

CONVERGYS CORP  
Form DEF 14A  
March 04, 2016  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

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

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

**Convergys Corporation**

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

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

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- x 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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**Convergys Corporation**

**201 E. Fourth Street**

**Cincinnati, Ohio 45202**

Dear Convergys Shareholder:

We invite you to attend Convergys Corporation's 2016 Annual Meeting of Shareholders, which will be held at 12:30 p.m. Eastern Daylight Time on Thursday, April 14, 2016, at the Atrium One Building, 201 East Fourth Street, Suite 350, Cincinnati, Ohio 45202. At the meeting, you will hear a report on our business and have an opportunity to meet the company's directors and executive officers.

Details regarding admission to the meeting and the business to be conducted at the meeting are described in the accompanying Notice of Annual Meeting of Shareholders and Proxy Statement.

Your vote is very important to our Board of Directors. We urge you to vote your shares on the Internet, by toll-free telephone call or, if you have requested a paper copy of our proxy materials, by signing, dating and returning the proxy card in the envelope provided.

Thank you for your ongoing support of, and continued interest in, Convergys Corporation.

Sincerely,

Jeffrey H. Fox

Chairman of the Board

Andrea J. Ayers

Chief Executive Officer

March 4, 2016

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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**OF**

**CONVERGYS CORPORATION**

**201 East Fourth Street**

**Cincinnati, Ohio 45202**

***Date and Time:***

Thursday, April 14, 2016 at 12:30 p.m. Eastern Daylight Time

***Location:***

Atrium One Building

201 East Fourth Street

Suite 350

Cincinnati, Ohio 45202

***Purpose:***

Election of nine directors nominated by the Board of Directors and named in the Proxy Statement;

Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2016;

Approval, on an advisory basis, of the compensation of our named executive officers; and

Such other business as may be properly brought before the meeting.

The Proxy Statement following this Notice describes these matters in detail. We have not received notice of any other proposals to be presented at the Annual Meeting.

You may attend and vote at the Annual Meeting if you were a Convergys Corporation shareholder of record at the close of business on February 16, 2016, the record date for the Annual Meeting. **Whether or not you plan to attend the Annual Meeting, please vote your shares promptly on the Internet, by toll-free telephone call or, if you have requested a paper copy of our proxy materials, by signing, dating and returning the proxy card in the envelope provided. Your vote is important.** Voting your shares prior to the Annual Meeting will not prevent you from changing your vote in person if you choose to attend the meeting.

By order of the Board of Directors,

Jarrold B. Pontius

*Corporate Secretary*

March 4, 2016

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**PROXY STATEMENT**

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE CONVERGYS CORPORATION ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 14, 2016:**

As permitted by Securities and Exchange Commission (the SEC) rules, we are furnishing our proxy materials, which include this Proxy Statement and our 2015 Annual Report to Shareholders, to shareholders by providing access to the proxy materials on the Internet at [www.envisionreports.com/cvgb](http://www.envisionreports.com/cvgb). We are mailing shareholders a Notice of Internet Availability of Proxy Materials (the Notice) containing instructions on how to access the proxy materials and how to vote by proxy online. Shareholders who would like to receive a printed copy of the proxy materials should follow the instructions included in the Notice.

**VOTING YOUR SHARES AND ATTENDING THE ANNUAL MEETING**

**Who May Vote**

You may vote if you were a holder of Convergys Corporation ( Convergys or the Company ) common shares, without par value ( Common Shares ), as of the close of business on February 16, 2016 (the record date ). Each Common Share has one vote on each matter presented for action at the Annual Meeting of Shareholders (the Annual Meeting ).

**How to Vote**

The Company s Board of Directors (the Board ) is asking for your proxy in advance of the Annual Meeting. Giving your proxy means that you authorize the individuals designated as proxies to vote your Common Shares at the Annual Meeting in the manner you direct. You may give your proxy or otherwise vote your Common Shares in one of several ways, depending on how you hold your shares.

**Shareholders of Record.** If your Common Shares are registered directly in your name with the Company s transfer agent, you are considered the shareholder of record of those shares and you may:

Vote your shares by proxy by calling (800) 652-8683, 24 hours a day, seven days a week until 1:00 a.m. Eastern Daylight Time on April 14, 2016. Please have your proxy card in hand when you call. The telephone voting system has easy-to-follow instructions and provides confirmation that the system has properly recorded your vote.

OR

Vote your shares by proxy by visiting the website [www.envisionreports.com/cvgb](http://www.envisionreports.com/cvgb), 24 hours a day, seven days a week until 1:00 a.m. Eastern Daylight Time on April 14, 2016. Please have your proxy card in hand when you access the website. The website has easy-to-follow instructions and provides confirmation that the system has properly recorded your vote.

OR

If you have requested or receive paper copies of our proxy materials by mail, vote your shares by proxy by signing, dating and returning the proxy card in the postage-paid envelope provided. If you vote by telephone or over the Internet, you do not need to return your proxy card by mail.

OR

Vote your shares by attending the Annual Meeting in person and submitting your proxy card as instructed (if you have requested paper copies of our proxy materials) or completing a ballot that will be distributed at the Annual Meeting.

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For information about Common Shares registered in your name, call Computershare toll free at (888) 294-8217 or access your account via the Internet at [www.computershare.com/investor](http://www.computershare.com/investor).

**Beneficial Owners.** If your Common Shares are held in a brokerage account or by a bank or other nominee, your broker, bank or other nominee is considered the shareholder of record and you are considered the beneficial owner of the shares. In this case, your broker, bank or other nominee is responsible for providing you with instructions on how to vote. If you are a beneficial owner and want to vote your shares in person at the Annual Meeting, contact your broker, bank or other nominee to obtain a legal proxy or broker's proxy card that you should bring to the Annual Meeting to demonstrate your authority to vote.

If you do not instruct your broker, bank or other nominee on how to vote your shares, it will have discretionary authority, under New York Stock Exchange ( NYSE ) rules, to vote your shares on the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2016 (Proposal 2). However, your broker, bank or other nominee will not be permitted to vote your shares (a broker non-vote ) on the election of directors (Proposal 1) or the advisory vote to approve our executive compensation (Proposal 3).

**Voting by Proxy.** Your vote by proxy covers all Common Shares registered in your name. If you vote your shares by proxy (whether on the Internet, by toll-free telephone call or by returning a proxy card by mail) and you do not direct specific voting instructions, the shares represented will be voted consistent with the Board's recommendations:

**FOR** the election of all nine director nominees named in this Proxy Statement;

**FOR** the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2016;

**FOR** the approval, on an advisory basis, of the compensation of our named executive officers; and

In the discretion of the proxy holders on any other matters properly brought before the meeting.

**Your vote is important. Whether or not you plan to attend the meeting, please vote by proxy on the Internet, by toll-free telephone call or, if you have requested a paper copy of our proxy materials, by signing, dating and returning the proxy card.**

**401(k) Plan Shares.** If you own Common Shares in the Convergys Corporation Retirement and Savings Plan (the 401(k) Plan ), your proxy card covers those shares, too. The trustee of the plan will vote your plan shares as directed by you. If you do not provide voting instructions, the trustee of the plan will vote your plan shares in proportion to the voting instructions it has received.

## **How to Change or Revoke Your Vote**

Your presence at the Annual Meeting will not automatically revoke your prior vote by proxy. If you are a shareholder of record, you may change or revoke your vote by proxy if you:

Deliver a written notice of revocation to our Corporate Secretary prior to votes being cast at the Annual Meeting;

Execute and return a later-dated proxy prior to votes being cast at the Annual Meeting;

Cast a new vote by proxy on the Internet or by toll-free telephone call before 1:00 a.m. Eastern Daylight Time, on April 14, 2016; or

Attend the Annual Meeting and vote in person.

If you are a beneficial owner, follow the instructions provided by your broker, bank or other nominee to revoke your vote by proxy, if applicable.

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### **How to Attend the Annual Meeting**

To attend the Annual Meeting, please be prepared to present photo identification and satisfactory proof of share ownership as of the record date. Proof of share ownership can be accomplished by presenting the admission ticket included on your Notice or, if you request a paper copy of the proxy materials, your proxy card or, if you are a beneficial owner, a brokerage statement or letter from your broker, bank or other nominee indicating that you beneficially owned shares on the record date. For the safety and security of our shareholders, you will be denied admittance to the Annual Meeting if you fail to present photo identification and proof of share ownership or if you otherwise refuse to comply with our security procedures or the rules of conduct for the meeting.

### **Quorum**

We will have a quorum to conduct business at the Annual Meeting if holders of a majority of the outstanding Common Shares as of the close of business on the record date are present or represented by proxy. Shares held by shareholders who abstain from voting or whose shares are represented by broker non-votes on any proposal will be included as shares present at the Annual Meeting for purposes of determining a quorum.

## **CORPORATE GOVERNANCE**

### **Governance Policies**

Our Governance Principles, Code of Business Conduct and Ethics and Financial Code of Ethics are available on the Corporate Governance page of our website at [www.convergys.com](http://www.convergys.com), and copies of each may be obtained, upon request, from our Corporate Secretary. Our Governance Principles contain information about the structure and functioning of the Board, including with respect to committee composition, independence, membership criteria, mandatory retirement, compensation and share ownership. Our Code of Business Conduct and Ethics, with which our directors, officers and employees must comply, establishes legal and ethical standards for conducting our business in accordance with applicable NYSE listing standards and SEC regulations. We also maintain a separate Financial Code of Ethics for the Chief Executive Officer and senior financial officers, which supplements the generally applicable Code of Business Conduct and Ethics and promotes full and accurate financial reporting. Waivers from, and amendments to, our Code of Business Conduct or our Financial Code of Ethics that apply to our Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer or persons performing similar functions will be timely posted on our website at [www.convergys.com](http://www.convergys.com). The information on our website is not, and will not be deemed to be, a part of this proxy statement or incorporated into any other filings we make with the SEC.

### **Related Party Transactions**

Our written related party transactions policy requires the Audit Committee to review any transaction or series of transactions involving at least \$120,000 in which the Company was or is to be a participant and in which any related party (directors, executive officers, holders of more than five percent of the Common Shares and immediate family members of any of the foregoing) has a direct or indirect material interest (each a related party transaction). The Audit Committee will ratify or approve a related party transaction only if it determines that the transaction is in, or not inconsistent with, the best interests of the Company and that either the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party, or the products or services being acquired are of a nature, quantity or quality, or on other terms, that are not readily available from other sources. Executive officer and non-employee director compensation authorized by the appropriate Board committee is not considered a related party transaction.

Since January 1, 2015, there have been no related party transactions and, as of the date of this Proxy Statement, no related party transactions are proposed.

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### **Risk Management**

The Board, directly and indirectly through its committees, oversees the Company's risk management process. The Board and the Audit Committee monitor the Company's credit risk, liquidity risk, regulatory risk, information security risk, operational risk and enterprise risk by regular reviews with management and internal and external auditors and other advisors. In its periodic meetings with internal auditors and the Company's independent registered public accounting firm, the Audit Committee discusses the scope and plan for the internal audit and includes management in its review of accounting and financial controls and assessment of business risks and compliance programs. The Board and the Governance and Nominating Committee monitor the Company's governance and succession risk (including executive officer succession planning) by regular review with management and outside advisors. As described below, the Board and the Compensation and Benefits Committee monitor the Company's compensation policies and related risks by regular reviews with management and the Committee's outside advisors.

***Compensation Risk Assessment.*** In consultation with the Board and the Board's independent compensation consultant, members of management from the Company's Human Resources and Legal departments annually assess whether the Company's compensation policies and practices encourage excessive or inappropriate risk taking by our employees, including employees other than our named executive officers. The assessment conducted in 2015 included a review of the risk characteristics of our business, our internal controls and related risk management programs, the design of our incentive plans and policies, and the impact of risk mitigation features.

Management reported its findings to the Compensation and Benefits Committee, and after review and discussion, the Committee concluded that our compensation programs do not encourage executive officers or other employees to take unnecessary or excessive risks that are reasonably likely to have a material adverse effect on our business. Factors considered by the Committee as part of its review include:

Our executive compensation program reflects an appropriate mix of compensation elements and balances annual and long-term performance objectives and cash and equity compensation.

A significant portion of our executive compensation program is performance based and aligned with the long-term interests of our shareholders.

We use a combination of performance metrics that are consistent with our business objectives and correlate to long-term shareholder value.

Our performance goals are set at levels that we believe are reasonable in light of past performance and market conditions.

Our performance-based incentive compensation opportunities are plotted along a continuum and are not highly leveraged; incentive opportunities promote disciplined progress toward long-term goals, and all payouts are capped at pre-established maximum levels.

Our long-term incentive awards are comprised of time-based and performance-based awards that vest, if at all, over a three-year period to focus our management on long-term performance and to enhance retention.

We regularly evaluate the compensation programs and levels of a group of peers with comparable sizes and businesses to maintain the competitiveness and market appropriateness of our compensation programs in light of our industry, size and performance.

Compensation opportunities are reviewed and established annually after a thorough review of peer compensation practices and input from an independent compensation consultant.



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Our share ownership guidelines require the members of our senior management team, including our named executive officers, to hold a significant level of our Common Shares so that each executive has personal wealth tied to the long-term success of the Company and is thereby aligned with shareholders' interests.

**BOARD OF DIRECTORS**

**Leadership Structure**

The Board regularly considers its leadership structure and believes that it is important to retain the flexibility to determine the appropriate leadership structure from time to time. Although the Board does not believe the Chief Executive Officer ( CEO ) and Chairman positions should be separate in all circumstances, the Board has separated these roles since April 2007 to enable the CEO to focus on the Company's operations, while the Chairman focuses on leading the Board in its responsibilities. The Board also designates a Presiding Director, who plays a key role in communications between the Board and the CEO and has authority under the Governance Principles to convene meetings of independent directors and to lead executive sessions of independent directors. Under the Governance Principles, the Chairman is designated as the Presiding Director unless the Chairman is not independent, in which case the Board designates a lead director from among the independent directors to serve as the Presiding Director. Mr. Fox has served as Chairman since November 2012, and Mr. Nelson has served as lead independent director and Presiding Director since May 2013.

**Director Independence**

The Board annually reviews the independence of each director. Our Governance Principles require that a majority of the Board members qualify as independent directors under the NYSE listing standards. Based on the information provided by each director and the Board's most recent review, the Board has determined that all of the directors, other than Ms. Ayers and Mr. Fox, qualify as independent. Ms. Ayers and Mr. Fox are not considered independent due to Ms. Ayers' current employment as our Chief Executive Officer and Mr. Fox's employment as our Executive Chairman of the Board from November 2012 to April 2013. Mr. Fox also served as our President and CEO from February 2010 to October 2012.

In evaluating the independence of Mr. Barrett, the Board considered the ownership by Western & Southern Financial Group, Inc., for which Mr. Barrett serves as a director and CEO, of (i) more than five percent of the outstanding Common Shares and (ii) Tri-State Ventures, LLC, the general partner of an investment fund in which certain assets of the Convergys Corporation Pension Plan (the Pension Plan ) are invested. In evaluating the independence of Messrs. Devenuti, Monahan and Nelson, the Board considered the following commercial transactions, each of which involved less than one-tenth of one percent (0.1%) of such other entity's gross revenues for such year:

Convergys' purchase of data storage and security products (\$0.8 million, \$7.1 million and \$1.0 million in 2015, 2014 and 2013, respectively) from EMC<sup>2</sup> Corporation, for which Mr. Devenuti served as President of the Information Intelligence Group prior to his retirement in February 2015;

Mr. Monahan's service as a director and CEO of CEB, Inc. ( CEB ), from which Convergys has purchased subscription-based communications benchmarking tools (\$30,000, \$89,000 and \$34,000 in 2015, 2014 and 2013, respectively) and which SGS Holdings, Inc. ( Stream ) engaged in 2013 (prior to our acquisition of Stream) to conduct an employee survey;

Convergys payments for automobile rental services (\$0.4 million, \$0.4 million and \$0.5 million in 2015, 2014 and 2013, respectively) provided by Avis Budget Group, Inc. (Avis), for which Mr. Nelson is Executive Chairman of the Board and served as CEO prior to his retirement in December 2015.

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The Board has determined that the above relationships do not affect the ability of Messrs. Barrett, Devenuti, Monahan or Nelson to exercise independent judgment in carrying out their responsibilities as members of the Board.

## **Director Qualifications and Nomination Process**

The Governance and Nominating Committee is responsible for identifying, screening and recommending persons for nomination by the Board for election as directors. In accordance with the Governance Principles and with oversight from the Board, the Governance and Nominating Committee regularly assesses the skills and characteristics needed by the Board, including judgment, experience, accountability and integrity, financial literacy, leadership, industry knowledge and independence, in the context of the current composition of the Board and the Board's succession plan. Although the Board does not have a formal diversity policy, the Board believes that a variety of experiences and points of view contribute to a more effective decision-making process and considers diversity of race, ethnicity, gender, age, cultural background and professional experiences in evaluating candidates for Board membership.

In determining whether to nominate an individual for election or an incumbent director for re-election, the Governance and Nominating Committee and the Board consider the factors described above as well as an incumbent director's attendance at meetings, achievement of satisfactory performance and such other matters they deem appropriate. These factors are considered in the Board's judgment, and no rigid formula or weighting is applied.

Suggestions for director nominees can be brought to the Board's attention by the Governance and Nominating Committee, by individual members of the Board or by shareholders. The Governance and Nominating Committee also has the authority to engage third-party services to assist in identifying and evaluating qualified director candidates. Candidates recommended by shareholders are evaluated in the same manner as candidates recommended by others. To recommend an individual for nomination, shareholders should submit the candidate to the Governance and Nominating Committee by certified mail, return receipt requested, at Convergys Corporation, Attention: Corporate Secretary, P.O. Box 1895, 201 East Fourth Street, Cincinnati, Ohio 45201-1895. Our Governance Principles establish the requirements for nominee recommendations, including a letter certifying that the person making the recommendation is a shareholder and providing the name, address and biographical history of the proposed nominee and a signed statement from the nominee consenting to be named as a candidate and, if nominated and elected, to serve as a director. Recommendations for nominees for election at the 2017 Annual Meeting of Shareholders must be received by the close of business on November 15, 2016.

## **Retirement Policy**

Our Governance Principles require that a director retire from the Board effective at the Annual Meeting of Shareholders following the director's 7<sup>th</sup> birthday unless the Governance and Nominating Committee extends the applicable retirement date. The Governance Principles also require a director to tender his or her resignation upon a change in the director's personal or business status, including a change in the director's company or institutional affiliation, employment status or job responsibilities. The Governance and Nominating Committee will consider the changed circumstances and recommend to the Board whether to accept or decline the resignation. In connection with Mr. Nelson's retirement as CEO of Avis in December 2015 and upon the Governance and Nominating Committee's recommendation, the Board rejected Mr. Nelson's tendered resignation in accordance with the Governance Principles.

## **Meetings**

The Board held five meetings in 2015, four of which included executive sessions of the non-employee directors without management present. Each of the Board's committees also met in executive session, generally at the end of each committee meeting. Each director attended at least 90% of the total number of meetings of the Board and the

committees on which he or she served. Directors are expected to attend the Annual Meeting of Shareholders, and all directors attended the 2015 Annual Meeting.

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**Contacting the Board**

Shareholders and other interested parties can send written communications to one or more directors at the following address: Convergys Corporation, P.O. Box 1895, 201 East Fourth Street, Cincinnati, Ohio 45201-1895. Correspondence to the lead independent director should be sent Attention: Presiding Director, and correspondence to the independent directors as a group should be sent Attention: Independent Directors.

**BOARD COMMITTEES**

Our Board has four standing committees: Audit; Compensation and Benefits; Executive; and Governance and Nominating. Each committee, except the Executive Committee, is comprised solely of directors that are independent under applicable NYSE rules and has a written charter that can be found on the Corporate Governance page of the Investors section of our website at [www.convergys.com](http://www.convergys.com). Copies of the committee charters are also available in printed form to any shareholder who submits a request to our Corporate Secretary. The information on our website is not, and will not be deemed to be, a part of this proxy statement or incorporated into any other filings we make with the SEC.

Members: Beebe, Devenuti, Herman, Wallman (Chair)

**AUDIT**

Audit Committee Financial Experts: Beebe, Herman, Devenuti,  
Wallman

Seven Meetings in 2015

**Key Responsibilities**

Oversee the integrity of our financial statements      Review the performance of our internal audit function and the independent accountants

Richard F. Wallman,  
Chair

Oversee our compliance with legal and regulatory requirements      Oversee our system of disclosure controls and system of internal controls

Appoint the Company's independent registered public accounting firm and internal auditors and the independent registered assess the independent accountants public accounting firm qualifications and independence

**Report of the Audit Committee.** The Audit Committee provides oversight regarding the Company's financial reporting and accounting practices, including the integrity of its financial statements, and undertakes the other duties and responsibilities described above. The Audit Committee's duties and responsibilities are set forth in a charter that is approved by the Board.

The Company's management is responsible for the preparation of the Company's financial statements, its accounting and financial reporting principles, and internal controls and procedures that are designed to provide reasonable

assurance regarding compliance with accounting standards and applicable laws and regulations. Independent public accountants have the responsibility for auditing the Company's financial statements and expressing opinions as to the financial statements' conformity with generally accepted accounting principles and the effectiveness of the Company's internal control over financial reporting. During 2015, Ernst & Young LLP ( EY ) served as the Company's independent public accountants.

The Audit Committee reviewed, and discussed with management and EY, the Company's audited financial statements as of, and for the fiscal year ended, December 31, 2015. During 2015, the Audit Committee also reviewed each of the Company's quarterly earnings releases and reviewed, and discussed with management and EY, the interim financial information contained in each of the Company's Quarterly Reports on Form 10-Q. In connection with these reviews, the Audit Committee discussed and reviewed with the independent public accountants matters required to be discussed under Public Company Accounting Oversight Board ( PCAOB ) Auditing Standard No. 16 (Communication with Audit Committees) and, with and without management present,

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discussed and reviewed the results of the EY's examination of the financial statements and internal control over financial reporting. The Audit Committee also reviewed and discussed the results of the internal audit examinations.

In the performance of its oversight function, the Audit Committee discussed with management, the internal auditors and the independent public accountants the quality and adequacy of the Company's internal controls, disclosure controls and procedures, and the organization of the internal audit department's responsibilities, budget and staffing. In 2015, the Audit Committee regularly reviewed the status of the Company's efforts to ensure compliance with Section 404 of the Sarbanes-Oxley Act of 2002 (the Sarbanes-Oxley Act) requirements relating to effective internal control over financial reporting. The Audit Committee reviewed with both the independent public accountants and the internal auditors their audit plans, audit scope and identification of audit risks. The Audit Committee received updates on legal issues from the Company's General Counsel and any reports of accounting or auditing complaints received on the Company's Ethics Hotline. The Audit Committee also reviewed and approved the Company's Financial Code of Ethics for the CEO and senior financial officers.

In discharging its oversight responsibility related to the audit process, the Audit Committee obtained from EY written disclosures regarding auditors' independence as required by PCAOB Ethics and Independence Rule 3526, Communications with Audit Committees Concerning Independence. In accordance with the foregoing standard, the Audit Committee discussed with EY matters related to EY's independence and satisfied itself as to the firm's independence. The Audit Committee also considered the compatibility of non-audit services with the firm's independence. The Audit Committee has determined that the provision of certain non-audit services is compatible with maintaining the independence of EY as the Company's independent public accountants, subject to ongoing review and approval by the Audit Committee.

The Audit Committee is responsible for appointment and oversight of the Company's independent public accountants. In connection with this responsibility, the Audit Committee reviews EY's recent and historical performance on the Company's audit. The Audit Committee also reviews and considers recent PCAOB reports on EY and its peer firms, as well as EY's tenure and familiarity with the Company's operations, accounting policies and practices, and internal control over financial reporting. Furthermore, in connection with the mandated rotation of a public accounting firm's lead engagement partner, the Audit Committee is directly involved in the selection of EY's lead engagement partner. The Audit Committee, based on its review process, reappointed EY as the Company's independent auditors.

Based on the above-mentioned reviews and discussions with management and the independent auditors, the Audit Committee recommended to the Board that the Company's audited financial statements be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 for filing with the SEC. The Board approved this recommendation.

Audit Committee

Richard F. Wallman, *Chair*

Cheryl K. Beebe

Richard R. Devenuti

Joan E. Herman





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**COMPENSATION** Members: Gibbs (Chair), Barrett, Monahan Six Meetings in 2015  
Key Responsibilities

Oversee our executive compensation plans and programs Review and recommend to the full Board the compensation of our CEO

Joseph E. Gibbs,  
Chair

Review and recommend changes to executive compensation to align executive officers and management s and shareholders interests Review the performance of our other executive officers and approve their compensation

Review and evaluate the performance of our CEO against corporate goals and objectives

**Compensation Process.** The CEO provides recommendations to the Compensation and Benefits Committee regarding the general design of the Company s compensation plans as well as the compensation of the other executive officers. The CEO is not present when the CEO s compensation is approved at Compensation and Benefits Committee and Board meetings.

In accordance with the Committee s Charter, the Compensation and Benefits Committee has the sole authority, to the extent deemed necessary and appropriate, to retain and terminate any compensation consultants, outside counsel or other advisors to the Committee, including the sole authority to approve the consultant s or advisor s fees and other retention terms. In 2015, the Compensation and Benefits Committee engaged an independent outside consulting firm, Frederic W. Cook & Co., Inc. ( FW Cook ), to provide advice on, and assist the Committee in its review of, executive officer and non-employee director compensation matters. FW Cook has no other business relationship with the Company. When appropriate, the Compensation and Benefits Committee meets with its independent compensation consultant without management present.

From time to time, management may also retain consultants to research and present information to management related to compensation trends and best practices in executive officer and non-employee director compensation. Executive compensation databases and other resources provided by consulting firms help establish a foundation for the Committee s benchmarking process, which in turn serves as part of the basis for setting levels of compensation for each of the executive officers and non-employee directors.

**Compensation and Benefits Committee Interlocks and Insider Participation.** No member of the Compensation and Benefits Committee is a current or former officer or employee of the Company, or had any relationship requiring disclosure by the Company under Item 404 of Regulation S-K. No member of the Board is an executive officer of another company for which an executive officer of the Company serves as a director.

**Report of the Compensation and Benefits Committee.** The Compensation and Benefits Committee has reviewed and discussed with management the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K of the Securities Act of 1933 and, based on that review and discussion, the Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Compensation and Benefits Committee

Joseph E. Gibbs, *Chair*

John F. Barrett

Thomas L. Monahan III

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|                          |   |                     |
|--------------------------|---|---------------------|
| <b>EXECUTIVE</b>         | Members: Ayers, Fox (Chair), Gibbs, Nelson, Wallman   | No Meetings in 2015 |
|                          | Key Responsibilities  |                     |
|                          | Able to act on behalf of the Board, if and when necessary, on most matters between regular Board meetings |                     |
| Jeffrey H. Fox,<br>Chair |   |                     |

|                            |   |   |
|----------------------------|---|---|
| <b>GOVERNANCE</b>          | Members: Herman, Monahan, Nelson (Chair)  | Two Meetings in 2015  |
|                            | Key Responsibilities  |   |
|                            | Evaluate and recommend director nominees  | Review our corporate governance and recommend to the Board appropriate governance principles, policies and procedures |
| Ronald L. Nelson,<br>Chair |   |   |
|                            | Monitor the functions of Board committees and conduct evaluations of the Board and its committees |   |
|                            |   | Assist the Board in reviewing and monitoring management succession planning   |
|                            | Review and respond to shareholder proposals and concerns  |   |

**DIRECTOR COMPENSATION**

The Compensation and Benefits Committee periodically reviews compensation paid to our non-employee directors and makes recommendations for adjustments, as appropriate, to the full Board. The Committee seeks to maintain a market competitive director compensation program and, with the assistance of its independent compensation consultant, benchmarks our program from time to time against our executive officer compensation peer group. See Compensation Discussion and Analysis Compensation Philosophy and Process. At the time of the Committee's most recent review in November 2015, the total annual cash and equity compensation paid to our non-employee directors was between the 25<sup>th</sup> percentile and the median of our peer group.

Our non-employee director compensation is comprised of the following components:

**Annual Cash Retainer:** Each non-employee director receives an annual cash retainer of \$90,000, the non-executive Chairman receives an additional annual cash retainer of \$100,000 and the lead independent director receives an additional annual cash retainer of \$25,000.

**Annual Stock Award:** Each non-employee director receives an annual award of \$100,000 of time-based restricted stock units ( TRSUs ). Previously, upon first election or appointment to the Board, each non-employee director received an additional one-time award of \$100,000 of TRSUs. The Board discontinued this practice following the initial grant of TRSUs to Ms. Beebe upon her appointment to the

Board in January 2015.

**Committee Fees:** The Audit Committee chair receives an annual retainer of \$20,000, and each other Audit Committee member receives an annual retainer of \$10,000, both paid one-half in cash and one-half in TRSUs. The chairs of the Compensation and Benefits Committee and the Governance and Nominating Committee each receive an annual retainer of \$15,000, paid one-half in cash and one-half in TRSUs.

TRSUs granted to non-employee directors generally vest on the date of the subsequent Annual Meeting of Shareholders (or earlier in the case of death, disability or retirement) and are payable in Common Shares upon vesting or, at the election of the director, upon the director's separation from service.

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The Company's Deferred Compensation Plan for Non-Employee Directors (the Director Deferred Compensation Plan) was frozen, effective January 1, 2012, and no subsequent deferrals to the Plan are permitted. Existing account balances will be paid, in a lump sum or up to 10 annual installments, when the director leaves the Board or in the event of a Change of Control in accordance with the terms of the Plan.

**2015 Director Compensation**

The following table sets forth the compensation paid to, or earned by, each non-employee director in fiscal year 2015.

| Name                           | Fees Earned or |                             | All Other Compensation | Total      |
|--------------------------------|----------------|-----------------------------|------------------------|------------|
|                                | Paid in Cash   | Stock Awards <sup>(1)</sup> |                        |            |
| John F. Barrett                | \$ 90,000      | \$ 104,017                  |                        | \$ 194,017 |
| Cheryl K. Beebe <sup>(2)</sup> | \$ 96,250      | \$ 221,537                  |                        | \$ 317,787 |
| Richard R. Devenuti            | \$ 95,000      | \$ 109,225                  |                        | \$ 204,225 |
| Jeffrey H. Fox                 | \$ 190,000     | \$ 104,017                  |                        | \$ 294,017 |
| Joseph E. Gibbs                | \$ 97,500      | \$ 111,829                  |                        | \$ 209,329 |
| Joan E. Herman                 | \$ 95,000      | \$ 109,225                  |                        | \$ 204,225 |
| Thomas L. Monahan III          | \$ 90,000      | \$ 104,017                  |                        | \$ 194,017 |
| Ronald L. Nelson               | \$ 122,500     | \$ 111,829                  |                        | \$ 234,329 |
| Richard F. Wallman             | \$ 100,000     | \$ 114,433                  |                        | \$ 214,433 |

- (1) Reflects the aggregate grant date fair values of the TRSUs granted to our non-employee directors in 2015, as determined in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation - Stock Compensation (ASC Topic 718). The values of the TRSUs were calculated using the closing price of our Common Shares on the applicable grant date. As of December 31, 2015, the aggregate number of unvested TRSUs and the aggregate number of shares underlying unexercised stock options (all of which were vested) held by each non-employee director were as follows:

| Name                  | Unvested TRSUs | Shares Underlying Unexercised Stock Options |
|-----------------------|----------------|---|
| John F. Barrett       | 4,354          |   |
| Cheryl K. Beebe       | 9,654          |   |
| Richard R. Devenuti   | 4,572          |   |
| Jeffrey H. Fox        | 4,354          | 390,000                                     |
| Joseph E. Gibbs       | 4,681          |   |
| Joan E. Herman        | 4,572          |   |
| Thomas L. Monahan III | 4,354          |   |
| Ronald L. Nelson      | 4,681          |   |
| Richard F. Wallman    | 4,790          |   |

- (2) Ms. Beebe was appointed to the Board effective January 28, 2015.



**Table of Contents****PROPOSALS REQUIRING YOUR VOTE****Proposal No 1: Election of Directors**

The Board currently has ten directors. Each director is elected to serve a one-year term that expires at the next Annual Meeting of Shareholders or until the director's successor is duly elected and qualified. Mr. Barrett has advised the Governance and Nominating Committee that he will retire from the Board effective at the Annual Meeting, and the Board has reduced the number of directors to nine, effective upon Mr. Barrett's retirement. Upon the recommendation of the Governance and Nominating Committee, the Board has nominated for election as directors at the Annual Meeting the nine persons named below, each of whom is currently serving on the Board.

You may vote for all, some or none of the director nominees. Common Shares as to which the authority to vote is withheld are not counted toward the election of the director nominees specified on the proxy. Under Ohio law, the nominees receiving the greatest number of votes for will be elected as directors. However, under the Company's Code of Regulations, if any director receives a greater number of withhold votes than votes for in an uncontested election, the director must promptly tender his or her resignation to the Board. The Governance and Nominating Committee will consider the resignation and make a recommendation to the Board. The Board will determine whether to accept or reject the resignation within 90 days following certification of the shareholder vote taken at the Annual Meeting of Shareholders and will promptly disclose its decision.

We anticipate that all nominees listed below will stand for election at the Annual Meeting. However, if any nominee is not a candidate at that time for any reason, proxies (excluding broker non-votes) will be voted for a substitute nominee designated by the Board. Proxies submitted without direction will be voted for each director nominee named below.

**THE BOARD RECOMMENDS THAT YOU VOTE FOR EACH OF THE NOMINEES SET FORTH BELOW.**

|   |                          |   |                            |
|---|--------------------------|---|----------------------------|
| <b>ANDREA J. AYERS</b>                              | <b>Age: 52</b>           | <b>Director since: Oct. 2012</b>  | <b>Executive Committee</b> |
|   | Business Experience:     | 2012 Present: President and CEO, Convergys Corporation  |                            |
|   |                          | 2010 2012: COO, Convergys Customer Management Group Inc.  |                            |
| <i>President and CEO,<br/>Convergys Corporation</i> |                          | 2008 2012: President, Convergys Customer Management Group Inc.  |                            |
|   | Other Directorships:     | Stanley Black & Decker, Inc. (NYSE: SWK)  |                            |
|   | Skills & Qualifications: | Chosen to serve based upon her industry experience, leadership, and extensive knowledge of our business. With this background, including over 20 years of experience with the Company (or its predecessor), she is uniquely qualified to understand the Company's |                            |

challenges and opportunities.



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**CHERYL K. BEEBE**

**Age: 60 Director since: Jan. 2015**

**Audit Committee**

Business Experience: 2014: Advisor to the CEO, Ingredion Incorporated (f/k/a Corn Products International, Inc.), a leading global provider of ingredient solutions to diversified industries

*Retired EVP & CFO,  
Ingredion Incorporated*

2010 2014: EVP & CFO, Ingredion Incorporated

2004 2010: CFO, Ingredion Incorporated

2002 2004: Vice President, Finance, Ingredion Incorporated

1999 2004: Vice President, Ingredion Incorporated

1997 2004: Treasurer, Ingredion Incorporated

Other Directorships: Packaging Corporation of America (NYSE: PKG)

Skills & Qualifications: Chosen to serve based upon her leadership experience and judgment, prior CFO experience, including broad international and transactional experience, Audit Committee experience, and diversity of viewpoint and experience.

**RICHARD R. DEVENUTI**

**Age: 58 Director since: Aug. 2009**

**Audit Committee**

Business Experience: 2010 2015: President, Information Intelligence Group, a division of EMC<sup>2</sup> Corporation, a leading developer and provider of information infrastructure technology and solutions

*Retired Division President,*

*EMC<sup>2</sup> Corporation*

2008 2010: Senior Vice President, EMC Corporation

2003 2007: Corporate Senior Vice President, Microsoft Corporation

1994 2003: Vice President and Chief Information Officer, Microsoft Corporation

Other Directorships: St. Jude Medical Inc. (NYSE: STJ)

Skills & Qualifications: Chosen to serve based upon his leadership experience and judgment, prior experience as a CIO, controller and contact center operations leader, industry knowledge in technology and customer care, as well as his diversity of viewpoint and experience.

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|   |   |   |
|---|---|---|
| <p><b>JEFFREY H. FOX</b></p> <p><i>Chairman of the Board,<br/>Convergys Corporation</i></p> | <p><b>Age: 54</b></p> <p><b>Director since: Feb. 2009</b></p> <p>Business Experience:</p> | <p><b>Executive Committee (Chair)</b></p> <p>2013 Present: Non-executive Chairman, Convergys Corporation</p> <p>2009 Present: Principal, The Circumference Group</p> <p>2012 2013: Executive Chairman, Convergys Corporation</p> <p>2010 2012: President and CEO, Convergys Corporation</p> <p>2009 2010: CEO, The Circumference Group</p> <p>2007 2008: COO, Alltel Corporation</p> <p>2003 2007: Group President, Shared Services, Alltel Corporation</p> <p>Other Directorships: Avis Budget Group, Inc. (NASDAQ: CAR)</p> <p>Skills &amp; Qualifications: Chosen to serve based upon his leadership experience and judgment, CEO and transactional experience, communications and billing industry knowledge, as well as his diversity of viewpoint and experience.</p> |
| <p><b>JOSEPH E. GIBBS</b></p> <p><i>Chairman,<br/>Gibbs Investments, LLC</i></p>            | <p><b>Age: 66</b></p> <p><b>Director since: Dec. 2000</b></p> <p>Business Experience:</p> | <p><b>Compensation &amp; Benefits Committee (Chair)</b><br/><b>Executive Committee</b></p> <p>2002 Present: Chairman, Gibbs Investments, LLC</p> <p>1991 2001: Co-Founder, Vice Chairman, President and CEO, TGC, Inc. (The Golf Channel)</p> <p>Other Directorships: None</p> <p>Skills &amp; Qualifications: Chosen to serve based upon his leadership experience and judgment, prior CEO and Board Chairman experience, cable and billing industry knowledge, as well as his diversity of viewpoint and experience.</p>  |



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**Audit Committee**

**JOAN E. HERMAN**      **Age: 62**      **Director since: Dec. 2011**      **Governance & Nominating Committee**  
 Business Experience: 2008 Present: President and CEO, Herman & Associates LLC, a healthcare and management consulting firm

1998 2008: Various senior management positions with Anthem, Inc. (f/k/a Wellpoint, Inc.), a leading managed healthcare company, most recently serving as President and CEO, Consumer Business Unit

*President and CEO,*  
*Herman & Associates LLC*

Other Directorships: HealthSouth (NYSE: HLS)

*MRV Communications, Inc. (NASDAQ: MRVC) (2009 2012)*

Skills & Qualifications: Chosen to serve based upon her leadership experience and judgment, prior and current experience as President and CEO, healthcare and insurance industry knowledge, as well as her diversity of viewpoint and experience.

**Compensation & Benefits Committee**

**THOMAS L. MONAHAN III**      **Age: 49**      **Director since: Feb. 2008**      **Governance & Nominating Committee**  
 Business Experience: 2008 Present: Chairman and CEO, CEB, Inc. a provider of advanced research and analytics to deliver insights, tools and solutions to member companies

2005 2008: CEO, CEB, Inc.

2002 2005: General Manager of the Finance, Legal & Administration, Strategy & Innovation, Information Technology and Operations Divisions, CEB

*Chairman and CEO,*  
*CEB, Inc.*

Other Directorships: CEB, Inc. (NYSE: CEB)

Skills & Qualifications: Chosen to serve based upon his leadership experience and judgment, CEO and Board Chairman experience, as well as industry knowledge in data and customer analytics and his diversity of viewpoint and experience.

**Executive Committee**

**RONALD L. NELSON**

**Governance & Nominating Committee**

**Age: 63**

**Director since: Aug. 2008**

**(Chair)**

Business Experience: Present: Executive Chairman, Avis Budget Group, Inc., a global provider of vehicle rental services

2006 – 2015: Chairman and CEO, Avis Budget Group, Inc.

2003 – 2006: President and CFO, Cendant Corporation

*Executive Chairman,  
Avis Budget Group, Inc.*

Other Directorships: Avis Budget Group, Inc. (NASDAQ: CAR)

Hanesbrands Inc. (NYSE: HBI)

Skills & Qualifications: Chosen to serve based upon his leadership experience and judgment, CEO, Board Chairman, CFO and transactional experience, as well as his diversity of viewpoint and experience.

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**Audit Committee (Chair)**

**RICHARD F. WALLMAN**      **Age: 65**      **Director since: June 2007**      **Executive Committee**

Business Experience: 1995 – 2003: SVP and CFO, Honeywell International, Inc.

Other Directorships: Wright Medical Group N.V. (NYSE: WMGI)

Charles River Laboratories (NYSE: CRL)

Roper Industries, Inc. (NYSE: ROP)

Extended Stay America (NYSE: STAY)

*Retired SVP and CFO,*

*Honeywell International, Inc.*

*Dana Holding Corporation (NYSE: DAN) (2010 – 2013)*

*Ariba, Inc. (formerly NASDAQ: ARBA) (2002 – 2012)*

Skills & Qualifications: Chosen to serve based upon his leadership experience and judgment, prior CFO and Audit Committee experience, diversified manufacturing industry knowledge, as well as his diversity of viewpoint and experience.

**Proposal No. 2: Ratification of Appointment of Independent Registered Public Accounting Firm**

The Audit Committee has appointed EY as the independent registered public accounting firm to audit the Company's financial statements for fiscal year 2016. Although ratification by our shareholders is not required by law or our Code of Regulations, we are submitting the appointment for ratification at the Annual Meeting because the Board values the opinion of our shareholders. You may vote for, against or abstain from voting on this proposal. The affirmative vote of a majority of the Common Shares represented, in person or by proxy, and entitled to vote at the Annual Meeting is required to approve this proposal. Abstentions will be counted as votes cast and will have the same effect as a vote against the proposal. Broker non-votes will have no effect. Proxies submitted without direction will be voted for the ratification of the appointment of EY as our independent registered public accounting firm for fiscal 2016.

If our shareholders fail to ratify the selection of EY, the Audit Committee will reconsider whether or not to retain that firm but will be under no obligation to select a new firm. Even if the selection is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if the Committee determines that such a change would be in the best interests of the Company and its shareholders.

We expect that representatives of EY will attend the Annual Meeting to respond to appropriate questions and have an opportunity to make a statement if they desire to do so.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL 2016.**

***Audit Fees.*** The Audit Committee pre-approves all audit, audit-related, tax and other permissible services that will be provided by our independent registered public accounting firm. All services rendered by our independent registered public accounting firm in 2015 were pre-approved by the Audit Committee in accordance with its Pre-Approval Policy.

Under the Pre-Approval Policy, our independent registered public accounting firm is required to provide the Audit Committee with appropriately detailed documentation about the specific services that will be provided. In reviewing the request for pre-approval, the Audit Committee will consider, among other things, whether the proposed services are consistent with the rules on auditor independence. Any services exceeding pre-approved



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cost levels or budgeted amounts will require separate pre-approval by the Audit Committee. The Pre-Approval Policy prohibits the Audit Committee from engaging the independent registered public accounting firm to render services that are prohibited by the PCAOB or the applicable rules and regulations promulgated by the SEC. The Pre-Approval Policy permits the Audit Committee to delegate authority to the Audit Committee chair to approve certain services followed by a report to the Audit Committee at the ensuing Audit Committee meeting.

Fees paid to EY in 2015 and 2014 were as follows:

|                                   | <b>2015</b>  | <b>2014</b>  |
|-----------------------------------|--------------|--------------|
| Audit Fees <sup>(1)</sup>         | \$2,036,491  | \$4,153,000  |
| Audit-Related Fees <sup>(2)</sup> | \$ 863,232   | \$ 639,013   |
| Tax Fees <sup>(3)</sup>           | \$ 290,067   | \$ 540,908   |
| All Other Fees <sup>(4)</sup>     | \$           | \$ 56,000    |
| Total                             | \$ 3,189,790 | \$ 5,388,921 |

(1) *Audit Fees* were for audit services, including (a) the integrated audit of the Company's consolidated financial statements (including the review of quarterly financial statements) and the effectiveness of the Company's internal control over financial reporting; (b) consultation with management as to the accounting or disclosure treatment of transactions or events and the actual or potential impact of final or proposed rules, standards or interpretations issued by the SEC, the Financial Accounting Standards Board or other regulatory or standard-setting bodies; and (c) international statutory audits. Audit fees in 2014 reflect the impact of the Company's Stream acquisition.

(2) *Audit-Related Fees* were principally for financial reporting attestation services not required by statute or regulation and audits of information systems and employee benefit plans.

(3) *Tax Fees* were for services related to tax compliance (\$276,470 in 2015) and tax planning.

(4) *All Other Fees* were for permitted risk management advisory services.

**Proposal No 3: Approval of Compensation of Our Named Executive Officers**

Consistent with our shareholders' advisory vote at the 2011 Annual Meeting of Shareholders, our current practice is to hold an advisory vote on executive compensation on an annual basis. This non-binding proposal, commonly known as "say-on-pay," provides our shareholders with an opportunity to express their views on our named executive officers' compensation. The vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and our compensation philosophy, policies and practices described in this proxy statement. Accordingly, we will ask our shareholders to vote **FOR** the following resolution at the Annual Meeting:

RESOLVED, that the Company's shareholders approve, on a non-binding advisory basis, the compensation of the Company's named executive officers, as disclosed in the Company's Proxy Statement for the 2016 Annual Meeting of

Shareholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the 2015 Summary Compensation Table and other compensation tables, and the related narrative disclosure.

You may vote for, against or abstain from voting on this proposal. The affirmative vote of a majority of the Common Shares represented, in person or by proxy, and entitled to vote at the Annual Meeting is required to approve this proposal. Abstentions will be counted as votes cast and will have the same effect as a vote against the proposal. Broker non-votes will have no effect. Proxies submitted without direction will be voted for the approval, on an advisory basis, of our named executive officers' compensation.

Because this vote is advisory, it will not be binding on the Board or the Company. However, the Board and the Compensation and Benefits Committee value the opinions expressed by our shareholders and will consider the outcome of the vote when evaluating our compensation practices and making future decisions regarding executive compensation.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE APPROVAL, ON AN ADVISORY BASIS, OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS.**

Table of Contents**BENEFICIAL OWNERSHIP OF SECURITIES****Principal Shareholders**

On the record date, February 16, 2016, the Company's outstanding voting securities consisted of 96,585,169 Common Shares. The following table shows the number of Common Shares reported to be beneficially owned by each person that the Company believes to be the beneficial owner of more than 5% of the outstanding Common Shares.

| Name and Address of Beneficial Owner        | Number of<br>Common Shares | Percent<br>of Class |
|---|----------------------------|---------------------|
| Dimensional Fund Advisors LP                | 8,523,110 <sup>(1)</sup>   | 8.8% <sup>(1)</sup> |
| Palisades West, Building One                |                            |                     |
| 6300 Bee Cave Road                          |                            |                     |
| Austin, TX 78746                            |                            |                     |
| BlackRock Inc.                              | 8,393,230 <sup>(2)</sup>   | 8.7% <sup>(2)</sup> |
| 55 East 52 <sup>nd</sup> Street             |                            |                     |
| New York, NY 10055                          |                            |                     |
| The Western and Southern Life Insurance Co. | 7,330,903 <sup>(3)</sup>   | 7.6% <sup>(3)</sup> |
| 400 Broadway                                |                            |                     |
| Cincinnati, OH 45202                        |                            |                     |
| The Vanguard Group                          | 6,178,821 <sup>(4)</sup>   | 6.4% <sup>(4)</sup> |
| 100 Vanguard Blvd.                          |                            |                     |
| Malvern, PA 19355                           |                            |                     |

(1) Based solely on information contained in Amendment No. 4 to a Schedule 13G filed with the SEC on February 9, 2016 by Dimensional Fund Advisors LP, which reported that, as of December 31, 2015, it had sole voting power over 8,430,491 Common Shares and sole dispositive power over 8,523,110 Common Shares.

(2) Based solely on information contained in Amendment No. 6 to a Schedule 13G filed with the SEC on January 26, 2016 by BlackRock, Inc., which reported that, as of December 31, 2015, it had sole voting power over 8,164,651 Common Shares and sole dispositive power over 8,393,230 Common Shares.

(3)

Based solely on information contained in Amendment No. 4 to a Schedule 13G filed with the SEC on January 13, 2016 by The Western and Southern Life Insurance Company, which reported that, as of December 31, 2015, it had shared voting power over 7,330,903 Common Shares and shared dispositive power over 7,330,903 Common Shares.

- (4) Based solely on information contained in Amendment No. 3 to a Schedule 13G filed with the SEC on February 10, 2016 by The Vanguard Group, which reported that, as of December 31, 2015, it had sole voting power over 124,569 Common Shares, sole dispositive power over 6,054,952 Common Shares, shared voting power over 5,300 Common Shares and shared dispositive power over 123,869 Common Shares.

**Table of Contents****Directors and Executive Officers**

The following table sets forth the number of Common Shares beneficially owned by each of our directors and named executive officers, and by all of our directors and executive officers as a group, as of the record date of February 16, 2016.

| Name of Beneficial Owner  | Number of Shares Owned <sup>(1)</sup> | Stock Units That May Be Settled    |                | Total Beneficial Ownership | Percent of Class |
|---|---------------------------------------|------------------------------------|----------------|----------------------------|------------------|
|   |                                       | Options Exercisable within 60 days | within 60 days |                            |                  |
| Andrea J. Ayers   | 208,974                               |                                    | 16,577         | 225,551                    | *                |
| John F. Barrett <sup>(2)</sup>                                      | 63,222                                |                                    | 36,470         | 99,692                     | *                |
| Cheryl K. Beebe   |                                       |                                    | 9,654          | 9,654                      | *                |
| Claudia L. Cline**  | 24,798                                |                                    |                | 24,798                     | *                |
| Marjorie M. Connelly  | 2,153                                 |                                    | 6,351          | 8,504                      | *                |
| Richard R. Devenuti   | 13,701                                |                                    | 29,796         | 43,497                     | *                |
| Jeffrey H. Fox <sup>(3)</sup>                                       | 755,001                               | 390,000                            | 4,354          | 1,149,355                  | 1.2%             |
| Joseph E. Gibbs <sup>(4)</sup>                                      | 25,000                                |                                    | 16,879         | 41,879                     | *                |
| Joan E. Herman  | 19,179                                |                                    | 11,338         | 30,517                     | *                |
| Thomas L. Monahan III <sup>(5)</sup>                                | 28,649                                |                                    | 28,030         | 56,679                     | *                |
| Ronald L. Nelson  | 44,658                                |                                    | 35,419         | 80,077                     | *                |
| Jarrod B. Pontius   | 7,322                                 |                                    | 763            | 8,085                      | *                |
| Andre S. Valentine  | 38,529                                | 30,990                             | 5,589          | 75,108                     | *                |
| Richard F. Wallman  | 10,627                                |                                    | 22,871         | 33,498                     | *                |
| <b>All directors and executive officers as a group (13 persons)</b> | <b>1,217,015</b>                      | <b>420,990</b>                     | <b>224,091</b> | <b>1,862,096</b>           | <b>1.9%</b>      |

\* Less than 1%.

\*\* Former executive officer.

(1) Excludes Common Share equivalents credited to accounts under the Convergys Corporation Executive Deferred Compensation Plan (the Executive Deferred Compensation Plan) or Common Shares issuable under TRSUs or performance-based restricted stock units ( PRSUs ). See Outstanding Equity Awards at 2015 Fiscal Year-End for a summary of all unvested TRSUs and PRSUs held by our named executive officers.

(2) Includes 1,568 Common Shares held directly by members of Mr. Barrett's family, as to which he disclaims beneficial ownership. Excludes (i) 2,817 Common Shares held in the frozen Director Deferred Compensation Plan and (ii) Common Shares held by The Western & Southern Life Insurance Company and its affiliates for which Mr. Barrett serves as Chairman of the Board, President and Chief Executive Officer. Mr. Barrett

disclaims beneficial ownership of the Common Shares held by The Western & Southern Life Insurance Company and its affiliates.

- (3) Includes 25,000 Common Shares held directly by the Fox Family Charitable Trust and 350,000 Common Shares held directly by FAMCO Enterprises Limited Partnership as to which Mr. Fox disclaims beneficial ownership.
- (4) Excludes 12,600 Common Shares held in the frozen Director Deferred Compensation Plan.
- (5) Excludes 9,822 Common Shares held in the frozen Director Deferred Compensation Plan.

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

Section 16(a) of the Exchange Act requires our directors and officers (as defined in Rule 16a-1 under the Exchange Act) and any person who beneficially owns more than 10% of our Common Shares to file reports of ownership of, and transactions in, Company securities with the SEC. Based solely on our records, publicly available filings with the SEC and written representations from certain reporting persons, we believe that each person who, at any time during fiscal 2015, was a director or officer (as defined in Rule 16a-1 under the Exchange Act) of the Company or beneficially owned more than 10% of our Common Shares timely filed all reports required to be filed by Section 16(a) of the Exchange Act in fiscal 2015, with the exception of one director, Ms. Beebe, who filed a late Form 3 following her appointment to the Board.

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**Table of Contents****COMPENSATION DISCUSSION AND ANALYSIS**

This Compensation Discussion and Analysis explains our 2015 executive officer compensation program for: Andrea J. Ayers, our President and Chief Executive Officer ( CEO ); Andre S. Valentine, our Chief Financial Officer; our two other executive officers as of December 31, 2015 – Marjorie M. Connelly, our Chief Operating Officer, and Jarrod B. Pontius, our General Counsel and Chief Administrative Officer; and Claudia L. Cline, our former Executive Vice President and General Counsel, who retired from the Company effective June 30, 2015. We refer to these individuals as our named executive officers.

**Executive Summary**

**2015 Performance.** During 2015, we made meaningful strides to strengthen our leadership position in the customer management BPO industry. Our success reflected profitable growth with notable clients, the strength of our global platform and our disciplined approach to capital deployment. Year-over-year, earnings grew at a double-digit rate, profit margins continued to expand, and revenue increased despite strong currency headwinds. We also continued to return capital to shareholders through our quarterly dividend and share repurchase program, paying \$30 million in dividends to our shareholders, including a 14 percent increase to the quarterly dividend in May, and repurchasing \$72 million of our common shares under a Board-approved share repurchase program.

**2015 Compensation Highlights.** A significant portion of our named executive officers' 2015 target total direct compensation (base salary, annual incentive opportunity ( AIP ) and long-term incentive opportunity ( LTI )) was directly contingent on achieving specific performance results that are key to our long-term success and growth in shareholder value. For example, Ms. Ayers' s performance-based 2015 AIP award and 2015 performance-based restricted stock units ( PRSUs ) comprised approximately 51% of her target total direct compensation. Our incentive compensation programs continued to focus executives on achieving key business objectives and aligning their interests with those of our shareholders. Named executive officers earned 2015 AIP awards equal to 90% of target as a result of our achievement of adjusted operating income of approximately \$250 million in 2015. The use of adjusted operating income as a performance metric focused our executives on profitability, operating performance and disciplined capital deployment, while the revenue award modifier (which was not met in 2015) provided an incentive for management to improve top-line growth, but not at the expense of profit. See Elements of Executive Compensation Annual Incentive Awards below.

Our 2015 LTI awards also emphasized pay for performance and continued to be equally divided between PRSUs and time-based restricted stock units ( TRSUs ). Vesting of the 2015 PRSU awards will depend upon the achievement of annual adjusted earnings per share ( adjusted EPS ) goals over the three-year period ending December 31, 2017, strengthening alignment with the interests of our shareholders. Also in 2015, our named executive officers earned 109% of their 2013 PRSU awards based on our adjusted EPS performance over the three-year performance period ended December 31, 2015. Our outstanding 2014 PRSUs remain at risk and subject to achievement of the applicable adjusted EPS goals for the performance period ending December 31, 2016. See Elements of Executive Compensation Long-Term Equity Incentive Awards below.

**Compensation Policies and Practices.** Consistent with our commitment to strong corporate governance, beginning in 2015, newly granted PRSUs and TRSUs are subject to double-trigger vesting in connection with a change of control (i.e. awards do not vest solely upon a change of control). In the event of a change of control, such awards would be converted to cash awards that vest on the originally scheduled vesting dates or upon a qualifying termination of employment following the change of control. Our severance plan also requires a double-trigger for the payment of any change of control severance benefits.



Reflecting our pay-for-performance philosophy, we also maintained the following compensation policies and practices that support long-term shareholder value:

*Well-Balanced Compensation Program.* The structure of our executive compensation program includes a balanced mix of cash and equity compensation with a strong emphasis on performance-based and at-risk compensation.

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*Capped Incentive Award Opportunities.* Our named executive officers' incentive award opportunities are capped and the value of their awards is determined by performance with respect to performance metrics that promote long-term shareholder value.

*Multi-Year Vesting and Performance Periods.* To enhance retention and alignment with shareholders' interests, our long-term incentive awards are comprised of time-based and performance-based equity awards that vest over a three-year performance period and the majority of which remain at risk until the third year of the performance period.

*Independent Decision Makers.* The Compensation and Benefits Committee (the Committee) is comprised solely of independent directors and works closely with an independent compensation consultant to monitor trends and best practices in executive compensation and make appropriate adjustments to our program to promote alignment with the interests of our shareholders.

*Competitive Compensation Program and Practices.* The competitiveness of our executive compensation program is assessed by comparison to a group of peer companies that are comparable to us based on a variety of factors, including industry, revenue and market capitalization.

*No Excise Tax Gross-Ups.* We do not provide our executive officers with excise tax gross-up protection for severance benefits.

*Strong Share Ownership Guidelines.* We maintain robust retention-based share ownership guidelines (five times base salary for our CEO and three times base salary for our other named executive officers) that strengthen alignment of named executive officer and shareholder interests.

*Recoupment of Equity Awards.* We have the right to cancel outstanding equity awards and recover realized gains if an executive engages in certain detrimental activity while employed by the Company or within two years thereafter.

*Limited Perquisites.* We provide our named executive officers with limited perquisites (supplemental disability and life insurance and a medical exam) that are narrowly tailored to enhance our retention of talent over the long term.

*Anti-Hedging and Anti-Pledging Policy.* Under the Company's Insider Trading Policy, our named executive officers are prohibited from engaging in hedging transactions related to Company securities, including put and call options and short sales. Named executive officers also are discouraged from pledging their Common Shares as collateral for a loan and, if electing to do so, must first demonstrate financial capacity to meet a margin call or repayment request without resort to the pledged shares.

**2015 Say-on-Pay Advisory Vote.** As in previous years, shareholders continued to show strong support for our executive compensation program. More than 95% of the votes cast at our 2015 Annual Meeting of Shareholders voted

to approve the compensation of our named executive officers. The Committee views this result as confirmation that our compensation program, with its emphasis on pay-for-performance and prudent governance practices, is structured and designed to achieve our stated goals. Based, in part, on the strong support of our shareholders, the structure of our executive compensation program did not change materially for 2015. We once again urge our shareholders to vote FOR the approval, on an advisory basis, of the compensation of our named executive officers.

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**Compensation Philosophy and Process**

Our Company's long-term success is based on achieving key strategic, financial, customer and operational goals each year. To drive achievement of and align focus with these goals, our executive compensation program emphasizes pay-for-performance through variable or at-risk components that are designed to:

**Align the interests of our executive officers with those of our shareholders** by using equity incentive awards as a significant portion of our executives' compensation and requiring executive officers to acquire and retain meaningful Common Share ownership under our share ownership guidelines.

**Provide a strong link between pay and performance** by weighting total direct compensation toward performance-based incentive compensation that promotes achievement of annual performance with annual cash incentive awards and long-term business goals with multi-year PRSUs.

**Attract and retain talented individuals** by offering compensation opportunities that are competitive with those offered by firms with which we compete for executive talent and that are commensurate with each executive officer's responsibilities, experience and demonstrated performance.

**Peer Group and Benchmarking.** The Committee believes that each element of our compensation program should remain competitive to retain and, as necessary, attract key executive talent. To achieve this objective, the Committee generally strives to establish a target total direct compensation opportunity (comprised of base salary, AIP award opportunity and LTI award opportunity) for each executive officer that is within 15% of the median of competitive market data. This targeted range balances the goal of maintaining a competitive compensation program with Committee flexibility to make adjustments to the compensation opportunities for individual named executive officers to respond to market conditions, tenure in the position, individual performance or experience, and other relevant circumstances. For 2015, at the time of approval by the Committee, the total direct compensation opportunity for each of our named executive officers was below the median of the competitive market data, and the total direct compensation opportunity for each of Ms. Ayers and Mr. Pontius was more than 15% below the median.

In considering the competitive environment, the Committee reviews compensation information disclosed by a peer group of comparatively sized companies with which we compete for business and executive talent and information derived from published survey data that compares the elements of each executive officer's target total direct compensation to the market information for executives with similar roles. The Committee's independent compensation consultant compiles this information for the Committee and size-adjusts the published survey data to reflect our revenue in relation to the survey participants to more accurately reflect the scope of responsibility for each executive officer.

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The Committee, with input from its independent compensation consultant, annually reviews and selects the peer companies, which generally consist of publicly-traded customer management outsourcing firms, as well as companies that compete in similar industries, such as business process outsourcers and transaction processors. For 2015, the peer companies were selected primarily based upon the following criteria: (i) similar business operations/industry/competitors for investor capital, (ii) sales and market capitalization between approximately 1/3 and 3 times our sales and market capitalization, and (iii) competitors for executive talent. To identify a sufficient number of companies such that the data provided is adequate to reach reasonable and valid conclusions about the competitive market, the Committee considers potential peers that operate in the customer management sector, as well as related industries that are labor intensive and subject to similar economic pressures and opportunities. For 2015 compensation purposes, our peer group consisted of the following 13 companies:

|                                      |                        |                        |
|--------------------------------------|------------------------|------------------------|
| Axiom Corp.                          | Corelogic, Inc.        | TeleTech Holdings Inc. |
| Alliance Data Systems Corp.          | DST Systems Inc.       | Unisys Corp.           |
| Broadridge Financial Solutions, Inc. | Fiserv Inc.            | West Corporation       |
| CA, Inc.                             | Genpact Ltd.           |                        |
| Cognizant Technology Solutions Corp. | Sykes Enterprises Inc. |                        |

As disclosed in last year's proxy statement, the 2015 peer group is consistent with the 2014 peer group, except that Lender Processing Services, Inc. was removed as a result of being acquired and Cognizant Technology Solutions replaced Ciber, Inc. to reflect the growth of our Company as a result of the Stream acquisition. At the time the Committee approved the 2015 peer group in 2014, our expected annual revenues (inclusive of Stream) approximated the 61<sup>st</sup> percentile of the 2015 peer group for the most recently completed fiscal year.

In July 2015, with the assistance of its independent compensation consultant, the Committee reviewed the above peer group and determined that each company continued to substantially align with the selection criteria and that CACI International, Inc. was an appropriate comparator company to add to the peer group to be used for 2016 compensation purposes.

***Independent Compensation Consultant.*** In 2015, the Committee retained FW Cook, an independent compensation consulting firm, to provide advice on executive compensation matters, including the types and levels of executive compensation and the competitiveness of our compensation programs as compared to our competitors for executive talent. FW Cook reports directly to the Compensation Committee and interacts with management at the Committee's direction. The Committee and its chairperson have regular opportunities to meet with FW Cook in executive sessions without management present. The Committee reviewed the independence of FW Cook in 2015, including the specific factors set forth in Rule 10C-1 under the Exchange Act, and determined that FW Cook is independent and that FW Cook's work for the Committee has not raised any conflicts of interest. In particular, FW Cook has no business relationship with the Company and did not provide any services to the Company other than the executive officer and non-employee director compensation consulting services provided to the Committee.

***Role of Management.*** Our CEO and our human resources, legal and finance departments assist in the design of our incentive compensation plans, including performance target recommendations that support our strategic goals. The CEO attends Committee meetings at the Committee's request and, for other executive officers, evaluates individual performance and makes recommendations to the Committee regarding base salary, annual incentive compensation opportunities and long-term incentive compensation opportunities. The Committee regularly meets in executive session without the CEO or any members of management present.

**Elements of Executive Compensation**

Our executive compensation program consists of three main elements: base salary, annual cash incentive compensation and long-term equity incentive compensation. We emphasize long-term equity incentive

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compensation over annual cash incentive compensation to reinforce the importance of shareholder value creation over longer periods of time. The Committee believes that a significant portion of executive compensation should be at risk to align with the interests of our shareholders and support our pay-for-performance philosophy.

The chart below shows the portion of each named executive officer's 2015 target total direct compensation that was allocated to each component of direct compensation and the percentage of each named executive officer's compensation that was at risk.

The chart above reflects adjustments made by the Committee for 2015, as described below, to bring named executive officer compensation levels closer to the competitive range of market data for the Company and to recognize changes to the scope of the named executive officers' responsibilities during 2015. In particular, in May 2015, Ms. Connelly assumed responsibility for business development following the resignation of our Chief Commercial Officer, and Mr. Pontius was promoted, effective July 1, 2015, to General Counsel and Chief Administrative Officer upon Ms. Cline's retirement. Each of Ms. Connelly and Mr. Pontius received increases to their target total direct compensation in connection with these changes, as described more fully below.

**Base Salary.** Base salaries are designed to attract and retain talent and reward named executive officers for their skills, experience and performance. Increases in base salaries are used to support our pay-for-performance philosophy by rewarding our named executive officers for their performance, continued growth in their roles and for taking on new responsibilities.

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The Committee approved the 2015 base salaries shown below for Ms. Ayers, Mr. Valentine and Ms. Cline, effective January 1, 2015. Notwithstanding Ms. Ayers' strong performance, her base salary was not increased, because the independent members of the Board, based on recommendations from the Committee, determined that her salary was appropriately competitive in the range of market data and that her variable, at-risk compensation opportunity should be increased. The base salary increases for Mr. Valentine and Ms. Cline brought their respective salaries closer to the competitive range of the market data. The annualized base salary of Ms. Connelly was initially unchanged due to her recent appointment to Chief Operating Officer, but was increased after considering her performance and the expansion of her responsibilities in May 2015. The annualized base salary of Mr. Pontius was established, effective upon his promotion in July 2015.

|              | Annual Base Salary |            | Year-Over Year<br>% Change |
|--------------|--------------------|------------|----------------------------|
|              | 2015               | 2014       |                            |
| A. Ayers     | \$ 900,000         | \$ 900,000 |                            |
| A. Valentine | \$ 480,000         | \$ 460,000 | 4.3%                       |
| M. Connelly  | \$ 575,000         | \$ 500,000 | 15.0%                      |
| J. Pontius   | \$ 345,000         | N/A        | N/A                        |
| C. Cline     | \$ 385,000         | \$ 370,000 | 4.1%                       |

**Annual Incentive Awards.** The AIP is an important component of our total cash compensation because it rewards our management for achieving annual financial, operational and individual results and is variable, at-risk compensation. In 2015, our executive officers earned cash AIP awards equal to 90% of their individual target award opportunities based on the achievement of adjusted operating income and revenue goals established early in 2015 by the Committee. The primary performance metric was adjusted operating income, which motivated management to focus on profitability, operating performance and disciplined capital deployment. The award opportunity for this performance metric was 0 to 150% of the target award. Revenue was used as an award modifier (from 0 to 50% of the target award) that could increase awards only if the threshold operating income goal was also achieved. In this way, the revenue modifier maintained executive officers' focus on topline growth without sacrificing profitability.

**Award Modifier Performance Metric**

| Primary Performance Metric |                      | (only if threshold goal for primary metric is met) |                     |
|----------------------------|----------------------|--|---------------------|
| Adjusted Operating Income  |                      | Revenue  |                     |
| Goals                      | Award Opportunities  | Goals  | Award Opportunities |
| Threshold: \$231 million   | 50% of Target Award  | Threshold: \$3,030 million                         | 1% of Target Award  |
| Target: \$255 million      | 100% of Target Award | Maximum: \$3,242 million                           | 50% of Target Award |
| Maximum: \$303 million     | 150% of Target Award |  |                     |

**Actual Performance:** ~ \$250 million

**Earned Award:** 90% of Target

**Actual Performance:** ~ \$2,950 million

**Earned Award Modifier:** 0% of Target

See page 21 of our Annual Report on Form 10-K for a reconciliation of adjusted operating income to operating income, as reported. Adjusted operating income of \$251.8 million excludes depreciation resulting from the fair value write-up of property and equipment acquired from Stream, integration expenses associated with acquired Stream



*operations, and amortization of acquired intangible assets.*

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Executive officers could earn between 0% and 200% of their target AIP awards based on the Company's performance with respect to the adjusted operating income and revenue goals. The amount of each executive officer's earned award was determined by reference to the officer's individual target AIP opportunity, which was established by the Committee (or, in the case of the CEO, the independent members of the Board) at the start of the year and expressed as a percentage of base salary. As a result of achieving 90% of target performance on our adjusted operating income goal and delivering revenue that fell below the revenue threshold goal, each named executive officer (other than Ms. Cline) earned 2015 AIP awards equal to 90% of the applicable target AIP award as follows:

| Name         | Target AIP Opportunity<br>(% Base Salary) | Target AIP Award<br>(\$) | AIP Award Opportunity Range<br>(Threshold Maximum) |             | Actual AIP Award<br>(\$) |
|--------------|---|--------------------------|--|-------------|--------------------------|
|              |   |                          |  |             |                          |
| A. Ayers     | 110%                                      | \$990,000                | \$495,000  | \$1,980,000 | \$891,000                |
| A. Valentine | 75%                                       | \$360,000                | \$180,000  | \$720,000   | \$324,000                |
| M. Connelly  | 75%                                       | \$431,250                | \$215,625  | \$862,500   | \$388,125                |
| J. Pontius   | 60%                                       | \$150,329                | \$75,165   | \$300,658   | \$135,296                |
| C. Cline     | 60%                                       | \$231,000                | \$115,500  | \$462,000   | \$114,551*               |

\* In accordance with the AIP, upon Ms. Cline's retirement, she received a pro rata portion of her target award based on the portion of the year that she was employed by the Company.

The target AIP opportunities set forth in the above table were generally unchanged from 2014, except that Ms. Ayers target percentage was increased from 2014 in lieu of increasing her base salary and Mr. Pontius's target percentage was established upon his promotion in 2015. The target AIP award expressed in dollars in the above table is prorated for Mr. Pontius to reflect changes in his base salary and target AIP opportunity during the year as a result of his promotion. Accordingly, the target AIP award for Mr. Pontius is less than the product of his 2015 base salary and target AIP opportunity.

**Former General Counsel Performance Award.** In connection with Ms. Cline's retirement in June 2015, she received a performance cash award of \$285,000. The award was approved by the Committee in April 2015 to reward Ms. Cline for her years of exceptional service, including her expansion of the General Counsel position to include broader administrative officer responsibilities and her efforts in connection with our successful acquisition and integration of Stream.

**Long-Term Equity Incentive Awards**

**2015 Long-Term Equity Incentive Awards.** Our LTI awards are designed to reward our named executive officers for Company performance, drive sustainable, long-term growth for our Company and our shareholders, and reinforce retention. For 2015, the Committee continued to split each named executive officer's LTI award equally between TRSUs and PRSUs.

The TRSUs foster employee share ownership, align the interests of management with those of our shareholders, and enhance retention by vesting over a multi-year vesting schedule. The majority of the shares are at risk until the third anniversary of the grant date, as only 25% of the shares vest on each of the first and second anniversaries of the grant date and 50% of the shares vest on the third anniversary of the grant date.

The PRSUs provide our named executive officers with the opportunity to receive additional Common Shares based on the extent to which the Company achieves adjusted EPS goals over a three-year performance period. The multi-year adjusted EPS performance period balances the AIP's one-year adjusted operating income and revenue performance measures with a longer-term focus on building and sustaining long-term shareholder value. Further, the Committee's ability to establish an annual adjusted EPS goal for each year of the three-year performance period promotes highly motivating and meaningful performance targets in an uncertain and rapidly

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changing economy. Based on adjusted EPS performance for the three-year performance period ending December 31, 2017, the named executive officers are able to earn 50% to 200% of the target PRSU awards; no shares are earned if performance is below the threshold level.

Each named executive officer's 2015 LTI award opportunity is shown in the table below.

| Name         | Total Target Award Value | TRSUs              |                | PRSUs              |                       |
|--------------|--------------------------|--------------------|----------------|--------------------|-----------------------|
|              |                          | Target Award Value | No. of Shares* | Target Award Value | No. of Target Shares* |
| A. Ayers     | \$2,610,000              | \$1,305,000        | 66,311         | \$1,305,000        | 66,311                |
| A. Valentine | \$880,000                | \$440,000          | 22,358         | \$440,000          | 22,358                |
| M. Connelly  | \$1,230,000              | \$615,000          | 30,407         | \$615,000          | 30,407                |
| J. Pontius   | \$300,000                | \$150,000          | 6,332          | \$150,000          | 6,332                 |
| C. Cline     | \$450,000                | \$225,000          | 11,433         | \$225,000          | 11,433                |

\* The number of TRSUs and PRSUs granted is generally determined by reference to the average closing price of our Common Shares over a ten trading day measurement period established by the Committee to limit the impact of temporary price fluctuations. As a result, the target award values differ from the grant date fair values reported in the Summary Compensation Table and the Grant of Plan-Based Award Table, which are based on the closing price on the grant date.

In determining LTI award opportunities for our named executive officers, the Committee balances the goal of delivering competitive long-term incentive compensation with appropriate management of the dilutive impact and cost of issuing equity awards. The Committee also monitors the unvested TRSU and PRSU award opportunities for incomplete performance cycles to maintain appropriate retention values associated with outstanding awards. The amounts shown above for Ms. Ayers, Mr. Valentine and Ms. Cline reflect increases of approximately 8.8%, 10.0% and 12.5%, respectively, to their 2014 LTI award opportunities to recognize each officer's performance and additional experience in his or her role, as well as to bring the LTI award opportunities closer to the competitive range of the market data. Ms. Connelly's total award opportunity includes her initial 2015 LTI award opportunity with a target value of \$1 million, as well as a \$230,000 increase to her LTI target award opportunity that she was granted in recognition of the expansion of her responsibilities in May 2015. The TRSU portion of this increase to her award opportunity vests 100% on the third anniversary of the grant date. Similarly, the total amount shown for Mr. Pontius includes his initial 2015 LTI award opportunity with a target value of \$135,000, as well as an additional LTI award opportunity with a target value of \$165,000 that he was granted following his promotion in July 2015.

**Table of Contents***Prior-Year PRSUs*

2013 – 2015 Performance Period. Based on our performance against the goals approved by the Committee, our named executive officers (other than Ms. Connelly who was not employed by the Company in 2013) earned 109% of the PRSUs granted as part of their 2013 LTI awards. Vesting of the 2013 PRSUs was based on adjusted EPS performance for each year of the three-year performance period ended December 31, 2015, as follows:

|                    | <b>2013 Adjusted<br/>EPS</b> | <b>2014 Adjusted<br/>EPS</b> | <b>2015 Adjusted<br/>EPS</b> | <b>Total Adjusted<br/>EPS</b> | <b>Award<br/>Opportunity</b> |
|--------------------|------------------------------|------------------------------|------------------------------|-------------------------------|------------------------------|
| Threshold Goal     | \$0.965                      | \$1.36                       | \$1.56                       | \$3.885                       | 50% of Target                |
| Target Goal        | \$1.045                      | \$1.48                       | \$1.70                       | \$4.225                       | 100% of Target               |
| Maximum Goal       | \$1.405                      | \$2.00                       | \$2.30                       | \$5.705                       | 200% of Target               |
| Actual Performance | \$1.03                       | \$1.59                       | \$1.73                       | \$4.35                        | 109% of Target               |

*Adjusted EPS, as presented above, reflects adjusted EPS as reported in our Annual Reports on Form 10-K, as further adjusted to exclude the effect of share repurchases (\$0.03), \$(0.01) and \$(0.04) in 2015, 2014 and 2013, respectively). See pages 23, 23 and 24, respectively, of our Annual Reports on Form 10-K for the years ended December 31, 2015, 2014 and 2013, which have been filed with the SEC, for a reconciliation of as reported adjusted EPS to EPS.*

As a result of the foregoing performance, our named executive officers (other than Ms. Connelly) earned the following number of Common Shares, representing 109% of the target number of shares: Ms. Ayers, 61,282; Mr. Valentine, 17,710; Mr. Pontius, 3,543; and Ms. Cline, 7,367. Ms. Cline's 2013 PRSUs were prorated based on the portion of the performance period for which she was employed by the Company prior to her retirement in June 2015.

2014 – 2016 Performance Period. The PRSUs granted in 2014 remain at risk and will vest based on our adjusted EPS performance during the three-year performance period ending December 31, 2016.

**Retirement Benefits.** Executive officers are eligible to participate in our 401(k) Plan and our Executive Deferred Compensation Plan, a non-qualified savings plan that enables participants to defer compensation in excess of the limits that apply to the 401(k) Plan. Both plans provide for matching contributions by the Company and are provided as part of competitive compensation packages. See Non-Qualified Deferred Compensation.

Effective April 1, 2008, the Company's U.S. qualified pension plan and non-qualified excess benefit plan were frozen. No additional benefits have accrued to any of our named executive officers under these plans since March 31, 2008. See Pension Benefits.

**Perquisites and Other Personal Benefits.** Perquisites and personal benefits are not a significant component of our executive compensation program. The named executive officers are entitled to participate in benefit programs generally made available to all employees, such as medical, dental, vision and life insurance, but receive limited perquisites. In 2015, the Company provided executive officers with disability benefits in excess of those provided to employees generally, supplemental executive life insurance equal to three times base salary, with a gross-up for the imputed taxes, and an annual medical exam. The Committee believes that the use of these limited perquisites helps us attract and retain talented executives, enables our executive officers to devote more time to our business and, in the case of the medical exam, promotes early detection of health issues that may affect key individuals on whom our business depends.

***Employment Agreements and Post-Termination Benefits.*** Although we do not have employment agreements with any of our named executive officers, the Committee believes that severance benefits are necessary for the retention of highly skilled executive officers. Accordingly, we maintain the 2012 Convergys Corporation Senior Executive Severance Pay Plan (the "Severance Plan") to provide consistent severance

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benefits for similarly situated executives without reliance on employment agreements. The Severance Plan also provides our executive officers with severance benefits in connection with a qualified termination following a change of control (i.e. double-trigger vesting) to free our executives from distraction if presented with decisions regarding a change of control transaction. The Committee believes that the change of control severance protections promote retention of senior officers and continuity of management in the event of a change of control and encourage executive officers to support value-maximizing corporate transactions that could result in their personal job loss. The Committee believes that the terms of the Severance Plan are generally consistent with market practices and that comparable severance arrangements are widely used by companies in our compensation peer group. See Potential Payments upon Termination or in Connection with a Change of Control Severance Plan.

**Other Compensation Policies**

**Share Ownership Guidelines.** The Committee believes that executive officers should have a significant equity interest in the Company to provide a direct incentive for management to build and sustain long-term shareholder value. Accordingly, to promote equity ownership and further align the interests of management with those of our shareholders, named executive officers are required to hold a minimum number of Common Shares (excluding vested and unvested stock options and unvested PRSUs) as follows:

| Position                       | Multiple of Base Salary | Share Ownership Guideline                            |   |
|--------------------------------|-------------------------|--|---|
|                                |                         | Dollar Amount<br>(base salaries as of<br>12/31/2015) | No. of Shares<br>(12/31/2015 share price) |
| Chief Executive Officer        | 5x                      | \$4,500,000  | 180,796                                   |
| Other named executive officers | 3x                      | \$1,400,000 (average)                                | 56,247 (average)                          |

Each of Ms. Ayers and Mr. Valentine has exceeded the applicable ownership requirement. Ms. Connelly, who joined Convergys in November 2014, and Mr. Pontius, who was promoted to an executive officer role in July 2015, have not had sufficient time in their roles to meet the applicable ownership requirement. Under our share ownership guidelines, they are required to retain 50% of Common Shares earned through the vesting of TRSUs and PRSUs (net of shares withheld to pay taxes) until they have met the applicable requirement.

**Recoupment Policy.** We maintain a recoupment policy that subjects each named executive officer's long-term incentive awards to forfeiture or repayment if the officer engages in detrimental activity while employed by the Company or within two years thereafter. Detrimental activity includes (i) disclosing the Company's proprietary, confidential or trade secret information; (ii) becoming involved in any business activity in competition with the Company in an area where the Company is engaged in the business activity; (iii) interfering with the Company's relationships with any person or entity or attempting to divert or change any such relationship to the detriment of the Company or the benefit of any other person or entity; (iv) failing to disclose and assign to the Company any ideas, inventions, discoveries and other developments conceived during employment that are within the scope of or related to the Company's existing or planned business activities; (v) disparaging or acting in any manner that may damage the Company's business or would adversely affect the Company's goodwill, reputation or business relationships; (vi) inducing any employee to terminate his or her employment relationship with the Company; or (vii) taking or retaining any Company property without authorization.

Following the SEC's adoption of final rules regarding executive compensation recoupment policies pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, we will consider amendments to our recoupment policy in accordance with the final rules. Our equity award agreements currently provide that the awards are subject to recoupment under any such policy we may adopt or amend in the future.

***Timing of Equity Awards.*** Generally, we do not grant equity awards during regularly scheduled quarterly blackout windows or in anticipation of the release of material, nonpublic information. If the Committee or the



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Board approves an equity award at such a time, the grant date is deferred until following the release of our quarterly earnings or the disclosure of such nonpublic information. This practice avoids potential undue windfalls that may arise if equity grants are made shortly prior to the release of material non-public information. Annual equity grants to our executive officers are typically made following the release of our annual earnings in February, but officers that are hired, promoted or have a meaningful increase in scope of responsibilities following the annual grant may be eligible to receive a subsequent award that reflects the newly held position or change in scope of responsibilities. Equity grants that are intended to be performance-based compensation are established annually by the Committee within the first 90 days of the calendar year to comply with the requirements of Section 162(m) of the Internal Revenue Code (the Code) and to allocate the accounting expense appropriately.

***Anti-Hedging and Anti-Pledging Policy.*** To promote alignment with the interests of our shareholders, under the Company's Insider Trading Policy, our named executive officers are prohibited from engaging in hedging transactions related to Company securities, including put and call options and short sales. Named executive officers also are discouraged from pledging their Common Shares as collateral for a loan and, if electing to do so, must first demonstrate financial capacity to meet a margin call or repayment request without resort to the pledged Common Shares.

***No Tax Gross-Up for Change in Control.*** We are not party to any arrangements or agreements that require us to gross up executive officer taxes under Sections 280G and 4999 of the Code. In accordance with the Severance Plan, in the event that any payments or benefits to a named executive officer in connection with a change in control would be subject to the excise tax, such payments and benefits will either be paid in full or will be reduced to an aggregate amount so that no portion of such payments or benefits will be subject to the excise tax, whichever results in a greater aggregate amount being retained by the named executive officer on an after-tax basis.

***Tax and Accounting Considerations.*** Under Section 162(m) of the Code, certain compensation in excess of \$1 million annually is not deductible for federal income tax purposes unless it qualifies as performance-based compensation. Although we consider the impact of Section 162(m), as well as other tax and accounting consequences, when developing and implementing our executive compensation programs and generally structure performance-based compensation arrangements to preserve deductibility under Section 162(m), the Committee retains flexibility to make compensation decisions in its discretion that do not meet the requirements for deductibility under Section 162(m). In addition, due to the ambiguities and uncertainties as to the application and interpretation of Section 162(m), no assurances can be given that compensation, even if intended by us to satisfy the requirements for deductibility under Section 162(m), would, in fact, do so.

**Table of Contents****2015 SUMMARY COMPENSATION TABLE**

The following table presents the compensation paid to, or earned by, each of our named executive officers for the fiscal year ended December 31, 2015, as well as the two prior fiscal years if the individual was a named executive officer for such years:

| Name and Principal Position                                | Year | Salary <sup>(1)</sup> | Non-Equity Incentive        |                                  |  | All Other Compensation <sup>(5)</sup> | Total        |
|--|------|-----------------------|-----------------------------|----------------------------------|--|---------------------------------------|--------------|
|  |      |                       | Stock Awards <sup>(2)</sup> | Plan Compensation <sup>(3)</sup> | Change in Pension Value <sup>(4)</sup> |                                       |              |
| Andrea J. Ayers  | 2015 | \$ 900,000            | \$ 2,930,946                | \$ 891,000                       |  | \$ 60,433                             | \$ 4,782,379 |
|  | 2014 | \$ 867,123            | \$ 2,292,276                | \$ 971,178                       | \$ 52,619                              | \$ 56,188                             | \$ 4,239,384 |
| <i>President and Chief Executive Officer</i>               | 2013 | \$ 733,562            | \$ 1,822,494                | \$ 528,164                       |  | \$ 19,685                             | \$ 3,103,905 |
| Andre S. Valentine   | 2015 | \$ 480,000            | \$ 988,224                  | \$ 324,000                       |  | \$ 45,710                             | \$ 1,837,934 |
|  | 2014 | \$ 450,137            | \$ 769,396                  | \$ 378,115                       | \$ 56,279                              | \$ 34,788                             | \$ 1,688,715 |
| <i>Chief Financial Officer</i>                             | 2013 | \$ 401,850            | \$ 524,176                  | \$ 216,999                       |  | \$ 14,663                             | \$ 1,157,688 |
| Marjorie M. Connelly                                       | 2015 | \$ 545,616            | \$ 1,361,890                | \$ 388,125                       |  | \$ 13,673                             | \$ 2,309,304 |
| <i>Chief Operating Officer</i>                             | 2014 | \$ 80,822             | \$ 279,439                  | \$ 67,890                        |  |                                       | \$ 428,151   |
| Jarrod B. Pontius  | 2015 | \$ 288,863            | \$ 289,968                  | \$ 135,296                       |  | \$ 16,735                             | \$ 730,862   |
| <i>General Counsel and Chief Administrative Officer</i>    | 2015 | \$ 190,918            | \$ 505,338                  |                                  | \$ 8,501                               | \$ 421,138                            | \$ 1,125,895 |
| Claudia L. Cline   | 2014 | \$ 361,781            | \$ 384,698                  | \$ 230,413                       | \$ 55,656                              | \$ 27,609                             | \$ 1,060,157 |
| <i>Former Executive Vice President and General Counsel</i> | 2013 | \$ 320,137            | \$ 262,096                  | \$ 115,249                       |  | \$ 21,346                             | \$ 718,828   |

(1) The amounts shown in the **Salary** column reflect the actual amounts earned by each named executive officer during the applicable fiscal year.

(2) The amounts shown in the **Stock Awards** column for 2015 reflect the aggregate grant date fair values of the PRSU awards and TRSU awards granted to our named executive officers in 2015, as determined in accordance with ASC Topic 718. The values of the TRSU awards were calculated using the closing price of our Common Shares on the applicable grant date, and the values of the PRSU awards were based on the probable outcome of the applicable performance conditions as of the grant date. The actual values of the PRSU awards earned may be higher or lower depending on actual performance during the performance period and the fair value of our Common Shares at the end of the applicable performance period. The grant date fair values of the named executive officers' 2015 PRSU awards, assuming achievement of the maximum performance level, are: Ms. Ayers, \$2,930,946; Mr. Valentine, \$988,224; Ms. Connelly, \$1,361,889; Mr. Pontius, \$289,968; and Ms. Cline, \$505,339.

- (3) The amounts shown in the **Non-Equity Incentive Plan Compensation** column for 2015 reflect the named executive officers' 2015 cash AIP awards (other than the prorated portion of Ms. Cline's target 2015 cash AIP award, which was payable in connection with her retirement and is included in the All Other Compensation column).
- (4) The **Change in Pension Value** column for 2015 for Ms. Ayers and Mr. Valentine reflects a decline in value of \$7,549 and \$7,573, respectively, due to the use of a higher discount rate and a new mortality table. Ms. Connelly and Mr. Pontius were not eligible to participate in the Pension Plan or the Company's non-qualified excess pension plan. Ms. Cline retired during 2015 and received a lump sum distribution from her Pension Plan account of \$343,466, an increase of \$17,797 compared to the value at December 31, 2014. This increase was partially offset by a \$9,296 decline in the value of her non-qualified excess pension plan account. The assumptions used to calculate the changes in pension values are described in Footnote 1 to the Pension Benefits table below. The Company does not provide for above-market or preferential earnings on non-qualified deferred compensation.

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(5) The amounts shown in the **All Other Compensation** column for 2015 include the following:

|               | <b>Company Contributions to Defined</b> |  | <b>Taxes on Executive</b>                   |          | <b>Executive Long-Term Disability Premiums<sup>(d)</sup></b> | <b>Perquisites and Other Personal Benefits<sup>(e)</sup></b> | <b>Retirement Benefits<sup>(f)</sup></b> | <b>Total</b> |
|---------------|---|--|---|----------|--|--|--|--------------|
|               | <b>Contribution Plans<sup>(a)</sup></b> | <b>Executive Life Insurance Premiums<sup>(b)</sup></b> | <b>Life Insurance Benefit<sup>(c)</sup></b> |          |  |  |  |              |
| Ms. Ayers     | \$ 42,169                               | \$ 6,007   | \$ 9,692                                    | \$ 2,565 |  |  |  | \$ 60,433    |
| Mr. Valentine | \$ 35,243                               | \$ 3,276   | \$ 5,275                                    | \$ 1,916 |  |  |  | \$ 45,710    |
| Ms. Connelly  | \$ 3,096                                | \$ 2,548   | \$ 3,860                                    | \$ 4,169 |  |  |  | \$ 13,673    |
| Mr. Pontius   | \$ 13,687                               | \$ 789   | \$ 1,274                                    | \$ 985   |  |  |  | \$ 16,735    |
| Ms. Cline     | \$ 10,600                               | \$ 3,087   | \$ 6,663                                    | \$ 1,237 |  | \$ 399,551   |  | \$ 421,138   |

(a) Represents matching contributions made to the named executive officers Executive Deferred Compensation Plan and 401(k) Plan accounts.

(b) Represents group term life insurance premiums paid on behalf of the named executive officers.

(c) Represents the payment of taxes incurred by the named executive officers in connection with the group term life insurance benefit.

(d) Represents supplemental long-term disability premiums paid on behalf of the named executive officers.

(e) The only perquisite or other personal benefit provided to the named executive officers in 2015 was a medical examination, the value of which was less than \$10,000.

(f) Represents amounts paid to Ms. Cline in 2015 in connection with her retirement, including a prorated portion of her target 2015 cash AIP award (\$114,551) and a special performance cash bonus award (\$285,000) paid in connection with her retirement. See Potential Payments upon Termination or Change in Control Ms. Cline's Retirement.

**Table of Contents****GRANTS OF PLAN-BASED AWARDS IN FISCAL 2015**

The following table provides additional information relating to grants of plan-based awards made to our named executive officers during the fiscal year ended December 31, 2015:

| Name                | Grant Date | Approval Date <sup>(1)</sup> | Estimated Future Payouts Under Non-Equity Incentive Plan Awards <sup>(2)</sup> |             |              | Estimated Future Payouts Under Equity Incentive Plan Awards <sup>(3)</sup> |            |             | All Other Stock Awards: Number of Shares of Stock <sup>(4)</sup> | Grant Date Fair Value of Stock Awards <sup>(5)</sup> |
|---------------------|------------|------------------------------|--|-------------|--------------|--|------------|-------------|--|--|
|                     |            |                              | Threshold (\$)   | Target (\$) | Maximum (\$) | Threshold (#)  | Target (#) | Maximum (#) |  |  |
| <b>A. Ayers</b>     |            |                              |  |             |              |  |            |             |  |  |
| 2015 AIP            |            |                              | \$ 495,000   | \$ 990,000  | \$ 1,980,000 |  |            |             |  |  |
| <b>2015 LTI</b>     |            |                              |  |             |              |  |            |             |  |  |
| RSUs                | 2/23/2015  | 1/28/2015                    |  |             |              | 33,156   | 66,311     | 132,622     |  | \$ 1,465,473   |
| <b>2015 LTI</b>     |            |                              |  |             |              |  |            |             |  |  |
| RSUs                | 2/23/2015  | 1/28/2015                    |  |             |              |  |            |             | 66,311   | \$ 1,465,473   |
| <b>B. Valentine</b> |            |                              |  |             |              |  |            |             |  |  |
| 2015 AIP            |            |                              | \$ 180,000   | \$ 360,000  | \$ 720,000   |  |            |             |  |  |
| <b>2015 LTI</b>     |            |                              |  |             |              |  |            |             |  |  |
| RSUs                | 2/23/2015  | 1/28/2015                    |  |             |              | 11,179   | 22,358     | 44,716      |  | \$ 494,112   |
| <b>2015 LTI</b>     |            |                              |  |             |              |  |            |             |  |  |
| RSUs                | 2/23/2015  | 1/28/2015                    |  |             |              |  |            |             | 22,358   | \$ 494,112   |
| <b>C. Connelly</b>  |            |                              |  |             |              |  |            |             |  |  |
| 2015 AIP            |            |                              | \$ 215,625   | \$ 431,250  | \$ 862,500   |  |            |             |  |  |
| <b>2015 LTI</b>     |            |                              |  |             |              |  |            |             |  |  |
| RSUs                | 2/23/2015  | 1/28/2015                    |  |             |              | 12,704   | 25,407     | 50,814      |  | \$ 561,495   |
| <b>2015 LTI</b>     |            |                              |  |             |              |  |            |             |  |  |
| RSUs                | 2/23/2015  | 1/28/2015                    |  |             |              |  |            |             | 25,407   | \$ 561,495   |
| <b>2015 LTI</b>     |            |                              |  |             |              |  |            |             |  |  |
| RSUs                | 5/11/2015  | 5/11/2015                    |  |             |              | 2,500  | 5,000      | 10,000      |  | \$ 119,450   |
| <b>2015 LTI</b>     |            |                              |  |             |              |  |            |             |  |  |
| RSUs                | 5/11/2015  | 5/11/2015                    |  |             |              |  |            |             | 5,000  | \$ 119,450   |
| <b>D. Pontius</b>   |            |                              |  |             |              |  |            |             |  |  |
| 2015 AIP            |            |                              | \$ 75,165  | \$ 150,329  | \$ 300,658   |  |            |             |  |  |
| <b>2015 LTI</b>     |            |                              |  |             |              |  |            |             |  |  |
| RSUs                | 2/23/2015  | 1/28/2015                    |  |             |              | 1,528  | 3,055      | 6,110       |  | \$ 67,516  |
| <b>2015 LTI</b>     |            |                              |  |             |              |  |            |             |  |  |
| RSUs                | 2/23/2015  | 1/28/2015                    |  |             |              |  |            |             | 3,055  | \$ 67,516  |
| <b>2015 LTI</b>     |            |                              |  |             |              |  |            |             |  |  |
| RSUs                | 8/10/2015  | 4/22/2015                    |  |             |              | 1,639  | 3,277      | 6,554       |  | \$ 77,468  |
| <b>2015 LTI</b>     |            |                              |  |             |              |  |            |             |  |  |
| RSUs                | 8/10/2015  | 4/22/2015                    |  |             |              |  |            |             | 3,277  | \$ 77,468  |

|                 |           |           |            |            |            |        |            |
|-----------------|-----------|-----------|------------|------------|------------|--------|------------|
| <b>C. Cline</b> |           |           |            |            |            |        |            |
| 2015 AIP        |           |           | \$ 115,500 | \$ 231,000 | \$ 462,000 |        |            |
| 2015 LTI        |           |           |            |            |            |        |            |
| PRSU's          | 2/23/2015 | 1/28/2015 |            | 5,717      | 11,433     | 22,866 | \$ 252,669 |
| 2015 LTI        |           |           |            |            |            |        |            |
| TRSU's          | 2/23/2015 | 1/28/2015 |            |            |            | 11,433 | \$ 252,669 |

- (1) Reflects the date on which the Compensation and Benefits Committee of the Board took action to approve the corresponding equity award, if different than the grant date. For the grants approved on January 28, 2015, the grant date was February 23, 2015, the first Monday following the release of the Company's quarterly earnings. For the grants to Mr. Pontius that were approved on April 22, 2015, the grant date was August 10, 2015, the first Monday following the release of the Company's quarterly earnings immediately following the effective date of Mr. Pontius's promotion.
- (2) Represent the target, threshold and maximum AIP award opportunities for 2015 for each named executive officer. The 2015 AIP awards earned for 2015 performance by each named executive officer are included in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table.
- (3) Represents the target, threshold and maximum number of shares underlying the PRSUs granted to each named executive officer as part of the 2015 LTI awards. Ms. Connelly's 2015 LTI award was increased in May 2015 in recognition of the expansion of her responsibilities, and Mr. Pontius's 2015 LTI award was increased in connection with his promotion in July 2015. The actual number of shares earned by each NEO will depend on the achievement of our adjusted EPS goals under the 2015 LTI over the three-year performance period ending December 31, 2017.
- (4) Represents the number of TRSUs granted to each named executive officer as part of the 2015 LTI awards. Ms. Connelly's 2015 LTI award was increased in May 2015 in recognition of the expansion of her responsibilities, and Mr. Pontius's 2015 LTI award was increased in connection with his promotion in July 2015. Except for the TRSUs granted to Ms. Connelly in May 2015 as part of her increased LTI award, which vest 100% on the third anniversary of the grant date, the TRSUs granted in 2015 vest in three installments: 25% on each of the first and second anniversaries of the grant date and the remaining 50% on the third anniversary of the grant date.
- (5) Reflects the grant date fair values, as determined in accordance with ASC Topic 718, of the PRSU awards and TRSU awards granted in 2015. The values of the TRSU awards were calculated using the closing price of our Common Shares on the applicable grant date, and the values of the PRSU awards were based on the probable outcome, as of the grant date, of achievement of the performance criteria at the target level. The actual value of the PRSU awards earned may differ from the grant date fair value depending on actual performance achieved and the fair value of our Common Shares at the end of the applicable performance period.

**Table of Contents****OUTSTANDING EQUITY AWARDS AT 2015 FISCAL YEAR-END**

The following table provides information regarding equity awards granted to our named executive officers that were outstanding as of December 31, 2015:

| Name                    | Option Awards   |                       |                        | Stock Awards                         |   | Equity Incentive Plan Awards:   |   |
|-------------------------|---|-----------------------|------------------------|--------------------------------------|---|---|---|
|                         | Number of Shares Underlying Unexercised Options Exercisable | Option Exercise Price | Option Expiration Date | Number of Units That Have Not Vested | Market Value of Units That Have Not Vested <sup>(1)</sup> | Equity Incentive Plan Awards: Number of Units That Have Not Vested <sup>(2)</sup> | Market Value of Units That Have Not Vested <sup>(1)</sup> |
|                         | (#)   | (\$)                  | (\$)                   | (#)                                  | (\$)  | (#)   | (\$)  |
| A. Ayers                |   |                       |                        | 136,915 <sup>(3)</sup>               | \$ 3,407,814  |   |   |
|                         |   |                       |                        | 61,282 <sup>(4)</sup>                | \$ 1,525,309  |   |   |
|                         |   |                       |                        |                                      |   | 245,934   | \$ 6,121,297  |
| A. Valentine            | 15,990  | \$ 12.79              | 2/10/2022              |                                      |   |   |   |
|                         | 15,000  | \$ 13.76              | 2/04/2021              |                                      |   |   |   |
|                         |   |                       |                        | 44,616 <sup>(3)</sup>                | \$ 1,110,492  |   |   |
|                         |   |                       |                        | 17,710 <sup>(4)</sup>                | \$ 440,802  |   |   |
|                         |   |                       |                        |                                      |   | 82,402  | \$ 2,050,986  |
| M. Connelly             |   |                       |                        | 40,205 <sup>(3)</sup>                | \$ 1,000,702  |   |   |
|                         |   |                       |                        |                                      |   | 60,814  | \$ 1,513,660  |
| J. Pontius              |   |                       |                        | 13,534 <sup>(3)</sup>                | \$ 336,861  |   |   |
|                         |   |                       |                        | 3,543 <sup>(4)</sup>                 | \$ 88,185   |   |   |
|                         |   |                       |                        |                                      |   | 17,534  | \$ 436,421  |
| C. Cline <sup>(5)</sup> |   |                       |                        | 7,367 <sup>(4)</sup>                 | \$ 183,365  |   |   |
|                         |   |                       |                        |                                      |   | 13,234  | \$ 329,394  |

<sup>(1)</sup> The market value of unvested TRSUs and PRSUs was determined by multiplying the number of units shown by \$24.89, the closing price of our Common Shares on December 31, 2015, the last trading day of 2015.

<sup>(2)</sup> Includes PRSUs granted in 2014 and 2015 that vest based on the satisfaction of certain performance criteria during the three-year performance periods ending December 31, 2016 and December 31, 2017, respectively. The number of shares included for the 2014 PRSUs and the 2015 PRSUs assumes maximum payout at 200% of target based on above-target performance through December 31, 2015. The actual number of shares that vest will be determined following the conclusion of the applicable performance period.

<sup>(3)</sup> Reflects the unvested portion of the following TRSU grants, which vest 25% on the first anniversary of the grant date, 25% on the second anniversary of the grant date and 50% on the third anniversary of the grant date, except

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for the May 11, 2015 grant to Ms. Connelly, which vests 100% on the third anniversary of the grant date:

| Grant Date         | A. Ayers | A. Valentine | M. Connelly | J. Pontius |
|--------------------|----------|--------------|-------------|------------|
| February 11, 2013  | 53,176   | 16,249       |             | 3,250      |
| May 6, 2013        | 3,046    |              |             |            |
| February 13, 2014  | 47,427   | 14,228       |             | 2,435      |
| May 19, 2014       | 9,229    | 4,615        |             | 5,000      |
| November 12, 2014  |          |              | 13,064      |            |
| February 23, 2015  | 66,311   | 22,358       | 25,407      | 3,055      |
| May 11, 2015       |          |              | 5,000       |            |
| August 10, 2015    |          |              |             | 3,277      |
| Total TRSU Grants  | 179,189  | 57,450       | 43,471      | 17,017     |
| Previously Vested  | 42,274   | 12,834       | 3,266       | 3,483      |
| Remaining Unvested | 136,915  | 44,616       | 40,205      | 13,534     |

(4) Reflects the number of shares earned by each named executive officer for achievement of the 2013 PRSU performance criteria for the three-year performance period ended December 31, 2015, which PRSUs vested in February 2016 following the Committee's certification of achievement of the applicable performance criteria at 109% of target.

(5) In connection with Ms. Cline's retirement in June 2015, she forfeited her unvested TRSUs and her outstanding PRSUs were prorated to reflect the portion of the applicable performance period that she was employed by the Company. The prorated PRSUs vested or will vest based on actual Company performance during the applicable performance period.



**Table of Contents****OPTION EXERCISES AND STOCK VESTED IN FISCAL 2015**

The following table sets forth information regarding stock options exercised by our named executive officers and TRSUs held by our named executive officers that vested during the fiscal year ending December 31, 2015:

|              | <b>Option Awards</b>                         |                                   | <b>Stock Awards<sup>(1)</sup></b>           |  |
|--------------|--|-----------------------------------|---|--|
|              | <b>Number of Shares Acquired on Exercise</b> | <b>Value Realized on Exercise</b> | <b>Number of Shares Acquired on Vesting</b> | <b>Value Realized on Vesting<sup>(2)</sup></b> |
|              | <b>(#)</b>                                   | <b>(\$)</b>                       | <b>(#)</b>                                  | <b>(\$)</b>                                    |
| A. Ayers     | 110,877                                      | \$ 1,125,306                      | 52,869                                      | \$ 1,177,955                                   |
| A. Valentine |  |                                   | 16,435                                      | \$ 361,396                                     |
| M. Connelly  |  |                                   | 3,266                                       | \$ 81,487                                      |
| J. Pontius   |  |                                   | 3,844                                       | \$ 89,407                                      |
| C. Cline     | 5,400  | \$ 51,110                         | 6,184                                       | \$ 131,008                                     |

(1) If the named executive officer used share withholding to satisfy the tax obligations with respect to the vesting of TRSUs, the number of shares acquired was less than the amount shown. The number of shares acquired and the value realized have not been reduced to reflect the payment of any tax obligation.

(2) The value realized on vesting is based on the closing price of our Common Shares on the applicable vesting date and excludes the value of the following accrued cash dividend equivalents on the vested shares: Ms. Ayers, \$22,873; Mr. Valentine, \$7,155; Ms. Connelly, \$980; Mr. Pontius, \$1,855; and Ms. Cline, \$1,677.

**PENSION BENEFITS**

The following table sets forth information, as of December 31, 2015, regarding the present value of the benefits that are expected to be paid to our named executive officers under each of the Company's qualified and non-qualified pension plans.

| <b>Name</b>  | <b>Plan Name</b>                  | <b>Number of Years of Credited Service</b> | <b>Present Value of Payments During Last Accumulated Benefit<sup>(1)</sup> Fiscal Year</b> |
|--------------|-----------------------------------|--|--|
|              |                                   | <b>(#)</b>                                 | <b>(\$)</b>  |
| A. Ayers     | Pension Plan                      | 25   | \$ 207,915   |
|              | Non-Qualified Excess Pension Plan | 25   | \$ 32,177  |
| A. Valentine | Pension Plan                      | 18   | \$ 207,139   |
|              | Non-Qualified Excess Pension Plan | 18   | \$ 56,799  |
| M. Connelly  |                                   |  |  |
| J. Pontius   |                                   |  |  |
| C. Cline     | Pension Plan                      | 19   | \$ 343,466   |
|              | Non-Qualified Excess Pension Plan | 19   | \$ 58,675  |

(1) The present value of accumulated benefit was determined using a discount rate of 4.47% and a 60% lump sum payment distribution assumption at age 65 (the normal retirement age specified in the Pension Plan) for

Ms. Ayers and Mr. Valentine. The amount for Ms. Cline represents her non-qualified excess pension plan account balance as of December 31, 2015, which will be paid in full in two annual installments through 2017. Certain U.S.-resident employees of the Company hired prior to April 1, 2007 participate in the Pension Plan, a cash-balance pension plan. Effective April 1, 2008, the Pension Plan was frozen with no additional pension credits accruing for eligible employees. At the end of each year, active participants' accounts are credited with interest at the rate of 4% per annum. At retirement or other termination of employment, an amount equivalent to the balance then credited to the account is payable to the participant in the form of a life annuity. In lieu of a life annuity, a participant may elect to receive the actuarial equivalent of his or her benefit in the form of a lump sum, or a joint and survivor annuity.

The Company's non-qualified excess pension plan provides a pension benefit to employees, including certain named executive officers identified in the above table, whose pension benefit under the Pension Plan is reduced or capped due to Internal Revenue Service limitations. Benefits are paid in ten annual installments or, if less, the number of annual installments (rounded up) equal to the value of the benefits divided by \$50,000, commencing six months after a participant's separation from service.

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Ms. Connelly and Mr. Pontius were not eligible to participate in the Pension Plan or the Company's non-qualified excess pension plan.

**NON-QUALIFIED DEFERRED COMPENSATION**

The following table sets forth information regarding changes in the named executive officers' non-qualified deferred compensation plan accounts during the fiscal year ended December 31, 2015.

|              | <b>Executive Contributions<br/>in Last Fiscal<br/>Year</b> | <b>Company Contributions<br/>in Last Fiscal<br/>Year<sup>(1)</sup></b> | <b>Aggregate Earnings in<br/>Last Fiscal<br/>Year<sup>(2)</sup></b> | <b>Aggregate<br/>Withdrawals/<br/>Distributions</b> | <b>Aggregate Balance<br/>at Last Fiscal<br/>Year End<sup>(3)</sup></b> |
|--------------|--|--|---|---|--|
|              | <b>(\$)</b>  | <b>(\$)</b>  | <b>(\$)</b>   | <b>(\$)</b>   | <b>(\$)</b>  |
| A. Ayers     | \$ 141,923   | \$ 31,569  | \$ 1,477  |   | \$ 425,691   |
| A. Valentine | \$ 98,165  | \$ 24,643  | \$ 17,249   |   | \$ 829,168   |
| M. Connelly  | \$ 22,756  | \$ 3,096   | \$ (660)  |   | \$ 25,192  |
| J. Pontius   |  |  |   |   |  |
| C. Cline     |  |  | \$ 3,695  | \$ (172,089)  | \$ 147,912   |

(1) All of the amounts shown in the **Company Contributions in Last Fiscal Year** column are reported as 2015 compensation in the All Other Compensation column of the Summary Compensation Table in this Proxy Statement.

(2) None of the amounts shown in the **Aggregate Earnings in Last Fiscal Year** column is reported as 2015 compensation in the Summary Compensation Table in this Proxy Statement because the amounts do not reflect above-market or preferential earnings.

(3) Of the amounts shown in the **Aggregate Balance at Last Fiscal Year-End** column, the following amounts were reported as compensation in the Summary Compensation Table for fiscal years prior to 2015: Ms. Ayers, \$29,917; Mr. Valentine, \$15,360; Ms. Connelly, \$0; and Ms. Cline, \$0.

The Executive Deferred Compensation Plan permits executives to defer receipt of up to 75% of their base salary and hire/retention bonuses and up to 100% of their annual incentive compensation. The Company matches up to 100% of the first 3% of a participant's deferred amounts and 50% of a participant's next 2% of deferred amounts (reduced by the Company match eligible to be received under the 401(k) Plan). Prior to 2012, the Company matched 100% of the first 5% of amounts deferred by the plan participant (reduced by the Company match eligible to be received under the 401(k) Plan). The Executive Deferred Compensation Plan was frozen from December 31, 2011 through December 31, 2013 and reinstated effective January 1, 2014. Deferred amounts are paid to participants in accordance with the Executive Deferred Compensation Plan and the participants' distribution elections.

Table of Contents**POTENTIAL PAYMENTS UPON TERMINATION OR IN CONNECTION WITH A CHANGE OF CONTROL**

Our Severance Plan and equity incentive plan and award agreements require us to pay or provide compensation and benefits to our named executive officers in the event of certain terminations of employment or in connection with a change of control of the Company. The following table summarizes the estimated amounts that would be payable or provided to each named executive officer (other than Ms. Cline) upon the occurrence of these events, assuming each event occurred on December 31, 2015. The amounts in the table do not include compensation and benefits that a named executive officer had earned prior to, or as of, December 31, 2015, such as equity awards that previously vested in accordance with their terms or vested benefits otherwise payable under our compensation programs. The actual amounts payable to a named executive officer upon a termination of employment or in connection with a change of control can be determined only at the time a triggering event occurs.

|  | Severance <sup>(1)</sup> | TRSUs <sup>(2)</sup> | PRSUs <sup>(3)</sup> | Supplemental Long-Term Disability <sup>(4)</sup> | Life Insurance Benefit <sup>(4)</sup> | Health and Welfare and Other Benefits <sup>(5)</sup> | Total     |        |        |           |           |
|--|--------------------------|----------------------|----------------------|--|---------------------------------------|--|-----------|--------|--------|-----------|-----------|
| <b>Disability</b>  |                          |                      |                      |  |                                       |  |           |        |        |           |           |
| A. Ayers   | \$                       | 1,977,051            | \$                   | 2,963,964  | \$                                    | 889,434  | \$        | 4,273  | \$     | 5,834,722 |           |
| A. Valentine   | \$                       | 626,793              | \$                   | 925,347  | \$                                    | 711,547  | \$        | 12,576 | \$     | 2,276,263 |           |
| M. Connelly  | \$                       | 337,668              | \$                   | 255,311  | \$                                    | 751,169  | \$        | 7,193  | \$     | 1,351,341 |           |
| J. Pontius   | \$                       | 162,857              | \$                   | 177,980  | \$                                    | 685,951  | \$        | 4,273  | \$     | 1,031,061 |           |
| <b>Death</b>   |                          |                      |                      |  |                                       |  |           |        |        |           |           |
| A. Ayers   | \$                       | 1,977,051            | \$                   | 2,963,964  |                                       | \$   | 2,700,000 |        | \$     | 7,641,015 |           |
| A. Valentine   | \$                       | 626,793              | \$                   | 925,347  |                                       | \$   | 1,440,000 |        | \$     | 2,992,140 |           |
| M. Connelly  | \$                       | 337,668              | \$                   | 255,311  |                                       | \$   | 1,725,000 |        | \$     | 2,317,979 |           |
| J. Pontius   | \$                       | 162,857              | \$                   | 177,980  |                                       | \$   | 1,035,000 |        | \$     | 1,375,837 |           |
| <b>Termination without Cause or for Good Reason</b>  |                          |                      |                      |  |                                       |  |           |        |        |           |           |
| A. Ayers   | \$                       | 3,780,000            | \$                   | 1,977,051  | \$                                    | 3,094,066  |           | \$     | 28,546 | \$        | 8,879,663 |
| A. Valentine   | \$                       | 1,680,000            | \$                   | 626,793  | \$                                    | 962,961  |           | \$     | 45,152 | \$        | 3,314,906 |
| M. Connelly  | \$                       | 1,006,250            | \$                   | 337,668  | \$                                    | 255,311  |           | \$     | 27,193 | \$        | 1,626,422 |
| J. Pontius   | \$                       | 495,329              | \$                   | 162,857  | \$                                    | 185,513  |           | \$     | 24,273 | \$        | 867,972   |
| <b>Change of Control<sup>(6)</sup></b>   |                          |                      |                      |  |                                       |  |           |        |        |           |           |
| A. Ayers   |                          |                      | \$                   | 2,406,943  |                                       |  |           |        | \$     | 2,406,943 |           |
| A. Valentine   |                          |                      | \$                   | 737,531  |                                       |  |           |        | \$     | 737,531   |           |
| M. Connelly  |                          |                      |                      |  |                                       |  |           |        |        |           |           |
| J. Pontius   |                          |                      | \$                   | 124,921  |                                       |  |           |        | \$     | 124,921   |           |
| <b>Termination without Cause or for Good Reason in connection with a Change of Control</b> |                          |                      |                      |  |                                       |  |           |        |        |           |           |

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|              |              |              |              |           |              |
|--------------|--------------|--------------|--------------|-----------|--------------|
| A. Ayers     | \$ 3,780,000 | \$ 3,475,560 | \$ 1,671,037 | \$ 28,546 | \$ 8,955,143 |
| A. Valentine | \$ 1,680,000 | \$ 1,132,075 | \$ 563,422   | \$ 45,152 | \$ 3,420,649 |
| M. Connelly  | \$ 2,012,500 | \$ 1,013,501 | \$ 765,906   | \$ 34,386 | \$ 3,826,293 |
| J. Pontius   | \$ 990,658   | \$ 342,676   | \$ 159,075   | \$ 28,546 | \$ 1,520,955 |

(1) Represents the cash severance payable to each named executive officer based upon the officer's base salary and target AIP award. Named executive officers are also entitled to receive a prorated portion of the AIP award for the year in which the termination occurs, based on actual performance, or a prorated portion of the target AIP award if the termination occurs within six months prior to, or two years following, a change of control. This column does not include any amounts for prorated AIP awards because the awards had been earned as of December 31, 2015, subject to Committee approval, regardless of whether the officer's employment had terminated or a change of control had occurred on that date. See "Severance Plan" below.

(2) Represents the value of accelerated unvested TRSUs based upon the closing price of our Common Shares on December 31, 2015 (\$24.89), plus the value of accrued cash dividend equivalents on such TRSUs. In the event of disability, death, or termination without cause (as defined in the applicable award agreement), a prorated number of TRSUs vest based generally on the portion of the vesting period that has elapsed. In the event of a change of control (as defined in the Company's LTI Plan), TRSUs are converted to deferred cash awards that vest in installments on the original vesting dates (or, for TRSUs granted prior to 2015, in equal installments on the six-month and one-year anniversaries of the date of the change of control or, if earlier, the original vest dates). Following a change of

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control, vesting of deferred cash awards would accelerate upon disability, death, or termination without cause or for good reason (as defined in the applicable award agreement).

- (3) Represents the value of accelerated unvested PRSUs based upon the closing price of our Common Shares on December 31, 2015 (\$24.89) and assuming target performance for each of the 2014 and 2015 PRSUs, plus the value of accrued cash dividend equivalents on such PRSUs. In the event of retirement (at age 55 with ten years of service or with 30 years of service), disability, death, or termination without cause (as defined in the applicable award agreement), a prorated number of PRSUs vest based on the portion of the performance period that has elapsed, provided that, in the case of retirement and termination without cause, the shares are not delivered until the end of the performance period and require satisfaction of the performance criteria for the full performance period. In the event of a change of control (as defined in the Company's LTI Plan), PRSUs are converted to deferred cash awards (with the number of shares on which the deferred cash award is based reflecting performance for any completed years of the performance period) that vest on the original vesting dates (or, for PRSUs granted prior to 2015, vest on a pro rata basis based on the portion of the performance period that has elapsed). Following a change of control, vesting of deferred cash awards would accelerate upon disability, death, or termination without cause or for good reason (as defined in the applicable award agreement).
- (4) Represents the value of supplemental long-term disability benefits or life insurance proceeds payable upon disability or death, as the case may be.
- (5) Represents the cost of continued medical, dental and vision premium payments for the severance period or, in the case of disability, one year, as well as outplacement services in the case of a termination without cause or for good reason.
- (6) We do not gross up our named executive officers for taxes payable under Section 280G of the Internal Revenue Code. However, in the event that any payments or benefits to our named executive officers in connection with a change in control would be subject to the excise tax under Section 4999 of the Internal Revenue Code, such payments and benefits would be reduced so that no portion of such payments or benefits will be subject to the excise tax, if that would result in a greater aggregate amount being retained by the named executive officer on an after-tax basis. No such reduction in payments and benefits has been reflected in the table.

**Severance Plan**

Our named executive officers participate in the Severance Plan, which provides for certain severance benefits to senior executives of the Company. Under the Severance Plan, we would be obligated to provide the benefits summarized below to our named executive officers upon the event specified, subject to the officer providing a release of all claims and complying with applicable non-competition and other post-employment restrictive covenants included in the release of claims agreement.

**Termination without Cause\* or for Good Reason\***

Cash severance equal to a multiple (2x for Ms. Ayers and Mr. Valentine and 1x for the other named executive officers) of the sum of the officer's base salary and target AIP award for the year of termination

Prorated portion of AIP award for the year of termination, based on actual performance

Continued health and welfare benefits (if the officer elects COBRA) for 24 months for Ms. Ayers and Mr. Valentine and 12 months for the other named executive officers

Outplacement services of up to \$20,000

Termination without Cause\* or for Good Reason\*

(Within six months prior to, or two years following, a Change of Control\*)

Cash severance equal to 2x the sum of the officer's base salary and target AIP award for the year of termination

Prorated portion of target AIP award for the year of termination

Continued health and welfare benefits (if the officer elects COBRA) for 24 months

Outplacement services of up to \$20,000

\* Cause means the officer has engaged in willful misconduct or gross negligence in the performance of any of his or her duties that could reasonably be expected to result in material liability to the Company, has intentionally failed or refused to perform reasonably

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and lawfully assigned duties, has been indicted for, convicted of, or pled guilty or nolo contendere to, any crime involving dishonesty, fraud, theft, breach of trust, violence or threats of violence or other significant offenses or acts, or willfully failed to comply with any material rules, regulations, policies or procedures of the Company (including our Code of Business Conduct).

Good Reason means that, without prior written consent: (i) the officer's base salary, incentive compensation opportunity or aggregate benefits are materially reduced (except for across-the-board reductions that apply to officers of the same or similar rank generally, unless such actions are taken immediately prior to a change of control), the officer's base salary or earned incentive compensation is not paid or the officer's benefits are materially reduced in the aggregate or are not provided, (ii) the officer's authorities, duties, responsibilities or reporting relationships are materially diminished or the officer is assigned duties that are materially inconsistent with his or her position, (iii) the officer's principal place of business is relocated more than 50 miles from the officer's then current principal place of business, and, if any of these occur, the officer notifies the Company within 60 days, the Company fails to cure the condition within 30 days after notice and the officer resigns within 60 days after the specified cure period.

Change of Control means: (i) the acquisition of 20% or more of the outstanding Common Shares or the Company's outstanding voting securities; (ii) certain changes in a majority of the directors of the Company; (iii) certain business combinations unless (A) all or substantially all of the holders of the outstanding Common Shares and the Company's voting securities continue to beneficially own more than 50% of the Common Shares and voting power of the entity resulting from the business combination in substantially the same proportions, (B) no person beneficially owns 20% or more of the then outstanding Common Shares or voting power of the entity resulting from the business combination, and (C) at least a majority of the directors of the entity resulting from the business combination were continuing directors of the Company prior to the business combination; or (iv) the shareholders of the Company approve a complete liquidation or dissolution of the Company.

**Ms. Cline's Retirement**

In connection with Ms. Cline's retirement in June 2015, she received a prorated portion of her target 2015 AIP award (\$114,551) and a performance cash bonus award payable upon her retirement (\$285,000). Subject to achievement of applicable performance criteria, she is also eligible to receive pro rata portions of her 2013, 2014 and 2015 PRSU awards based on actual results and payable at the same time as other PRSU awards.



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**GENERAL INFORMATION**

Convergys will pay the costs of soliciting proxies on behalf of the Board. In addition to solicitation by mail, Convergys officers and employees may solicit proxies personally, electronically or by telephone. The Company has retained Georgeson LLC, a proxy solicitation firm, to assist in the solicitation of proxies at a cost of \$16,500, plus reimbursement of reasonable expenses. The Company will also reimburse brokers and other nominees for their reasonable out-of-pocket expenses incurred in connection with distributing forms of proxies and proxy materials to beneficial owners of Common Shares.

At the time this Proxy Statement was released on March 4, 2016, the Company knew of no other matters that might be presented for action at the Annual Meeting, other than those matters discussed in this Proxy Statement. If any other matters properly come before the Annual Meeting, the Common Shares represented by proxies may be voted with respect thereto in the discretion of the persons named as proxies.

**2017 Annual Meeting of Shareholders**

Shareholder proposals intended for inclusion in the Company's proxy statement for the 2017 Annual Meeting of Shareholders must be received by the Company on or before November 4, 2016 and must otherwise comply with SEC rules relating to shareholder proposals, including with respect to the types of shareholder proposals that are appropriate for inclusion in a proxy statement. If a shareholder notifies the Company after January 18, 2017 of the intent to present a proposal, the persons named as the Company's proxies for the 2017 Annual Meeting of Shareholders will be permitted to exercise discretionary voting authority with respect to that proposal even if the matter is not discussed in the Company's proxy statement for that meeting. ***Submitting a proposal does not guarantee that it will be included in the Company's proxy statement nor that the proposal may be raised at the Annual Meeting of Shareholders.*** Proposals or notices should be sent to our Corporate Secretary at the following address: Corporate Secretary, Convergys Corporation, 201 East Fourth Street, Cincinnati, Ohio 45202.

**Important Notice Regarding Delivery of Shareholder Documents**

To eliminate duplicate mailings, conserve natural resources and reduce our printing costs and postage fees, we engage in householding and will deliver a single set of proxy materials (other than proxy cards, which will remain separate for each shareholder) to shareholders who share the same address and who have the same last name or consent in writing. You may nonetheless receive a separate mailing if you hold additional shares in a brokerage account.

If you are a Convergys Corporation shareholder who resides in the same household with another shareholder with the same last name, or if you hold more than one account with Computershare registered in your name at the same address, and wish to receive a separate set of proxy materials for each account, please contact our transfer agent, Computershare, toll free at (888) 294-8217, or by writing to P.O. Box 30170, College Station, TX 77842-3170. If you do not contact us within 60 days of the date of this mailing, your consent to householding will be presumed and your household will receive only one Proxy Statement and Annual Report or Notice of Internet Availability of Proxy Materials until you, or other members of your household, revoke such consent.

You may revoke your consent to householding at any time by contacting our transfer agent, Computershare, using the contact information set forth above. Your request to begin receiving separate documents will begin 30 days after Computershare receives such request.

**Information Requests**

Requests for copies of the Company's Annual Report on Form 10-K or exhibits thereto, Proxy Statement, any committee charter, the Governance Principles, the Business Code of Conduct or the Financial Code of Ethics should be addressed to Convergys Corporation, 201 East Fourth Street, Cincinnati, Ohio 45202, Attention: Investor Relations Department. These reports are also available on the Corporate Governance page of the Investors section of the Company's website at [www.convergys.com](http://www.convergys.com). The information on our website is not, and will not be deemed to be, a part of this proxy statement or incorporated into any other filings we make with the SEC.

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***IMPORTANT ANNUAL MEETING INFORMATION***

**Admission Ticket**

**Electronic Voting Instructions**

**Available 24 hours a day, 7 days a week!**

Instead of mailing your proxy, you may choose one of the voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

**Proxies submitted by the Internet or telephone must be received by 1:00 a.m., EDT on April 14, 2016.**

**Vote by Internet**

Go to  
**[www.envisionreports.com/cvgb](http://www.envisionreports.com/cvgb)**

Or scan the QR code with your smartphone

Follow the steps outlined on the secure website

**Vote by telephone**

Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada on a touch tone telephone

Follow the instructions provided by the recorded message

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas.

q **IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.** q

**A Proposals** The Board of Directors recommends a vote **FOR** all the nominees listed and **FOR** Proposals 2 and 3.

| Nominee of Directors*: | For | Withhold | For                   | Withhold | For | Withhold                 |    |    |
|------------------------|-----|----------|-----------------------|----------|-----|--------------------------|----|----|
| Andrea J. Ayers        | ..  | ..       | 02 - Cheryl K. Beebe  | ..       | ..  | 03 - Richard R. Devenuti | .. | .. |
| Jeffrey H. Fox         | ..  | ..       | 05 - Joseph E. Gibbs  | ..       | ..  | 06 - Joan E. Herman      | .. | .. |
| Thomas L. Monahan III  | ..  | ..       | 08 - Ronald L. Nelson | ..       | ..  | 09 - Richard F. Wallman  | .. | .. |

\* for terms

|   | For | Against | Abstain |  | For | Against | Abstain |
|---|-----|---------|---------|--|-----|---------|---------|
| 2. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2016. | ..  | ..      | ..      | 3. To approve, on an advisory basis, the compensation of our named executive officers. | ..  | ..      | ..      |

**B Non-Voting Items**

**Change of Address** Please print new address below.

**C** **Authorized Signatures** This section must be completed for your vote to be counted. **Date and Sign Below**

NOTE: Please sign your name(s) EXACTLY as your name(s) appear(s) on this proxy. All joint holders must sign. When signing as attorney, trustee, executor, administrator, guardian or corporate officer, please provide your FULL title.

|                                  |                     |                                |  |                                |  |
|----------------------------------|---------------------|--------------------------------|--|--------------------------------|--|
| Date (mm/dd/yyyy)<br>date below. | Please print<br>/ / | Signature 1<br>within the box. | Please keep signature<br>within the box. | Signature 2<br>within the box. | Please keep signature<br>within the box. |
|----------------------------------|---------------------|--------------------------------|--|--------------------------------|--|

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**2016 Annual Meeting Admission Ticket**

**2016 Annual Meeting of**

**Convergys Corporation Shareholders**

**Thursday, April 14, 2016, 12:30 P.M. EDT**

**Atrium One**

**Suite 350**

**201 East Fourth Street**

**Cincinnati, OH 45202**

**Please tear off this Admission Ticket. If you plan to attend the annual meeting of shareholders, you will need this ticket along with photo identification to gain admission to the meeting.**

**q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. q**

**Proxy CONVERGYS CORPORATION**

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF CONVERGYS CORPORATION FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 14, 2016**

The undersigned hereby appoints Jeffrey H. Fox, Ronald L. Nelson, and Andrea J. Ayers, and each or any of them, proxies, with full power of substitution, to represent and to vote all common shares of Convergys Corporation held of record by the undersigned on February 16, 2016, at the annual meeting of shareholders to be held on April 14, 2016 at 12:30 P.M. EDT, Atrium One, Suite 350, 201 East Fourth Street, Cincinnati, OH 45202, and at any adjournment thereof, notice of which meeting together with the related proxy statement have been received.

In their discretion the proxies are authorized to vote upon such other business as may properly come before the meeting. This proxy when executed will be voted in the manner directed by the undersigned shareholder(s). **If no direction is made, this proxy will be voted FOR all of the nominees listed and FOR Proposals 2 and 3.**

(Continued on reverse side.)

**Please mark, sign and date on the reverse side.**