

ExlService Holdings, Inc.  
Form PRE 14A  
April 16, 2019

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

**(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT**

**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):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

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3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:



PRELIMINARY PROXY STATEMENT

SUBJECT TO COMPLETION

**320 Park Avenue, 29<sup>th</sup> Floor**

**New York, New York 10022**

**(212) 277-7100**

April 26, 2019

Dear Stockholder:

On behalf of the board of directors of ExlService Holdings, Inc., we are pleased to invite you to the 2019 Annual Meeting of Stockholders, which will be held on June 17, 2019 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 26, 2019, 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 18, 2019, 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.

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 Rohit Kapoor  
Chairman Vice Chairman and CEO

## NOTICE OF 2019 ANNUAL MEETING OF STOCKHOLDERS

Dear Stockholder:

You are cordially invited to the 2019 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, 320 Park Avenue, 29<sup>th</sup> Floor, New York, New York 10022 on June 17, 2019 at 8:30 AM, Eastern Time, for the purposes of voting on the following matters:

1. the amendment of the Company’s amended and restated certificate of incorporation to effect a phased declassification of the board of directors over the next three years;
2. the election of three Class I members of the board of directors of the Company;
3. the ratification of the appointment of Deloitte & Touche LLP as the independent registered public accounting firm of the Company for fiscal year 2019;
4. the approval, on a non-binding advisory basis, of the compensation of the named executive officers of the Company; and
5. 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 18, 2019, 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 320 Park Avenue, 29<sup>th</sup> Floor, New York, New York 10022, for a period of 10 days prior to the date of the Annual Meeting and at the Annual Meeting itself. **Please note that there are identification, verification of ownership and other requirements for in-person attendance at the Annual Meeting, as described in the enclosed Proxy Statement on page 11 under the heading “Information Concerning Voting and Solicitation.”**

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

Ajay Ayyappan  
Senior Vice President,  
General Counsel and Corporate Secretary  
New York, New York

April 26, 2019

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## PROXY STATEMENT

### 2019 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 for the fiscal year ended December 31, 2018 (the "2018 Form 10-K").

#### **Annual Meeting Information**

##### **Time and Date:**

8:30 AM (Eastern Time)

June 17, 2019

##### **Record Date:**

April 18, 2019

##### **Place:**

ExlService Holdings, Inc.

320 Park Avenue, 29<sup>th</sup> Floor

New York, New York 10022

##### **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 amendment of the Company's amended and restated certificate of incorporation to effect a phased declassification of the board of directors over the next three years (page 78);
2. the election of three Class I members of the board of directors of the Company (page 80);
3. the ratification of the appointment of Deloitte & Touche LLP as the independent registered public accounting firm of the Company for fiscal year 2019 (page 82);
4. the approval, on a non-binding advisory basis, of the compensation of the named executive officers of the Company (page 85); and
5. the transaction of such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

## Board and Corporate Governance Highlights

(Based on current board profile and practices)

### **Board of Directors Composition**

- > Ten directors, all of whom are independent, except for our Vice Chairman & CEO
- > Independent board chairman
- > Standing board committees composed solely of independent chairs and members
- > Seasoned board of directors, with diverse experience, including in insurance, healthcare, utilities, banking and financial services, finance/accounting, global business and technology
- > Diversity in age, gender and other important characteristics
- > If approved at the Annual Meeting, annual director elections

### **Board Accountability**

- > Majority voting standard for uncontested elections
- > Annual board- and committee-level evaluations
- > Regularly-held executive session of non-management directors
- > Robust executive and director equity ownership guidelines
- > Independent board of directors evaluation of CEO performance and compensation

### **Director Qualifications**

Our board of directors reflects an effective and diverse mix of skills and experience appropriate for our Company and industry. Our directors have the following attributes:

<b>Executive Leadership</b>	<b>Board Experience</b>
<b>Finance and Accounting</b>	<b>Client and Industry Expertise</b>
<b>Global Experience</b>	<b>Risk Oversight / Management</b>

**Class I Board Nominations**

<b>Name</b>	<b>Principal Occupation*</b>	<b>Committee Membership</b>
<b>(Year Joined Board)</b> Rohit Kapoor (November 2002)	Co-founder of EXL Inc. in April 1999; Vice Chairman and CEO of the Company since April 2012	N/A
Anne Minto (March 2013)	Qualified lawyer and member of Law Society of Scotland; former executive of Centrica plc, Shell UK and Smiths Group plc; non-executive director for Tate and Lyle and Shire plc (2010-2018)	Compensation Committee(Chair), Nominating and Governance Committee
Jaynie Studenmund (September 2018)	Former Chief Operating Officer of Overture Services, Inc.; Director for CoreLogic, Inc. and Pinnacle Entertainment, Inc.	Audit Committee, Compensation Committee

\*A complete list of each nominee's business experience and directorships is listed below on page 17.

**Our Business**

We are an operations management and analytics company that helps businesses enhance revenue growth and improve profitability. Using proprietary platforms, methodologies and our full range of digital capabilities, we look deeper to help companies transform their businesses, functions and operations, to help them deliver better customer experience and business outcomes, while managing risk and compliance. We serve our customers in the insurance, healthcare, travel, transportation and logistics, banking and financial services and utilities industries, among others. Headquartered in New York, we have approximately 29,100 professionals in locations throughout the United States, Europe, Asia (primarily India and the Philippines), Latin America, Australia and South Africa.

**Performance Highlights for 2018****Company 3 Year Performance****Revenue and Segment Information (\$ in millions)****Revenue (Year-over-year growth %)**

	<b>2016</b>	<b>YOY %</b>	<b>2017</b>	<b>YOY %</b>	<b>2018</b>	<b>YOY %</b>
Insurance Segment	\$206.3	3.2%	\$234.8	13.8%	\$258.1	9.9%
Healthcare Segment	68.7	24.4%	77.0	12.2%	84.4	9.6%
	69.4	11.4%	71.0	2.3%	70.2	-1.0%

Travel, Transportation and Logistics Segment						
Finance and Accounting Segment	79.4	1.2%	86.5	9.0%	97.9	13.2%
All Other Analytics Segment	96.5	-12.7%	83.1	-13.9%	87.2	4.8%
	165.7	35.7%	209.9	26.7%	285.3	35.9%
<b>Consolidated</b>	<b>\$686.0</b>	<b>9.1%</b>	<b>\$762.3</b>	<b>11.1%</b>	<b>\$883.1</b>	<b>15.8%</b>

We improved our annual revenues from \$762.3 million in fiscal year 2017 to \$883.1 million in fiscal year 2018, and also achieved numerous other successes, including the acquisition of a healthcare analytics company and a \$150 million strategic investment in our Company by The Orogen Group. For more information regarding these and other business highlights, please see page 35 below and the 2018 Form 10-K.

The graphs below compare our 1-year, 3-year and 5-year total stockholder return (“TSR”) with that of the companies comprising Nasdaq, S&P 500 and our peer group. As shown in the table, our 3-year TSR outperformed all but one of our market benchmarks while our 5-year TSR outperformed all of our market benchmarks.

(1) Cumulative growth rate as of December 31, 2018.

(2) Peer group TSR data excludes Convergys Corporation, which was acquired in October 2018, and DST Systems, which was acquired in April 2018.

## 2018 Compensation Highlights

**Named Executive Officers**

<b>Name</b>	<b>Title</b>
Rohit Kapoor	Vice Chairman and CEO
Vishal Chhibbar	Executive Vice President and CFO
Pavan Bagai	President and Chief Operating Officer
Nagaraja Srivatsan	Executive Vice President and Chief Growth Officer
Nalin Miglani	Executive Vice President and Chief Human Resources Officer

**2018 Standard Annual Compensation**

<b>Compensation Component</b>	<b>Rohit Kapoor</b>	<b>Vishal Chhibbar</b>	<b>Pavan Bagai</b>	<b>Nagaraja Srivatsan</b>	<b>Nalin Miglani</b>
<b>Salary</b>	\$720,000	\$437,671	\$301,448	\$441,370	\$440,137
<b>Non-Equity Incentive Plan Compensation</b>	532,748	173,210	133,946	172,987	164,579
<b>Equity Awards</b>	3,791,277	928,709	1,339,363	753,076	809,936
<b>Other Compensation<sup>(1)</sup></b>	61,484	11,465	74,407	8,640	8,640
<b>Total</b>	<b>\$5,105,509</b>	<b>\$1,551,056</b>	<b>\$1,849,164</b>	<b>\$1,376,073</b>	<b>\$1,423,292</b>

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.

(1) A detailed discussion of the compensation components for each named executive officer for fiscal year 2018 is provided in the “Summary Compensation Table for Fiscal Year 2018” beginning on page 53.

On an annual basis, we submit to our stockholders a vote to approve, on a non-binding advisory basis, the compensation of our named executive officers as described in this proxy statement. We refer to this vote as “say-on-pay”. Please refer to our Compensation Discussion and Analysis, starting on page 35 for a complete description of our 2018 compensation program.

Below are a few highlights of our executive compensation:

**95% Say-on-Pay Approval of 2017 Compensation:** At our 2018 Annual Meeting of Stockholders, our stockholders approved, on a non-binding advisory basis, the compensation paid to our named executive officers for fiscal year 2017. Approximately 95% of the votes present in person or by proxy voted in favor of fiscal year 2017 compensation.



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

- Company Wide Metrics – Adjusted profit before tax (“PBT”) and revenue
- Business Line Metrics – Revenue and Business Operating Income (BOI)
- Individual Metrics – Linked to areas of performance that are specific to each executive

**Long-Term Equity Incentive Program:** We also continued our equity incentive program, 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-linked restricted stock units, and
- Revenue-linked restricted stock units.

**2018 Performance:** We delivered the following revenue and Adjusted PBT (as described below) performance in 2018.

**Annual Incentive Program:** As measured under our annual incentive plan, we delivered 88.2% of our Adjusted PBT target and 97.7% of our revenue performance target.

**Equity Incentive Program:** This was the third and final performance year for the 2016 performance-based restricted stock units. We achieved 90.52% of the revenue target for the revenue-linked restricted stock units resulting in 5.24% of target funding of those grants. The Company's TSR performance was at the 40th percentile amongst its peer group, resulting in the executives earning 68.25% of the 2016 relative TSR-linked restricted stock units pursuant to the terms of the original grant.

**Compensation Mix:**

<b>Vice Chairman &amp; CEO Compensation Mix</b>	<b>NEO Compensation Mix</b>
	<b>(Excluding Vice Chairman &amp; CEO)</b>

Auditor Matters

As a matter of good corporate practice, we are seeking your ratification of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2019. The following sets forth fees of Deloitte & Touche LLP, who served as our independent registered public accounting firm for fiscal year 2018.

	<b>2018</b>
	<b>(in thousands)</b>
Audit Fees	\$1,425
Audit-Related Fees	—
Tax Fees	523
All Other Fees	54
<b>Total</b>	<b>\$2,002</b>

For more information on our auditors, including individual components of 2018 audit fees and our change in auditors, see page 82.

## 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 2019 Annual Meeting of Stockholders (the “Annual Meeting”) to be held at the New York offices of the Company, 320 Park Avenue, 29<sup>th</sup> Floor, New York, New York, 10022 on June 17, 2019, 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 26, 2019. This proxy statement and the form of proxy relating to the Annual Meeting will be made available via the Internet to stockholders on or prior to 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 18, 2019, the record date for the Annual Meeting, can vote at the Annual Meeting. As of the close of business on April 18, 2019, the record date, we had [\_\_\_\_\_] 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, 2019.

## **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 18, 2019, must be present, in person or by proxy, to conduct business at 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: Amendment of the Amended and Restated Certificate of Incorporation to Effect a Phased Declassification of the Board of Directors over the Next Three Years**

We are seeking approval of an amendment of Section 6 of our Amended and Restated Certificate of Incorporation to declassify the board over a three-year phase out period (see page 78 below), which when completed will allow for the election of all directors on an annual basis. This requires the affirmative vote of the holders of at least 66 2/3% of the

voting power of the then-outstanding shares of the Company, voting together as a single class. For purposes of the vote on Proposal 1, abstentions and broker non-votes (as described below) will have the effect of a vote against Proposal 1.

**Proposal 2: Election of Directors**

Under our Fourth Amended and Restated By-Laws (our “by-laws”), directors who are standing for election at the Annual Meeting will be elected by the affirmative vote of a majority of votes cast (meaning the number of shares voted “for” a nominee must exceed the number of shares voted “against” such nominee) by stockholders in person or represented by proxy and entitled to vote at the Annual Meeting. If any incumbent nominee for director receives a greater number of votes “against” his or her election than votes “for” such election, our by-laws provide that such person shall tender to the board of directors his or her resignation as a director. You may cast your vote in favor of electing all of the nominees as directors, against one or more nominees, or abstain from voting your shares. For purposes of the vote on Proposal 2, abstentions and broker non-votes 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 advisory (non-binding) 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 3 (ratification of the appointment of our independent registered public accounting firm), 4 (advisory (non-binding) vote on executive compensation), or such other items properly presented and 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 4, but because Proposal 3 is a “routine” proposal where brokers have discretionary authority to vote in the absence of instruction, there will be no broker non-votes.

If you submit your proxy, but do not mark your voting preference, the proxy holders will vote your shares (i) FOR the amendment of the amended and restated certificate of incorporation, (ii) FOR the election of the Class I nominees for director, (iii) FOR the ratification of the appointment of our independent registered public accounting firm, (iv) FOR the approval on an advisory (non-binding) basis of the compensation of our named executive officers, and (v) as described below, in the judgment of the proxy holder on any other matters properly 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 on an advisory (non-binding) basis 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, which at the Annual Meeting is 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 (or a proxy signed by a stockholder of record delegating voting authority to the attendee), before entering the Annual Meeting. Attendees will be required to sign in, and 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) 624-5913.

OUR BOARD OF DIRECTORS

Our board of directors currently consists of ten 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:

Class I	Class II	Class III
<b>(Term expires 2019)*</b>	<b>(Term expires 2020)*</b>	<b>(Term expires 2021)*</b>
Rohit Kapoor	David Kelso	Deborah Kerr
Anne Minto	Som Mittal	Nitin Sahney
Jaynie Studenmund	Clyde Ostler	Garen Staglin
		Vikram Pandit**

\* Subject to approval by the Company's stockholders of Proposal 1 at the Annual Meeting, the board of directors will be declassified and elected annually over a three-year phase-out period.

\*\*Mr. Pandit was appointed to the board as a Class III director under the terms of an Investment Agreement as described on page 16 below.

2019 Nominees

Upon the recommendation of our Nominating and Governance Committee, we are pleased to propose our three (3) existing Class I directors as nominees for re-election as directors at the Annual Meeting.

**If Proposal 1 is approved by the Company's stockholders**, upon the filing of the amendment to the certificate of incorporation set forth on Appendix A attached hereto, the classification of our board of directors will be phased out over the next three Annual Meetings of Stockholders, such that directors will be elected annually. Accordingly, (i) at the Annual Meeting, each of the Class I director nominees elected by our stockholders will be elected to hold office for a term of one year, or until their successors are duly elected and qualified in accordance with our by-laws, (ii) at the 2020 Annual Meeting of Stockholders, each of the Class I and Class II director nominees elected by our stockholders will be elected to hold office for a term of one year, or until their successors are duly elected and qualified in accordance with our by-laws, and (iii) at the 2021 Annual Meeting of Stockholders, each of Class I, Class II and Class III director nominees elected by our stockholders will be elected to hold office for a term of one year, or until their successors are duly elected and qualified in accordance with our by-laws, and thereafter the classification of the board of directors will terminate in its entirety. As such, if elected, each of the Class I director nominees will serve

a term or one year on our board of directors, until our 2020 Annual Meeting of Stockholders or until their successors are duly elected and qualified in accordance with our by-laws.

**If Proposal 1 is not approved by the Company's stockholders**, and if elected, each of the Class I director nominees will serve a term of three years on our board of directors, until our 2022 Annual Meeting of Stockholders or until their successors are duly elected and qualified in accordance with our by-laws.

**Class I Nominees**

**Rohit Kapoor**

Vice Chairman & CEO

and Director

**Anne Minto**

Independent Director

and Chair of the

Compensation

Committee

**Jaynie Studenmund**

Independent Director

We believe that our director nominees and continuing directors, individually and together as a whole, possess the requisite skills, experience and qualifications necessary to maintain an effective board to serve the best interests of the Company and its stockholders.

## Director Qualifications

The board of directors considers it paramount to achieving excellence in corporate governance to assemble a board of directors that, taken together, has the skills, qualifications, experience and attributes appropriate for functioning as the board of directors of our Company and working productively with management. The Nominating and Governance Committee of the Board is responsible for recommending nominees that are qualified and that bring a diverse set of skills and qualifications to oversee the Company effectively.

### **Key Skills and Attributes We Look for in Board Nominees**

- > Strategic sense
- > Critical and innovative thinking
- > High ethical standards and integrity
- > Mutual respect for other Board members
- > Ability to debate constructively
- > Candid, assertive, open minded
- > Availability and commitment to serve

The Nominating and Governance Committee has not formally established any minimum qualifications for director candidates. However, in light of our business, the primary areas of experience, qualifications and attributes typically sought by the Nominating and Governance Committee in director candidates include, but are not limited to, the following primary areas:

### **Executive Leadership**

Experience holding significant leadership positions, including as a CEO or head of a significant business, to help us drive business strategy, growth and performance.

### **Finance and Accounting**

Experience with finance, accounting or financial reporting processes, to help drive financial performance.

### **Global Experience**

Experience working outside of the United States or with multinational companies, to help facilitate our global expansion.

### **Board Experience**

Understanding of public company board of director and fiduciary duties, to help provide perspective on corporate governance best practices and related matters.

### **Client and Industry Expertise**

Experience with our key client industries, including insurance, healthcare, banking and financial services, finance/accounting, and our other capabilities, to help deepen our knowledge of our key industry verticals and markets in which we do business.

### **Risk Oversight / Management**

Experience assessing and overseeing the overall risk profile of multinational public companies.

We note that, in addition to satisfying these general qualifications considered by the Nominating and Governance Committee in connection with a director nomination, Vikram S. Pandit was appointed to the Board on October 4, 2018 as a Class III director pursuant to the terms of an Investment Agreement, dated as of October 1, 2018 (the "Investment Agreement"), between the Company and Orogen Echo LLC, an affiliate of The Orogen Group LLC (the "Purchaser"). The Investment Agreement was entered into in connection with our issuance to the Purchaser of \$150,000,000 in aggregate principal amount of 3.50% Convertible Senior Notes due October 1, 2024 (the "notes"). For so long as the Purchaser has the right to nominate a director to the Board under the Investment Agreement, we have, subject to the terms of the Investment Agreement, agreed to include such person in our slate of nominees for election to our board of directors at each of our annual meetings of stockholders at which directors are to be elected, and to use our reasonable best efforts to cause the election of such person to our board of directors. The Purchaser's right to nominate a director will terminate if Purchaser and its affiliates beneficially own less than 50% of the number of shares of our common stock deemed beneficially owned by the Purchaser and its affiliates immediately following the issuance of the notes (which, for purposes of the Investment Agreement, includes shares of our common stock issuable upon conversion of the notes).

## Board of Directors

The names, ages and principal occupations (which have continued for at least the past five years unless otherwise indicated) and 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. There are no family relationships among any of our directors or executive officers.

### **Class I Directors (Terms Expiring at the Annual Meeting)**

**Rohit Kapoor | Director since November 2002, Vice Chairman and CEO since April 2012    Independent: No**

*Rohit Kapoor*—Age: 54— 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. He previously served as our President and CEO from May 2008 to March 2012. Mr. Kapoor’s business experience and directorships are detailed below. The Company has concluded that, in connection with Mr. Kapoor’s experience as a founder and current role as CEO of the Company, Mr. Kapoor should serve as a director.

**Committees:** N/A

### **Business Experience at the Company**

· Vice Chairman and CEO (2012 – present)  
· President and CEO (2008 – 2012)  
· Various senior leadership roles, including CFO and COO (2000 – 2008)

### **Other Business Experience**

· Business head, Deutsche Bank, a financial services provider (1999-2000)  
· Various capacities at Bank of America in the United States and Asia, including India (1991-1999)

### **Public Directorships during Past Five Years**

· Director and member of the audit committee, CA Technologies, Inc., a software services company (NASDAQ: CA) (2002 – 2018)

**Other Relevant Experience**

- Chairman, National Association of Software and Services Companies (“NASSCOM”) BPM Council.
- Member, Board of Directors, America India Foundation (AIF)



**Anne E. Mintol Director since March 2013 Independent: Yes**

*Anne E. Minto*—Age: 65—is a qualified lawyer and member of the Law Society of Scotland. Ms. Minto’s business experience and directorships are detailed below. 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 Ms. Minto should serve as a director.

**Committees:** Compensation (Chair), Nominating and Governance

**Business Experience**

Lawyer and member of Law Society of Scotland

Former Group Director, Human Resources and member of the executive committee, Centrica plc, an energy and services company (2002 – 2011)

Prior senior management roles at Shell UK and Smiths Group plc

**Public Directorships During the Past Five Years**

Director, chairman of the remuneration committee and member of the audit and nomination committees, Tate & Lyle plc, a global provider of specialty food products (LSE: TATE) (2012 – present)

Director, chairman of the remuneration committee and member of the nomination and governance committee, Shire plc, a global biopharmaceutical company (NASDAQ: SHPG, LSE: SHP) (2010 – 2018)

**Other Relevant Experience**

Non-executive director, Court of the University of Aberdeen

Chairman, University of Aberdeen Development Trust and University of Aberdeen Operating Board

Fellow, Chartered Institute of Personnel & Development and the City and Guilds of London Institute

Fellow, Chartered Institute of Management

Former Deputy Director-General of the Engineering Employer’s Federation

**Jaynie M. Studenmund** Director since September 2018

**Independent:**  
**Yes**

*Jaynie M. Studenmund*—Age: 64—is a seasoned executive with significant experience advising and leading digital companies. Ms. Studenmund’s business experience and directorships are detailed below. The Company has concluded, based in part on Ms. Studenmund’s extensive public company board experience, together with her knowledge and experience in the digital, financial services, health care and consumer business sectors, that Ms. Studenmund should serve as a director.

**Committees:** Audit\*, Compensation

### **Business Experience**

· Chief Operating Officer, Overture Services, a pioneer in paid search and search engine marketing (2001-2004)  
President & Chief Operating Officer, PayMyBills, the leading consumer bill payment and presentment company (1999 – 2001)  
Previously for over two decades served as Executive Vice President and Head of Consumer Businesses for three of the nation’s largest banks, which today form the backbone of Chase and Wells Fargo’s retail franchises in California.

### **Public Directorships During the Past Five Years**

· Director and member of the compensation committee and nomination and governance committee, CoreLogic, Inc. (NYSE: CLGX) (2012 – present)  
· Director and member of the contracts committee, audit committee and nomination and governance committee, Western Asset Management (2004 – present), a major fixed income fund, and director of affiliated funds for Western Asset Management  
· Director, compensation committee chair and member of the compliance committee, Pinnacle Entertainment (Nasdaq: PNK) until its acquisition in 2018 (2012 – 2018)  
· Director, compensation committee chair and member of the audit committee, Lifelock (Nasdaq: LOCK) until its acquisition in 2017 (2015-2017)

### **Other Relevant Experience**

· NACD Board Leadership Fellow  
· Life trustee and board chair, Huntington Hospital

\*Audit committee financial expert under applicable SEC rules and regulations.

## **Class II Directors (Terms Expiring in 2020)**

### **David Kelsol Director since July 2006 Independent: Yes**

*David B. Kelso*—Age: 66—is a financial advisor for Kelso Advisory Services, a company he started in 2003. Mr. Kelso's business experience and directorships are detailed below. The Company has concluded, based in part on 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, that Mr. Kelso should serve as a director.

**Committees:** Audit\*, Nominating and Corporate Governance (Chair)

### **Business Experience**

Financial Advisor, Kelso Advisory Services (2003 – present)  
Senior Advisor, Inductis, Inc., a strategy and analytics company, until its acquisition by the Company (June 2004 – June 2006)  
Chairman, Aetna Life Insurance Co., Executive Vice President, Strategy and Finance and member of the Office of the Chairman for Aetna, Inc., a managed healthcare company (2001 – 2003)  
Executive Vice President, Chief Financial Officer and Managing Director, Chubb Corporation, a property and casualty insurer (1996-2001)

### **Public Directorships During Past Five Years**

Director and member of audit committee and finance & investment committee, Assurant, Inc., a global provider of risk management products and services (NYSE: AIZ) (2007 – 2015)

### **Other Directorships**

Lead independent director and chair of the audit, nominating and valuation committees, Sound Shore Fund, an equity mutual fund (2006 – present)  
Director, Aspen Holdings Limited, a property and casualty reinsurance company (2005 – 2011)

### **Other Relevant Experience**

Board of Trustees, Darden School Foundation of the University of Virginia Darden School of Business

\*Audit committee financial expert under applicable SEC rules and regulations.



**Som Mittal Director since December 2013**      **Independent:**  
Yes

*Som Mittal*—Age: 67—has held various corporate leadership roles in the IT industry since 1989 and extensive experience in the engineering and automotive sectors. His business experience and directorships are detailed below. The Company has concluded, based in part on Mr. Mittal’s business experience as President of NASSCOM and his knowledge of the global outsourcing industry, that Mr. Mittal should serve as a director.

**Committees:** Compensation, Nominating and Corporate Governance

### **Business Experience**

Chairman and President, NASSCOM, a trade body for the IT and business process management industries in India (2008 – 2014)

Prior leadership roles at Wipro, and at Digital, Compaq and HP

Prior executive roles at Larsen & Toubro, Escorts and Denso

### **Public Directorships During Past Five Years**

Director and chairman of customer service committee and IT strategy committee, member of nomination and remuneration committee and other committees, Axis Bank, Ltd., a financial services company (NSE:Axis) (2011 – present)

Director and member of audit and risk management committee, Cyient Ltd., an engineering design services company (NSE:CYIENT) (2014 – present)

Director and chairman of nomination and remuneration committee, Sheela Foam Ltd., a manufacturing company (NSE: SFL) (2016 – present)

### **Other Directorships**

Tata SIA Airlines, Ltd., an Indian airline joint venture between TATA and Singapore Airlines with Indian and international operations (2015 – present)

### **Other Relevant Experience**

Prior member, Board of Governors, Indian Institute of Corporate Affairs

Prior Committee Member, Indian Prime Minister’s National e-Governance Program

Member/trustee of educational institutions and non-governmental organizations

**Clyde Ostler | Director since December 2007 Independent: Yes**

*Clyde W. Ostler*—Age: 72—is a retired executive of Wells Fargo and during his 40-year tenure held numerous senior leadership positions within that organization. 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.

**Committees:** Audit (Chair)\*, Compensation

**Business Experience**

Leadership positions within Wells Fargo including: Group Executive Vice President, Wells Fargo & Co., Vice Chairman, Wells Fargo Bank California NA, President, Wells Fargo Family Wealth, 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

Served on the Senior Management Committee of Wells Fargo for over 25 years

**Public Directorships During the Past Five Years**

Director, member of the audit committee and compensation committee, McClatchy Company, a publishing company (NYSE: MNI) (2013 – present)

**Other Directorships**

Advisory Director Emeritus, FTV Capital, a private global investment company

\*Audit committee financial expert under applicable SEC rules and regulations.

**Class III Directors (Terms Expiring in 2021)**

**Deborah Kerr | Director since January 2015 Independent: Yes**

*Deborah Kerr*—Age: 47—is a proven technology leader in the software industry with more than 25 years of diverse management experience. Ms. Kerr’s business experience and directorships are detailed below. The Company has concluded, based in part on Ms. Kerr’s experience in the technology, digital, marketing, operations and software and services industries, and her general management experience, that Ms. Kerr should serve as a director.

**Committees:** Compensation, Nominating and Corporate Governance

**Business Experience**

- Managing Director, Warburg Pincus, a private equity firm (2019 – present) and previously Senior Advisor (2017-2019)
- Executive Vice President and Chief Product and Technology Officer, Sabre Corporation (NASDAQ: SABR), a global technology company (2013 – 2017)
- Executive Vice President, Chief Product and Technology Officer, Fair Isaac Corporation (FICO), an analytics software company (2009 – 2012)
- Prior senior leadership roles with Hewlett Packard, Peregrine Systems and NASA’s Jet Propulsion Laboratory

**Public Directorships during Past Five Years**

- Director and member of the audit committee, International Airlines Group (BMAD: IAG, LSE: IAG) (2018 – present)
- Director and member of the audit committee, NetApp (NASDAQ: NTAP), a hybrid cloud and data services company (2017 – present)
- Director and member of the human resources, compensation and benefits committee, Chico’s FAS, Inc., a specialty retailer of women’s apparel (NYSE: CHS) (2017 – present)
- Director, D+H Corporation (TSX: DH), a provider of technology solutions and products to the financial industry (2013 – 2017)

**Other Directorships**

- Director and chair of the technology committee, Mitchell International Inc., a provider of technology solutions and services to the property and casualty industry (2010 – 2013)

**Vikram S. Pandit| Director since October 2018 Independent: Yes**

*Vikram S. Pandit*—Age: 62—is Chairman and Chief Executive Officer of the Orogen Group, which makes significant long-term strategic investments in financial services companies and related businesses. Mr. Pandit’s business experience and directorships are detailed below. Mr. Pandit was appointed to the Board pursuant to the terms of an Investment Agreement, dated as of October 1, 2018, between the Company and Orogen Echo LLC, an affiliate of The Orogen Group LLC. The Company has concluded, based in part on Mr. Pandit’s more than 30 years of experience in the financial services industry, including his experience as Chief Executive Officer and a member of the board of directors of Citigroup Inc. (NYSE: C), that Mr. Pandit should serve as a director.

**Committees:** Audit

**Business Experience**

Chairman and Chief Executive Officer, The Orogen Group (July 2016 – present)  
Chairman, TGG Group (February 2014 – June 2016)  
Chief Executive Officer, Citigroup Inc. (December 2007 – October 2012)

**Public Directorships During the Past Five Years**

Director and member of the nominating and governance and finance committees, Virtusa Corporation (NASDAQ: VRTU) (2017 – present)  
Director, chair of the human resources and compensation committee and member of the corporate governance and nominating committee, Bombardier Inc. (TSX: BBD) (2014 – present)  
Director, Citigroup Inc. (December 2007 – October 2012)

**Other Relevant Experience**

Chairman, Fair Square Financial Holdings (2017 – present)  
Chairman, JM Financial Credit Solutions Ltd. (2014 – present)  
Member of the Board of Overseers of Columbia Business School  
Member of the Board of Visitors of Columbia School of Engineering  
Member of the Board of Trustees of Columbia Business School until 2016



**Nitin Sahney| Director since January 2016 Independent: Yes**

*Nitin Sahney*—Age: 56—is a leader in the healthcare industry with over 25 years of experience across all areas of healthcare. Mr. Sahney’s business experience and directorships are detailed below. 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 Mr. Sahney should serve as a director.

**Committees:** Audit, Compensation

**Business Experience**

Founder, Member-Manager and Chief Executive Officer, Pharmacord, LLC, a company that helps biopharma manufacturers address product access hurdles (2016 – present)

- Operating Advisor, Clayton Dubilier & Rice Funds, a private equity firm (2016 – 2017)
- President and CEO (2014 – 2015) and President and COO (2012 – 2014) of Omnicare Inc., a former New York Stock Exchange-listed Fortune 500 company in the long-term care and specialty care industries
- Manager of a healthcare investment fund (2008 – 2010)
- Founder and CEO of RxCrossroads, a specialty pharmaceutical company (2001 – 2007)
- Prior leadership positions with Cardinal Healthcare, a global healthcare services and products company

**Other Relevant Experience**

- Director, Option Care Enterprises, Inc. (2019 – present)
- Member of the Board of Trustees, University of Louisville (2017 – present)

**Garen K. Staglin** | Director since June 2005, Chairman of the Board since February 2014    **Independent: Yes**

*Garen K. Staglin*—Age: 74—has over 40 years of experience in the financial services and technology industries. Mr. Staglin’s business experience and directorships are detailed below. 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.

**Committees:** Compensation, Nominating and Corporate Governance

### **Business Experience**

- Chief Executive Officer of eONE Global LP, an emerging payments company (2001-2004)
- Chief Executive Officer of Safelite Auto Glass, a provider of glass claim solutions (1993-1999)

### **Public Directorships during Past Five Years**

Director, chairman of the compensation and member of the governance committee, SVB Financial Group (NASDAQ:SIVB), a financial services provider (2011 – present)

### **Other Directorships**

- Senior Advisor and Advisory Director, FTV Capital, a private global investment company (2004 – present)
  - Vice Chairman, Profit Velocity Solutions, a manufacturing analytics firm (2007 – present)
  - Chairman, Nvoice Payments, an electronic payment service provider (2010 – present)
  - Advisory Director, Specialized Bicycle, a manufacturer of cycling equipment (1995-2014)

Other directorships completed prior to 2014 include: Bottomline Technologies, a provider of payment and invoice automation software and services (2007 – 2012); Solera Holdings, a public automotive insurance software service provider (2005 – 2011); First Data Corporation, a payments solutions provider (1992-2003); and Global Document Solutions, a private document processing outsourcing company (2005-2010)

### **Other Relevant Experience**

- Co-Founder and Co-Chairman, One Mind (1995 – present)
- Founder and President, BringChange2Mind (2009 – 2014)
- Co-Chairman, UCLA Centennial Capital Campaign (2014 – present)

## CORPORATE GOVERNANCE

### Director Independence

In determining director independence, the board of directors considered the transactions and relationships set forth below under “Certain Relationships and Related Person Transactions—Related Party Transactions.” Based on its review of all applicable relationships, 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. Each member of our board of directors attended at least 75% of the aggregate meetings of our board of directors and the committees on which they served during 2018. 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 2018 Annual Meeting of Stockholders attended such meeting.

#### 2018

##### Meetings

Board	9
Audit	7
Compensation	6
Nominating and Governance	7

#### 29 Total Board and Committee

### Meetings in 2018

### Board Leadership Structure

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

**Independent Chairman** Garen K. Stalin

**Vice Chairman & CEO** Rohit Kapoor

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), and our CEO, 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. As a result, the Company will 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.

### **Majority Voting in Director Elections**

Under our by-laws, directors who are standing for election in an uncontested election are elected by the affirmative vote of a majority of votes cast (meaning the number of shares voted “for” a nominee must exceed the number of shares voted “against” such nominee) in person or represented by proxy and entitled to vote at the meeting. If any incumbent nominee for director in an uncontested election receives a greater number of votes “against” his or her election than votes “for” such election, our by-laws provide that such person shall tender to the board of directors his or her resignation as a director. (In contested elections, directors will be 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.) An uncontested election means an election in which the number of nominees for director is not greater than the number to be elected.

### **Committees**

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

#### **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 specified related-party transactions as required by the rules of the Nasdaq Stock Market, and oversees the Company’s cyber security program and cyber strategy-related risks. 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. 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.

### **Audit Committee Profile**

#### **Oversight Responsibilities**

**Clyde Ostler,  
Chair\***

- > Accounting and financial reporting processes.
- > Our independent registered public accounting firm’s appointment and independence.

David Kelso\*

- > The audit of our financial statements and internal audit function.

Vikram Pandit

- > Other key areas including cybersecurity, litigation, compliance and regulatory enforcement matters.

Nitin Sahney

Jaynie Studenmund\*

\*Audit committee financial expert under applicable SEC rules and regulations.

### **7 Committee Meetings in 2018**

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.

### **Nominating and Governance Committee.**

Our Nominating and Governance Committee is responsible for: (i) identifying and recommending candidates for election to our board of directors using selection criteria approved by our board of directors, (ii) developing and recommending to our board of directors Corporate Governance Guidelines that are applicable to us, and (iii) overseeing our 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., 320 Park Avenue, 29<sup>th</sup> Floor, New York, New York 10022, 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, ethical standards and integrity; independence; diversity of professional and personal backgrounds; skills and experience; other public company directorships; and financial literacy and expertise; communication skills; and ability and willingness to comply with Company policies and procedures.

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.

### **Nominating and Corporate Governance Committee Profile**

#### **Responsibilities**

> Identifying and recommending board candidates.

**David Kelso,  
Chair**

> Developing and recommending governance practices, including our Corporate Governance Guidelines.

> Overseeing board and management evaluations.

Deborah Kerr

Anne Minto

Som Mittal

Nitin Sahney

Garen Staglin

**7 Committee Meetings in 2018**

29



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. The Nominating and Governance Committee also oversees our director onboarding and training program, which provides new directors with training regarding the Company's policies and procedures and specific requirements that may be needed based on the director's committee memberships. 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. 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 2018, our Compensation Committee retained the services of Frederick W. Cook & Co., Inc. ("FW Cook"), a qualified and independent compensation consultant, to aid the Compensation Committee in performing its review of executive compensation including executive compensation benchmarking and peer group analysis. 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).

**Compensation Committee Profile**

**Responsibilities**

**Anne Minto, Chair**

> Reviewing and recommending compensation and benefits of directors, officers and employees.

Deborah Kerr

> Overall compensation risk management, including recommending incentive compensation plans.

Som Mittal

Clyde Ostler

> Retention of advisors or other compensation consultants.

Garen Staglin

Jaynie Studenmund

**6 Committee Meetings in 2018**

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.

## **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.

### **Key Risk Oversight Framework**

- > Board provides risk oversight.
- > Management is responsible for day-to-day risks.
- > Audit Committee oversees risk management and cyber security risks.
- > We have implemented Risk Appetite Guidelines with qualitative and quantitative thresholds.

In addition, we maintain Risk Appetite Guidelines that describe certain categories of risk and qualitative and quantitative thresholds considered by the Company to be consistent with its strategic objectives. These guidelines are designed to serve as a reference in assessing and implementing strategy, and to be actionable by management such that they are meaningful from an operational perspective.

**Compensation Committee Interlocks and Insider Participation**

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

During 2018, 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. A copy of our Code of Conduct and Ethics 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.

320 Park Avenue, 29<sup>th</sup> Floor

New York, New York 10022

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.

320 Park Avenue, 29<sup>th</sup> Floor

New York, New York 10022

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 2018, except for the following Form 4s that were filed subsequent to the due date on account of administrative error: one report (one transaction) for each of Messrs. Staglin, Kapoor, Bagai, Bhalla, Chhibbar, Miglani and Srivatsan and one report (one transaction) for each of Mr. Rembert de Villa and Ms. Nancy Saltzman, each a former officer of the Company.

## OUR EXECUTIVE OFFICERS

<b>Name</b>	<b>Position</b>	<b>Biographical Information</b>
<b>Rohit Kapoor (age 54)</b>	Vice Chairman and CEO	See section entitled “Our Board of Directors” above.
<b>Ajay Ayyappan (age 41)</b>	Senior Vice President, General Counsel and Corporate Secretary	Mr. Ayyappan has served as our Senior Vice President, General Counsel and Corporate Secretary since December 2018 and our Vice President, Acting General Counsel and Corporate Secretary since August 2018. He previously served as Vice President, Deputy General Counsel and Assistant Secretary from April 2014 to August 2018 and Vice President and Assistant General Counsel from March 2007 to March 2014. Prior to joining us, Mr. Ayyappan was a corporate associate at the law firm of Morgan, Lewis & Bockius LLP.
<b>Pavan Bagai (age 57)</b>	President and Chief Operating Officer	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.
<b>Vikas Bhalla (age 47)</b>	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.
<b>Vishal Chhibbar (age 51)</b>	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.
<b>Samuel Meckey (age 48)</b>	Executive Vice President	Mr. Meckey has served as an Executive Vice President since November 2018. Prior to joining us, Mr. Meckey served as President of UnitedHealth Group’s Optum Global Solutions and before that has held various executive roles at UnitedHealth Group, where



he was employed from May 2004 to June 2018. Prior to joining UnitedHealth Group, Mr. Meckey was an officer and naval aviator in the United States Navy from May 1992 to August 2002.

<b>Nalin Miglani</b> (age 58)	Executive Vice President and Chief Human Resource Officer	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 the Company. Prior to joining the Company, 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.
<b>Nagaraja Srivatsan</b> (age 52)	Executive Vice President and Chief Growth Officer	Mr. Srivatsan joined the Company as Executive Vice President and Chief Growth Officer in December 2016. Mr. Srivatsan is responsible for overseeing our sales and marketing, consulting, and strategy functions. Previously, he worked at Cognizant Technology Services beginning in 2002, where he served as Senior Vice President and Venture Partner, working with emerging businesses and ventures in the healthcare and life science industry. Mr. Srivatsan was Senior Vice President of Client Solutions at Silverline Technologies from 2001 to 2002, Chief technology Officer and Executive Vice President of Global Delivery at SeraNova from 1998 to 2001, and a Director at SEI Information Technology from 1992 to 1998.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

#### Named Executive Officers

As determined in accordance with SEC rules, our “named executive officers” for 2018 are:

- > Rohit Kapoor, our Vice Chairman and CEO;
- > Vishal Chhibbar, our Executive Vice President and CFO;
- > Pavan Bagai, our President and Chief Operating Officer;
- > Nagaraja Srivatsan, our Executive Vice President and Chief Growth Officer; and
- > Nalin Miglani, our Executive Vice President and Chief Human Resources Officer.

#### Executive Summary

#### 2018 Financial Highlights

We improved our annual revenues from \$762.3 million in fiscal year 2017 to \$883.1 million in fiscal year 2018 (an increase of over 15%), completed one acquisition and closed a strategic \$150 million convertible notes investment from The Orogen Group. In addition, we increased our global footprint with the opening of three delivery centers, won 50 new clients, received numerous awards and industry recognitions and launched a global version of our analytics-driven subrogation platform Subrosource™ to derive additional recoveries, which has been deployed across Europe, UK, Europe and Asia.

Our Compensation Committee paid bonuses as a result of our achievement of 97.7% of our revenue target and 88.2% of our adjusted profits before tax (“Adjusted PBT”) target, and based on achievement of individual and other performance measures as described below.

#### Total Stockholder Return

The graphs below compare our 1-year, 3-year and 5-year total stockholder return (“TSR”) with that of the companies comprising Nasdaq, S&P 500 and our peer group. As shown in the table, our TSR outperformed all but one of our market benchmarks.

(1) Cumulative growth rate as of December 31, 2018.

(2) Peer group TSR data excludes Convergys Corporation, which was acquired in October 2018, and DST Systems, which was acquired in April 2018.

## Acquisitions, Finance and Equity Transactions

We completed the acquisition of SCIOinspire Holdings, Inc. (“SCIO”), a leading health analytics solution and services >company that specializes in identifying opportunities and prescribing actions to drive operational performance and address the healthcare waste epidemic while improving care quality.

We entered into an investment agreement with Orogen Echo LLC, an affiliate of The Orogen Group LLC, relating to >the issuance by the Company to Orogen Echo LLC of \$150 million aggregate principal amount of 3.50% Convertible Senior Notes due October 1, 2024.

## Awards and Industry Recognition

> Our people are our primary assets, and they continue to be recognized across the industry. As in prior years, we continued to receive numerous industry recognitions and awards, including the DSCI 2017 >award for “Best Privacy Practices in the IT/ITeS/BPM industry, pointing to our commitment to innovation and excellence.

## Clients and Operations

> In 2018 we won 50 new clients compared to the 42 new clients we won in 2017.

> We consolidated our London offices to support our growing UK and European business and opened new delivery centers in Chennai, India and in West Hartford, CT and Lee’s Summit, MO.

> We announced the global rollout of a digital Know Your Customer (KYC) solution in collaboration with HSBC that delivers faster turnaround times, more accurate due diligence and significant cost efficiencies.

> We announced a partnership with TransUnion to create a seamless technology solution for lenders to comply with the new Current Expected Credit Loss Accounting rule.

> We launched a global version of our analytics-driven subrogation platform Subrosource™ to derive additional recoveries, which has been deployed across Europe, UK, Europe and Asia.

## Summary of Key Compensation Considerations & Decisions in 2018

The following highlights the Compensation Committee's key considerations and compensation decisions in 2018 and with respect to performance for 2018.

### Considerations and Decisions

- > Say on Pay Approval: 95% of our stockholders approved, on a non-binding basis (excluding broker non-votes), of our compensation of our named executive officers.
- > Base Salaries: We provided appropriate increases to base salaries in 2018 as described below (in 2017, we held base salaries constant).
- > Annual Bonuses: We based our annual bonuses on achievement of company goals (Adjusted PBT & revenue), business unit goals (total revenues & business operating income) and personal performance goals.
- > Equity Incentives: We continued to grant a mix of time-based and performance-based restricted stock units (revenue- & TSR-linked performance goals).

## 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 2018, which were adopted to drive performance and to align our executives' interests with those of our stockholders.

### What We Do

Link a significant portion of each NEO's total compensation to the achievement of specific performance goals, as described below.

#### ü Align Our Executive Pay with Performance

Variable compensation is "at-risk" and rewards performance and contributions to both short- and long-term financial performance.

#### ü Use Appropriate Peer Groups When Establishing Compensation

Established a peer group to help us review market practices and design a competitive compensation program. The criteria for peer group selection include similar market capitalization, scope of operations, potential mobility of talent and industry alignment.

#### ü Ensure Equity Compensation Best Practices

Set compensation of our executive officers at levels that we believe are appropriate relative to the compensation paid to similarly situated officers of our peers, giving consideration to market and other factors.

Design equity incentives to encourage our executives to maintain a long-term view of stockholder value creation, to encourage retention & to ensure a significant portion of the award is performance-based.

#### ü Maintain an Independent Compensation Committee

Hold dividends accrued under our equity awards, if any, until the recipient vests in the underlying shares or units.

Compensation decisions for our NEOs are approved by a Compensation Committee composed of non-employee independent directors.

Compensation Committee is advised by an independent consultant who reports directly to the Compensation Committee & provides no other services to the Company or

management.

ü Mitigate Risks

Mix and design of our compensation programs serves to mitigate operational, financial, legal, regulatory, strategic & reputational risks.

ü Maintain a Clawback Policy

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.

Maintain a stock ownership policy that requires our CEO 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. Covered executives have five years from Dec. 2014 (or, if later, their hire date) to attain the required stock ownership levels.

ü Maintain a Robust Stock Ownership Policy

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.

As of December 31, 2018, all covered executives and directors were in compliance with the stock ownership policy.

## What We Don't Do

- û No Option Repricing** We prohibit option repricing without stockholder approval.
- û No Excessive Overhang or Dilution** We do not have excessive overhang or dilution from equity grants.  
  
We provide our named executive officers with only limited perquisites and personal benefits that serve an important business purpose in addition to the regular benefits offered to all employees.
- û No Excessive Perquisites**  
  
We consider the perquisites and personal benefits that we offer to our executives in India to be customary benefits which allow us to remain competitive for top talent.
- û No Tax Gross-Ups** We do not provide “gross-ups” to any of our named executive officers, including gross-ups 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”).  
  
We maintain a policy that 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 directly or indirectly owned by any of them.
- û No Hedging or Pledging**  
  
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 based on responsibility and performance**

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 balance long-term and short-term objectives**

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.

### **Compensation programs should be easy to understand**

### **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 end of the prior year or 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 our employees, including our executive officers. The evaluation of an individual's performance determines a portion of the payouts for each of our named executive officers made under our incentive bonus program and also influences any changes in base salary.

For Messrs. Chhibbar, Bagai, Srivatsan 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.

For Mr. Kapoor, our board of directors receives a self-evaluation prepared by Mr. Kapoor and provides feedback to our Chairman. Our Chairman then discusses the consolidated feedback from the board of directors with our Compensation Committee. Our board of directors and Compensation Committee evaluates the self-evaluation and feedback as well as Mr. Kapoor's performance, leadership accomplishments and overall competence and evaluates the achievement of established objectives.

**Review of Peer Company Market Data.** At the time compensation decisions were made for our U.S.-based and other senior executive officers in 2018, 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 2018 were as follows:

**Peer Group Companies**

Blackbaud	Genpact Limited
Convergys Corporation <sup>(1)</sup>	LiveRamp Holdings
CSG Systems International, Inc.	Sykes Enterprises
DST Systems <sup>(2)</sup>	Virtusa
EPAM Systems	WNS (Holdings) Limited

(1) Convergys Corporation was acquired by SYNEX Corporation in October 2018.

(2) DST Systems was acquired by SS&C Technologies in April 2018.

The compensation data for our peer group is compiled directly by FW Cook, the independent consultant to the Compensation Committee. The peer group compensation data was supplemented by global general industry and industry-specific survey data. The data from the surveys was scaled to our size by FW Cook based on revenues or corresponding revenue ranges as provided by the surveys. Management separately engaged Aon Consulting for the limited purpose of providing a survey of compensation data (the parameters of which were not prepared by Aon Consulting) for individuals in our global general industry holding analogous positions to our executive officers. 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 definitive benchmark to set executive compensation for fiscal year 2018.

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 reviews compensation information provided by FW Cook and the Aon survey in order to evaluate each executive's base pay, incentive bonus and equity incentives when changes in compensation are considered. 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 2018, the Compensation Committee retained the services of FW Cook, 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, FW Cook 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 FW Cook as compensation consultant for the Compensation Committee.

## Components of Executive Compensation for 2018

For 2018, the compensation of executive officers consisted of the following five primary components:

Compensation Component	Description	Objectives
<b>Base Salary</b>	<ul style="list-style-type: none"> <li>&gt; 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>&gt; 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>&gt; “At-risk” compensation earned based on performance measured against pre-established annual goals.</li> <li>&gt; Goals are tailored to each executive’s position.</li> <li>&gt; “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>&gt; Attract, retain, reward and motivate qualified and experienced executives.</li> <li>&gt; Incentivize executives to achieve annual goals that ultimately contribute to long-term company growth and stockholder return.</li> <li>&gt; Align executive interests with those of stockholders.</li> </ul>
<b>Long-Term Incentives</b>	<ul style="list-style-type: none"> <li>&gt; 50% of the award vests based on continued service.</li> <li>&gt; 50% vests based on achievement of revenue and total stockholder return goals.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Reward continuous service with the company.</li> <li>&gt; Incentivize executives to achieve goals that drive company performance over the long-term.</li> </ul>
<b>Other Benefits</b>	<ul style="list-style-type: none"> <li>&gt; 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>&gt; 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>&gt; Protect executives during potentially tumultuous corporate transaction.</li> <li>&gt; Provide reduced post-employment compensation upon other involuntary terminations.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Allow executives to focus on generating stockholder value during a change in control transaction.</li> <li>&gt; 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 2018 fiscal year.

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**      **NEO Compensation Mix**  
**(Excluding Vice Chairman & CEO)**

## 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 2018, our Compensation Committee considered:

- Individual Performance** > The degree to which the executive met and exceeded expectations.
- Market Data** > Geographical and market data to test reasonableness of compensation.
- Overall Compensation Mix** > 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, and considering base salaries were held constant for 2017, the Compensation Committee determined that it was appropriate to increase the base salary for each of our named executive officers in recognition of their individual contributions and the Company's performance. The fixed compensation paid to Mr. Bagai is paid in Indian Rupees but we have included the percentage increase with respect to his fixed compensation in U.S. dollars. Further, this amount covers not only base salary for Mr. 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.

**2017 Base  
Salary /  
Annual Fixed  
Compensation  
(Effective  
April 1, 2017)**  
Name