accordingly, a valuation allowance of $94.3 million has been recorded to offset this deferred tax asset. The valuation allowance increased $3.4 million for the year ended December 31, 2021 and decreased $3.8 million for the year ended December 31, 2020.

The Company also maintains a deferred tax liability related to indefinite lived intangible assets in jurisdictions which the Company does not have indefinite lived deferred tax assets, as reversal of the taxable temporary difference cannot serve as a source of income for realization of the non-indefinite deferred tax assets, because the deferred tax liability will not reverse until the asset is sold or written down due to impairment.

Deferred income taxes have not been provided for undistributed earnings of the Company’s consolidated foreign subsidiaries because the Parent entity is not required to include the distribution into income as the amount is tax free. As of December 31, 2021 and 2020, the Company had $0.5 million in withholding taxes accrued in long term payables for taxes that will be required when earnings are repatriated.

The Tax Cuts and Jobs Act subjects a U.S. shareholder to tax on GILTI earned by certain foreign subsidiaries. The FASB Staff Q&A, Topic 740 No. 5. Accounting for Global Intangible Low-Taxed Income, states that an entity can make an accounting policy election to either recognize deferred taxes for temporary basis differences expected to reverse as GILTI in future years or to provide for the tax expense related to GILTI in the year the tax is incurred as a period expense only. We have elected to account for GILTI in the year the tax is incurred.

Operating Loss and Tax Credit Carryforwards

As of December 31, 2021, the Company had $2.7 million of U.S. federal research and development credits which expire beginning in 2031 and $3.7 million of California research and development credits which do not expire. The Company also has $0.5 million of California Enterprise Zone Credits which expire beginning in 2023 if not utilized and $1.6 million of other state tax credits which expire beginning in 2024 if not utilized.

As of December 31, 2021, the Company had net operating loss carryforwards of approximately $325.4 million for federal income tax purposes of which $68.6 million can be carried forward indefinitely and the remaining $256.8 million will expire at various dates beginning in 2024. The Company has $234.7 million in state net operating losses. These losses are available to reduce taxable income and expire at various dates beginning in 2021. The Company also has foreign net operating loss carryforwards of approximately $26.8 million of which $26.5 million is indefinitely available to reduce taxable income and will expire in 2025.

Utilization of the Company's net operating loss and tax credit carryforwards may be subject to a substantial annual limitation due to the ownership change limitations provided by the IRC and similar state provisions. Such an annual limitation could result in the expiration or elimination of the net operating loss and tax credit carryforwards before utilization. Management believes that the limitation will not limit utilization of the carryforwards prior to their expiration.

The Company acquired U.S. federal net operating loss carryforwards of Scout Analytics, Inc. upon the acquisition of that entity in January 2014, subject to the ownership change limitations. Acquired U.S. federal net operating losses from Scout total approximately $30.2 million net of amounts unavailable due to ownership change limitations, which is included in the total U.S. federal net operating loss above.

The Company's 2017 through 2021 tax years generally remain subject to examination by federal, state, and foreign tax authorities. As the Company has incurred losses in most jurisdictions, the taxing authorities can generally challenge 2006 through 2016 losses to determine either the amount of the carryforward deduction reported in the open year or the amount of a net operating loss deduction that is absorbed in a closed year and supports the determination of the available net operating loss deduction for the open year under examination.

Uncertain Tax Positions

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands):

Balance as of January 1, 2020	$	964
Additions based on tax positions related to the current year		12
Reductions for tax positions of prior years		(11)
Balance as of December 31, 2020		965
Additions based on tax positions related to the current year		—
Reductions for tax positions of prior years		(11)
Balance as of December 31, 2021	$	954

As of December 31, 2021, the Company had a liability for unrecognized tax benefits of $1.0 million, none of which, if recognized, would affect the Company's effective tax rate. The Company does not expect its unrecognized tax benefits to change significantly over the next 12 months.

The Company recognizes interest and penalties accrued related to unrecognized tax benefits in income tax expense. During the years ended December 31, 2021 and 2020, interest and penalties recognized were insignificant.

Note 10 — Employee Benefit Plan

The Company maintains a 401(k) defined contribution plan that covers eligible employees. Employer matching contributions, which may be discontinued at the Company's discretion, were approximately $1.4 million and $1.3 million during the years ended December 31, 2021 and 2020, respectively.

Note 11 — Commitments and Contingencies

Letter of Credit

In connection with two of our leased facilities, the Company is required to maintain two letters of credit totaling $2.3 million. The letters of credit are secured by $2.3 million of cash in money market accounts, which are classified as restricted cash in “Prepaid expenses and other” and "Other assets" in our Consolidated Balance Sheets.

Non-cancelable Service Contract Commitments

Future minimum payments under non-cancelable service contract commitments were as follows:

	December 31, 2021 (in thousands)
2022	$ 9,801
2023	7,871
2024	21
Thereafter	—
Total	$ 17,693

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of ServiceSource International, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of ServiceSource International, Inc. (the Company) as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive loss, stockholders' equity and cash flows for each of the two years in the period ended December 31, 2021, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 23, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Measurement of revenue accruals

Description of the Matter	As more fully described in Note 2 to the consolidated financial statements, a significant portion of the Company's contracts is based on a pay-for-performance model in which commission revenue is based on a volume of closed bookings each time period. Significant judgment was required to estimate such accrued commission revenue at year end for amounts that the Company has not yet invoiced. At December 31, 2021 the Company recorded $15.8 million of accrued commission revenue. Auditing accrued commission revenue was subjective and involved significant audit effort due to the amount of the commission revenue accrual and the subjectivity applied in our audit procedures, including the testing of closed bookings which is an underlying assumption of the accrual.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of internal controls relating to accrued commission revenue, including management's review of the completeness and accuracy of data used in the accrual. For example, we tested the Company's controls over management's review of the underlying data used in the commission revenue accrual and controls over management's review of the amounts subsequently invoiced compared to the amounts accrued. To test the Company's calculation of the commission revenue accrual, our audit procedures included, among others, testing the completeness and accuracy of underlying data used in the calculation, and comparing the commission revenue accrual to actual invoices for closed bookings approved subsequent to year end. We also performed analytical procedures by developing expectations of the amount of the commission revenue accrual for which actual invoices have not been approved as of the financial statement issuance date based on historical activity.

/s/ Ernst & Young LLP
We have served as the Company's auditor since 2016.
Denver, Colorado
February 23, 2022

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of ServiceSource International, Inc.

Opinion on Internal Control over Financial Reporting

We have audited ServiceSource International, Inc.'s internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, ServiceSource International, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive loss, stockholders' equity and cash flows for each of the two years in the period ended December 31, 2021, and the related notes and our report dated February 23, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP
Denver, Colorado
February 23, 2022

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures

Under the supervision and with the participation of our management, including our CEO and CFO, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of the end of the period covered by this annual report on Form 10-K.

In designing and evaluating our disclosure controls and procedures, management recognizes that any disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on management’s evaluation, our CEO and CFO concluded that, as of December 31, 2021, our disclosure controls and procedures are designed to, and are effective to, provide at a reasonable assurance level that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosures.

Management’s Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of our management, including our CEO and CFO, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2021 based on the guidelines established in *Internal Control-Integrated Framework* (2013) issued by the COSO. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with U.S. generally accepted accounting principles.

Based on the results of our evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2021. The effectiveness of our internal control over financial reporting as of December 31, 2021 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in its report which is included herein.

Changes in Internal Control over Financial Reporting

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

Inherent Limitations on Effectiveness of Controls

Our management, including our CEO and CFO, do not expect that our disclosure controls or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item is incorporated by reference from the information contained in our 2022 Proxy Statement.

We intend to disclose any amendment to our code of ethics, or waiver from, certain provisions of our code of ethics as applicable for our directors and executive officers, including our principal executive officer, principal financial and accounting officer, chief accounting officer, and controller, or persons performing similar functions, by posting such information on our website at http://www.servicesource.com.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated by reference from the information in our 2022 Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Other than information regarding securities authorized for issuance under equity compensation plans, which is set forth in the Notes to the Consolidated Financial Statements above, the information required by this item is incorporated by reference from the information contained in our 2022 Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item is incorporated by reference from the information contained in our 2022 Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this item is incorporated by reference from the information contained in our 2022 Proxy Statement.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) (1) Financial Statements

Consolidated Financial Statements filed as part of this annual report are listed under Part II, Item 8 of this Form 10-K.

(2) Financial Statement Schedules

No schedules are required because either the required information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the Consolidated Financial Statements or the notes thereto.

(3) Exhibits

The exhibits listed on the accompanying Exhibit Index immediately preceding the signature page are filed as part of, or are incorporated by reference into, this annual report on Form 10-K.

ITEM 16. FORM 10-K SUMMARY

None.

GLOSSARY OF TERMS

The following abbreviations or acronyms used in this Form 10-K are defined below:

Abbreviations or acronyms	Definition
2020 Plan	2020 Equity Incentive Plan
2021 Credit Agreement	Loan and Security Agreement, dated as of July 23, 2021, among ServiceSource International, Inc. and ServiceSource Delaware, Inc., as the Borrowers, and Bank of America, N.A., as Lender, as amended by the First Amendment to Loan and Security Agreement, dated as of December 28, 2021, among ServiceSource International, Inc. and ServiceSource Delaware, Inc., as the Borrowers, and Bank of America, N.A., as Lender.
2018 Credit Agreement	Revolving Loan Credit Agreement, dated as of July 30, 2018, among ServiceSource International, Inc. and ServiceSource
2022 Proxy Statement	Proxy statement for our 2022 annual meeting of stockholders
APJ	Asia Pacific-Japan
ARO	Asset retirement obligation
ASC 606	Accounting Standards Codification Topic 606, Revenue from Contracts with Customers
ASC 740	Accounting Standards Codification Topic 740, Income Taxes
ASU	Accounting Standards Update
AWS	Amazon Web Services
B2B	Business-to-business
B2C	Business-to-consumer
Borrowers	ServiceSource International, Inc. and ServiceSource Delaware, Inc.
BPaaS	Business Process-as-a-Service
BSBY	Bloomberg Short-Term Bank Yield Index Rate
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CJX®	Customer journey experience trademark
COSO	Committee of Sponsoring Organizations of the Treadway Commission
COVID-19	Coronavirus disease 2019
CRM	Customer relationship management
EMEA	Europe, Middle East and Africa
ERP	Enterprise resource planning
ESPP	2011 Employee Stock Purchase Plan
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
GAAP	United States Generally Accepted Accounting Principles
GDPR	General Data Protection Regulation
GILTI	Global Intangible Low-Taxed Income
IaaS	Infrastructure-as-a-service
IDC	International Data Corporation

IoT	Internet of things
IRC	Internal Revenue Code of 1986, as amended
KPI	Key performance indicator
MD&A	Management’s Discussion and Analysis of Financial Condition and Results of Operations
NALA	North America and Latin America
PaaS	Platform-as-a-service
PSU	Performance-based restricted stock unit
Revolver	Senior secured revolving line of credit
ROU	Right-of-use
RSU	Restricted stock unit
rTSR	Relative total stockholder return
SaaS	Software-as-a-service
SEC	Securities and Exchange Commission
SPA	Sales performance analysis
SSP	Stand-alone selling price
U.S.	United States

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Certificate of Incorporation of the Company filed May 22, 2018	10-Q	001-35108	3.1	08/06/2018	
3.2	Amended and Restated Bylaws of the Company effective May 13, 2021	8-K	001-35108	3.1	05/19/2021	
4.1	Registration and Information Rights Agreement dated as of December 8, 2006, between the Registrant and GA SS Holding LLC, SSLLC Holdings, Inc., Housatonic Micro Fund SBIC, LP and Housatonic Equity Investors SBIC, LP	S-1/A	333-171271	4.1	02/25/2011	
4.2	Specimen common stock certificate of the Registrant	S-1/A	333-171271	4.3	03/11/2011	
4.3	Description of Capital Stock	10-K	001-35108	4.3	02/19/2020	
10.1	Form of Director and Executive Officer Indemnification Agreement	S-1	333-171271	10.1	12/20/2010	
10.2†	Employment and Confidential Information Agreement dated as of January 22, 2019, between the Company and Gary B. Moore	8-K	001-35108	10.1	01/28/2019	
10.3†	Statement of Terms and Conditions of Employment, between ServiceSource Europe, Ltd. and Michael Naughton, dated October 28, 2011	10-Q	001-35108	10.1	04/28/2021	
10.4†	Addendum to Statement of Terms and Conditions of Employment, between ServiceSource International, Inc. and Michael Naughton, dated September 21, 2018	10-Q	001-35108	10.2	04/28/2021	
10.5†	ServiceSource International, Inc. Executive Severance Plan	8-K	001-35108	10.1	05/19/2021	
10.6†	Form of Participation Agreement for ServiceSource International, Inc. Executive Severance Plan	8-K	001-35108	10.2	05/19/2021	
10.7	Loan and Security Agreement, dated as of July 23, 2021, among ServiceSource International, Inc. and ServiceSource Delaware, Inc., as Borrowers, and Bank of America, N.A., as Lender	8-K	001-35108	10.1	07/28/2021	
10.8	First Amendment to Loan and Security Agreement, dated as of December 28, 2021, among ServiceSource International, Inc. and ServiceSource Delaware, Inc., as Borrowers, and Bank of America, N.A., as Lender					X
10.9†	Non-employee Director Deferred Compensation Plan	10-Q	001-35108	10.1	05/07/2020	
10.10†	2011 Equity Incentive Plan and forms of agreements thereunder	S-8	333-173116	4.4	03/28/2011	

10.11†	2011 Equity Incentive Plan form of Restricted Stock Award Agreement	8-K	001-35108	10.1	02/10/2012	
10.12†	2011 Equity Incentive Plan form of Share Option Award Agreement (adopted October 2019)	10-Q	001-35108	10.1	10/29/2019	
10.13†	2011 Equity Incentive Plan form of Restricted Stock Award Agreement (adopted October 2019)	10-Q	001-35108	10.2	10/29/2019	
10.14†	2011 Employee Stock Purchase Plan and form of agreement thereunder	S-8	333-173116	4.5	03/28/2011	
10.15†	ServiceSource International, Inc. 2020 Equity Incentive Plan	10-Q	001-35108	10.1	07/29/2020	
10.16†	Amendment No. 1 to ServiceSource International, Inc. 2020 Equity Incentive Plan	8-K	001-35108	10.3	05/19/2021	
10.17†#	2011 Equity Incentive Plan form of Performance Stock Unit Award Agreement (adopted March 2020)					X
10.18†	2020 Equity Incentive Plan form of Restricted Stock Award Agreement	10-K	001-35108	10.12	02/24/2021	
10.19†	2020 Equity Incentive Plan form of Share Option Award Agreement	10-K	001-35108	10.13	02/24/2021	
10.20†#	2020 Equity Incentive Plan form of Performance Stock Unit Award Agreement (adopted March 2021)					X
10.21†#	2020 Equity Incentive Plan form of Performance Stock Unit Award Agreement (adopted March 2021)					X
10.22†	2020 Equity Incentive Plan form of Restricted Stock Award Agreement (adopted March 2021)	10-Q	001-35108	10.3	04/28/2021	
10.23†	CFO Transition Agreement	10-K	001-35108	10.14	02/24/2021	
10.24†	Employment and Confidential Information Agreement dated as of November 16, 2017, between the Company and Chad W. Lyne	10-K	001-35108	10.15	02/24/2021	
21.1	List of subsidiaries					X
23.1	Consent of Ernst & Young LLP					X
24.1	Power of Attorney (included on the Signatures page of this Annual Report on Form 10-K).					X
31.1	Certification of Principal Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X

31.2	Certification of Principal Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X
32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X
101.INS	Inline XBRL Instance Document	X
101.SCH	Inline XBRL Taxonomy Extension Schema	X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase	X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase	X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase	X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase	X
104	Cover Page Interactive Data File, formatted in Inline XBRL (included in Exhibit 101)	X

† Indicates a management contract or compensatory plan.

Portions omitted in accordance with Item 601(b) of Regulation S-K.

* These exhibits are furnished with this Annual Report on Form 10-K and are not deemed filed with the Securities and Exchange Commission and are not incorporated by reference in any filing of the Registrant under the Securities Act of 1933 or the Exchange Act of 1934, whether made before or after the date hereof and irrespective of any general incorporation language in such filings.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SERVICESOURCE INTERNATIONAL, INC.

Dated: February 23, 2022	By: /s/ GARY B. MOORE
	Gary B. Moore
	Chief Executive Officer and Director (Principal Executive Officer)

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Patricia Elias, and each of them, his or her true and lawful attorney-in-fact and agent, with full power of substitution, each with power to act alone, to sign and execute on behalf of the undersigned any and all amendments to this Annual Report on Form 10-K, and to perform any acts necessary in order to file the same, with all exhibits thereto and other documents in connection therewith with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requested and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or their or his or her substitutes, shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the ServiceSource International, Inc. and in the capacities and on the dates indicated.

Date	**Signature**	**Title**
February 23, 2022	/s/ GARY B. MOORE **Gary B. Moore**	Chief Executive Officer and Director *(Principal Executive Officer)*
February 23, 2022	/s/ CHAD W. LYNE **Chad W. Lyne**	Chief Financial Officer *(Principal Financial and Accounting Officer)*
February 23, 2022	/s/ ANDREW M. BAKER **Andrew M. Baker**	Director
February 23, 2022	/s/ JOHN R. FERRON **John R. Ferron**	Director
February 23, 2022	/s/ JOHN R. HARRIS **John R. Harris**	Director
February 23, 2022	/s/ JOHN A. MEYER **John A. Meyer**	Director
February 23, 2022	/s/ JANE OKUN BOMBA **Jane Okun Bomba**	Director
February 23, 2022	/s/ RICHARD G. WALKER **Richard G. Walker**	Director

FIRST AMENDMENT TO LOAN AND SECURITY AGREEMENT

This FIRST AMENDMENT TO LOAN AND SECURITY AGREEMENT (this "Amendment") dated as of December 28, 2021, is entered into by and among SERVICESOURCE INTERNATIONAL, INC., a Delaware corporation ("ServiceSource International"), SERVICESOURCE DELA WARE, INC., a Delaware corporation ("ServiceSource Delaware"; and together with ServiceSource International and any other entity joined to the Loan Agreement from time to time as a Borrower, each, a "Borrower" and collectively, the "Borrowers"), and BANK OF AMERICA, N.A., a national banking association (including any Lending Office, "Lender"), with reference to the following facts:

RECITALS

A. **WHEREAS,** Borrowers and Lender entered into that certain Loan and Security Agreement dated as of July 23, 2021 (as amended, restated, extended, amended and restated, supplemented, or otherwise modified, the "Loan Agreement");

B. **WHEREAS.** the Borrowers have requested that the Lender amend the Loan Agreement in certain respects, and the Lender is willing to do so, subject to the terms and conditions set forth in this Amendment.

NOW, THEREFORE, for good and valuable consideration. the receipt andadequacy of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01 Defined Terms. Any and all initially-capitalized terms used in this Amendment (including, without limitation, in the Recitals to this Amendment), without definition shall have the respective meanings specified in the Loan Agreement.

Section 1.02 Recitals. The Recitals above are incorporated herein as though set forth in full and Borrowers stipulate to the accuracy of each of the Recitals.

ARTICLE II
AMENDMENTS TO LOAN AND SECURITY AGREEMENT

Section 2.01 Amendment to definition for "Eligible Account" in Section 1.1. Clause (c) of the definition for ·'Eligible Account" in Section I.I of the Loan Agreement is herebyamended and restated in its entirety to read as follows:

> (c) with respect to: (i) Accounts owed by Dell Inc. and its Affiliates (other than VMWare, Inc.), when aggregated with other Accounts owing by such Account Debtor and its Affiliates, it exceeds 40% of the aggregate Eligible Accounts (or such higher percentage as Lender may establish for Dell Inc. and its Affiliates (other than VMWare, Inc.) if Dell Inc. does not meet the rating criteria in the definition of "Investment Grade Eligible

Accounts" by February 2022), (ii) Accounts owed by Google Inc. and/or Google LLC and its Affiliates, when aggregated with other Accounts owing by such Account Debtor and its Affiliates, it exceeds 40% of the aggregateEligible Accounts (or such higher percentage as Lender may establish for Google Inc. and/or Google LLC and its Affiliates), and (iii) Accounts owedby all other Account Debtors and their Affiliates, when aggregated with other Accounts owing by such Account Debtor and its Affiliates, it exceeds 20% of the aggregate Eligible Accounts (or such higher percentage as Lender may establish for the Account Debtor from time to time);

ARTICLE III CONDITIONS TO EFFECTIVENESS

Section 3.01 **Conditions Precedent.** The effectiveness of this Amendment shall besubject to the prior satisfaction of each of the following conditions:

(a) This Amendment. The Lender shall have received this Amendment, duly executed by Borrowers and the Lender.

(c) No Default. After giving effect to this Amendment, no Default or Event of Default shall exist.

(d) Payment of Fees and Expenses. The Lender shall have received from Borrowers costs and expenses owed to and/or incurred by the Lender arising in connection with this Amendment (including reasonable attorneys' fees and costs).

(e) Other Documents. Borrowers shall have executed and delivered to the Lender such other documents and instruments relevant to this Amendment as the Lender may require.

ARTICLE IV ADDITIONAL COVENANTS AND MISCELLANEOUS.

Section 4.01 Survival of Representations and Warranties. All representations and warranties made in the Loan Agreement or in any other Loan Document furnished in connection with this Amendment, shall survive the execution and delivery of this Amendment and the other Loan Documents, and no investigation by Lender or any closing shall affect the representations and warranties or the right of Lender to rely thereon.

Section 4.02 Amendment as Loan Document. This Amendment shall constitute a Loan Document under the Loan Agreement. Any provision of any Loan Document which applies to Loan Documents generally shall apply to this Amendment. It shall be an Event of Default under the Loan Agreement if any Borrower breaches any covenant contained herein or if any representation or warranty contained herein proves to be inaccurate or untrue in any material respect.

Section 4.03 Reference to Loan Agreement. The Loan Agreement, each of the other Loan Documents, and any and all other agreements, documents or instruments now or hereafter executed and delivered pursuant to the terms hereof, or pursuant to the terms of the Loan Agreement as amended hereby, are hereby amended so that any reference therein to the Loan Agreement shall mean a reference to the Loan Agreement as amended hereby.

Section 4.04 General Release. Each Borrower (collectively, the "Releasing Parties") releases, acquits and forever discharges Lender, and each of its respective past and present directors, officers, employees, agents, attorneys, affiliates, predecessors, successors, administrators and assigns ("Released Parties") of and from any and all claims, actions, causes of action, demands, rights, damages, costs, loss of service, expenses and compensation whatsoever heretofore or hereafter arising from any events or occurrences, or anything done, omitted to be done, or allowed to be done by any of the Released Parties, on or before the date of execution of this Amendment, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, including, without limitation, any of the same arising from or related to anything done, omitted to be done, or allowed to be done by any of the Released Parties and in any way connected with this Amendment or any of the Loan Documents, or any of the transactions described herein or therein (the "Released Matters"); provided, however, that (A) Releasing Parties shall retain their rights to funds in deposit accounts held with Lender, as applicable, funds in transit for deposit into any such account and any refunds to which such Releasing Party is entitled to, subject to in each case any applicable security interests of Lender therein, and any right of offset or recoupment with respect thereto, and (B) Released Matters shall not include Lender's obligations under the Loan Documents or any other contracts or agreements between Lender and Releasing Parties from and after the effectiveness of this Amendment. Releasing Parties each further agree never to commence, aid or participate in (except to the extent required by order or legal process issued by a court or governmental agency of competent jurisdiction) any legal action or other proceeding based in whole or in part upon the Released Matters. Releasing Parties each agree that this waiver and release is an essential and material of this Amendment, and that the agreements in this paragraph are intended to be in full satisfaction of any alleged injuries or damages to or of any Releasing Parties in connection with the Released Matters. Each Releasing Party represents and warrants that it has not purported to convey, transfer or assign any right, title or interest in any Released Matter to any other person or entity and that the foregoing constitutes a full and complete release of the Released Matters. Releasing Parties each also understand that this release shall apply to all unknown or unanticipated results of the transactions and occurrences described above, as well as those known and anticipated. Releasing Parties each have consulted with legal counsel prior to signing this release, or had an opportunity to obtain such counsel and knowingly chose not to do so, and each Releasing Party executes such release voluntarily, with the intention of fully and finally extinguishing all Released Matters.

Section 4.05 Loan Agreement Remains in Effect. The Loan Agreement and the other Loan Documents remain in full force and effect and each Borrower ratifies and confirms its agreements and covenants contained therein. Each Borrower hereby confirms that no Event of Default or Default exists as of the date hereof.

Section 4.06 Severability. Any provision of this Amendment held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Amendment, and the effect thereof shall be confined to the provision so held to be invalid or unenforceable.

Section 4.07 APPLICABLE LAW. THIS AMENDMENT AND ALL OTHER LOAN DOCUMENTS EXECUTED PURSUANT HERETO SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY CONFLICT OF LAW PRINCIPLES EXCEPT FEDERAL LAWS RELATING TO NATIONAL BANKS.

Section 4.08 Successors and Assigns. This Amendment is binding upon and shall inure to the benefit of Lender and each Borrower and their respective successors and assigns; provided. however, that a Borrower may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Lender.

Section 4.09 Counterparts; Electronic Delivery. This Amendment may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same instrument. Delivery of an executed counterpa1t of this Amendment may be in the form of an Electronic Record, telefacsimile or other electronic method of transmission and may be executed using Electronic Signature (including, without limitation, facsimile and .pdf) and shall be equally as effective, valid and enforceable as delivery of an original executed counterpart of this Amendment. Any party delivering an executed counterpart of this Amendment by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Amendment but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Amendment. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Lender of a manually signed paper which has been converted into electronic form (such as scanned into PDF format), or an electronically signed document converted into another format, for transmission, delivery and/or retention. For purposes hereof, "Electronic Record" and "Electronic Signature" shall have the meanings assigned to them, respectively, by 15 USC § 7006, as it may be amended from time to time.

Section 4.10 Headings. The headings, captions and arrangements used in this Amendment are for convenience only and shall not affect the interpretation of this Amendment.

Section 4.11 Expenses of Lender. Borrowers agree to pay on demand: (i) all costs and expenses reasonably incurred by Lender in connection with the preparation, negotiation and execution of this Amendment and the other Loan Documents executed pursuant hereto and any and all subsequent amendments, modifications, and supplements hereto or thereto, including, without limitation, the costs and reasonable fees of Lender's outside legal counsel; and (ii) all costs and expenses reasonably incurred by Lender in connection with the enforcement or preservation of any rights under the Loan Agreement, this Amendment and/or any other Loan Documents, including, without limitation, the costs and reasonable fees of Lender's outside legal counsel.

Section 4.12 NO ORAL AGREEMENTS. THIS AMENDMENT, TOGETHER WITH THE OTHER LOAN DOCUMENTS AS WRITTEN, REPRESENTS THE FINAL AGREEMENT BETWEEN THE LENDER AND BORROWERS AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE LENDER AND BORROWERS.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have entered into this Amendment by theirrespective duly authorized officers as of the date first written above.

BORROWERS:

SERVICESOURCE INTERNATIONAL, INC., a Delaware corporation

By: /s/ Chad Lyne
Name: Chad Lyne
Title: Chief Financial Officer

SERVICESOURCE DELAWARE, INC.,
a Delaware corporation

By: /s/ Chad Lyne
Name: Chad Lyne
Title: Chief Executive Officer & Chief FinancialOfficer

LENDER:

BANK OF AMERICA, N.A.,

By: /s/Mark Porter
Name: Mark Porter
Title: Senior Vice President

Certain information identified with brackets has been excluded from this exhibit in accordance with Item 601(b) of Regulation S-K because it is both not material and is the type that the registrant treats as private or confidential.

ServiceSource International, Inc.
2011 Equity Incentive Plan

Performance Stock Unit Award Agreement

Participant: [Recipient Name]

We are pleased to inform you that ServiceSource International, Inc. (the "Company") has made an award of performance-vested restricted stock units to you (the "Performance Stock Units") as indicated in this Performance Stock Unit Award Agreement (this "Award Agreement"). The Performance Stock Units are issued pursuant to the Company's 2011 Equity Incentive Plan (the "Plan") and are subject to and governed by the Plan generally. All capitalized terms not defined herein shall have the meanings given to such terms in the Plan.

Notice of Award

Grant Date	___________
Grant Number	___________
Target Performance Stock Units	___________ ("Target PSUs")
Maximum Performance Stock Units	___________ ("Max PSU")
Performance Period	January 1, 2020 – December 31, 2021
Time-Vesting Date	[•], 2023
Overview	This award of Performance Stock Units entitles you to earn shares of Common Stock based on the satisfaction of the performance goals set forth in Appendix A and your continued employment or service thereafter through the Time-Vesting Date.
General Vesting and Payment Provisions	The actual number of shares of Common Stock earned, if any, is equal to the number of Performance Stock Units that become

vested ("Vested PSUs"), determined as follows (except as otherwise set forth herein):

- First, at the end of the Performance Period, the Company will determine the number of Performance Stock Units that are eligible to vest (the "Conditional PSUs") by applying the formula(s) in Appendix A taking into account the level of achievement of the relevant performance goals and the Target PSUs awarded to you. The Conditional PSUs, if any, may be greater than or less than the Granted PSUs, but can never exceed the Max PSUs.

- Next, the Conditional PSUs, if any, shall become Vested PSUs based on your Continuous Service (as defined below) with the Company or its Subsidiaries following the end of the Performance Period through the Time-Vesting Date. The Company shall issue you one share of Common Stock for each Vested PSU, as described in the "Payment" section below.

You have no rights as a stockholder of the Company pursuant to this Agreement until such time, if any, as shares of Common Stock are issued to you.

Award Determination	The Company shall determine the number of your Conditional PSUs as soon as practicable following the end of the Performance Period, generally within ten (10) days following the date on which the Company files its Annual Report on Form 10-K for the fiscal year of the Company ending coincident with the last day of the Performance Period.
Vesting Date	Subject to your Continuous Service with the Company or its Subsidiaries from the Grant Date through the Time-Vesting Date, all Conditional PSUs shall become Vested PSUs on the Time-Vesting Date.
Continuous Service	The term "Continuous Service" shall mean your uninterrupted service to the Company or its Subsidiaries as an Employee, Outside Director, or Consultant. The Administrator shall determine in its discretion whether and when your Continuous Service has ended (including as a result of any leave of absence); provided, however, that your Continuous Service shall not be deemed to have ended in the event you retire or otherwise

terminate as an Employee but continue to perform services for the Company as an Outside Director or Consultant.

Termination of Continuous Service	Except as set forth below under the headings "Special Vesting Events" or "Change in Control," upon the termination of your Continuous Service with the Company or its Subsidiaries for any or no reason prior to the Time-Vesting Date, you shall automatically and immediately forfeit all Performance Stock Units and rights hereunder.
Special Vesting Events	<u>Termination due to Death or Disability</u> *Prior to the End of Performance Period.* In the event that your Continuous Service with the Company or its Subsidiaries is terminated during the Performance Period due to death or Disability, the Performance Period shall be deemed to have ended immediately prior to the date of death or Disability, and you shall immediately vest in a pro-rated number of Performance Stock Units, if any, equal to the product of (i) the number of PSUs determined in accordance with <u>Appendix A</u> based on performance through the date of the death or Disability (for avoidance of doubt, the performance goals in <u>Appendix A</u> shall be adjusted in the Administrator's sole discretion to account for the truncation of the performance period on the date of death or Disability, and the Administrator may adopt reasonable procedures for determining the level of achievement of any financial metrics, such as using audited financial statements from the most recently completed fiscal quarter), *multiplied by* (ii) a fraction, (A) the numerator of which is the number of days of your Continuous Service between the first day of the Performance Period through the date of death or Disability, and (B) the denominator of which is the total number of days between the first day of the Performance Period and the Time-Vesting Date. Vested PSUs, if any, shall be payable as set forth in the "Payment" section below. *On or After the End of the Performance Period.* In the event that your Continuous Service with the Company or its Subsidiaries is terminated following the end of the Performance Period and prior to the Time-Vesting Date due to death or Disability, your Conditional PSUs, if any, shall immediately vest on a pro-rated basis, by multiplying the number of Conditional PSUs, if any, by a fraction, (A) the numerator of which is the number of days of your Continuous Service between the first day of the Performance Period through the date of death

or Disability, and (B) the denominator of which is the total number of days between the first day of the Performance Period and the Time-Vesting Date. Vested PSUs, if any, shall be payable as set forth in the "Payment" section below.

Change in Control

Prior to the End of the Performance Period

In the event of a Change in Control prior to the end of the Performance Period, the Performance Period shall be deemed to have ended immediately prior to the Change in Control, and you shall be credited with a number of Conditional PSUs, if any, determined in accordance with Appendix A based on performance through the date of the Change in Control; provided, however, that the performance goals in Appendix A shall be adjusted in the Administrator's sole discretion to account for the truncation of the performance period on the date of the Change in Control and the Administrator may adopt reasonable procedures for determining the level of achievement of any financial metrics, such as using audited financial statements from the most recently completed fiscal quarter. The Conditional PSUs will vest and become Vested PSUs on the original Time-Vesting Date, subject to your Continuous Service with the Company or its Subsidiaries or any successor corporation through such date. In the event your Continuous Service is terminated as a result of death or Disability on or after a Change in Control but prior to the Time-Vesting Date, the vesting provisions set forth in "Special Vesting Events – Termination Due to Death or Disability – On or After the End of the Performance Period" shall apply. If this award is not assumed by the successor in any Change in Control transaction, your Conditional PSUs shall vest and become Vested PSUs immediately upon the Change in Control.

On or After the End of the Performance Period

In the event of a Change in Control on or following the end of the Performance Period, the Company, if it has not done so already, shall promptly determine your Conditional PSUs. Your Conditional PSUs will then become Vested PSUs on the Time-Vesting Date, subject to your Continuous Service with the Company or its Subsidiaries or any successor corporation through such date. In the event your Continuous Service is terminated as a result of death or Disability on or after a Change in Control but prior to the Time-Vesting Date, the vesting provisions set forth in "Special Vesting Events – Termination Due to Death or Disability – On or After the End of the Performance Period" shall apply. If this award is not assumed by

	the successor in any Change in Control transaction, your Conditional PSUs shall vest and become Vested PSUs immediately upon the Change in Control.
Payment	The Company shall issue to you one share of Common Stock for each Vested PSU, with the delivery of such Common Stock to occur within seventy-four (74) days following the date on which such Performance Stock Units became Vested PSUs.
Employment Agreement	Nothing herein shall diminish any rights to accelerated vesting you may have under your most recent Employment and Confidential Information Agreement between you and the Company, which rights shall be in addition to any vesting rights you may have hereunder.
Other Terms and Conditions	Are set forth in the accompanying Performance Stock Unit Award Terms and Conditions and the Plan.

Acceptance of Award

By your online acceptance, you and the Company agree that the Performance Stock Units granted hereby are granted under and governed by the terms and conditions of the Plan and of this Performance Stock Unit Award Agreement (including the accompanying Performance Stock Unit Award Terms and Conditions) (the "Award Documents"). You hereby represent and acknowledge that you been provided the opportunity to review the Plan and the Award Documents in their entirety, and you hereby agree to accept as binding, conclusive, and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and the Award Documents.

Appendix A

Performance Goals

Performance Goals

The performance goals for this award shall be based on:

- Adjusted EBITDA, and
- Net Bookings.

Adjusted EBITDA and Net Bookings are defined and shall be determined as set forth below.

Determination of Conditional PSUs

The number of Conditional PSUs with which you are credited, if any, at the end of the Performance Period shall be determined as follows:

Conditional PSUs =

(Target PSUs x 50% x Net Bookings Achievement %)

+

(Target PSUs x 50% x Adjusted EBITDA Achievement %)

Net Bookings Achievement Percentage

The Net Bookings Achievement Percentage (capped at 150%) shall be determined in accordance with the following chart, based on the Company's Net Bookings over the Performance Period:

Net Bookings as % of Target	Performance Period Net Bookings	Net Bookings Achievement Percentage
	(Millions of $USD)	[ ]%
[ ]%	$[ ] or greater	[ ]%
[ ]%	$[ ]	[ ]%
[ ]%	$[ ]	[ ]%
[ ]%	$[ ]	[ ]%
[ ]%	$[ ]	[ ]%
[ ]%	$[ ]	[ ]%
	Less than $[ ]	[ ]%

EBITDA Achievement Percentage	The Adjusted EBITDA Achievement Percentage (capped at 150%) shall be determined in accordance with the following chart, based on the Company's Adjusted EBITDA over the Performance Period:

Adjusted EBITDA as % of Target	Performance Period Adjusted EBITDA	Adjusted EBITDA Achievement Percentage
	(Millions of $USD)	
[ ]%	$[ ] or greater	[ ]%
[ ]%	$[ ]	[ ]%
[ ]%	$[ ]	[ ]%
[ ]%	$[ ]	[ ]%
	$[ ] or less	[ ]%

Linear Interpolation	When Net Bookings or Adjusted EBITDA, as applicable, for the Performance Period falls between any of the hurdle amounts set forth in the charts above, the Net Bookings Achievement % or Adjusted EBITDA Achievement % shall be determined based on linear interpolation.
Definitions	"<u>Adjusted EBITDA</u>" shall be the cumulative adjusted EBITDA of the Company for the Performance Period as defined in the Company's 10-K and/or earnings press release and 8-K for the Company's 2020 and 2021 fiscal year ends. "<u>Net Bookings</u>" shall mean, (a) the annual contract value (ACV) of Total New Bookings signed during the Performance Period, minus (b) the ACV of total Churn confirmed during the Performance Period. Total New Bookings includes the aggregate of recurring, non-recurring, technology services, and professional services bookings.
Adjustments	If the occurrence of any unbudgeted or unanticipated item during the Performance Period would make fair and equitable measurement of the Company's Net Bookings and/or Adjusted EBITDA for the Performance Period no longer practical, the Administrator will adjust and modify the performance goals set forth herein to preserve (but not enhance) the incentives contemplated by this Award Agreement. You hereby agree that any such adjustment or modification shall not be deemed to be an amendment to the Award Documents and shall not adversely affect your rights hereunder. For purpose of this paragraph, unbudgeted or unanticipated items shall include, but not be limited to, costs associated with natural disasters, storms or pandemics (including, without limitation, COVID-19), foreign exchange variations, changes in accounting principles, material litigation costs that could not have been reasonably anticipated in the ordinary course of business, costs of severance or other reductions in force, capital markets transactions, restructurings or recapitalizations, business combinations or consolidations, stock splits or reverse splits, extraordinary special stock dividends, rights offerings, spin-offs, or similar transactions.

Performance Stock Unit Award Terms and Conditions

The following terms and conditions apply to the Performance Stock Units granted to you by the Company, as specified in the accompanying Performance Stock Unit Award Agreement (the "Award Agreement").

1. Award of Performance Stock Units. The Company has issued to you the Performance Stock Units set forth above in the Award Agreement, effective on the Grant Date, and subject to the terms and conditions set forth in the Award Agreement and the Performance Stock Unit Award Terms and Conditions (together, the "Award Documents"), and the Plan (which is incorporated herein by reference).

2. Performance Stock Units Non-Transferable. Performance Stock Units (and related rights) may not be sold, assigned, alienated, transferred by gift or otherwise, pledged, hypothecated, or otherwise disposed of, by operation of law or otherwise. Any attempt to assign, alienate, transfer, pledge, sell or otherwise dispose of the Performance Stock Units or its related rights shall be ineffective and, if any such attempt is made, the Performance Stock Units will be forfeited and all of your rights under the Plan and the Award Documents shall immediately terminate without any payment or consideration by the Company.

3. Vesting. Unless otherwise provided in the Plan, your Performance Stock Units shall vest and become Vested PSUs in accordance with the terms and conditions of the Award Agreement.

4. Payment. Payment in respect of Vested PSUs shall be made at the time(s) and in the form(s) set forth in the Award Agreement.

5. Termination of Continuous Service; Forfeiture. Upon the termination of your Continuous Service for any reason, any Performance Stock Units that have not become or are not eligible to become Vested PSUs in accordance with Section 3 and the Award Agreement shall immediately be forfeited. Upon forfeiture, you shall have no further rights with respect to such Performance Stock Units.

6. Tax Treatment; Section 409A. You may incur tax liability as a result of the receipt of Performance Stock Units and payments thereunder. You should consult your own tax adviser for tax advice. You acknowledge that the Administrator, in the exercise of its sole discretion and without your consent, may amend or modify the Award Documents in any manner, and delay the payment of any amounts thereunder, to the minimum extent necessary to satisfy the requirements of Section 409A. The Company will provide you with notice of any such amendment or modification. This Section 6 does not, and shall not be construed so as to, create any obligation

on the part of the Company to adopt any such amendments or to take any other actions or to indemnify you for any failure to do so.

7. Tax Withholding. You shall make appropriate arrangements with the Company to provide for payment of all federal, state, local or foreign taxes of any kind required by law to be withheld in respect of your Performance Stock Units. Such arrangements may include, but are not limited to, the payment of cash directly to the Company, withholding by the Company from other cash payments of any kind otherwise due you, or share withholding as described below. Subject to the prior approval of the Administrator, which may be withheld by the Administrator in its sole discretion, you may be permitted to satisfy the minimum statutory withholding obligations, in whole or in part, (i) by having the Company withhold shares otherwise issuable to you or (ii) by delivering to the Company shares of Common Stock already owned by you. The shares delivered or withheld shall have an aggregate Fair Market Value not in excess of the minimum statutory total tax withholding obligations. In addition, to the extent provided by the Plan, you may elect to have the Company perform additional voluntary tax withholding through the withholding or delivery of shares up to the maximum statutory tax rates in your applicable jurisdictions. The Fair Market Value of the shares used for tax withholding purposes shall be determined by the Company as of the date on which taxation occurs. Shares used for tax withholding purposes must be vested and cannot be subject to any repurchase, forfeiture, or other similar requirements. Any election to withhold or deliver shares shall be irrevocable, made in writing, signed by you, and shall be subject to any restrictions or limitations that the Administrator, in its sole discretion, deems appropriate.

8. Personal Information. The Company and its Subsidiaries may collect, store, disclose, use, or otherwise process certain personal information about you for the purpose of managing and administering the Plan, such as your name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all Performance Stock Units and other equity awards or any other entitlement to shares awarded, canceled, purchased, vested, unvested or outstanding in your favor ("Data"). The Company and/or its Subsidiaries may disclose Data among themselves as necessary for the purpose of implementation, administration and management of your participation in the Plan and the Company and/or any of its Subsidiaries may each further disclose Data to any third parties assisting the Company in the implementation, administration and management of the Plan, including any Plan recordkeeper. These recipients may be located throughout the world, including the United States. You understand and agree that these parties may receive, possess, use, retain, transfer, and otherwise process the Data, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer or disclosure of such Data as may be required for the administration of the Plan and/or the subsequent holding of shares on your behalf to a broker or other third party with whom you may elect to deposit any shares acquired pursuant to the Plan. Notwithstanding anything to the contrary in this Section 8, you acknowledge and agree that the Company and its Subsidiaries may also collect, store, use, disclose, and otherwise process your Data where such processing is necessary to comply with a legal obligation, for the Company or its Subsidiaries' legitimate business purposes, or with your consent if applicable law requires consent. You may, at any time, request to access, correct, delete or restrict processing of

your Data by contacting the Company in writing. Applicable law may allow or require the Company to refuse to provide you with access to or to delete or restrict processing of some or all of the Data that the Company or its Subsidiaries hold about you, or the Company or its Subsidiaries may have destroyed, erased, or made such Data anonymous in accordance with applicable record retention obligations and practices. If the Company cannot provide you with access to, delete or restrict processing of your Data, the Company will inform you of the reasons why, subject to any legal or regulatory restrictions. For more information on the processing of your Data, contact your human capital representative.

9. Other Employee Benefits. Except as specifically provided otherwise in any relevant employee benefit plan, program, or arrangement, the Performance Stock Units evidenced hereby are not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

10. Electronic Delivery. BY YOUR ELECTRONIC ACCEPTANCE OF THIS AWARD, YOU HEREBY CONSENT TO ELECTRONIC DELIVERY OF THE PLAN, AND ANY DISCLOSURE OR OTHER DOCUMENTS RELATED TO THE PLAN, INCLUDING FUTURE AWARD DOCUMENTS (COLLECTIVELY, THE "PLAN DOCUMENTS"). THE COMPANY MAY DELIVER THE PLAN DOCUMENTS ELECTRONICALLY TO YOU BY E-MAIL, BY POSTING SUCH DOCUMENTS ON ITS INTRANET WEBSITE OR BY ANOTHER MODE OF ELECTRONIC DELIVERY AS DETERMINED BY THE COMPANY IN ITS SOLE DISCRETION. YOU ACKNOWLEDGE THAT YOU ARE ABLE TO ACCESS, VIEW AND RETAIN AN E-MAIL ANNOUNCEMENT INFORMING YOU THAT THE PLAN DOCUMENTS ARE AVAILABLE IN HTML, PDF OR SUCH OTHER FORMAT AS THE COMPANY DETERMINES IN ITS SOLE DISCRETION. IF YOU DO NOT ACCEPT THE AWARD DOCUMENTS WITHIN NINETY (90) DAYS OF THE GRANT DATE, THE AWARD DOCUMENTS WILL BE NULL AND VOID FOLLOWING THE NINETIETH (90TH) DAY AFTER THE GRANT DATE AND YOU WILL HAVE NO RIGHT OR CLAIM TO THE AWARD.

11. Notices. Any notice required or permitted to be given hereunder shall be in writing and shall be given by hand delivery, by e-mail, by facsimile, or by first class registered or certified mail, postage prepaid, addressed, if to the Company, to its Corporate Secretary, and if to you, to your address now on file with the Company, or to such other address as either may designate in writing. Any notice shall be deemed to be duly given as of the date delivered in the case of personal delivery, e-mail, or facsimile, or as of the second day after enclosed in a properly sealed envelope and deposited, postage prepaid, in a United States post office, in the case of mailed notice.

12. Amendment. The Award Documents may be amended by the Administrator at any time without your consent if such amendment does not impair your rights hereunder or is otherwise permitted herein. In all other cases, the Award Documents may not be amended or otherwise modified unless evidenced in writing and signed by the Company and by you.

13. Relationship to Plan. Nothing in the Award Documents shall alter the terms of the Plan. If there is a conflict between the terms of the Plan and the terms of the Award Documents, the terms of the Plan shall prevail.

14. Construction; Severability. The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of these Performance Stock Unit Award Terms and Conditions. The invalidity or unenforceability of any provision of the Award Documents shall not affect the validity or enforceability of any other provision thereof, and each other provision thereof shall be severable and enforceable to the extent permitted by law.

15. Waiver. Any provision contained in the Award Documents may be waived, either generally or in any particular instance, by the Administrator appointed under the Plan, but only to the extent permitted under the Plan.

16. Binding Effect. The Award Documents shall be binding upon and inure to the benefit of the Company and to you and your respective heirs, executors, administrators, legal representatives, successors and assigns.

17. Rights to Continuous Service. Nothing contained in the Award Documents shall be construed as giving you any right to be retained in the employ or service of the Company or any of its Subsidiaries, and the Award Documents are limited solely to governing the parties' rights and obligations with respect to the Performance Stock Units.

18. Governing Law. The Award Documents shall be governed by and construed in accordance with the choice of law provisions set forth in the Plan.

19. Company Policies to Apply; Potential Clawback. The sale of any shares of Common Stock received as payment under the Performance Stock Units is subject to the Company's policies regulating securities trading by employees, all relevant federal and state securities laws and the listing requirements of any stock exchange on which the shares of the Company's Common Stock are then traded. Participation in the Plan and receipt of remuneration as a result of the Performance Stock Units is also subject in all respects to any laws, regulations, or Company policies related to compensation clawbacks that may be in effect from time to time.

20. Section 409A Compliance. The Performance Stock Units granted hereunder are intended to comply with or be exempt from the requirements of Section 409A, and the Award Documents shall be interpreted and administered in a manner consistent with such intent. You shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on you in connection with the Performance Stock Units granted hereunder (including any taxes and penalties under Section 409A), and neither the Company nor any of its Affiliates shall have any obligation to indemnify or otherwise hold you harmless from any or all of such taxes or penalties.

Certain information identified with brackets has been excluded from this exhibit in accordance with Item 601(b) of Regulation S-K because it is both not material and is the type that the registrant treats as private or confidential.

ServiceSource International, Inc.
2020 Equity Incentive Plan

Performance Stock Unit Award Agreement

Participant: [Recipient Name]

We are pleased to inform you that ServiceSource International, Inc. (the "Company") has made an award of performance-vested restricted stock units to you (the "Performance Stock Units") as indicated in this Performance Stock Unit Award Agreement (this "Award Agreement"). The Performance Stock Units are issued pursuant to the Company's 2020 Equity Incentive Plan (the "Plan") and are subject to and governed by the Plan generally. All capitalized terms not defined herein shall have the meanings given to such terms in the Plan.

Notice of Award

Grant Date	March 1, 2021
Target Performance Stock Units	__________ ("Target PSUs")
Maximum Performance Stock Units	__________ ("Max PSU")
Initial Measurement Period	January 1, 2021 – December 31, 2021
Performance Period	January 1, 2021 – December 31, 2023
Time-Vesting Date	March 1, 2024
Overview	This award of Performance Stock Units entitles you to earn shares of Common Stock based on the satisfaction of the performance goals set forth in Appendix A and the Company's relative total stockholder return as set forth in Appendix B, and your continued employment or service through the Time-Vesting Date.

General Vesting and Payment Provisions	The actual number of shares of Common Stock earned, if any, is equal to the number of Performance Stock Units that become vested ("Vested PSUs"), determined as follows (except as otherwise set forth herein):

- First, at the end of the Initial Measurement Period, the Company will determine a preliminary number of Performance Stock Units that may be eligible to vest (the "Preliminary PSUs") by applying the formula(s) in Appendix A taking into account the level of achievement of the relevant performance goals and the Target PSUs awarded to you.

- Next, at the end of the Performance Period, the Company will determine the number of Performance Stock Units that are eligible to vest (the "Conditional PSUs") by applying the modification factors in Appendix B (which are based on the Company's relative total stockholder return) to the number of Preliminary PSUs determined following the end of the Initial Measurement Period. The Conditional PSUs, if any, may be greater than or less than the Target PSUs, but can never exceed the Max PSUs.

- Last, the Conditional PSUs, if any, shall become Vested PSUs based on your Continuous Service (as defined below) with the Company or its Subsidiaries following the end of the Performance Period through the Time-Vesting Date. The Company shall issue you one share of Common Stock for each Vested PSU, as described in the "Payment" section below.

You have no rights as a stockholder of the Company pursuant to this Agreement until such time, if any, as shares of Common Stock are issued to you.

Award Determination	Preliminary PSUs The Company shall determine the number of your Preliminary PSUs as soon as practicable following the end of the Initial Measurement Period, generally within ten (10) days following the date on which the Company files its Annual Report on Form 10-K for the fiscal year of the Company ending coincident with the last day of the Initial Measurement Period. Conditional PSUs The Company shall determine the number of your Conditional PSUs as soon as practicable and in all events within thirty (30) days following the end of the Performance Period.
Vesting Date	Subject to your Continuous Service with the Company or its Subsidiaries from the Grant Date through the Time-Vesting Date, all Conditional PSUs shall become Vested PSUs on the Time-Vesting Date.
Continuous Service	The term "Continuous Service" shall mean your uninterrupted service to the Company or its Subsidiaries as an Employee, Outside Director, or Consultant. The Administrator shall determine in its discretion whether and when your Continuous Service has ended (including as a result of any leave of absence); provided, however, that your Continuous Service shall not be deemed to have ended in the event you retire or otherwise terminate as an Employee but continue to perform services for the Company as an Outside Director or Consultant.
Termination of Continuous Service	Except as set forth below under the headings "Special Vesting Events" or "Change in Control," upon the termination of your Continuous Service with the Company or its Subsidiaries for any or no reason prior to the Time-Vesting Date, you shall automatically and immediately forfeit all Performance Stock Units and rights hereunder.

Special Vesting Events	Termination due to Death or Disability

Prior to the End of the Initial Measurement Period.

In the event that your Continuous Service with the Company or its Subsidiaries is terminated prior to the end of the Initial Measurement Period due to death or Disability, the Initial Measurement Period and the Performance Period shall both be deemed to have ended immediately prior to the date of death or Disability, and you shall immediately vest in a pro-rated number of Performance Stock Units, if any, equal to the product of (i) the number of PSUs determined in accordance with Appendix A and Appendix B based on performance and relative total stockholder return through the date of the death or Disability (for avoidance of doubt, the performance goals in Appendix A shall be adjusted in the Administrator's sole discretion to account for the truncation of the Performance Period on the date of death or Disability, and the Administrator may adopt reasonable procedures for determining the level of achievement of any financial metrics, such as using audited financial statements from the most recently completed fiscal quarter), *multiplied by* (ii) a fraction, (A) the numerator of which is the number of days of your Continuous Service between the first day of the Performance Period through the date of death or Disability, and (B) the denominator of which is the total number of days between the first day of the Performance Period and the Time-Vesting Date. Vested PSUs, if any, shall be payable as set forth in the "Payment" section below.

On or After the End of the Initial Measurement Period but Prior to the End of the Performance Period

In the event that your Continuous Service with the Company or its Subsidiaries is terminated following the end of the Initial Measurement Period and prior to the end of the Performance Period due to death or Disability, the Performance Period shall be deemed to have ended immediately prior to the date of death or Disability, and you shall immediately vest in a pro-rated number of Performance Stock Units, if any, equal to the product of (i) the number of Preliminary PSUs calculated following the end of the Initial Measurement Period as modified by the factors in Appendix B (for avoidance of doubt, the modification shall be based on relative total stockholder return through the date of the death or Disability), *multiplied by* (ii) a fraction, (A) the numerator of which is the number of days of your Continuous Service between the first day of the Performance Period through the date of death or Disability, and (B) the denominator of which is the total number of days between the first day of the Performance Period and the Time-Vesting Date. Vested PSUs, if any, shall be payable as set forth in the "Payment" section below.

On or After the End of the Performance Period.

In the event that your Continuous Service with the Company or its Subsidiaries is terminated following the end of the Performance Period and prior to the Time-Vesting Date due to death or Disability, your Conditional PSUs, if any, shall immediately vest on a pro-rated basis, by multiplying the number of Conditional PSUs, if any, by a fraction, (A) the numerator of which is the number of days of your Continuous Service between the first day of the Performance Period through the date of death or Disability, and (B) the denominator of which is the total number of days between the first day of the Performance Period and the Time-Vesting Date. Vested PSUs, if any, shall be payable as set forth in the "Payment" section below.

<u>Rule of 70</u>

In the event your Continuous Service with the Company or its Subsidiaries terminates for any reason other than death, Disability, or Cause when your combined age and total years of employment or service with the Company or its Subsidiaries (including service on the Company's Board) equals or exceeds 70, then your Performance Stock Units and your rights hereunder shall be unaffected by your termination of Continuous Service. The number of Vested PSUs, if any, to which you may be entitled shall be determined in accordance with the "General Vesting and Payment," "Award Determination," and "Vesting Date" sections above as if your employment had continued through the Time-Vesting Date, and you shall be entitled to payment in accordance with the "Payment" section below. For purposes of the "Payment" section below, the date on which your Performance Stock Units shall become Vested PSUs, if at all, shall be the Time-Vesting Date.

Change in Control	Prior to the End of the Performance Period

In the event of a Change in Control prior to the end of the Performance Period, the Performance Period shall be deemed to have ended immediately prior to the Change in Control, and you shall be credited with a number of Conditional PSUs, if any, determined in accordance with Appendix A and Appendix B based on performance and relative total stockholder return through the date of the Change in Control; provided, however, that the performance goals in Appendix A shall be adjusted in the Administrator's sole discretion to account for the truncation of the performance period on the date of the Change in Control and the Administrator may adopt reasonable procedures for determining the level of achievement of any financial metrics, such as using audited financial statements from the most recently completed fiscal quarter. The Conditional PSUs will vest and become Vested PSUs on the original Time-Vesting Date, subject to your Continuous Service with the Company or its Subsidiaries or any successor corporation through such date. In the event your Continuous Service is terminated as a result of death or Disability on or after a Change in Control but prior to the Time-Vesting Date, the vesting provisions set forth in "Special Vesting Events – Termination Due to Death or Disability – On or After the End of the Performance Period" shall apply. In the event your Continuous Service with the Company or its Subsidiaries terminates for any reason other than death, Disability or Cause when your combined age and total years of employment or service with the Company or its Subsidiaries equals or exceeds 70, the vesting provisions set forth in "Special Vesting Events – Rule of 70" shall apply. If this award is not assumed by the successor in any Change in Control transaction, your Conditional PSUs shall vest and become Vested PSUs immediately upon the Change in Control.

On or After the End of the Performance Period

In the event of a Change in Control on or following the end of the Performance Period, the Company, if it has not done so already, shall promptly determine your Conditional PSUs. Your Conditional PSUs will then become Vested PSUs on the Time-Vesting Date, subject to your Continuous Service with the Company or its Subsidiaries or any successor corporation through such date. In the event your Continuous Service is terminated as a result of death or Disability on or after a Change in Control but prior to the Time-Vesting Date, the vesting provisions set forth in "Special Vesting Events – Termination Due to Death or Disability – On or After the End of the Performance Period" shall apply. In the event your Continuous Service with the Company or its Subsidiaries terminates for any reason other than death, Disability of Cause when your combined age and total years of employment or service with the Company or its Subsidiaries equals or exceeds 70, the vesting provisions set forth in "Special Vesting Events – Rule of

	70" shall apply. If this award is not assumed by the successor in any Change in Control transaction, your Conditional PSUs shall vest and become Vested PSUs immediately upon the Change in Control.
Payment	The Company shall issue to you one share of Common Stock for each Vested PSU, with the delivery of such Common Stock to occur within ten (10) days following the date on which such Performance Stock Units became Vested PSUs.
Other Terms and Conditions	Are set forth in the accompanying Performance Stock Unit Award Terms and Conditions and the Plan.

Acceptance of Award

By your signature below, you agree that the Performance Stock Units granted hereby are granted under and governed by the terms and conditions of the Plan and of this Performance Stock Unit Award Agreement (including the accompanying Performance Stock Unit Award Terms and Conditions and any Appendix) (the "Award Documents"). You hereby represent and acknowledge that you been provided the opportunity to review the Plan and the Award Documents in their entirety, and you hereby agree to accept as binding, conclusive, and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and the Award Documents.

PARTICIPANT	SERVICESOURCE INTERNATIONAL, INC.
______________________________ Signature ______________________________ Date	By:______________________________ Name: Megan Fine Title: SVP, General Counsel ______________________________ Date

Participant Residence Address:

____

Appendix A

Performance Goals

Performance Goals	The performance goals for this award shall be based on: • New Bookings, and • Churn New Bookings and Churn are defined and shall be determined as set forth below.
Determination of Preliminary PSUs	The number of Preliminary PSUs with which you are credited, if any, at the end of the Initial Measurement Period shall be determined as follows: Preliminary PSUs = (Target PSUs x 50% x New Bookings Achievement %) + (Target PSUs x 50% x Churn Achievement %)
New Bookings Achievement Percentage	The New Bookings Achievement Percentage (capped at 150%) shall be determined in accordance with the following chart, based on the Company’s New Bookings over the Initial Measurement Period:

New Bookings ($MM)	New Booking Achievement %
Less than $[ ]	[ ] %
$[ ]	[ ] %
$[ ]	[ ] %
$[ ]	[ ] %
$[ ]	[ ] %
$[ ] or greater	[ ] %

Churn Achievement Percentage	The Churn Achievement Percentage (capped at 150%) shall be determined in accordance with the following chart, based on the Company's Churn over the Initial Measurement Period:

Churn ($MM)	**Churn Achievement %**
Less than $[ ]	[ ] %
$[ ]	[ ] %
$[ ]	[ ] %
$[ ]	[ ] %
$[ ]	[ ] %
$[ ] or greater	[ ] %

Linear Interpolation	When New Bookings or Churn, as applicable, for the Initial Measurement Period falls between any of the hurdle amounts set forth in the charts above, the New Bookings Achievement % or Churn Achievement % shall be determined based on linear interpolation.
Definitions	"Churn" shall mean the annual contract value (ACV) of all contract terminations or reductions in services during the Initial Measurement Period, or reductions in contract value from contractual renegotiations during the Initial Measurement Period, in either case resulting from client notifications of termination, reduction, renegotiation or non-renewal during the Initial Measurement Period. "New Bookings" shall mean the value of "Total New Bookings" that are closed and signed during the Initial Measurement Period. Total New Bookings includes the aggregate of Annual Recurring Revenue (ARR), non-recurring, technology services, professional services, expansions, and pilot bookings.

Adjustments	If the occurrence of any unbudgeted or unanticipated item during the Initial Measurement Period would make fair and equitable measurement of the Company's New Bookings and/or Churn for the Initial Measurement Period no longer practical, the Administrator will adjust and modify the performance goals set forth herein to preserve (but not enhance) the incentives contemplated by this Award Agreement. You hereby agree that any such adjustment or modification shall not be deemed to be an amendment to the Award Documents and shall not adversely affect your rights hereunder. For purpose of this paragraph, unbudgeted or unanticipated items shall include, but not be limited to, natural disasters, storms or pandemics (including, without limitation, COVID-19), foreign exchange variations, changes in accounting principles, material litigation costs that could not have been reasonably anticipated in the ordinary course of business, costs of severance or other reductions in force, capital markets transactions, restructurings or recapitalizations, business combinations or consolidations, stock splits or reverse splits, extraordinary special stock dividends, rights offerings, spin-offs, or similar transactions.

<u>Exhibit B</u>

Relative TSR Modifier

Determination of Conditional PSUs	The number of Conditional PSUs with which you are credited, if any, at the end of the Performance Period shall be determined by multiplying (x) the number of Preliminary PSUs, if any, credited following the Initial Measurement Period by (y) the applicable Modification Factor determined in accordance with the following chart based on the Company's Relative Total Stockholder Return over the Performance Period as compared to the Peer Group (defined below):

Company Relative Total Stockholder Return	Modification Factor
Less than or equal to the 25th percentile of the Peer Group	85%
Median (50th percentile) of the Peer Group	100%
75th percentile or greater of the Peer Group	115%

Linear Interpolation	When the Company's Relative Total Stockholder Return Period falls between any of the percentiles set forth in the chart above, the Modification Factor shall be determined based on linear interpolation.
Company Relative Total Stockholder Return	The Company's Relative Total Stockholder Return measured against the Peer Group shall be determined by first ranking the Company and each of the Peer Companies by their respective Total Stockholder Returns (highest to lowest) over the Performance Period. The Company's Relative Total Stockholder Return shall be the Company's percentile ranking determined from such numerical ranking, which percentile ranking shall be calculated as 100 multiplied by a fraction, the numerator of which is (x) the number of Peer Companies that are ranked lower than the Company by their respective Total Stockholder Returns and the denominator of which is (y) the number of Peer Companies in the Peer Group at the time of the determination minus one (1).

Total Stockholder Return	Total Stockholder Return for the Company and each of the Peer Companies shall be calculated in accordance with the following formula, with the result expressed as a percentage: $(EB/BB)^{1/n} - 1$ For purposes of the foregoing formula: "EB" = the sum of (x) the cumulative amount of the entity's dividends per share for the Performance Period *plus* the arithmetic average per share closing price of such entity's common stock for the last 20 consecutive trading days of the applicable Performance Period "BB" = the arithmetic average per share closing price of such entity's common stock for the last 20 consecutive trading days prior to the beginning of the Performance Period "n" = the total number of years in the Performance Period.

Peer Group

The Peer Group for determining Relative Total Stockholder Return shall consist of the following companies (each a "<u>Peer Company</u>"):

- SYNNEX Corporation
- Insight Enterprises, Inc.
- Conduent Incorporated
- ScanSource, Inc.
- TTEC Holdings, Inc.
- Sykes Enterprises, Incorporated
- ePlus inc.
- ExlService Holdings, Inc.
- WNS Holdings Ltd.
- StarTek, Inc.
- Perficient, Inc.
- QuinStreet, Inc.
- Computer Task Group, Incorporated
- Rimini Street, Inc.
- Fluent, Inc.
- Zuora, Inc.
- PFSweb, Inc.
- PRGX Global, Inc.
- Model N, Inc.
- ChannelAdvisor Corporation
- TechTarget, Inc.

Adjustment to the Peer Group	The Peer Group shall not be changed during the Performance Period except as set forth in the following chart to account for certain corporate transactions affecting a Peer Company:

Corporation Transaction	**Treatment of Peer Company**
Peer Company is acquired by another Peer Company	Keep the Peer Company that performed the acquisition and remove the acquired Peer Company
A Peer Company merges with or acquires a non-peer company and the Peer Company is the surviving entity	The Peer Company remains in the Peer Group
The Peer Company is not the surviving entity after a merger, consolidation or amalgamation with a non-peer company	The Peer Company is removed from the Peer Group
A Peer Company spins out a portion of its business, but the Peer Company remains in place as a publicly traded entity	The Peer Company remains in the Peer Group and the per-share value of the spinoff is treated as a dividend that is reinvested in shares of the Peer Company on the spinoff date, with the spinoff amount per share and return thereon used to appropriately adjust "EB" upward or downward to account for the reinvestment.
A spun-out entity replaces the Peer Company (i.e. there is no longer a clear surviving parent company following the transaction)	The Peer Company remains in the Peer Group

A Peer Company is suspended from listing or trading because of misconduct	The Peer Company remains in the Peer Group but Total Stockholder Return is set to negative 100%
A Peer Company no longer meets screening criteria	The Peer Company remains in the Peer Group
A Peer Company goes bankrupt	The Peer Company remains in the Peer Group, but Total Stockholder Return is set to negative 100%

Performance Stock Unit Award Terms and Conditions

The following terms and conditions apply to the Performance Stock Units granted to you by the Company, as specified in the accompanying Performance Stock Unit Award Agreement (the "Award Agreement").

1. Award of Performance Stock Units. The Company has issued to you the Performance Stock Units set forth above in the Award Agreement, effective on the Grant Date, and subject to the terms and conditions set forth in the Award Agreement and the Performance Stock Unit Award Terms and Conditions (together, the "Award Documents"), and the Plan (which is incorporated herein by reference).

2. Performance Stock Units Non-Transferable. Performance Stock Units (and related rights) may not be sold, assigned, alienated, transferred by gift or otherwise, pledged, hypothecated, or otherwise disposed of, by operation of law or otherwise. Any attempt to assign, alienate, transfer, pledge, sell or otherwise dispose of the Performance Stock Units or its related rights shall be ineffective and, if any such attempt is made, the Performance Stock Units will be forfeited and all of your rights under the Plan and the Award Documents shall immediately terminate without any payment or consideration by the Company.

3. Vesting. Unless otherwise provided in the Plan, your Performance Stock Units shall vest and become Vested PSUs in accordance with the terms and conditions of the Award Agreement.

4. Payment. Payment in respect of Vested PSUs shall be made at the time(s) and in the form(s) set forth in the Award Agreement.

5. Termination of Continuous Service; Forfeiture. Upon the termination of your Continuous Service for any reason, any Performance Stock Units that have not become or are not eligible to become Vested PSUs in accordance with Section 3 and the Award Agreement shall immediately be forfeited. Upon forfeiture, you shall have no further rights with respect to such Performance Stock Units.

6. Tax Treatment; Section 409A. You may incur tax liability as a result of the receipt of Performance Stock Units and payments thereunder. You should consult your own tax adviser for tax advice. You acknowledge that the Administrator, in the exercise of its sole discretion and without your consent, may amend or modify the Award Documents in any manner, and delay the payment of any amounts thereunder, to the minimum extent necessary to satisfy the requirements of Section 409A. The Company will provide you with notice of any such amendment or modification. This Section 6 does not, and shall not be construed so as to, create any obligation

on the part of the Company to adopt any such amendments or to take any other actions or to indemnify you for any failure to do so.

7. Tax Withholding. You shall make appropriate arrangements with the Company to provide for payment of all federal, state, local or foreign taxes of any kind required by law to be withheld in respect of your Performance Stock Units. Such arrangements may include, but are not limited to, the payment of cash directly to the Company, withholding by the Company from other cash payments of any kind otherwise due you, or share withholding as described below. Subject to the prior approval of the Administrator, which may be withheld by the Administrator in its sole discretion, you may be permitted to satisfy the minimum statutory withholding obligations, in whole or in part, (i) by having the Company withhold shares otherwise issuable to you or (ii) by delivering to the Company shares of Common Stock already owned by you. The shares delivered or withheld shall have an aggregate Fair Market Value not in excess of the minimum statutory total tax withholding obligations. In addition, to the extent provided by the Plan, you may elect to have the Company perform additional voluntary tax withholding through the withholding or delivery of shares up to the maximum statutory tax rates in your applicable jurisdictions. The Fair Market Value of the shares used for tax withholding purposes shall be determined by the Company as of the date on which taxation occurs. Shares used for tax withholding purposes must be vested and cannot be subject to any repurchase, forfeiture, or other similar requirements. Any election to withhold or deliver shares shall be irrevocable, made in writing, signed by you, and shall be subject to any restrictions or limitations that the Administrator, in its sole discretion, deems appropriate.

8. Personal Information. The Company and its Subsidiaries may collect, store, disclose, use, or otherwise process certain personal information about you for the purpose of managing and administering the Plan, such as your name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all Performance Stock Units and other equity awards or any other entitlement to shares awarded, canceled, purchased, vested, unvested or outstanding in your favor ("Data"). The Company and/or its Subsidiaries may disclose Data among themselves as necessary for the purpose of implementation, administration and management of your participation in the Plan and the Company and/or any of its Subsidiaries may each further disclose Data to any third parties assisting the Company in the implementation, administration and management of the Plan, including any Plan recordkeeper. These recipients may be located throughout the world, including the United States. You understand and agree that these parties may receive, possess, use, retain, transfer, and otherwise process the Data, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer or disclosure of such Data as may be required for the administration of the Plan and/or the subsequent holding of shares on your behalf

to a broker or other third party with whom you may elect to deposit any shares acquired pursuant to the Plan. Notwithstanding anything to the contrary in this Section 8, you acknowledge and agree that the Company and its Subsidiaries may also collect, store, use, disclose, and otherwise process your Data where such processing is necessary to comply with a legal obligation, for the Company or its Subsidiaries' legitimate business purposes, or with your consent if applicable law requires consent. You may, at any time, request to access, correct, delete or restrict processing of your Data by contacting the Company in writing. Applicable law may allow or require the Company to refuse to provide you with access to or to delete or restrict processing of some or all of the Data that the Company or its Subsidiaries hold about you, or the Company or its Subsidiaries may have destroyed, erased, or made such Data anonymous in accordance with applicable record retention obligations and practices. If the Company cannot provide you with access to, delete or restrict processing of your Data, the Company will inform you of the reasons why, subject to any legal or regulatory restrictions. For more information on the processing of your Data, contact your human capital representative.

9. Other Employee Benefits. Except as specifically provided otherwise in any relevant employee benefit plan, program, or arrangement, the Performance Stock Units evidenced hereby are not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

10. Electronic Delivery. BY YOUR ACCEPTANCE OF THIS AWARD, YOU HEREBY CONSENT TO ELECTRONIC DELIVERY OF THE PLAN, AND ANY DISCLOSURE OR OTHER DOCUMENTS RELATED TO THE PLAN, INCLUDING FUTURE AWARD DOCUMENTS (COLLECTIVELY, THE "PLAN DOCUMENTS"). THE COMPANY MAY DELIVER THE PLAN DOCUMENTS ELECTRONICALLY TO YOU BY E-MAIL, BY POSTING SUCH DOCUMENTS ON ITS INTRANET WEBSITE OR BY ANOTHER MODE OF ELECTRONIC DELIVERY AS DETERMINED BY THE COMPANY IN ITS SOLE DISCRETION. YOU ACKNOWLEDGE THAT YOU ARE ABLE TO ACCESS, VIEW AND RETAIN AN E-MAIL ANNOUNCEMENT INFORMING YOU THAT THE PLAN DOCUMENTS ARE AVAILABLE IN HTML, PDF OR SUCH OTHER FORMAT AS THE COMPANY DETERMINES IN ITS SOLE DISCRETION. If you do not accept the Award documents within ninety (90) days of the Grant Date, the Award documents will be null and void following the ninetieth (90th) day after the Grant date and you will have no right or claim to the Award.

11. Notices. Any notice required or permitted to be given hereunder shall be in writing and shall be given by hand delivery, by e-mail, by facsimile, or by first class registered or certified mail, postage prepaid, addressed, if to the Company, to its Corporate Secretary, and if to you, to

your address now on file with the Company, or to such other address as either may designate in writing. Any notice shall be deemed to be duly given as of the date delivered in the case of personal delivery, e-mail, or facsimile, or as of the second day after enclosed in a properly sealed envelope and deposited, postage prepaid, in a United States post office, in the case of mailed notice.

12. Amendment. The Award Documents may be amended by the Administrator at any time without your consent if such amendment does not impair your rights hereunder or is otherwise permitted herein. In all other cases, the Award Documents may not be amended or otherwise modified unless evidenced in writing and signed by the Company and by you.

13. Relationship to Plan. Nothing in the Award Documents shall alter the terms of the Plan. If there is a conflict between the terms of the Plan and the terms of the Award Documents, the terms of the Plan shall prevail.

14. Construction; Severability. The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of these Performance Stock Unit Award Terms and Conditions. The invalidity or unenforceability of any provision of the Award Documents shall not affect the validity or enforceability of any other provision thereof, and each other provision thereof shall be severable and enforceable to the extent permitted by law.

15. Waiver. Any provision contained in the Award Documents may be waived, either generally or in any particular instance, by the Administrator appointed under the Plan, but only to the extent permitted under the Plan.

16. Binding Effect. The Award Documents shall be binding upon and inure to the benefit of the Company and to you and your respective heirs, executors, administrators, legal representatives, successors and assigns.

17. Rights to Continuous Service. Nothing contained in the Award Documents shall be construed as giving you any right to be retained in the employ or service of the Company or any of its Subsidiaries, and the Award Documents are limited solely to governing the parties' rights and obligations with respect to the Performance Stock Units.

18. Governing Law. The Award Documents shall be governed by and construed in accordance with the choice of law provisions set forth in the Plan.

19. Company Policies to Apply; Potential Clawback. The sale of any shares of Common Stock received as payment under the Performance Stock Units is subject to the Company's policies regulating securities trading by employees, all relevant federal and state securities laws and the listing requirements of any stock exchange on which the shares of the Company's Common Stock are then traded. Participation in the Plan and receipt of remuneration

as a result of the Performance Stock Units is also subject in all respects to any laws, regulations, or Company policies related to compensation clawbacks that may be in effect from time to time.

20. Section 409A Compliance. The Performance Stock Units granted hereunder are intended to comply with or be exempt from the requirements of Section 409A, and the Award Documents shall be interpreted and administered in a manner consistent with such intent. You shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on you in connection with the Performance Stock Units granted hereunder (including any taxes and penalties under Section 409A), and neither the Company nor any of its Affiliates shall have any obligation to indemnify or otherwise hold you harmless from any or all of such taxes or penalties. In the event the Performance Stock Units granted hereunder are "non-qualified deferred compensation" subject to Code Section 409A, then the term Change in Control as used in this Agreement shall mean a "change in ownership or effective control of" the Company or a "change in the ownership of a substantial portion of the assets" of the Company as determined under Treasury Regulation Section 1.409A-3(i)(5).

Certain information identified with brackets has been excluded from this exhibit in accordance with Item 601(b) of Regulation S-K because it is both not material and is the type that the registrant treats as private or confidential.

ServiceSource International, Inc.
2020 Equity Incentive Plan

Performance Stock Unit Award Agreement

Participant: [Recipient Name]

We are pleased to inform you that ServiceSource International, Inc. (the "Company") has made an award of performance-vested restricted stock units to you (the "Performance Stock Units") as indicated in this Performance Stock Unit Award Agreement (this "Award Agreement"). The Performance Stock Units are issued pursuant to the Company's 2020 Equity Incentive Plan (the "Plan") and are subject to and governed by the Plan generally. All capitalized terms not defined herein shall have the meanings given to such terms in the Plan.

Notice of Award

Grant Date	March 1, 2021
Target Performance Stock Units	__________ ("Target PSUs")
Maximum Performance Stock Units	__________ ("Max PSU")
Performance Period	January 1, 2021 – December 31, 2021
Vesting Date	March 1, 2022
Overview	This award of Performance Stock Units entitles you to earn shares of Common Stock based on the satisfaction of the performance goals set forth in Appendix A and your Continuous Service (defined below) through the Vesting Date set forth above. Upon the termination of your Continuous Service with the Company or its Subsidiaries for any or no reason prior to the Vesting Date, you shall automatically and immediately forfeit all Performance Stock Units and rights to earn or receive Common Stock hereunder.

	You have no rights as a stockholder of the Company pursuant to this Agreement until such time, if any, as shares of Common Stock are issued to you.
Award Determination	On the Determination Date, the Company will determine the number of Performance Stock Units that vested (the "Vested PSUs") on the Vesting Date by applying the formulas in Appendix A taking into account the level of achievement of the relevant performance goals over the Performance Period and the Target PSUs awarded to you. The Vested PSUs, if any, may be greater than or less than the Target PSUs, but can never exceed the Max PSUs. The Company shall issue you one share of Common Stock for each Vested PSU, as described in the "Payment" section below.
Determination Date	The "Determination Date" is the date on which the Company files its Annual Report on Form 10-K for the Company's 2021 fiscal year.
Continuous Service	The term "Continuous Service" shall mean your uninterrupted service to the Company or its Subsidiaries as an Employee, Outside Director, or Consultant. The Administrator shall determine in its discretion whether and when your Continuous Service has ended (including as a result of any leave of absence); provided, however, that your Continuous Service shall not be deemed to have ended in the event you retire or otherwise terminate as an Employee but continue to perform services for the Company as an Outside Director or Consultant.
Change in Control	Prior to the End of the Performance Period In the event of a Change in Control prior to the end of the Performance Period, the Performance Period shall be deemed to have ended immediately prior to the Change in Control, and you shall be credited with a number of conditionally-earned PSUs ("Conditional PSUs"), if any, determined in accordance with Appendix A based on performance through the date of the Change in Control; provided, however, that the performance goals in Appendix A shall be adjusted in the Administrator's sole discretion to account for the truncation of the performance period on the date of the Change in Control and the Administrator may adopt reasonable procedures for determining the level of achievement of any financial metrics, such as using audited financial statements from the most recently completed fiscal quarter. The Conditional PSUs will vest and become Vested PSUs on the Vesting Date, subject to your Continuous Service with the Company or its Subsidiaries or any successor company through such date. If this award is not assumed by the successor in any Change in Control

	transaction, your Conditional PSUs shall vest and become Vested PSUs immediately upon the Change in Control. <u>On or After the End of the Performance Period</u> In the event of a Change in Control on or following the end of the Performance Period, the Company shall promptly determine your Conditional PSUs, and may do so without waiting for the occurrence of the Determination Date and may use reasonable procedures for determining the level of achievement of any financial metrics. Your Conditional PSUs will then become Vested PSUs on the Vesting Date, subject to your Continuous Service with the Company or its Subsidiaries or any successor corporation through such date. If this award is not assumed by the successor in any Change in Control transaction, your Conditional PSUs shall vest and become Vested PSUs immediately upon the Change in Control.
Payment	The Company shall issue to you one share of Common Stock for each Vested PSU, with the delivery of such Common Stock to occur within seventy-four (74) days following the date on which such Performance Stock Units became Vested PSUs.
Employment Agreement	Nothing herein shall diminish any rights to accelerated vesting you may have under your most recent Employment and Confidential Information Agreement between you and the Company, which rights shall be in addition to any vesting rights you may have hereunder.
Other Terms and Conditions	Are set forth in the accompanying Performance Stock Unit Award Terms and Conditions and the Plan.

Acceptance of Award

By your signature below, you agree that the Performance Stock Units granted hereby are granted under and governed by the terms and conditions of the Plan and of this Performance Stock Unit Award Agreement (including the accompanying Performance Stock Unit Award Terms and Conditions and any Appendix) (the "Award Documents"). You hereby represent and acknowledge that you been provided the opportunity to review the Plan and the Award Documents in their entirety, and you hereby agree to accept as binding, conclusive, and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and the Award Documents.

PARTICIPANT ______________________________ Signature ______________________________ Date	SERVICESOURCE INTERNATIONAL, INC. By:______________________________ Name: Megan Fine Title: SVP, General Counsel ______________________________ Date

Participant Residence Address:

____

Appendix A

Performance Goals

Performance Goals	The performance goals for this award shall be based on: • H1 Revenue • Annual Revenue • Annual Adjusted EBITDA, and • Annual Free Cash Flow. H1 Revenue, Annual Revenue, Annual Adjusted EBITDA and Annual Free Cash Flow are defined and shall be determined as set forth below.
Determination of Vested PSUs	The number of Vested PSUs shall be determined as follows: Vested PSUs = (Target PSUs x 25% x H1 Revenue Achievement %) + (Target PSUs x 25% x Annual Revenue Achievement %) + (Target PSUs x 30% x Annual Adjusted EBITDA Achievement %) + (Target PSUs x 20% x Annual Free Cash Flow Achievement %)

H1 Revenue Achievement Percentage	The H1 Revenue Achievement Percentage (capped at 200%) shall be determined in accordance with the following chart, based on the Company's H1 Revenue measured over the period January 1, 2021 – June 30, 2021.

H1 Revenue (Millions of $USD)	H1 Revenue Achievement Percentage
$[ ] or greater	[ ] %
$[ ]	[ ] %
$[ ]	[ ] %
$[ ]	[ ] %
$[ ]	[ ] %
Less than $[ ]	[ ] %

Annual Revenue Achievement Percentage	The Annual Revenue Achievement Percentage (capped at 200%) shall be determined in accordance with the following chart, based on the Company's Annual Revenue measured over the Performance Period.

Annual Revenue (Millions of $USD)	Annual Revenue Achievement Percentage
$[ ] or greater	[ ] %
$[ ]	[ ] %
$[ ]	[ ] %
$[ ]	[ ] %
$[ ]	[ ] %
Less than $[ ]	[ ] %

Annual Adjusted EBITDA Percentage	The Annual Adjusted EBITDA Achievement Percentage (capped at 200%) shall be determined in accordance with the following chart, based on the Company's Annual Adjusted EBITDA measured over the Performance Period.

Annual Adjusted EBITDA (Millions of $USD)	Annual Adjusted EBITDA Achievement Percentage
$[ ] or greater	[ ] %
$[ ]	[ ] %
$[ ]	[ ] %
$[ ]	[ ] %
$[ ]	[ ] %
Less than $[ ]	[ ] %

Annual Free Cash Flow Achievement Percentage	The Annual Free Cash Flow Achievement Percentage (capped at 200%) shall be determined in accordance with the following chart, based on the Company's Annual Free Cash Flow measured over the Performance Period.

Annual Free Cash Flow (Millions of $USD)	Annual Free Cash Flow Percentage
$[ ] or greater	[ ] %
$[ ]	[ ] %
$[ ]	[ ] %
$[ ]	[ ] %
$[ ]	[ ] %
Less than $[ ]	[ ] %

Linear Interpolation	When H1 Revenue, Annual Revenue, Annual Adjusted EBITDA, or Annual Free Cash Flow, as applicable, for the relevant period falls between any of the hurdle amounts set forth in the charts above, the applicable "Achievement Percentage" shall be determined based on linear interpolation.
Definitions	"H1 Revenue" shall be Net Revenue of the Company for the period January 1, 2021 – June 30, 2021 as set forth in the Company's 10-Q for the period ended June 30, 2021 and/or earnings press release and 8-K for the period ended June 30, 2021. "Annual Revenue" shall be Net Revenue of the Company for the Performance Period as defined in the Company's 10-K and/or earnings press release and 8-K for the Company's 2021 fiscal year end. "Annual Adjusted EBITDA" shall be the cumulative Adjusted EBITDA of the Company for the Performance Period as defined in the Company's 10-K and/or earnings press release and 8-K for the Company's 2021 fiscal year end. Annual Free Cash Flow" shall be the Free Cash Flow of the Company for the Performance Period as defined in the Company's 10-K and/or earnings press release and 8-K for the Company's 2021 fiscal year end.
Determinations and Adjustments	It is the intent of the parties that the determinations herein shall mirror those under the Company's cash-settled annual bonus plan (CIP) for fiscal year 2021, and all determinations hereunder shall be intended to match the determinations made under the annual bonus plan (CIP) for fiscal year 2021. Without limiting the foregoing, if the occurrence of any unbudgeted or unanticipated item during the Performance Period would make fair and equitable measurement of the performance goals no longer practical, the Administrator may adjust and modify the performance goals set forth herein to preserve (but not enhance) the incentives contemplated by this Award Agreement. You hereby agree that any such adjustment or modification shall not be deemed to be an amendment to the Award Documents and shall not adversely affect your rights hereunder. For purpose of this paragraph, unbudgeted or unanticipated items shall include, but not be limited to, costs associated with natural disasters, storms or pandemics (including, without limitation, COVID-19), foreign exchange variations, changes in accounting principles, material litigation costs that could not have been reasonably anticipated in the ordinary course of business, costs of severance or other reductions in force, capital markets transactions, restructurings or recapitalizations, business combinations or consolidations, stock splits or reverse splits, extraordinary special stock dividends, rights offerings, spin-offs, or similar transactions.

Performance Stock Unit Award Terms and Conditions

The following terms and conditions apply to the Performance Stock Units granted to you by the Company, as specified in the accompanying Performance Stock Unit Award Agreement (the "Award Agreement").

1. Award of Performance Stock Units. The Company has issued to you the Performance Stock Units set forth above in the Award Agreement, effective on the Grant Date, and subject to the terms and conditions set forth in the Award Agreement and the Performance Stock Unit Award Terms and Conditions (together, the "Award Documents"), and the Plan (which is incorporated herein by reference).

2. Performance Stock Units Non-Transferable. Performance Stock Units (and related rights) may not be sold, assigned, alienated, transferred by gift or otherwise, pledged, hypothecated, or otherwise disposed of, by operation of law or otherwise. Any attempt to assign, alienate, transfer, pledge, sell or otherwise dispose of the Performance Stock Units or its related rights shall be ineffective and, if any such attempt is made, the Performance Stock Units will be forfeited and all of your rights under the Plan and the Award Documents shall immediately terminate without any payment or consideration by the Company.

3. Vesting. Unless otherwise provided in the Plan, your Performance Stock Units shall vest and become Vested PSUs in accordance with the terms and conditions of the Award Agreement.

4. Payment. Payment in respect of Vested PSUs shall be made at the time(s) and in the form(s) set forth in the Award Agreement.

5. Termination of Continuous Service; Forfeiture. Upon the termination of your Continuous Service for any reason, any Performance Stock Units that have not become or are not eligible to become Vested PSUs in accordance with Section 3 and the Award Agreement shall immediately be forfeited. Upon forfeiture, you shall have no further rights with respect to such Performance Stock Units.

6. Tax Treatment; Section 409A. You may incur tax liability as a result of the receipt of Performance Stock Units and payments thereunder. You should consult your own tax adviser for tax advice. You acknowledge that the Administrator, in the exercise of its sole discretion and without your consent, may amend or modify the Award Documents in any manner, and delay the payment of any amounts thereunder, to the minimum extent necessary to satisfy the requirements of Section 409A. The Company will provide you with notice of any such amendment or modification. This Section 6 does not, and shall not be construed so as to, create any obligation on the part of the Company to adopt any such amendments or to take any other actions or to indemnify you for any failure to do so.

7. Tax Withholding. You shall make appropriate arrangements with the Company to provide for payment of all federal, state, local or foreign taxes of any kind required by law to be withheld in respect of your Performance Stock Units. Such arrangements may include, but are not

limited to, the payment of cash directly to the Company, withholding by the Company from other cash payments of any kind otherwise due you, or share withholding as described below. Subject to the prior approval of the Administrator, which may be withheld by the Administrator in its sole discretion, you may be permitted to satisfy the minimum statutory withholding obligations, in whole or in part, (i) by having the Company withhold shares otherwise issuable to you or (ii) by delivering to the Company shares of Common Stock already owned by you. The shares delivered or withheld shall have an aggregate Fair Market Value not in excess of the minimum statutory total tax withholding obligations. In addition, to the extent provided by the Plan, you may elect to have the Company perform additional voluntary tax withholding through the withholding or delivery of shares up to the maximum statutory tax rates in your applicable jurisdictions. The Fair Market Value of the shares used for tax withholding purposes shall be determined by the Company as of the date on which taxation occurs. Shares used for tax withholding purposes must be vested and cannot be subject to any repurchase, forfeiture, or other similar requirements. Any election to withhold or deliver shares shall be irrevocable, made in writing, signed by you, and shall be subject to any restrictions or limitations that the Administrator, in its sole discretion, deems appropriate.

8. Personal Information. The Company and its Subsidiaries may collect, store, disclose, use, or otherwise process certain personal information about you for the purpose of managing and administering the Plan, such as your name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all Performance Stock Units and other equity awards or any other entitlement to shares awarded, canceled, purchased, vested, unvested or outstanding in your favor ("Data"). The Company and/or its Subsidiaries may disclose Data among themselves as necessary for the purpose of implementation, administration and management of your participation in the Plan and the Company and/or any of its Subsidiaries may each further disclose Data to any third parties assisting the Company in the implementation, administration and management of the Plan, including any Plan recordkeeper. These recipients may be located throughout the world, including the United States. You understand and agree that these parties may receive, possess, use, retain, transfer, and otherwise process the Data, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer or disclosure of such Data as may be required for the administration of the Plan and/or the subsequent holding of shares on your behalf to a broker or other third party with whom you may elect to deposit any shares acquired pursuant to the Plan. Notwithstanding anything to the contrary in this Section 8, you acknowledge and agree that the Company and its Subsidiaries may also collect, store, use, disclose, and otherwise process your Data where such processing is necessary to comply with a legal obligation, for the Company or its Subsidiaries' legitimate business purposes, or with your consent if applicable law requires consent. You may, at any time, request to access, correct, delete or restrict processing of your Data by contacting the Company in writing. Applicable law may allow or require the Company to refuse to provide you with access to or to delete or restrict processing of some or all of the Data that the Company or its Subsidiaries hold about you, or the Company or its Subsidiaries may have destroyed, erased, or made such Data anonymous in accordance with applicable record retention obligations and practices. If the Company cannot provide you with access to, delete or restrict processing of your Data, the Company will inform you of the reasons why, subject to any legal or regulatory restrictions. For more information on the processing of your Data, contact your human capital representative.

9. Other Employee Benefits. Except as specifically provided otherwise in any relevant employee benefit plan, program, or arrangement, the Performance Stock Units evidenced hereby are not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

10. Electronic Delivery. BY YOUR ACCEPTANCE OF THIS AWARD, YOU HEREBY CONSENT TO ELECTRONIC DELIVERY OF THE PLAN, AND ANY DISCLOSURE OR OTHER DOCUMENTS RELATED TO THE PLAN, INCLUDING FUTURE AWARD DOCUMENTS (COLLECTIVELY, THE "PLAN DOCUMENTS"). THE COMPANY MAY DELIVER THE PLAN DOCUMENTS ELECTRONICALLY TO YOU BY E-MAIL, BY POSTING SUCH DOCUMENTS ON ITS INTRANET WEBSITE OR BY ANOTHER MODE OF ELECTRONIC DELIVERY AS DETERMINED BY THE COMPANY IN ITS SOLE DISCRETION. YOU ACKNOWLEDGE THAT YOU ARE ABLE TO ACCESS, VIEW AND RETAIN AN E-MAIL ANNOUNCEMENT INFORMING YOU THAT THE PLAN DOCUMENTS ARE AVAILABLE IN HTML, PDF OR SUCH OTHER FORMAT AS THE COMPANY DETERMINES IN ITS SOLE DISCRETION. If you do not accept the Award documents within ninety (90) days of the Grant Date, the Award documents will be null and void following the ninetieth (90th) day after the Grant date and you will have no right or claim to the Award.

11. Notices. Any notice required or permitted to be given hereunder shall be in writing and shall be given by hand delivery, by e-mail, by facsimile, or by first class registered or certified mail, postage prepaid, addressed, if to the Company, to its Corporate Secretary, and if to you, to your address now on file with the Company, or to such other address as either may designate in writing. Any notice shall be deemed to be duly given as of the date delivered in the case of personal delivery, e-mail, or facsimile, or as of the second day after enclosed in a properly sealed envelope and deposited, postage prepaid, in a United States post office, in the case of mailed notice.

12. Amendment. The Award Documents may be amended by the Administrator at any time without your consent if such amendment does not impair your rights hereunder or is otherwise permitted herein. In all other cases, the Award Documents may not be amended or otherwise modified unless evidenced in writing and signed by the Company and by you.

13. Relationship to Plan. Nothing in the Award Documents shall alter the terms of the Plan. If there is a conflict between the terms of the Plan and the terms of the Award Documents, the terms of the Plan shall prevail.

14. Construction; Severability. The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of these Performance Stock Unit Award Terms and Conditions. The invalidity or unenforceability of any provision of the Award Documents shall not affect the validity or enforceability of any other provision thereof, and each other provision thereof shall be severable and enforceable to the extent permitted by law.

15. Waiver. Any provision contained in the Award Documents may be waived, either generally or in any particular instance, by the Administrator appointed under the Plan, but only to the extent permitted under the Plan.

16. Binding Effect. The Award Documents shall be binding upon and inure to the benefit of the Company and to you and your respective heirs, executors, administrators, legal representatives, successors and assigns.

17. Rights to Continuous Service. Nothing contained in the Award Documents shall be construed as giving you any right to be retained in the employ or service of the Company or any of its Subsidiaries, and the Award Documents are limited solely to governing the parties' rights and obligations with respect to the Performance Stock Units.

18. Governing Law. The Award Documents shall be governed by and construed in accordance with the choice of law provisions set forth in the Plan.

19. Company Policies to Apply; Potential Clawback. The sale of any shares of Common Stock received as payment under the Performance Stock Units is subject to the Company's policies regulating securities trading by employees, all relevant federal and state securities laws and the listing requirements of any stock exchange on which the shares of the Company's Common Stock are then traded. Participation in the Plan and receipt of remuneration as a result of the Performance Stock Units is also subject in all respects to any laws, regulations, or Company policies related to compensation clawbacks that may be in effect from time to time.

20. Section 409A Compliance. The Performance Stock Units granted hereunder are intended to comply with or be exempt from the requirements of Section 409A, and the Award Documents shall be interpreted and administered in a manner consistent with such intent. You shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on you in connection with the Performance Stock Units granted hereunder (including any taxes and penalties under Section 409A), and neither the Company nor any of its Affiliates shall have any obligation to indemnify or otherwise hold you harmless from any or all of such taxes or penalties.

Exhibit 21.1

SUBSIDIARIES OF SERVICESOURCE INTERNATIONAL, INC.

SUBSIDIARIES	STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION
ServiceSource International, Inc.	Delaware
ServiceSource Delaware, Inc.	Delaware
ServiceSource Europe, Ltd.	Ireland
SSI Europe UK Limited	United Kingdom
ServiceSource International Singapore Pte. Ltd.	Singapore
ServiceSource International Malaysia SDN. BHD.	Malaysia
ServiceSource International Japan G.K.	Japan
ServiceSource International Philippines, Inc.	Philippines
ServiceSource International Bulgaria EOOD	Bulgaria

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-8 No. 333-173116) pertaining to the:
- ServiceSource International, Inc. 2011 Equity Incentive Plan
- ServiceSource International, Inc. 2011 Employee Stock Purchase Plan
- ServiceSource International, LLC 2008 Share Option Plan
- ServiceSource International, LLC 2004 Omnibus Share Plan

(2) Registration Statement (Form S-8 No. 333-181104) pertaining to the:
- ServiceSource International, Inc. 2011 Equity Incentive Plan
- ServiceSource International, Inc. 2011 Employee Stock Purchase Plan

(3) Registration Statement (Form S-8 No. 333-188652) pertaining to the:
- ServiceSource International, Inc. 2011 Equity Incentive Plan
- ServiceSource International, Inc. 2011 Employee Stock Purchase Plan

(4) Registration Statement (Form S-8 No. 333-194440) pertaining to the:
- ServiceSource International, Inc. 2011 Equity Incentive Plan
- ServiceSource International, Inc. 2011 Employee Stock Purchase Plan

(5) Registration Statement (Form S-8 No. 333-202809) pertaining to the:
- ServiceSource International, Inc. 2011 Equity Incentive Plan
- ServiceSource International, Inc. 2011 Employee Stock Purchase Plan

(6) Registration Statement (Form S-8 No. 333-210014) pertaining to the:
- ServiceSource International, Inc. 2011 Equity Incentive Plan
- ServiceSource International, Inc. 2011 Employee Stock Purchase Plan

(7) Registration Statement (Form S-8 No. 333-216472) pertaining to the:
- ServiceSource International, Inc. 2011 Equity Incentive Plan
- ServiceSource International, Inc. 2011 Employee Stock Purchase Plan

(8) Registration Statement (Form S-8 No. 333-223413) pertaining to the:
- ServiceSource International, Inc. 2011 Equity Incentive Plan
- ServiceSource International, Inc. 2011 Employee Stock Purchase Plan

(9) Registration Statement (Form S-8 No. 333- 239211) pertaining to the:
- ServiceSource International, Inc. 2020 Equity Incentive Plan

(10) Registration Statement (Form S-8 No. 333-257316) pertaining to the:
- ServiceSource International, Inc. 2020 Equity Incentive Plan

of our reports dated February 23, 2022, with respect to the consolidated financial statements of ServiceSource International, Inc., and the effectiveness of internal control over financial reporting of ServiceSource International, Inc. included in this Annual Report (Form 10-K) of ServiceSource International, Inc. for the year ended December 31, 2021.

/s/ Ernst & Young LLP

Denver, Colorado
February 23, 2022

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Gary B. Moore, certify that:

1. I have reviewed this annual report on Form 10-K of ServiceSource International, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Dated: February 23, 2022 By: /s/ GARY B. MOORE

Gary B. Moore

Chief Executive Officer and Director
(Principal Executive Officer)

Exhibit 31.2

**CERTIFICATION PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Chad W. Lyne, certify that:

1. I have reviewed this quarterly report on Form 10-K of ServiceSource International, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal controls over financial reporting.

Date:	February 23, 2022	By:	/s/ CHAD W. LYNE
			Chad W. Lyne
			Chief Financial Officer *(Principal Financial and Accounting Officer)*

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Gary B. Moore, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the annual report of ServiceSource International, Inc. on Form 10-K for the fiscal year ended December 31, 2021 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in such Form 10-K fairly presents, in all material respects, the financial condition and results of operations of ServiceSource International, Inc.

Dated:	February 23, 2022	By:	/s/ GARY B. MOORE
			Gary B. Moore
			Chief Executive Officer and Director *(Principal Executive Officer)*

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Chad W. Lyne, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the annual report of ServiceSource International, Inc. on Form 10-K for the fiscal year ended December 31, 2021 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in such Form 10-K fairly presents, in all material respects, the financial condition and results of operations of ServiceSource International, Inc.

Dated:	February 23, 2022	By:	/s/ CHAD W. LYNE
			Chad W. Lyne
			Chief Financial Officer
			(Principal Financial and Accounting Officer)