

ExlService Holdings, Inc.  
Form DEFR14A  
April 29, 2016

**United States**

**Securities and Exchange Commission**

**Washington, D.C. 20548**

**SCHEDULE 14A**

**(Rule 14a-101)**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934**

**(Amendment No. )**

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

Check the appropriate box:

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

**ExlService Holdings, Inc.**

**(Name of Registrant as Specified in Its Charter)**

N/A

**(Name of Person(s) Filing Proxy Statement, If Other Than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

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(1) Title of each class of securities to which transaction applies:

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(1) Amount previously paid:

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

(3) Filing Party:

(4) Date Filed:

**280 Park Avenue, 38<sup>th</sup> Floor**

**New York, New York 10017**

**(212) 277-7100**

**PROXY STATEMENT**

**Annual Meeting of Stockholders**

**June 17, 2016**

Dear Stockholder:

On behalf of the board of directors of ExlService Holdings, Inc., I am pleased to invite you to the 2016 Annual Meeting of Stockholders, which will be held on June 17, 2016 in New York, New York.

The Annual Meeting will begin with discussion and voting on the matters set forth on the accompanying Notice of the Annual Meeting and Proxy Statement, followed by discussion of other business matters properly brought before the Annual Meeting.

Pursuant to rules promulgated by the Securities and Exchange Commission, we are providing access to our proxy materials over the Internet. On or about April 29, 2016, we will mail a Notice of Internet Availability of Proxy Materials (the "Internet Notice") to each of our stockholders of record and beneficial owners at the close of business on April 21, 2016, the record date for the Annual Meeting. On the date of mailing of the Internet Notice, all stockholders and beneficial owners will have the ability to access all of the proxy materials on a website referred to in the Internet Notice. These proxy materials will be available free of charge.

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Even if you choose to attend the Annual Meeting in person, you are encouraged to review the proxy materials and vote your shares in advance of the meeting by Internet or phone. The Internet Notice will contain instructions to allow you to request copies of the proxy materials to be sent to you by mail. Any proxy materials sent to you will include a proxy card that you may use to cast your vote by completing, signing and returning the proxy card by mail (or voting instruction form, if you hold shares through a broker). Your vote is extremely important, and we appreciate you taking the time to vote promptly. If you attend the Annual Meeting, you may withdraw your proxy should you wish to vote in person.

The board of directors and management look forward to seeing you at the Annual Meeting.

Sincerely,

Garen K. Staglin  
Chairman

**280 Park Avenue, 38<sup>th</sup> Floor**

**New York, New York 10017**

**(212) 277-7100**

**NOTICE OF 2016 ANNUAL MEETING OF STOCKHOLDERS**

Dear Stockholder:

You are cordially invited to the 2016 Annual Meeting of Stockholders of ExlService Holdings, Inc., a Delaware corporation (the "Company"). The Annual Meeting will be held at the New York offices of the Company, 280 Park Avenue, 38<sup>th</sup> Floor, New York, New York 10017 on June 17, 2016 at 8:30 AM, Eastern Time, for the purposes of voting on the following matters:

1. the election of two Class I members of the board of directors of the Company for a term of three years each;
2. the ratification of the selection of Ernst & Young LLP as the independent registered public accounting firm of the Company for fiscal year 2016;
3. the approval of the compensation of the named executive officers of the Company; and
4. the transaction of such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

If you are a stockholder of record at the close of business on April 21, 2016, you are entitled to vote at the Annual Meeting. A list of stockholders as of the record date will be available for examination for any purpose germane to the Annual Meeting, during ordinary business hours, at the Company's executive offices at 280 Park Avenue, 38<sup>th</sup> Floor, New York, New York 10017, for a period of 10 days prior to the date of the Annual Meeting and at the Annual Meeting itself.

Whether or not you expect to attend the Annual Meeting in person, the Company encourages you to promptly vote and submit your proxy by (i) Internet (by following the instructions provided in the Internet Notice), (ii) by phone (by following the instructions provided in the Internet Notice) or (iii) by requesting that proxy materials be sent to you by mail that will include a proxy card that you can use to vote by completing, signing, dating and returning the proxy card in the prepaid postage envelope provided. Voting by proxy will not deprive you of the right to attend the Annual Meeting or to vote your shares in person. You can revoke a proxy at any time before it is exercised by voting in person at the Annual Meeting, by delivering a subsequent proxy or by notifying the inspector of elections in writing of such revocation prior to the Annual Meeting. **YOUR SHARES CANNOT BE VOTED UNLESS YOU EITHER (I) VOTE BY USING THE INTERNET, (II) VOTE BY PHONE, (III) REQUEST PROXY MATERIALS BE SENT TO YOU BY MAIL AND THEN USE THE PROXY CARD PROVIDED BY MAIL TO CAST YOUR VOTE BY COMPLETING, SIGNING AND RETURNING THE PROXY CARD BY MAIL OR (IV) ATTEND THE ANNUAL MEETING AND VOTE IN PERSON.**

By Order of the Board of Directors

Nancy Saltzman  
Executive Vice President,  
General Counsel and Secretary

New York, New York

April 29, 2016

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## 2016 PROXY STATEMENT SUMMARY

### Summary

Below is a summary of selected key components of this proxy statement, including information regarding this year's stockholder meeting, nominees for our Board of Directors, summary of our business, performance highlights and selective executive compensation information. This summary does not contain all of the information that you should consider prior to submitting your proxy, and you should review the entire proxy statement and our Annual Report on Form 10-K.

### Annual Meeting Information

Time and Date: 8:30 AM (Eastern Time), June 17, 2016

Record Date: April 21, 2016

ExlService Holdings, Inc.

Place: 280 Park Avenue, 38th Floor

New York, New York 10017

Voting: Stockholders as of the record date are entitled to vote

### Meeting Agenda, Voting Matters and Recommendations

The Board of Directors recommends a vote **for** the following proposals:

1. the election of two Class I members of the board of directors of the Company for a term of three years each (page 77);
2. the ratification of the selection of Ernst & Young LLP as the independent registered public accounting firm of the Company for fiscal year 2016 (page 78);
3. the approval of the compensation of the named executive officers of the Company (page 80) (non-binding vote); and
4. the transaction of such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

### Board Nominations<sup>(1)</sup>

Name (Year Joined Board)	Principal Occupation	Audit Committee	Compensation and Committee	Nominating and Corporate Governance Committee
Rohit Kapoor				



(November 2002) Vice Chairman & CEO since April 2012; co-founder of Company in 1999

Anne Minto

Independent Director; lawyer and formerly held senior management roles at Shell UK and Smiths Group plc

ü

ü

(March 2013)

(1) Our standing committees consist of independent directors. As such, Mr. Kapoor is not a member of any of those committees.

## Our Business

EXL is a leading operations management and analytics company that helps businesses enhance growth and profitability in the face of relentless competition and continuous disruption. Using our proprietary award-winning Business EXLerator Framework™, which integrate analytics, automation, benchmarking, BPO, consulting, industry best practices and technology platforms EXL looks deeper to help companies improve global operations, enhance data-driven insights, increase customer satisfaction, and manage risk and compliance. EXL serves the insurance, healthcare, banking and financial services, utilities, and travel, transportation and logistics industries. Headquartered in New York, New York, EXL has more than 24,000 professionals in locations throughout the United States, Europe, Asia (primarily India and Philippines), Latin America, Australia and South Africa.

## Performance Highlights for 2015

### Company 3 Year Performance

#### Select Revenue and Segment Information (in millions)

Financial Metric	2013	2014	2015
Consolidated Revenue (Year-over-year growth %)	\$478.5	\$499.3 (4.4%)	\$628.5 (25.9%)
Consolidated Revenue Excluding Disentanglement* (Year-over-year growth %)	\$478.8	\$525.6 (9.8%)	\$628.5 (19.6%)
Operations Management Revenue (Year-over-Year Growth %)	\$433.0	\$433.7 (0.2%)	\$506.3 (16.7%)
Analytics Revenue (Year-over-Year Growth %)	\$45.5	\$65.6 (44.2%)	\$122.2 (86.3%)

\* Excludes the reimbursement of disentanglement costs of \$0.3 million and \$26.3 million in 2013 and 2014, respectively, for a disclosed client issue. Please refer to our SEC filings, including our most recent Annual Report on Form 10-K, for additional information regarding this reimbursement.

We improved our annual revenues from \$499.3 million (\$525.6 million excluding the reimbursement of one-time disentanglement costs of \$26.3 million) in fiscal year 2014 to \$628.5 million in fiscal year 2015, and also achieved the following:

completed the acquisition of RPM Direct LLC (an analytics firm which specializes in analyzing large consumer data sets to segment populations, predict response rates, forecast customer lifetime value, design and execute targeted, multi-channel marketing campaigns)

formed a joint venture with Carvajal S.A.S. that should allow EXL to address the growing demand for Spanish and bilingual Operations Management solutions

won 34 new clients

received numerous awards and industry recognition

opened new delivery centers in Cape Town, South Africa, Bogota and Cali, Colombia and a new Analytics Center of Excellence in Gurgaon, India.

For more information regarding these and other business highlights, please see page 23 and our Form 10-K.

As shown in the following table, our 1-year, 3-year and 5-year total stockholder return outperformed market benchmarks.

(1) Cumulative growth rate as of December 31, 2015.

(2) Peer group TSR data excludes iGate and Sapien, as these companies were acquired in 2015; Solera Holdings, which was taken private in March 2016, is included in peer group TSR data.

## 2015 Compensation Highlights

### Named Executive Officers

Name	Title
Rohit Kapoor	Vice Chairman and CEO
Vishal Chhibbar	Executive Vice President and CFO
Pavan Bagai	President and Chief Operating Officer
Nalin Miglani	Executive Vice President and Chief Human Resources Officer
Henry Schweppe	Former President, Global Business and Marketing

### 2015 Standard Annual Compensation

Compensation Component	Rohit Kapoor	Vishal Chhibbar	Pavan Bagai	Nalin Miglani	Henry Schweppe
Salary	\$600,000	\$251,341	\$242,590	\$400,000	\$450,000
Cash Bonus Award	\$621,129	\$157,049	\$246,239	\$274,840	\$349,385
Annual Equity Awards	\$2,979,000	\$595,800	\$993,000	\$476,640	\$595,800
Other Compensation <sup>(1)</sup>	\$35,014	\$43,115	\$85,550	\$81,520	\$8,340
<b>Total</b>	<b>\$4,235,143<sup>(2)</sup></b>	<b>\$1,047,305</b>	<b>\$1,567,379</b>	<b>\$1,233,000</b>	<b>\$1,403,525</b>

(1) For each named executive officer, this category includes, if applicable, his perquisites and personal benefits, changes in pension value, Company-paid life insurance premiums and Company contributions to our 401(k) plan. A detailed discussion of the compensation components for each named executive officer for fiscal year 2015 is provided in the “Summary Compensation Table for Fiscal Year 2015” beginning on page 42.

(2) In addition, Mr. Kapoor received a one-time Stock Price Performance Award in connection with his new employment agreement effective January 1, 2015; see “Mr. Kapoor’s Stock Price Performance Award” beginning on page 39 for details regarding this Stock Price Performance Award.



On an annual basis, we submit to our stockholders an advisory vote to approve our executive compensation. At this year's Annual Meeting, we are seeking your approval, on a non-binding basis, of the compensation of our named executive officers as described in this proxy statement. Please refer to our Compensation Discussion and Analysis, starting on page 23 for a complete description of our 2015 compensation program.

**98% Say on Pay Approval Last Year:** At our 2015 Annual Meeting of Stockholders, our stockholders approved (on a non-binding basis) the compensation paid to our named executive officers for fiscal year 2014. Approximately 98% of the votes were in favor of fiscal year 2014 compensation.

**Annual Bonus Program Based Upon Financial Performance Criteria:** Our Compensation Committee approved the continued use of our annual bonus program, which was redesigned in 2014 to be based upon the following performance criteria:

Company Wide Metrics – Adjusted earnings per share (EPS) and revenue

Business Line Metrics – Revenues, new client revenues and margin achievement

Individual Metrics – Specific to selected executives

**Long-Term Equity Incentive Program:** We also continued our equity incentive program that we first implemented in 2014, which includes granting a mix of time-vested restricted stock units and performance-based restricted stock units. The performance-based restricted stock units were comprised of:

Relative total stockholder return (TSR)-linked restricted stock units, and

Revenue-linked restricted stock units.

**Strong Performance:** We delivered strong revenue and Adjusted EPS performance in 2015.

**Annual Incentive Program:** As measured under our annual incentive plan, we delivered 100% of our Adjusted EPS target and exceeded our total revenue performance target (102.2%).

**Equity Incentive Program:** Our strong revenue achievement resulted in our executives banking one-third of the revenue-linked restricted stock units for each of the 2014 and 2015 revenue performance based grants, based on metrics set by the Compensation Committee in advance and under the terms of our equity plan.

**Compensation Mix:**

**Vice Chairman & CEO Compensation Mix <sup>(1)</sup>**

**NEO Compensation Mix**

**(Excluding Vice Chairman  
& CEO)**

(1)Mr. Kapoor's equity component includes his one-time Stock Price Performance Award.

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**Auditor Matters**

As a matter of good corporate practice, we are seeking your ratification of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2016. For more information on our auditors, including 2015 audit fees, see page 78.

	<b>2015</b>
	<b>(in thousands)</b>
Audit Fees	\$ 1,453
Audit-Related Fees	179
Tax Fees	45
All Other Fees	31
<b>Total</b>	<b>\$ 1,708</b>



## PROXY STATEMENT

### INFORMATION CONCERNING VOTING AND SOLICITATION

This Proxy Statement is being furnished to you in connection with the solicitation by the board of directors of ExlService Holdings, Inc., a Delaware corporation (“us,” “we,” “our” or the “Company”), of proxies to be used at our 2016 Annual Meeting of Stockholders (the “Annual Meeting”) to be held at the New York offices of the Company, 280 Park Avenue, 38<sup>th</sup> Floor, New York, New York, 10017 on June 17, 2016, at 8:30 AM, Eastern Time, and any adjournments or postponements thereof.

In accordance with rules and regulations adopted by the Securities and Exchange Commission (the “SEC”), instead of mailing a printed copy of our proxy materials to each stockholder of record, the Company furnishes proxy materials via the Internet. If you received a Notice of Internet Availability of Proxy Materials (the “Internet Notice”) by mail, you will not receive a printed copy of our proxy materials other than as described herein. Instead, the Internet Notice will instruct you as to how you may access and review all of the important information contained in the proxy materials. The Internet Notice also instructs you as to how you may submit your proxy over the Internet or by phone. If you received an Internet Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting proxy materials included in the Internet Notice.

It is anticipated that the Internet Notice will be sent to stockholders on or about April 29, 2016. This proxy statement and the form of proxy relating to the Annual Meeting will be made available via the Internet to stockholders on the date that the Internet Notice is first sent.

#### Who Can Vote

Only stockholders who own shares of our common stock at the close of business on April 21, 2016, the record date for the Annual Meeting, can vote at the Annual Meeting. As of the close of business on April 21, 2016, the record date, we had 33,592,996 shares of common stock outstanding and entitled to vote. Each holder of common stock is entitled to one vote for each share held as of the record date for the Annual Meeting. There is no cumulative voting in the election of directors.

#### How You Can Vote

If your shares are registered directly in your name with Computershare Trust Company, N.A., our transfer agent (which means you are a “stockholder of record”), you can vote your proxy by (i) Internet, (ii) by phone or (iii) by requesting that proxy materials be sent to you by mail that will include a proxy card that you can use to vote by completing, signing, dating and returning the proxy card in the prepaid postage envelope provided. Please refer to the specific instructions set forth in the Internet Notice. You will not be able to vote your shares unless you use one of the methods above to designate a proxy or by attending the Annual Meeting.

If you are the beneficial owner of shares held in the name of a brokerage, bank, trust or other nominee as a custodian (also referred to as shares held in “street name”), your broker, bank, trustee or nominee will provide you with materials and instructions for voting your shares. In addition to voting by mail, a number of banks and brokerage firms participate in a program provided through Broadridge Financial Solutions, Inc. (“Broadridge”) that offers telephone and Internet voting options. Votes submitted by telephone or by using the Internet through Broadridge’s program must be received by 11:59 p.m. Eastern Time, on June 16, 2016.

*Voting at the Annual Meeting.* Voting by Internet, phone or mail will not limit your right to vote at the Annual Meeting if you decide to attend in person. Our board of directors recommends that you vote by Internet, phone or mail as it is not practical for most stockholders to attend the Annual Meeting. If you are a “stockholder of record,” you may vote your shares in person at the Annual Meeting. If you hold your shares in “street name,” you must obtain a proxy from your broker, bank, trustee or nominee giving you the right to vote the shares at the Annual Meeting or your vote at the Annual Meeting will not be counted.

### **Revocation of Proxies**

You can revoke your proxy at any time before it is exercised in any of the following ways:

· by voting in person at the Annual Meeting;

· by submitting written notice of revocation to the inspector of elections prior to the Annual Meeting; or

· by submitting another properly executed proxy of a later date to the inspector of elections prior to the Annual Meeting.

### **Required Vote; Effect of Abstentions and Broker Non-Votes**

#### *Quorum*

A quorum, which is a majority of the issued and outstanding shares of our common stock as of April 21, 2016, must be present to hold the Annual Meeting. A quorum is calculated based on the number of shares represented by the stockholders attending the Annual Meeting in person and by their proxy holders. If you indicate an abstention as your voting preference for all matters to be acted upon at the Annual Meeting, your shares will be counted toward a quorum but they will not be voted on any matter.

#### *Proposal 1: Election of Directors*

Under our by-laws, directors are elected by the affirmative vote of a plurality of votes cast in person or represented by proxy and entitled to vote at the Annual Meeting. You may cast your vote in favor of electing the nominees as directors, withhold your vote on one or more nominees or abstain from voting your shares. For purposes of the vote on Proposal 1, abstentions and broker non-votes (as described below) will have no effect on the results of the vote.

*Other Proposals*

The ratification of the appointment of our independent registered public accounting firm, the approval of the compensation of our named executive officers, and each other item to be acted upon at the Annual Meeting will require the affirmative vote of a majority of shares present in person or represented by proxy and entitled to vote at the Annual Meeting. You may cast your vote in favor of or against these proposals or you may abstain from voting your shares. For purposes of the vote on Proposals 2 (ratification of the appointment of our independent registered public accounting firm), 3 (approval of the compensation of our named executive officers), or such other items to be acted upon at the Annual Meeting, abstentions will have the effect of a vote against these proposals. Broker non-votes will have the effect of a vote against Proposal 3 (approval of the compensation of our named executive officers); but because Proposal 2 is a “routine” proposal, no broker non-vote will occur.

If you submit your proxy, but do not mark your voting preference, the proxy holders will vote your shares (i) FOR the election of the nominees for director, (ii) FOR the ratification of the appointment of our independent registered public accounting firm, (iii) FOR the approval of the compensation of our named executive officers, and (iv) as described below, in the judgment of the proxy holder on any other matters presented at the Annual Meeting.

#### *Shares Held in "Street Name" by a Broker*

If you are the beneficial owner of shares held in "street name" by a broker, then your broker, as the record holder of the shares, must vote those shares in accordance with your instructions. If you fail to provide instructions to your broker, under the New York Stock Exchange rules (which apply to brokers even though our shares are listed on the NASDAQ Stock Market), your broker will not be authorized to exercise its discretion and vote your shares on "non-routine" proposals, including the election of directors and approval of the compensation of our named executive officers. As a result, a "broker non-vote" occurs. However, without your instructions, your broker would have discretionary authority to vote your shares only with respect to "routine" proposals, including at the Annual Meeting, the ratification of the appointment of our independent registered public accounting firm.

#### **Other Matters to Be Acted Upon at the Meeting**

Our board of directors presently is not aware of any matters, other than those specifically stated in the Notice of Annual Meeting, which are to be presented for action at the Annual Meeting. If any matter other than those described in this proxy statement is presented at the Annual Meeting on which a vote may properly be taken, the shares represented by proxies will be voted in accordance with the judgment of the person or persons voting those shares.

#### **Adjournments and Postponements**

Any action on the items of business described above may be considered at the Annual Meeting at the time and on the date specified above or at any time and date to which the Annual Meeting may be properly adjourned or postponed.

#### **Solicitation of Proxies**

We will pay the cost of printing and mailing proxy materials and posting them on the Internet. Upon request, we will reimburse brokers, dealers, banks and trustees, or their nominees, for reasonable expenses incurred by them in

forwarding proxy materials to beneficial owners of shares of our common stock.

**Internet Availability of Proxy Materials**

Our Notice of Annual Meeting, proxy statement and form of proxy card are each available at [www.proxyvote.com](http://www.proxyvote.com). You may access these materials and provide your proxy by following the instructions provided in the Internet Notice.

**Important**

**Please promptly vote and submit your proxy by (i) Internet (by following the instructions provided in the Internet Notice), (ii) by phone (by following the instructions provided in the Internet Notice) or (iii) by requesting that proxy materials be sent to you by mail that will include a proxy card that you can use to vote by completing, signing, dating and returning the proxy card in the prepaid postage envelope provided. This will not limit your right to attend or vote at the Annual Meeting.**

*All Annual Meeting attendees may be asked to present valid, government-issued photo identification (federal, state or local), such as a driver's license or passport, and proof of beneficial ownership if you hold your shares through a broker, bank, trust or other nominee, before entering the Annual Meeting. Attendees may be subject to security inspections. Video and audio recording devices and other electronic devices will not be permitted at the Annual Meeting.*

If you have any further questions about voting your shares or attending the Annual Meeting, please call our Investor Relations Department at (212) 277-7109.

## OUR BOARD OF DIRECTORS

Our board of directors currently consists of eight directors divided into three classes, with each director serving a three-year term and one class being elected at each year's annual meeting of stockholders. The current composition of our board of directors is as follows:

### Board Nominations

	Class I		Class II		Class III			
	(Term Expires 2016)		(Term Expires 2017)		(Term Expires 2018)			
	Kapoor	Minto	Kelso	Mittal	Ostler	Kerr	Sahney	Staglin
High Level of Financial Literacy	ü		ü		ü	ü	ü	ü
Executive Leadership & Board Experience	ü	ü	ü	ü	ü	ü	ü	ü
International / Global Experience	ü	ü	ü	ü	ü			ü
Operations Management, Analytics and/or Industry Vertical Experience	ü	ü	ü	ü	ü	ü	ü	ü

Audit committee financial experts under applicable SEC rules and regulations.

The election of our Class I directors will take place at the Annual Meeting. If elected, each of the Class I director nominees will serve on our board of directors until our 2019 Annual Meeting of Stockholders or until their successors are duly elected and qualified in accordance with our by-laws.

### Board of Directors

The names, ages and principal occupations (which have continued for at least the past five years unless otherwise indicated) and certain other information, including the specific experience, qualifications, attributes or skills that led to the conclusion that such person should serve as a director of the Company, with respect to each of the nominees and continuing directors are set forth below.

#### *Directors with Terms Expiring in 2016*



*Rohit Kapoor*—Age: 51—co-founded EXL Inc. in April 1999 and has served as our Vice Chairman and CEO since April 2012 and as a director since November 2002. Mr. Kapoor served as our President and CEO from May 2008 to March 2012, as our Chief Financial Officer (“CFO”) from November 2002 until June 2005 and from September 2006 to March 2007, as our Chief Operating Officer from June 2007 until April 2008 and as President and CFO of EXL Inc. since August 2000. Prior to founding EXL Inc., Mr. Kapoor served as a business head of Deutsche Bank from July 1999 to July 2000. From 1991 to 2000, Mr. Kapoor served in various capacities at Bank of America in the United States and Asia, including India. Mr. Kapoor was appointed as a member of the board of directors of CA Technologies, Inc. (NASDAQ: CA) on April 7, 2011 and is an active member of the National Association of Software and

Services Companies (“NASSCOM”) BPM Forum. The Company has concluded that in connection with Mr. Kapoor’s experience as a founder and current role as CEO of the Company, he should serve as a director.

*Anne E. Minto*—Age: 62—has served as a member of our board of directors since March 2013. Ms. Minto is a qualified lawyer and member of the Law Society of Scotland. She is a Fellow of the Chartered Institute of Personnel & Development, the Chartered Institute of Management and the City and Guilds of London Institute. She was Group Director Human Resources and a member of the executive committee at Centrica plc from 2002 until her retirement in 2011. Ms. Minto previously held senior management roles at Shell UK and Smiths Group plc and was Deputy Director-General of the Engineering Employers’ Federation. Based in the UK, Ms. Minto is a non-executive director of Shire plc (NASDAQ: SHPG; LSE: SHP) and a non-executive director of Tate & Lyle plc (LSE: TATE) where she serves as Chairman of the Remuneration Committees of both companies. She is also a non-executive director of the Court of the University of Aberdeen and Vice Chairman of the University of Aberdeen Development Trust. She was awarded an OBE in 2000 for services to the engineering industry in the UK. The Company has concluded, based in part on Ms. Minto’s extensive experience as a member of international company boards and of management in the human resources field, together with her knowledge and experience of the European business and regulatory environment that she should serve as a director.

*Directors with Terms Expiring in 2017*

*David B. Kelso*—Age: 63—has served as a member of our board of directors since July 2006. Mr. Kelso is a financial advisor for Kelso Advisory Services, a company he started in 2003. Mr. Kelso served as a senior advisor to Inductis, Inc. from June 2004 through June 2006 at which time the firm was acquired by the Company. From September 2001 through September 2003, Mr. Kelso served as Chairman of the Aetna Life Insurance Co. as well as the Executive Vice President, Strategy and Finance and a member of the Office of the Chairman for Aetna, Inc. From 1996 to 2001, Mr. Kelso was Executive Vice President, Chief Financial Officer and Managing Director of the Chubb Corporation. Mr. Kelso currently serves on the Board of Directors of the Sound Shore Fund where he is the lead independent director and Chair of the Audit, Nominating, and Valuation Committees. From 2005 to 2010, Mr. Kelso was a member of the Board of Directors of Aspen Holdings Limited. From 2007 to 2015, Mr. Kelso served on the Board of Assurant, Inc. and was a member of its Audit Committee and Finance & Investment Committee. In November 2015, Mr. Kelso was appointed to the Board of Trustees of the Darden School Foundation of the University of Virginia Darden School of Business. Mr. Kelso’s business experience with Inductis, his management and operating experience at major public companies, his expertise in finance, strategy and investments, and his board and committee service at other global companies led to the conclusion that he should serve as a director.

*Som Mittal*—Age: 64—has served as a member of our board of directors since December 2013. Mr. Mittal served as President of NASSCOM, a trade body for the IT and business process management industries in India from 2008 through January 2014. Mr. Mittal has held various corporate leadership roles in the IT industry since 1989, including at companies such as Wipro, Digital India, Compaq and HP. He also has extensive experience in the engineering, manufacturing and automotive industries, having held executive roles with Larsen & Toubro, Escorts and Denso. Mr. Mittal became an Independent Director of Axis Bank (NSE: Axis) in October 2011, Cyient Ltd. (NSE: CYIENT) in

April 2014 and Tata SIA Airlines in July 2015. He is a member of the Board of Governors of the Indian Institute of Corporate Affairs. Mr. Mittal has been a committee member with the Indian Prime Minister's National

e-Governance Program and is part of several committees of the Government of India. Besides being an Advisor to several companies he is also deeply associated with education as he is on the Board of Governors of several of them. The Company has concluded, based in part on Mr. Mittal's business experience as President of NASSCOM and his knowledge of the outsourcing industry, that Mr. Mittal should serve as a director.

*Clyde W. Ostler*—Age: 69—has served as a member of our board of directors since December 2007. At the time of his retirement in 2011 from Wells Fargo & Co., Mr. Ostler was a Group Executive Vice President of Wells Fargo & Co., Vice Chairman of Wells Fargo Bank California NA, and President of Wells Fargo Family Wealth. Mr. Ostler served in a number of capacities during his forty year tenure with Wells Fargo, including Vice Chairman in the Office of the President, Chief Financial Officer, Chief Auditor, Head of Retail Branch Banking, Head of Information Technology, Head of Institutional and Personal Investments and Head of Internet Services. Mr. Ostler also served on the Senior Management Committee of Wells Fargo for over twenty-five years. Mr. Ostler has also served on a number of for-profit and non-profit boards of directors. Mr. Ostler was appointed to the board of The McClatchy Company (NYSE: MNI) in March 2013. The Company has concluded, based in part on Mr. Ostler's business experience through his positions at Wells Fargo & Company that Mr. Ostler should serve as a director.

#### *Nominees for Terms Expiring in 2018*

*Deborah Kerr*—Age: 44—has served as a member of our board of directors since January 2015. Ms. Kerr is a proven technology leader in the software industry with more than 25 years of diverse management experience. Ms. Kerr has served as the Executive Vice President and Chief Product and Technology Officer at Sabre Corporation (NASDAQ: SABR) since 2013 and is responsible for leading the global product and technology organization. Prior to her appointment at Sabre Corporation, Ms. Kerr served as Executive Vice President, Chief Product and Technology Officer at Fair Isaac Corporation (FICO) from 2009 until 2012. Ms. Kerr previously held senior leadership roles with Hewlett-Packard, Peregrine Systems and NASA's Jet Propulsion Laboratory. From 2013 to present Ms. Kerr serves as an Independent Director of D+H Corporation (TSX: DH), which provides technology solutions and products to the financial services industry. She was previously a member of the board of directors of Mitchell International Inc. and was Chair of the Technology Committee. The Company has concluded, based in part on Ms. Kerr's experience driving business through innovative technology solutions and more than 25 years of diverse management experience that Ms. Kerr should serve as a director.

*Nitin Sahney*—Age: 53—has served as a member of our board of directors since January 2016. He is a leader in the healthcare industry with over 25 years of experience across all areas of healthcare. He is the former President and CEO of Omnicare Inc., a former New York Stock Exchange-listed Fortune 500 company in the long-term care and specialty care industries. Prior to Omnicare, Mr. Sahney managed a healthcare investment fund, and was the founder and CEO of RxCrossroads, a specialty pharmaceutical company. He also held a series of leadership positions with Cardinal Healthcare, a global healthcare services and products company. The Company has concluded, based in part on Mr. Sahney's experience as CEO of Omnicare, Inc. and his expertise in the healthcare industry garnered from more than two decades of experience that he should serve as a director.



*Garen K. Staglin*—Age: 71—has served as our Chairman since February 2014 and as a member of our board of directors since June 2005. Mr. Staglin has over 40 years of experience in the financial services and technology industries. From 2001 to 2004 he was Chief Executive Officer of eONE Global LP, an emerging payments company, and from 1993 – 1999 he was CEO of Safelite Auto Glass, a provider of glass claim solutions. Mr. Staglin serves on the boards of directors of several public and private companies and non-profit corporations. In the past five years, Mr. Staglin has served on the public company board of directors of Bottomline Technologies, Inc. and of Solera Holdings, Inc. and is presently serving on the board of SVB Financial Group (NASDAQ: SIVB). Additional prior public board experience includes First Data Corporation, CyberCash, Inc., and Quick Response Services. Private board experience includes Specialized Bicycle, NVoice Payments, Profit Velocity Solutions, and Winecountry.com. Non-profit board experience includes One Mind, IMHRO, and BringChange2Mind. The Company has concluded, based in part on Mr. Staglin’s experience in the financial services and technology industries and his past experience as a member of public company boards of directors that Mr. Staglin should serve as a director.

There are no family relationships among any of our directors or executive officers.

## **CORPORATE GOVERNANCE**

### **Director Independence**

Our board of directors has determined that all of the members on our board of directors, other than Mr. Kapoor, meet the independence requirements of the Nasdaq Stock Market and federal securities laws.

### **Meeting Attendance**

Our directors are expected to attend all board of directors meetings and meetings of committees on which they serve. Directors are also expected to spend sufficient time and meet as frequently as necessary to discharge their responsibilities properly. Overall, during 2015, our board of directors met 7 times. Each member of our board of directors attended more than 75% of our board of directors meetings during the period in 2015 in which he or she served on our board of directors. It is our policy that all of our directors should attend our Annual Meetings of Stockholders absent exceptional cause. All of the persons who were members of the board of directors at the time of our 2015 Annual Meeting of Stockholders attended such meeting.

### **Board Leadership Structure**

Our board of directors is currently led by Garen K. Staglin, our Chairman, and Rohit Kapoor, our Vice Chairman and CEO.

Our by-laws provide that our Chairman or, in the absence of our Chairman, our Lead Director (if there is a Lead Director serving at such time), or in the absence of both our Chairman and Lead Director, our CEO, shall call meetings of our board of directors to order and shall act as the chairman thereof. In the absence of our Chairman, our Lead Director (if there is a Lead Director serving at such time), our CEO and a majority of our directors present may elect as chairman of the meeting any director present. Independent directors meet at least quarterly in executive session without any management directors or members of the Company's management present. The Lead Director or, in the absence of the Lead Director, a director chosen by the directors meeting in executive session, presides at all executive sessions.

Consolidating the Vice Chairman and CEO positions allows our CEO to contribute his experience and perspective regarding management and leadership of the Company towards the goals of improved corporate governance and greater management accountability. In addition, the presence of our Chairman ensures that the board can retain sufficient delineation of responsibilities, such that our Chairman and our Vice Chairman and CEO may each successfully and effectively perform and discharge their respective duties and, as a corollary, enhance our prospects for success. The Company will thus benefit from the ability to integrate the collective leadership and corporate governance experience of our Chairman and our Vice Chairman and CEO, while retaining the ability to facilitate the functioning of the board of directors independently of our management and to focus on our commitment to corporate governance.

For the foregoing reasons, our board of directors has determined that its leadership structure is appropriate and in the best interests of our stockholders at this time.



## Committees

Our board of directors currently has three standing committees: the Audit Committee, the Nominating and Governance Committee and the Compensation Committee.

### Committee Composition<sup>(1)</sup>

	<b>Audit Committee</b>	<b>Compensation Committee</b>	<b>Nominating and Corporate Governance Committee</b>
David B. Kelso	ü		ü (Chair)
Deborah Kerr	ü	ü	
Anne Minto		ü (Chair)	ü
Som Mittal		ü	ü
Clyde Ostler	ü (Chair)	ü	
Nitin Sahney	ü		ü
Garen K. Staglin		ü	ü

Audit committee financial expert under applicable SEC rules and regulations.

(1) Our standing committees consist of independent directors. As such, Mr. Kapoor is not included in the table.

**Audit Committee.** Our Audit Committee oversees and assists our board of directors in fulfilling its oversight responsibilities with respect to:

our accounting and financial reporting processes, including the integrity of the financial statements and other financial information provided by us to our stockholders, the public, stock exchanges and others;

our compliance with legal and regulatory requirements;

our independent registered public accounting firm's qualifications and independence;

the audit of our financial statements;

the performance of our internal audit function and independent registered public accounting firm; and

the Company's cyber security program and cyber strategy-related risks.

Our Audit Committee has direct responsibility for the appointment, compensation, retention (including termination) and oversight of our independent registered public accounting firm, and our independent registered public accounting firm reports directly to our Audit Committee. Our Audit Committee also reviews and approves certain related-party transactions as required by the rules of the Nasdaq Stock Market. The Audit Committee was established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934 (the "Exchange Act"). Our Audit Committee annually reviews and assesses the adequacy of the Audit Committee charter and its own performance. In December 2015, the Audit Committee approved an amendment to its charter to include responsibility for overseeing the Company's cyber security program and cyber strategy related risks. A copy of our Audit

Committee charter can be found on our website at [www.exlservice.com](http://www.exlservice.com). Information on our website referred to in this proxy statement does not constitute a part of this proxy statement.

The members of our Audit Committee are appointed by our board of directors. All members of our Audit Committee must also be recommended by our Nominating and Governance Committee. Our board of directors has determined that all of the members of the Audit Committee meet the independence and experience requirements of the Nasdaq Stock Market and the federal securities laws for audit committee membership. During 2015, our Audit Committee met seven times. Each member of our Audit Committee attended at least 75% of our Audit Committee's meetings in 2015 during the period in which he or she served on our Audit Committee.

***Nominating and Governance Committee.*** Our Nominating and Governance Committee identifies individuals qualified to become members of our board of directors (consistent with criteria approved by our board of directors), selects, or recommends that our board of directors select, candidates for election to our board of directors, develops and recommends to our board of directors Corporate Governance Guidelines that are applicable to us and oversees board of director and management evaluations. A copy of our Nominating and Governance Committee charter can be found on our website at [www.exlservice.com](http://www.exlservice.com).

Our Nominating and Governance Committee has a policy, reflected in such committee's charter, of considering director candidates recommended by our stockholders. Candidate recommendations should be sent to our Nominating and Governance Committee, c/o ExlService Holdings, Inc., 280 Park Avenue, 38<sup>th</sup> Floor, New York, New York 10017, Attention: Corporate Secretary. Our Nominating and Governance Committee evaluates all candidates in the same manner regardless of the source of the recommendation. Our Nominating and Governance Committee, in making its selection of director candidates, considers the appropriate skills and personal characteristics required in the light of the then-current makeup of our board of directors and in the context of our perceived needs at the time. The Nominating and Governance Committee considers a number of factors in selecting director candidates, including, among others:

- the ethical standards and integrity in personal and professional dealings of the candidate;
- the independence of the candidate under legal, regulatory and other applicable standards;

the diversity of our existing board of directors, so that we maintain a body of directors from diverse professional and personal backgrounds;

- whether the skills and experience of the candidate will complement that of our existing board of directors;

the number of other public company boards of directors on which the candidate serves or intends to serve, with the expectation that the candidate would not serve on the boards of directors of more than three other public companies;

the ability and willingness of the candidate to dedicate sufficient time, energy and attention to ensure the diligent performance of his or her board of directors' duties;

the ability of the candidate to read and understand fundamental financial statements and understand the use of financial ratios and information in evaluating our financial performance;

- the willingness of the candidate to be accountable for his or her decisions as a director;

- the ability of the candidate to provide wise and thoughtful counsel on a broad range of issues;

the ability and willingness of the candidate to interact with other directors in a manner that encourages responsible, open, challenging and inspired discussion;

- whether the candidate has a history of achievements that reflects high standards;

the ability and willingness of the candidate to be committed to, and enthusiastic about, his or her performance for us as a director, both in absolute terms and relative to his or her peers;

- whether the candidate possesses the courage to express views openly, even in the face of opposition;

the ability and willingness of the candidate to comply with the duties and responsibilities set forth in our Corporate Governance Guidelines and by-laws;

the ability and willingness of the candidate to comply with the duties of care, loyalty and confidentiality applicable to directors of publicly traded companies organized in our jurisdiction of incorporation;

the ability and willingness of the candidate to adhere to our Code of Conduct and Ethics, including, but not limited to, the policies on conflicts of interest expressed therein; and

- such other attributes of the candidate and external factors as our board of directors deems appropriate.

Our Nominating and Governance Committee reviews written and oral information provided by and about candidates and considers any additional criteria it feels is appropriate to ensure that all director nominees possess appropriate skills and experience to serve as a member of our board of directors.

Although our Nominating and Governance Committee does not have a formal policy with regard to diversity of board members, pursuant to our Corporate Governance Guidelines, our board of directors seeks members from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise with a reputation

for integrity. This assessment includes an individual's independence, as well as consideration of diversity, age, skills and experience in the context of the needs of the board of directors. Our Nominating and Governance Committee reviews and makes recommendations regarding the composition of our board of directors in order to ensure that the board has an appropriate breadth of expertise and its membership consists of persons with sufficiently diverse and independent skill sets and backgrounds. Our Nominating and Governance Committee annually reviews and assesses the adequacy of the Nominating and Governance Committee charter and its own performance.

The members of our Nominating and Governance Committee are appointed by our board of directors. During 2015, our Nominating and Governance Committee met five times. Each appointed member of our Nominating and Governance Committee attended at least 75% of our Nominating and Governance Committee's meetings in 2015 during the period in which he or she served on our Nominating and Governance Committee. Our board of directors has determined that all of the members of the Nominating and Governance Committee meet the independence requirements of the Nasdaq Stock Market and federal securities laws.

**Compensation Committee.** Our Compensation Committee reviews and recommends policies relating to compensation and benefits of our directors, officers and employees and is responsible for approving the compensation of our Vice Chairman and CEO and other executive officers. Our Compensation Committee also reviews, evaluates and makes recommendations to our board of directors with respect to our incentive compensation plans and equity-based plans and administers the issuance of awards under our equity incentive plans. Our Compensation Committee charter permits the committee to form and delegate authority to subcommittees when appropriate, provided that the subcommittees are composed entirely of directors who satisfy the applicable independence requirements of the Nasdaq Stock Market. Any such subcommittee must have a published committee charter. Our Compensation Committee charter also permits the committee to retain advisors, consultants or other professionals to assist the Compensation Committee to evaluate director, Vice Chairman and CEO or other senior executive compensation and to carry out its duties. For 2015, our Compensation Committee retained the services of Frederick W. Cook & Co., Inc. ("Cook & Co."), a qualified and independent compensation consultant, to aid the Compensation Committee in performing its review of executive compensation. Our Compensation Committee annually reviews and assesses the adequacy of the Compensation Committee charter and its own performance. Additional information regarding our Compensation Committee's processes and procedures for considering executive compensation are addressed in the Compensation Discussion and Analysis below. A copy of our Compensation Committee charter can be found on our website at [www.exlservice.com](http://www.exlservice.com).

The members of our Compensation Committee are appointed by our board of directors. All new members of our Compensation Committee must be recommended by our Nominating and Governance Committee. Our board of directors has determined that all members of the Compensation Committee meet the independence requirements of the Nasdaq Stock Market and federal securities laws for compensation committee membership. During 2015, our Compensation Committee met eight times. Each member of our Compensation Committee attended at least 75% of our Compensation Committee's meetings in 2015 during the period in which he or she served on our Compensation Committee.

## **Risk Oversight**

Our board of directors provides risk oversight. Our management assists the board in identifying strategic and operating risks that could affect the achievement of our business goals and objectives, assessing the likelihood and potential impact of these risks and proposing courses of action to mitigate and/or respond to these risks. These risks are reviewed and discussed periodically with the full board of directors as part of the business and operating review.

Our management is responsible for management of our day-to-day risks, and, because we are exposed to financial risks in multiple areas of our business, day-to-day risk management activities and processes are performed by multiple members of our senior and



other management. Our board of directors primarily relies on the Audit Committee for oversight of our risk management and cyber security risk. The Audit Committee regularly reviews and discusses with management our major financial risk and cyber security exposures and the steps management has taken to monitor, control and manage such exposures, including our risk assessment and risk management guidelines and policies. In addition, our management maintains, as part of our disclosure controls and procedures, a separate disclosure committee that, as part of its review of our quarterly and annual reports, helps facilitate understanding by the Audit Committee and our full board of directors of new or changing risks affecting us. Once a year, the full board receives a report from management on the Company's readiness and capability to prevent, detect and respond to a cyber-attack.

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

Ms. Kerr, Ms. Minto, Mr. Mittal, Mr. Ostler and Mr. Staglin are the members of our Compensation Committee.

During 2015, none of our executive officers served as a member of the board of directors or compensation committee of any entity that has one or more executive officers who serve on our board of directors or Compensation Committee.

### **Other Directorships**

The Board maintains a practice whereby our directors disclose to the Board any offers to be a director of any other organization, which is then evaluated by the Board for potential business and other conflicts.

### **Code of Conduct and Ethics; Corporate Governance Guidelines**

Our board of directors has adopted a Code of Conduct and Ethics that is applicable to our directors, officers and employees and which outlines the high ethical standards that we support and details how our directors, officers and employees should conduct themselves when dealing with fellow employees, clients, suppliers, competitors and the general public. Our Code of Conduct and Ethics is reviewed annually by the Audit Committee. In December 2015, the Audit Committee approved our revised and enhanced Code of Conduct and Ethics which can be found on our website at [www.exlservice.com](http://www.exlservice.com).

Our board of directors has also adopted a set of Corporate Governance Guidelines to assist our board of directors in the exercise of its responsibilities. The Corporate Governance Guidelines reflect the commitment of our board of

directors to monitor the effectiveness of policy and decision-making, both at the board and senior management levels, and to enhance stockholder value over the long term. A copy of our Corporate Governance Guidelines can be found on our website at [www.exlservice.com](http://www.exlservice.com).

### **Communications with the Board**

Stockholders interested in contacting our board of directors, our Chairman or any individual director are invited to do so by writing to:

Board of Directors of ExlService Holdings, Inc.

c/o Corporate Secretary

ExlService Holdings, Inc.

280 Park Avenue, 38<sup>th</sup> Floor

New York, New York 10017

All other stockholder communications addressed to our board of directors will be referred to our Chairman and tracked by our Corporate Secretary. Stockholder communications specifically addressed to a particular director will be referred to that director.

Complaints and concerns relating to our accounting, internal accounting controls or auditing matters should be communicated to our Audit Committee, which consists solely of non-employee directors. Any such communication may be anonymous and may be reported to our Audit Committee through our General Counsel by writing to:

Audit Committee of the Board of Directors

ExlService Holdings, Inc.

280 Park Avenue, 38<sup>th</sup> Floor

New York, New York 10017

Attn: General Counsel

All such concerns will be reviewed under Audit Committee direction and oversight by our General Counsel, our Head of Internal Audit or such other persons as our Audit Committee determines to be appropriate. Confidentiality will be maintained to the fullest extent possible, consistent with the need to conduct an adequate review. Prompt and appropriate corrective action will be taken when and as warranted in the judgment of our Audit Committee. We prepare periodic summary reports of all such communications for our Audit Committee.

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

Section 16(a) of the Exchange Act requires our executive officers and directors, and persons who own more than 10% of a registered class of our equity securities, to file reports of ownership on Forms 3, 4 and 5 with the SEC. Officers and directors are required to furnish us with copies of all Forms 3, 4 and 5 they file.

Based solely on a review of the reports furnished to us, or written representations from reporting persons that all reportable transaction were reported, the Company's officers, directors and greater than ten percent owners timely filed all reports they were required to file under Section 16(a) with respect to transactions during fiscal year 2015, except for the following Form 4s that were filed subsequent to the due date on account of administrative and/or broker error: three reports (eight transactions) for each of Messrs. Bagai, Bhalla, Chhibbar and de Villa; three reports (six transactions) for Mr. Kapoor; two reports (four transactions) for Mr. Miglani; one report (five transactions) for Mr.

Mohanbir Sawhney, a former director; one report (two transactions) for Ms. Saltzman and one report (one transaction) for Mr. Mittal.

**OUR EXECUTIVE OFFICERS**

<b>Name</b>	<b>Position</b>	<b>Biographical Information</b>
Rohit Kapoor (age 51)	Vice Chairman and CEO	See section entitled "Our Board of Directors" above.
Pavan Bagai (age 54)	President and Chief Operating Officer of the Company	Mr. Bagai has served as our President and Chief Operating Officer since April 2012, as our Chief Operating Officer from May 2008 to March 2012 and as Vice President, Head of Outsourcing Services of EXL India from June 2006 until April 2008. He previously served as Vice President, Research and Analytics of EXL India from December 2004 to May 2006, as Vice President, Operations of EXL India from November 2003 to November 2004 and as Vice President, Strategic Businesses of EXL India from July 2002 to November 2003. Prior to joining us, Mr. Bagai served in various capacities in several business areas across markets in Europe and Asia, including India, at Bank of America beginning in 1985.
Vikas Bhalla (age 44)	Executive Vice President and Head of Insurance	Mr. Bhalla has served as our Executive Vice President and Head of Insurance since January 2014, and as our Head of Outsourcing since November 2009. He previously served as Vice President, Operations of EXL India from June 2006 to October 2009 and as Vice President, Migrations, Quality and Process Excellence of EXL India from April 2002 to June 2006 and as Director, Quality Initiatives of EXL India from May 2001 to March 2002. From May 1998 to May 2001, Mr. Bhalla served in various capacities at General Electric, including as the Quality Leader and E-Business Leader for GE Plastics India.
Vishal Chhibbar (age 48)	Executive Vice President and CFO	Mr. Chhibbar has served as our Executive Vice President and CFO since April 2012 and as our CFO since June 2009. He has over 25 years of professional experience in finance. Prior to joining us, Mr. Chhibbar was with GE Capital in various leadership roles. Since 2005, Mr. Chhibbar has served as the Regional Head, Group Financial Planning for Strategy and Treasury for GE Capital, Australia and New Zealand. In 2004 and 2005, Mr. Chhibbar was Chief Financial Officer for GE Capital, South Korea. From 1998 to 2004, Mr. Chhibbar was the Chief Financial Officer for GE Capital, Indonesia and Malaysia. Mr. Chhibbar is a Chartered Accountant and an Associate Member of CPA, Australia.

Name	Position	Biographical Information
Rembert de Villa (age 59)	Executive Vice President, Head of Healthcare	<p>Mr. Villa has served as our Executive Vice President, Head of Healthcare since January 2014 and also as our Chief Strategy Officer from April 2012 to January 2014. He previously served as our Global Head of Client Management and Chief Strategy Officer from September 2010 to April 2012 and as our Managing Principal and Head of Transformation Services from April 2008 to August 2010. Prior to joining us, Mr. de Villa served as Global Practice Leader, Strategic Services at MasterCard Advisors from December 2005 through April 2008 and as Vice President and Financial Services Practice Leader for North America at Capgemini Ernst &amp; Young from March 2003 to December 2005. Prior to his time at Capgemini Ernst &amp; Young, Mr. de Villa was a Partner at A.T. Kearney's Global Financial Institutions Group.</p>
Nalin Miglani (age 55)	Executive Vice President and Chief Human Resource Officer	<p>Mr. Miglani has served as our Executive Vice President, Chief Human Resource Officer since December 2014. Mr. Miglani is responsible for the global human resources function at EXL. Prior to joining EXL, he was the Chief HR and Corporate Development Officer for Nutreco, based in Amsterdam, Netherlands, from March 2013 to November 2014. Mr. Miglani also served as the Chief HR and Communications Officer for Tata Global Beverages Company, London, UK, from June 2008 to February 2013. In addition, Mr. Miglani held various global and regional HR leadership roles around the world during his career at The Coca-Cola Company and British American Tobacco.</p>
Nancy Saltzman (age 50)	Executive Vice President, General Counsel and Corporate Secretary of the Company	<p>Ms. Saltzman has served as our Executive Vice President and General Counsel since April 2014. Ms. Saltzman also serves as Corporate Secretary of the Company. Prior to joining us, Ms. Saltzman was a Senior Vice President, the General Counsel and Corporate Secretary for Westcon Group, Inc. from January 2005 to April 2014. Prior to joining Westcon Group, Inc., Ms. Saltzman was a Senior Associate with the law firm of Dewey Ballantine LLP from October 1998 to April 2000, the Associate General Counsel and Vice President Investor Relations at Chartwell Re Corporation from October 1995 to October 1998 and prior to that an Associate with the law firm of Dewey Ballantine LLP from September 1992 to October 1995.</p>

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

#### *Named Executive Officers*

As determined in accordance with SEC rules, our “named executive officers” in 2015 were:

· Rohit Kapoor, our Vice Chairman and CEO;

· Vishal Chhibbar, our Executive Vice President and CFO;

· Pavan Bagai, our President and Chief Operating Officer;

· Nalin Miglani, our Executive Vice President and Chief Human Resources Officer, and

· Henry Schweppe, our former President, Global Business and Marketing.

#### *Executive Summary –Business Highlights and Key Compensation Decisions for 2015*

The Company had a successful 2015 from the perspective of achieving various financial performance goals that drive the creation of stockholder value, but also with respect to making a strategic acquisition, attaining industry recognition for our outstanding client-service, winning new clients and expanding our operations and geographic footprint. Our compensation program offers our executives the opportunity to earn annual cash bonuses based on achievement of revenue and Adjusted EPS targets (as described below). We also granted our executives a mix of time-vested restricted stock units that vest over four years and performance-vested restricted stock units, half of which vest based on revenue achievement over three years and half of which vest based on relative total stockholder return over three years.

As a result of our performance, our Compensation Committee granted increases in base salary or fixed compensation payable to certain of our named executive officers and funded our bonus pool based on an achievement of approximately 102.2% for the revenue component and 100% for the Adjusted EPS component. Moreover, our performance resulted in our executives banking one-third of their 2014 and 2015 revenue-based performance restricted stock units, subject to continued employment through the end of the performance period. This banking feature is described under “Compensation and Discussion Analysis – Long-Term Equity Incentives” on page 36. For the revenue-based performance restricted stock units granted in fiscal year 2016, we have removed this banking feature and the revenue-based performance restricted stock units cliff vest on December 31, 2018 if the revenue target is achieved.

### *2015 Business Highlights*

We improved our annual revenues from \$499.3 million (\$525.6 million excluding the reimbursement of one-time disentanglement costs of \$26.3 million) in fiscal year 2014 to \$628.5 million in fiscal year 2015, completed the acquisition of RPM Direct LLC (an analytics firm which specializes in analyzing large consumer data sets to segment populations, predict response rates, forecast customer lifetime value, design and execute targeted, multi-channel marketing campaigns) and formed a joint venture with Carvajal S.A.S. that should allow EXL to address the growing demand for Spanish and bilingual Operations Management solutions. We won 34 new clients, received numerous awards and industry recognitions and opened new delivery centers in Cape Town, South Africa, Bogota and Cali, Colombia and a new Analytics Center of Excellence in Gurgaon, India.



*Total Stockholder Return*

As shown in the following table, our 1-year, 3-year and 5-year total stockholder return outperformed market benchmarks.

(1) Cumulative growth rate as of December 31, 2015.

(2) Peer group TSR data excludes iGate and Sapien, as these companies were acquired in 2015; Solera Holdings, which was taken private in March 2016, is included in peer group TSR data.

*Acquisitions, Finance and Equity Transactions*

Acquired analytics firm RPM Direct, LLC (“RPM”) for consideration of \$47.0 million in cash plus contingent cash consideration of up to \$23.0 million and approximately \$4.0 million of restricted stock. RPM specializes in analyzing large consumer data sets to segment populations, predict response rates, forecast customer lifetime value, design and execute targeted, multi-channel marketing campaigns.

*Awards and Industry Recognition*

We continued to receive numerous industry recognitions and awards, pointing to our commitment to innovation and excellence.

*Clients and Operations*

In 2015 we won 34 new clients of which 3 were Fortune 500 companies compared to the 26 new clients we won in 2014.

We opened three new delivery centers including two in Colombia (Bogotá and Cali) in order to address the growing demand for bilingual services and one in Cape Town South Africa to provide English language customer service for UK clients. We also consolidated our Analytics delivery facilities into a new world-class center of excellence in

Gurgaon in order to add additional expansion capacity and create an environment to showcase our analytical capabilities.

We redesigned the EXL website creating a better client experience while showcasing EXL's investments in thought leadership across our business domains.

- Released Version 18 of LifePRO® with 60 significant business and technology enhancements.

*Summary of Key Compensation Decisions in 2015*

The following highlights the Compensation Committee's key compensation decisions in 2015 and with respect to performance for 2015.

*Say-on-Pay Approval.* At our 2015 Annual Meeting of Stockholders, approximately 98% of our stockholders approved (on a non-binding basis and excluding broker non-votes) the compensation of our named executive officers, as disclosed in our annual proxy statement for fiscal year 2014 pursuant to the SEC's compensation disclosure rules. In our Compensation Committee's review and evaluation of our compensation program for 2015, our Compensation Committee viewed the strong support from our stockholders as indicative that our compensation program for our named executive officers was designed and implemented to the satisfaction of the interests of our stockholders.

*Utilization of Performance Criteria.* The Compensation Committee approved the performance criteria of our annual incentive bonus program. The Company-wide performance measures for 2015 were (1) earnings per share, adjusted to remove the after-tax impact of stock-based compensation and the amortization of intangible assets (which we refer to as "Adjusted EPS") and (2) total revenues. With respect to the performance criteria for our separate business lines, the performance goals continue to focus on the business line's total revenues, new client revenues and contribution margin. We believe this mix of performance goals streamlines the performance criteria of our annual incentive bonus program and focuses our senior executives' efforts on performance measures that demonstrate our profitability to stockholders.

*Base Salaries.* In 2015, we implemented increases to Messrs. Kapoor's, Chhibbar's and Bagai's base salaries averaging approximately 6.03% based on each executive officer's home currency.

*Performance Targets.* For 2015, the Compensation Committee established performance targets which were intended to encourage stretch performance. We achieved 100% of our Adjusted EPS target and exceeded our total revenue performance target (102.2%).

*Bonuses and Equity Incentives.* In 2015, we achieved our annual incentive bonus targets, and we exceeded the 2015 revenue performance targets for each of the 2014 and 2015 revenue-based restricted stock unit grants. Based upon the revenue performance for each year's grant relative to the applicable target, our executives banked one-third of each of their 2014 and 2015 target awards (subject to continued employment), which is the maximum amount that may be banked in either the first or second year of our three-year program.

*Employment Agreement with Mr. Kapoor and Stock Price Performance Award.* Effective January 1, 2015, we entered into a new employment agreement with Mr. Kapoor to secure Mr. Kapoor's services to the Company through December 31, 2017. In connection with his new employment agreement, we granted Mr. Kapoor a one-time award of 100,000 performance-based restricted stock units that he may earn based on the Company's average stock price exceeding certain targets during the three year

performance period (the “Stock Price Performance Award”). Additional information related to the new employment agreement and Stock Price Performance Award appears later in this proxy statement.

*Key Corporate Governance Features*

Our compensation programs, practices and policies are reviewed and re-evaluated periodically and are subject to change from time to time. Our executive compensation philosophy is focused on pay for performance and is designed to reflect appropriate governance practices aligned with the needs of our business. Listed below are some of the Company's more significant practices and policies that were in effect during fiscal 2015, which were adopted to drive performance and to align our executives' interests with those of our stockholders.

*Pay for performance.* We link a significant portion of each named executive officer's total compensation to the achievement of specific performance goals, as described below. Such variable compensation is "at-risk" and not guaranteed, and rewards performance and contributions to both short-term and long-term financial performance of the Company.

*Appropriate choice and use of peer groups.* We have thoughtfully selected a peer group of companies with similar market capitalization or scope of operations to us, to help us review current market practices and design a competitive compensation program. We set total compensation of our executive officers at levels the Compensation Committee believes are appropriate relative to the total compensation paid to similarly situated executive officers of our peer companies, giving consideration to market and other factors as well.

*Equity compensation best practices.* Our equity compensation program prohibits option repricing without stockholder approval. We do not have excessive overhang or dilution from equity grants. Our equity incentives are designed to encourage our executives to maintain a long-term view of stockholder value creation and to encourage retention.

*Limited perquisites and personal benefits.* We provide our named executive officers with only limited perquisites and personal benefits in addition to the regular benefits offered to all employees, and we believe that each perquisite and personal benefit we offer serves an important business purpose. We consider the perquisites and personal benefits that we offer to our executives stationed in India to be customary benefits which allow us to remain competitive for top talent.

*Independent decision-making.* Compensation decisions for our named executive officers are approved by an independent Compensation Committee. Our Compensation Committee is advised by an independent consultant who reports directly to the Compensation Committee and provides no services to the Company or management.

*Risk mitigation.* We believe the mix and design of our compensation programs serve to mitigate operational, financial, legal, regulatory, strategic and reputational risks.

*No tax gross-ups.* We do not provide "gross-ups" to any of our named executive officers, including for any excise taxes imposed with respect to Section 280G (change-in-control payments) or Section 409A (nonqualified deferred

compensation) of the U.S. Internal Revenue Code of 1986, as amended (which we refer to as the “Code”).

*Clawback Policy.* We maintain a compensation recovery policy that allows the Company to recover compensation (including both cash and/or equity awards) previously paid to one or more officers in the event of a financial restatement caused by noncompliance with reporting requirements that impacts the applicable performance metric if, in the opinion of our Board or Compensation Committee, the identified executive’s misconduct was a material factor causing the restatement.

*Stock Ownership Policy.* We maintain a stock ownership policy that requires our Chief Executive Officer to maintain stock ownership equal to at least six times his base salary and that requires the other members of our executive committee to maintain stock ownership of at least two times their respective base salaries. We adopted this policy in December of 2014 and our covered executives have five years from its adoption date (or, if later, their hire date) to attain the required stock ownership levels. We maintain a similar stock ownership policy for our non-employee directors that requires directors to maintain stock ownership of at least five times their respective annual retainers.

*Anti-Hedging and Pledging Restrictions.* We implemented a policy that, effective January 1, 2015, prohibits our officers and directors subject to the requirements of Section 16 of the Exchange Act, which includes our executive officers, from engaging in any hedging transactions with respect to Company stock they directly or indirectly own. In addition, under this policy, Reporting Persons are only permitted to pledge shares of our stock that exceed those required to be owned under our Stock Ownership Policy described above.

#### *Overview of compensation policies and philosophies*

We believe that the long-term success of companies that provide outsourcing, transformation and analytics services globally is linked to their ability to recruit, train, motivate and retain employees at every level. There is significant competitive pressure in our industry for qualified managers with a track record of achievement. It is critical that we recruit, train, motivate and retain highly talented individuals at all levels of the organization who are committed to our core values of innovation, collaboration, excellence, integrity and mutual respect. We believe that our executive compensation programs are integral to achieving this end.

Our Compensation Committee bases its executive compensation programs on the following objectives, which guide us in establishing all of our compensation programs:

*Compensation should be based on the level of job responsibility, individual performance and our performance.* As employees progress to higher levels in the organization, they are able to more directly affect our results and strategic initiatives, and therefore an increasing proportion of their pay should be linked to our performance and tied to creation of stockholder value. Our programs should deliver top-tier compensation in return for top-tier individual and company performance; conversely, where individual performance and/or our performance falls short of expectations, the programs should deliver lower-tier compensation. In addition, the objectives of pay-for-performance and retention must be balanced. Even in periods of temporary downturns in our performance, the programs should continue to ensure that successful, high-achieving employees remain motivated and committed.

*Compensation should balance long-term focus that is linked to stockholder value as well as short-term financial objectives.* Consistent with this philosophy, equity-based compensation should be higher for persons with higher levels of responsibility and greater influence on long-term results, thereby making a significant portion of their total compensation dependent on long-term stock price appreciation. In addition, compensation should focus management on achieving short-term performance goals in a manner that supports and ensures long-term success and profitability.





*Compensation should reflect the value of the job in the marketplace.* We compete for talent globally. In order to attract and retain a highly skilled workforce, we must remain competitive with the pay of other employers who compete with us for talent in the relevant markets.

*Compensation programs should be easy to understand.* We believe that all aspects of executive compensation should be clearly, comprehensibly and promptly disclosed to employees in order to effectively motivate them. Employees need to easily understand how their efforts can affect their pay, both directly through individual performance accomplishments, and indirectly through contributing to our achievement of strategic, financial and operational goals. We also believe that compensation for our employees should be administered uniformly across the company and should be administered with clear-cut objectives and performance metrics.

#### *Our Compensation Committee's Processes*

Our Compensation Committee has established a number of processes to assist it in ensuring that our executive compensation programs are achieving their objectives. Among those are the following:

*Assessment of Company Performance.* Our Compensation Committee uses financial performance measures to determine a significant portion of the payouts under our annual incentive bonus program and equity incentive program. The financial performance measures with respect to our named executive officers' incentive bonuses and equity incentive awards are largely based on the achievement of Company-wide goals. In addition, the incentive bonuses payable under our annual incentive bonus program to our senior executives who have responsibility for business lines are tied to such business lines' financial or other performance. These Company-wide and business-line performance measures are established by our Compensation Committee annually at the beginning of the year. At the end of the year or performance period, in the case of our equity incentive program, our Compensation Committee reviews and certifies our performance achievement, and considers the appropriateness of adjustments to the performance criteria and calculations of performance achievement.

We generally pay bonuses at target when we achieve the established financial measures that are set forth in our annual operating plan and personal performance goals, as described below. These measures reflect targets that are intended to encourage stretch performance.

*Assessment of Individual Performance.* Individual performance has a strong impact on the compensation of certain employees, including our executive officers. The evaluation of an individual's performance determines a portion of the payouts for Mr. Chhibbar and Mr. Miglani made under our incentive bonus program and also influences any changes in base salary.

For Messrs. Chhibbar and Miglani, our Compensation Committee receives a performance assessment and compensation recommendation from our Vice Chairman and CEO. The performance assessments are based on each of

our named executive officer's respective self-evaluations and subsequent performance appraisals conducted by our Vice Chairman and CEO. Our Compensation Committee reviews the performance assessments of these executive officers with our Vice Chairman and CEO, and evaluates the achievement of established objectives by each executive officer and his or her business line (if applicable), as well as the executive officer's contribution to our

performance, leadership accomplishments and overall competence. In determining the numerical performance rating that translates into specific payouts under our incentive bonus program and also influences any changes in base salary, our Compensation Committee may exercise its judgment based on our board of directors' interactions with such executive officers.

*Review of Peer Company Market Data.* At the time compensation decisions were made for our U.S.-based and other senior executive officers in 2015, our Compensation Committee reviewed publicly available compensation data for companies that are engaged in business and technology services like us. The Compensation Committee took into account whether the companies had market capitalizations or annual revenues similar to ours, as well as the relevance of their geographic areas. The companies that composed our peer group for 2015 were as follows:

**Peer Group Companies**

Altisource Portfolio Solutions S.A.	IGATE Corporation
Ciber, Inc.	Sapient Corporation
Computer Task Group, Incorporated	Solera Holdings, Inc.
Convergys Corporation	Sykes Enterprises, Incorporated
CSG Systems International, Inc.	Syntel Inc.
EPAM Systems, Inc.	TeleTech Holdings, Inc.
Genpact Limited	Virtusa Corporation
HMS Holdings Corp.	WNS (Holdings) Limited

The compensation data for our peer group is compiled directly by Cook & Co., the independent consultant to the Compensation Committee. The peer group compensation data was supplemented by global general industry and technology industry survey data. The data from the surveys was scaled to our size by Cook & Co. based on revenues or corresponding revenue ranges as provided by the surveys. While the Compensation Committee reviewed and considered the data provided by these surveys, it did not consider or review the compensation paid to executives at the component companies included within such surveys and did not use this information or any other data as a benchmark to set executive compensation for fiscal year 2015.

Our Compensation Committee uses the compensation data to obtain a general understanding of current market practices, so it can design our executive compensation program to be competitive. Market data is not used exclusively, but rather as a point of reference to draw comparisons and distinctions. The Compensation Committee also takes into account an executive officer's job responsibilities, performance, qualifications and skills in determining individual compensation levels.

*Total Compensation Review.* Our Compensation Committee determines the categories and presentation of compensation information required to evaluate each executive's base pay, incentive bonus and equity incentives when changes in compensation are considered by our Compensation Committee and requests Cook & Co. compile such information. Compensation decisions are designed to promote our fundamental business objectives and strategy. Our Compensation Committee periodically reviews related matters such as succession planning and management,

evaluation of management performance, changes in the scope of managerial responsibilities, and consideration of the business environment, and considers such matters in making compensation decisions.

*Role of the Compensation Committee's Independent Compensation Consultant.* For 2015, the Compensation Committee retained the services of Cook & Co., a qualified and independent compensation consultant, to aid the Compensation Committee in performing its duties. The Compensation Committee's compensation consultant assists in collecting and evaluating external market data regarding executive compensation and performance, selecting peer group companies, reviewing the proxy statement, and advising the Compensation Committee on developing trends and best practices in executive compensation, director compensation, and equity and incentive plan design. Other than performing these consulting services, Cook & Co. does not provide other services to us or our executive officers. We have affirmatively determined that no conflict of interest has arisen in connection with the work of Cook & Co. as compensation consultant for the Compensation Committee.

*Components of Executive Compensation for 2015*

For 2015, the compensation of executive officers consisted of the following five primary components:

<b>Compensation Component</b>	<b>Description</b>	<b>Objectives</b>
<b>Base Salary</b>	<ul style="list-style-type: none"> <li>Fixed compensation that is reviewed annually and is based on performance, experience, responsibilities, skill set and market value.</li> </ul>	<ul style="list-style-type: none"> <li>Provide a base level of compensation that corresponds to the job function performed.</li> </ul>
<b>Annual Incentives</b>	<ul style="list-style-type: none"> <li>"At-risk" compensation earned based on performance measured against pre-established annual goals.</li> <li>Goals are tailored to each executive's position.</li> <li>"At-risk" compensation in the form of restricted stock unit awards whose value fluctuates according to stockholder value.</li> </ul>	<ul style="list-style-type: none"> <li>Attract, retain, reward and motivate qualified and experienced executives.</li> <li>Incentivize executives to achieve annual goals that ultimately contribute to long-term company growth and stockholder return.</li> <li>Align executive interests with those of stockholders.</li> </ul>
<b>Long-Term Incentives</b>	<ul style="list-style-type: none"> <li>50% of the award vests based on continued service.</li> <li>50% vests based on achievement of revenue and total stockholder return goals.</li> </ul>	<ul style="list-style-type: none"> <li>Reward continuous service with the company.</li> <li>Incentivize executives to achieve goals that drive company performance over the long-term.</li> </ul>

Compensation Component	Description	Objectives
<b>Other Benefits</b>	<ul style="list-style-type: none"> <li>· Broad-based benefits provided to company employees (e.g., health and group insurance), a retirement savings plan and other personal benefits where appropriate.</li> </ul>	<ul style="list-style-type: none"> <li>· Provide a total compensation package that is competitive with the marketplace and addresses unique needs, especially for overseas executives.</li> </ul>
<b>Severance and Change in Control Protections</b>	<ul style="list-style-type: none"> <li>· Protect executives during potentially tumultuous corporate transaction.</li> <li>· Provide reduced post-employment compensation upon other involuntary terminations.</li> </ul>	<ul style="list-style-type: none"> <li>· Allow executives to focus on generating stockholder value during a change in control transaction.</li> <li>· Provide market-competitive post-employment compensation recognizing executives likely require more time to find subsequent employment.</li> </ul>

*Compensation Mix*

Consistent with our compensation philosophy, our compensation program balances base salary, short-term incentive and long-term incentive opportunities provided to our executive officers. The following charts illustrate the mix of target compensation components for the Vice Chairman and CEO and the other named executive officers during the 2015 fiscal year. We have excluded the restricted stock units attributable to the 2014 fiscal year annual incentive program as those units do not relate to our fiscal year 2015 compensation program.

As illustrated by the charts below, the majority of compensation that may be earned by our named executive officers is tied to the achievement of financial performance metrics (annual performance bonuses and PRSUs) or fluctuates with the underlying value of our common stock (RSUs).

**Vice Chairman & CEO Compensation Mix <sup>(1)</sup>**

**NEOs' Compensation Mix  
(Excluding Vice Chair & CEO)**

(1) Mr. Kapoor's equity component includes his one-time Stock Price Performance Award.

*Detailed Review of Compensation Components*

*Base Salary*

As discussed above, we provide our executive officers fixed compensation commensurate with their performance, experience, responsibilities, skill set and market value. This attracts and retains an appropriate caliber of talent for the position and provides a base wage that is not subject to our performance risk. In setting base salaries for 2015, our Compensation Committee considered:

- Individual Performance    Ø The degree to which the executive met and exceeded expectations.
- Market Data                    Ø Geographical and market data to test reasonableness of compensation.
- Overall Compensation Mix    Ø Senior employees should have a greater portion of their compensation tied to increasing stockholder value.

Upon completing its review and as shown in the table below, the Compensation Committee determined that it was appropriate to change Mr. Kapoor’s base salary in recognition of his many individual accomplishments and the Company’s performance. In addition, the Compensation Committee determined to increase the base salaries of Messrs. Chhibbar and Bagai due to their individual contributions and the Company’s performance. Mr. Schweppe’s and Mr. Miglani’s salaries remained the same as their 2014 salary, which were set late that year. The fixed compensation paid to Messrs. Chhibbar and Bagai is paid in Indian Rupees and we have included the percentage increase with respect to their fixed compensation in their home currency (INR). Further, these amounts cover not only base salary for Messrs. Chhibbar and Bagai, but also amounts available as a travel allowance, an automobile allowance, a housing allowance, a medical allowance and a cash supplementary allowance, consistent with compensation practices in India.

Name	2014 Base Salary / Annual Fixed Compensation	2015 Base Salary / Annual Fixed Compensation (Effective April 1, 2015)	% Increase / Decrease
Rohit Kapoor	\$ 565,000	\$ 600,000	(1)6.2% 3.7%
Vishal Chhibbar	\$ 298,387	\$ 309,376	(5.4% INR)
Pavan Bagai	\$ 322,581	\$ 337,934	4.8%

			(6.5% INR)
Nalin Miglani	\$ 400,000	\$ 400,000	0.0%
Henry Schweppe	\$ 450,000	\$ 450,000	0.0%

(1) Mr. Kapoor's base salary, along with his employment agreement, became effective January 1, 2015.

*Incentive Bonus*

We have established an annual incentive bonus program in order to align our executive officers' goals with our performance targets for the current year and to encourage meaningful contributions to our future financial performance. Our Compensation Committee approved the framework of our incentive bonus program in December 2014 for the year 2015 for bonuses payable in respect of 2015 performance. Under the program, bonus target amounts, expressed as a percentage of base salary or



annual fixed compensation, are established for participants at the beginning of each year unless their employment agreements contain different terms. Funding of potential bonus payouts for the year are determined by our financial results for the year relative to predetermined performance measures, and may be increased or decreased depending upon the executive's individual performance against his performance goals. If our performance falls short of target, our aggregate funding of the annual cash bonus incentive pool declines. If we do not achieve a minimum threshold for the established financial performance objectives, then the bonus pool is not funded for that particular objective. At the end of the performance period, our Compensation Committee has discretion to adjust an award payout from the amount yielded by the formula.

Our Compensation Committee considered the following when establishing the awards for 2015:

*Bonus Targets.* Bonus targets were established based on job responsibilities and comparable market data. Our objective was to set bonus targets such that total annual cash compensation was within the broad middle range of market data and a substantial portion of that compensation was linked to our performance. Consistent with our executive compensation policy, individuals with greater job responsibilities had a greater proportion of their total compensation tied to our performance. During 2015, our Compensation Committee established the following bonus targets (expressed as a percentage of base salary or annual fixed compensation) as well as maximum bonus targets for each named executive officer.

<b>Name</b>	<b>Bonus Target</b>	<b>Bonus Maximum</b>
Rohit Kapoor	100% of base salary	200% of base salary
Vishal Chhibbar	50% of annual fixed compensation	100% of annual fixed compensation
Pavan Bagai	75% of annual fixed compensation	150% of annual fixed compensation
Nalin Miglani	60% of base salary	120% of base salary
Henry Schweppe	75% of base salary	150% of base salary

*Annual Bonuses Exclusively Denominated in Cash.* The Committee believes cash bonuses clearly align with market compensation practices and make the Company's overall compensation program more competitive. The long-term retention and performance features associated with equity grants continue to be an important part of the Company's compensation mix, as described below.

*Performance Measures.* Our executives were eligible to earn annual bonuses based on their achievement of company-wide performance metrics, business line or other company performance metrics and, in some cases, individual performance, as described in the tables below.

<b>Name</b>	<b>Company-Wide Performance<sup>(1)</sup></b>	<b>Individual Performance</b>	<b>Business Line or Other Company Performance</b>
Rohit Kapoor	80%	—	20%
Vishal Chhibbar	60%	20%	20%
Pavan Bagai	80%	—	20%
Nalin Miglani	60%	20%	20%
Henry Schweppe	80%	—	20%

Based 50% on the Company's Adjusted EPS goal and 50% on the Company's revenues goal, for all employees whose incentive bonus is linked to Company-wide financial performance, including our named executive officers.  
<sup>(1)</sup> The Company-wide performance component for Messrs. Kapoor, Bagai and Schweppe was reduced from 100% to 80% for 2015.

For 2015, the Compensation Committee believed Messrs. Kapoor's, Bagai's and Schweppe's annual bonus should be 80% based on the Company's Adjusted EPS and revenues goals and 20% based on the aggregated performance of all Business Units Revenue and Adjusted EPS due to the nature of their positions as Vice Chairman and CEO, President and Chief Operating Officer, and President, Global Business and Marketing respectively. The Committee believed it was important to set the business line and other Company performance goals as well as the individual performance goals described above for Messrs. Chhibbar and Miglani to ensure the executives were properly focused on both the Company's Adjusted EPS and revenue goals, aggregate of business units performance on revenue and Adjusted EPS goals and other areas of performance that are unique to their positions within the organization. The Compensation Committee believes achievement of these performance metrics will drive our business and, in turn, lead to increased stockholder value.

*Determination of Financial Performance Achievement.* In 2015, the portion of incentive bonus payments that were subject to financial performance measures could have ranged from zero to 200% of target depending on the achievement of performance goals, as follows:

<b>Adjusted EPS Goals</b>		<b>Revenue Goals</b>	
<b>% of Adjusted EPS</b>		<b>% of Revenues</b>	
<b>Achieved Compared to Target Goal</b>	<b>% of Target Portion Funded</b>	<b>Achieved Compared to Target Goal</b>	<b>% of Target Portion Funded</b>
Less than 90%	0%	Less than 90%	0%
At 90%	25%	At 90%	25%
From 90% to 100%	Linear interpolation from 25% to 100%	From 90% to 100%	Linear interpolation from 25% to 100%
At 100%	100%	At 100%	100%

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From 100% to 110%	Linear interpolation from 100% to 200%	From 100% to 110%	Linear interpolation from 100% to 200%
Above 110%	200%	Above 110%	200%

In 2015, our Compensation Committee established an Adjusted EPS target of \$1.96 and a revenue target of \$592 million. Based on our performance during the 2015 fiscal year, we achieved 100% of our Adjusted EPS target, and 102.2% of our revenue target.

The bonus pool funding for employees whose bonuses are tied to the performance of specific business lines is determined by targets established for such businesses by our Compensation Committee.

*Individual Performance Measures.* As discussed above, Messrs. Chhibbar and Miglani earn a portion of their respective annual incentive bonuses based on the achievement of individual performance measures. These goals are designed to balance the attention of our named executive officers between the achievement of near-term objectives that improve specific processes or performance metrics and long-term objectives for us. While some of the goals are subjective, certain other goals, such as client and employee satisfaction metrics, are capable of objective measurement. The individual performance measures were generally as follows:

<b>Name</b>	<b>Individual Performance Goals</b>
Vishal Chhibbar	<ul style="list-style-type: none"> <li>· Achievement of corporate financial targets</li> <li>· Business growth through strategic acquisitions</li> <li>· Capabilities and strategic initiatives with special focus on profitability</li> <li>· Strengthening finance department leadership, organization and operations</li> <li>· Build a high performance organization</li> <li>· Develop and implement client-based HR program</li> <li>· Develop and launch purpose and values program</li> </ul>
Nalin Miglani	<ul style="list-style-type: none"> <li>· Build and implement a program to significantly improve sales capabilities</li> <li>· Build leadership teams of key business units</li> <li>· Build global HR team</li> </ul>

*· Determination of Individual Performance Achievement.*

Mr. Kapoor made performance assessments and compensation recommendations for Messrs. Chhibbar and Miglani, and our Compensation Committee approved the recommendations after reviewing similar considerations for such named executive officers. For Mr. Chhibbar, our Compensation Committee noted his role in enabling the Company to keep track of all relevant financial metrics, playing a key role in acquisitions, strengthening the finance department's personnel and procedures and effectively engaging with investors and the broader investment community. For Mr.

Miglani, our Compensation Committee noted his role in managing and executing strategic assignments, creating a strong sense of purpose and values, improving employment engagement, enhancing sales effectiveness and executing various initiatives/programs.