

ExlService Holdings, Inc.  
Form DEF 14A  
April 26, 2019

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

**SCHEDULE 14A**  
(Rule 14a-101)  
INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

**ExlService Holdings, Inc.**

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(Name of Registrant as Specified in its Charter)

N/A

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

PAYMENT OF FILING FEE (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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**320 Park Avenue, 29<sup>th</sup> Floor  
New York, New York 10022  
(212) 277-7100**

April 26, 2019

Dear Stockholder:

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

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

Pursuant to rules promulgated by the Securities and Exchange Commission, we are providing access to our proxy materials over the Internet. On or about April 26, 2019, we will mail a Notice of Internet Availability of Proxy Materials (the "Internet Notice") to each of our stockholders of record and beneficial owners at the close of business on April 18, 2019, the record date for the Annual Meeting. On the date of mailing of the Internet Notice, all stockholders and beneficial owners will have the ability to access all of the proxy materials on a website referred to in the Internet Notice. These proxy materials will be available free of charge.

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

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

Sincerely,

Garen K. Staglin  
Chairman

Rohit Kapoor  
Vice Chairman and CEO

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**NOTICE OF 2019 ANNUAL MEETING OF STOCKHOLDERS**

Dear Stockholder:

You are cordially invited to the 2019 Annual Meeting of Stockholders of ExlService Holdings, Inc., a Delaware corporation (the "Company"). The Annual Meeting will be held at the New York offices of the Company, 320 Park Avenue, 29<sup>th</sup> Floor, New York, New York 10022 on June 17, 2019 at 8:30 AM, Eastern Time, for the purposes of voting on the following matters:

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

If you are a stockholder of record at the close of business on April 18, 2019, you are entitled to vote at the Annual Meeting. A list of stockholders as of the record date will be available for examination for any purpose germane to the Annual Meeting, during ordinary business hours, at the Company's executive offices at 320 Park Avenue, 29<sup>th</sup> Floor, New York, New York 10022, for a period of 10 days prior to the date of the Annual Meeting and at the Annual Meeting itself. **Please note that there are identification, verification of ownership and other requirements for in-person attendance at the Annual Meeting, as described in the enclosed Proxy Statement beginning on page 7 under the heading "Information Concerning Voting and Solicitation."**

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

By Order of the Board of Directors

Ajay Ayyappan  
Senior Vice President,  
General Counsel and Corporate Secretary

New York, New York  
April 26, 2019

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## PROXY STATEMENT

### 2019 PROXY STATEMENT SUMMARY

#### Summary

Below is a summary of selected key components of this proxy statement, including information regarding this year's stockholder meeting, nominees for our board of directors, summary of our business, performance highlights and selective executive compensation information. This summary does not contain all of the information that you should consider prior to submitting your proxy, and you should review the entire proxy statement and our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (the "2018 Form 10-K").

**Time and Date:**

8:30 AM (Eastern Time)  
June 17, 2019

**Record Date:**

April 18, 2019

**Place:**

ExlService Holdings, Inc.  
320 Park Avenue, 29<sup>th</sup> Floor  
New York, New York 10022

**Voting:**

Stockholders as of the record date are entitled to vote

### Meeting Agenda, Voting Matters and Recommendations

1. the amendment of the Company's amended and restated certificate of incorporation to effect a phased declassification of the board of directors over the next three years (page 73);
2. the election of three Class I members of the board of directors of the Company (page 75);
3. the ratification of the appointment of Deloitte & Touche LLP as the independent registered public accounting firm of the Company for fiscal year 2019 (page 77);
4. the approval, on a non-binding advisory basis, of the compensation of the named executive officers of the Company (page 80); and
5. the transaction of such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

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**Board and Corporate Governance Highlights**

(Based on current board profile and practices)

- > Ten directors, all of whom are independent, except for our Vice Chairman & CEO
- > Independent board chairman
- > Standing board committees composed solely of independent chairs and members
- > Seasoned board of directors, with diverse experience, including in insurance, healthcare, utilities, banking and financial services, finance/accounting, global business and technology
- > Diversity in age, gender and other important characteristics
- > If approved at the Annual Meeting, annual director elections
  
- > Majority voting standard for uncontested elections
- > Annual board- and committee-level evaluations
- > Regularly-held executive session of non-management directors
- > Robust executive and director equity ownership guidelines
- > Independent board of directors evaluation of CEO performance and compensation



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

**Executive Leadership**

**Board Experience**

**Finance and Accounting**

**Client and Industry Expertise**

**Global Experience**

**Risk Oversight / Management**

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

\*

A complete list of each nominee's business experience and directorships is listed below beginning on page 14.

**Our Business**

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

**Performance Highlights for 2018**

	<b>Revenue (Year-over-year growth %)</b>					
	<b>2016</b>	<b>YOY %</b>	<b>2017</b>	<b>YOY %</b>	<b>2018</b>	<b>YOY %</b>
Insurance Segment	\$ 206.3	3.2%	\$ 234.8	13.8%	\$ 258.1	9.9%
Healthcare Segment	68.7	24.4%	77.0	12.2%	84.4	9.6%
Travel, Transportation and Logistics Segment	69.4	11.4%	71.0	2.3%	70.2	-1.0%
Finance and Accounting Segment	79.4	1.2%	86.5	9.0%	97.9	13.2%
All Other	96.5	-12.7%	83.1	-13.9%	87.2	4.8%
Analytics Segment	165.7	35.7%	209.9	26.7%	285.3	35.9%
<b>Consolidated</b>	<b>\$ 686.0</b>	<b>9.1%</b>	<b>\$ 762.3</b>	<b>11.1%</b>	<b>\$ 883.1</b>	<b>15.8%</b>

We improved our annual revenues from \$762.3 million in fiscal year 2017 to \$883.1 million in fiscal year 2018, and also achieved numerous other successes, including the acquisition of a healthcare analytics company and a \$150 million strategic investment in our Company by The Orogen Group. For more information regarding these and other business highlights, please see pages 33 to 34 below and the 2018 Form 10-K.

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

- (1) Cumulative growth rate as of December 31, 2018.
- (2) Peer group TSR data excludes Convergys Corporation, which was acquired in October 2018, and DST Systems, which was acquired in April 2018.

**2018 Compensation Highlights**

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

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

- (1) For each named executive officer, this category includes, if applicable, his perquisites and personal benefits, changes in pension value, Company-paid life insurance premiums and Company contributions to our 401(k) plan. A detailed discussion of the compensation components for each named executive officer for fiscal year 2018 is provided in the "Summary Compensation Table for Fiscal Year 2018" beginning on page 50.

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On an annual basis, we submit to our stockholders a vote to approve, on a non-binding advisory basis, the compensation of our named executive officers as described in this proxy statement. We refer to this vote as "say-on-pay". Please refer to our Compensation Discussion and Analysis, beginning on page 33 for a complete description of our 2018 compensation program.

Below are a few highlights of our executive compensation:

>

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

>

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

Company Wide Metrics Adjusted profit before tax ("PBT") and revenue

Business Line Metrics Revenue and Business Operating Income (BOI)

Individual Metrics Linked to areas of performance that are specific to each executive

>

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

Relative total stockholder return-linked restricted stock units, and

Revenue-linked restricted stock units.

>

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

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

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

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**Compensation Mix:**

**Auditor Matters**

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

Audit Fees	\$ 1,425
Audit-Related Fees	
Tax Fees	523
All Other Fees	54
<b>Total</b>	<b>\$ 2,002</b>

For more information on our auditors, including individual components of 2018 audit fees and our change in auditors, see pages 77 to 79.

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## **INFORMATION CONCERNING VOTING AND SOLICITATION**

This Proxy Statement is being furnished to you in connection with the solicitation by the board of directors of ExlService Holdings, Inc., a Delaware corporation ("us," "we," "our" or the "Company"), of proxies to be used at our 2019 Annual Meeting of Stockholders (the "Annual Meeting") to be held at the New York offices of the Company, 320 Park Avenue, 29<sup>th</sup> Floor, New York, New York, 10022 on June 17, 2019, at 8:30 AM, Eastern Time, and any adjournments or postponements thereof.

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

It is anticipated that the Internet Notice will be sent to stockholders on or about April 26, 2019. This proxy statement and the form of proxy relating to the Annual Meeting will be made available via the Internet to stockholders on or prior to the date that the Internet Notice is first sent.

### **Who Can Vote**

Only stockholders who own shares of our common stock at the close of business on April 18, 2019, the record date for the Annual Meeting, can vote at the Annual Meeting. As of the close of business on April 18, 2019, the record date, we had 34,354,362 shares of common stock outstanding and entitled to vote. Each holder of common stock is entitled to one vote for each share held as of the record date for the Annual Meeting. There is no cumulative voting in the election of directors.

### **How You Can Vote**

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

If you are the beneficial owner of shares held in the name of a brokerage, bank, trust or other nominee as a custodian (also referred to as shares held in "street name"), your broker, bank, trustee or nominee will provide you with materials and instructions for voting your shares. In addition to voting by mail, a number of banks and brokerage firms participate in a program provided through Broadridge Financial Solutions, Inc. ("Broadridge") that offers telephone and Internet voting options. Votes submitted by telephone or by using the Internet through Broadridge's program must be received by 11:59 p.m. Eastern Time, on June 16, 2019.

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**Voting at the Annual Meeting**

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

**Revocation of Proxies**

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

- > by voting in person at the Annual Meeting;
- > by submitting written notice of revocation to the inspector of elections prior to the Annual Meeting; or
- > by submitting another properly executed proxy of a later date to the inspector of elections prior to the Annual Meeting.

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

**Quorum**

A quorum, which is a majority of the issued and outstanding shares of our common stock as of April 18, 2019, must be present, in person or by proxy, to conduct business at the Annual Meeting. A quorum is calculated based on the number of shares represented by the stockholders attending the Annual Meeting in person and by their proxy holders. If you indicate an abstention as your voting preference for all matters to be acted upon at the Annual Meeting, your shares will be counted toward a quorum but they will not be voted on any matter.

**Proposal 1: Amendment of the Amended and Restated Certificate of Incorporation to Effect a Phased Declassification of the Board of Directors over the Next Three Years**

We are seeking approval of an amendment of Section 6 of our Amended and Restated Certificate of Incorporation to declassify the board over a three-year phase out period (see pages 73 to 74 below), which when completed will allow for the election of all directors on an annual basis. This requires the affirmative vote of the holders of at least 66<sup>2</sup>/<sub>3</sub>% of the voting power of the

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

**Proposal 2: Election of Directors**

Under our Fourth Amended and Restated By-Laws (our "by-laws"), directors who are standing for election at the Annual Meeting will be elected by the affirmative vote of a majority of votes cast (meaning the number of shares voted "for" a nominee must exceed the number of shares voted "against" such nominee) by stockholders in person or represented by proxy and entitled to vote at the Annual Meeting. If any incumbent nominee for director receives a greater number of votes "against" his or her election than votes "for" such election, our by-laws provide that such person shall tender to the board of directors his or her resignation as a director. You may cast your vote in favor of electing all of the nominees as directors, against one or more nominees, or abstain from voting your shares. For purposes of the vote on Proposal 2, abstentions and broker non-votes will have no effect on the results of the vote.

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**Other Proposals**

The ratification of the appointment of our independent registered public accounting firm, the advisory (non-binding) approval of the compensation of our named executive officers and each other item to be acted upon at the Annual Meeting will require the affirmative vote of a majority of shares present in person or represented by proxy and entitled to vote at the Annual Meeting. You may cast your vote in favor of or against these proposals or you may abstain from voting your shares. For purposes of the vote on Proposals 3 (ratification of the appointment of our independent registered public accounting firm), 4 (advisory (non-binding) vote on executive compensation), or such other items properly presented and to be acted upon at the Annual Meeting, abstentions will have the effect of a vote against these proposals. Broker non-votes will have the effect of a vote against Proposal 4, but because Proposal 3 is a "routine" proposal where brokers have discretionary authority to vote in the absence of instruction, there will be no broker non-votes.

If you submit your proxy, but do not mark your voting preference, the proxy holders will vote your shares (i) FOR the amendment of the amended and restated certificate of incorporation, (ii) FOR the election of the Class I nominees for director, (iii) FOR the

ratification of the appointment of our independent registered public accounting firm, (iv) FOR the approval on an advisory (non-binding) basis of the compensation of our named executive officers, and (v) as described below, in the judgment of the proxy holder on any other matters properly presented at the Annual Meeting.

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

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

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

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

**Adjournments and Postponements**

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



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**Solicitation of Proxies**

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

**Internet Availability of Proxy Materials**

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

**Important**

Please promptly vote and submit your proxy by (i) Internet (by following the instructions provided in the Internet Notice), (ii) by phone (by following the instructions provided in the Internet Notice) or (iii) by requesting that proxy materials be sent to you by mail that will include a proxy card that you can use to vote by completing, signing, dating and returning the proxy card in the prepaid postage envelope provided. This will not limit your right to attend or vote at the Annual Meeting. All Annual Meeting attendees may be asked to present valid, government-issued photo identification (federal, state or local), such as a driver's license or passport, and proof of beneficial ownership if you hold your shares through a broker, bank, trust or other nominee (or a proxy signed by a stockholder of record delegating voting authority to the attendee), before entering the Annual Meeting. Attendees will be required to sign in, and may be subject to security inspections. Video and audio recording devices and other electronic devices will not be permitted at the Annual Meeting.

If you have any further questions about voting your shares or attending the Annual Meeting, please call our Investor Relations Department at (212) 624-5913.

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## OUR BOARD OF DIRECTORS

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

Rohit Kapoor  
Anne Minto  
Jaynie Studenmund

David Kelso  
Som Mittal  
Clyde Ostler

Deborah Kerr  
Nitin Sahney  
Garen Staglin  
Vikram Pandit\*\*

\*

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

\*\*

Mr. Pandit was appointed to the board as a Class III director under the terms of an Investment Agreement as described on pages 12 to 13 below.

## 2019 Nominees

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

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

the 2021 Annual Meeting of

Stockholders, each of Class I, Class II and Class III director nominees elected by our stockholders will be elected to hold office for a term of one year, or until their successors are duly elected and qualified in accordance with our by-laws, and thereafter the classification of the board of directors will terminate in its entirety. As such, if elected, each of the Class I director nominees will serve a term of one year on our board of directors, until our 2020 Annual Meeting of Stockholders or until their successors are duly elected and qualified in accordance with our by-laws.

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

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

## Director Qualifications

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

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

### **Executive Leadership**

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

### **Finance and Accounting**

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

### **Global Experience**

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

### **Board Experience**

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

### **Client and Industry Expertise**

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

### **Risk Oversight / Management**

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

We note that, in addition to satisfying these general qualifications considered by the Nominating and Governance Committee in connection with a director nomination, Vikram S. Pandit was appointed to the Board on October 4, 2018 as a Class III director pursuant to the

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

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**Board of Directors**

The names, ages and principal occupations (which have continued for at least the past five years unless otherwise indicated) and other information, including the specific experience, qualifications, attributes or skills that led to the conclusion that such person should serve as a director of the Company, with respect to each of the nominees and continuing directors are set forth below. There are no family relationships among any of our directors or executive officers.

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

*Rohit Kapoor* Age: 54 co-founded EXL Inc. in April 1999 and has served as our Vice Chairman and CEO since April 2012 and as a director since November 2002. He previously served as our President and CEO from May 2008 to March 2012. Mr. Kapoor's business experience and directorships are detailed below. The Company has concluded that, in connection with Mr. Kapoor's experience as a founder and current role as CEO of the Company, Mr. Kapoor should serve as a director.

**Committees:** N/A

**Business Experience at the Company**

Vice Chairman and CEO (2012 – present)

President and CEO (2008 – 2012)

Various senior leadership roles, including CFO and COO (2000 – 2008)

**Other Business Experience**

Business head, Deutsche Bank, a financial services provider (1999 – 2000)

Various capacities at Bank of America in the United States and Asia, including India (1991 – 1999)

**Public Directorships during Past Five Years**

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

**Other Relevant Experience**

Chairman, National Association of Software and Services Companies ("NASSCOM") BPM Council.

Member, Board of Directors, America India Foundation (AIF)



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*Anne E. Minto* Age: 65 is a qualified lawyer and member of the Law Society of Scotland. Ms. Minto's business experience and directorships are detailed below. The Company has concluded, based in part on Ms. Minto's extensive experience as a member of international company boards and of management in the human resources field, together with her knowledge and experience of the European business and regulatory environment, that Ms. Minto should serve as a director.

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

**Business Experience**

Lawyer and member of Law Society of Scotland

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

Prior senior management roles at Shell UK and Smiths Group plc

**Public Directorships During the Past Five Years**

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

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

**Other Relevant Experience**

Non-executive director, Court of the University of Aberdeen

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

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

Fellow, Chartered Institute of Management

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



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

**Committees:** Audit\*, Compensation

**Business Experience**

Chief Operating Officer, Overture Services, a pioneer in paid search and search engine marketing (2001 – 2004)

President & Chief Operating Officer, PayMyBills, the leading consumer bill payment and presentment company (1999 – 2001)

Previously for over two decades served as Executive Vice President and Head of Consumer Businesses for three of the nation's largest banks, which today form the backbone of Chase and Wells Fargo's retail franchises in California.

**Public Directorships During the Past Five Years**

Director and member of the compensation committee and nomination and governance committee, CoreLogic, Inc. (NYSE: CLGX) (2012 – present)

Director and member of the contracts committee, audit committee and nomination and governance committee, Western Asset Management (2004 – present), a major fixed income fund, and director of affiliated funds for Western Asset Management

Director, compensation committee chair and member of the compliance committee, Pinnacle Entertainment (Nasdaq: PNK) until its acquisition in 2018 (2012 – 2018)

Director, compensation committee chair and member of the audit committee, Lifelock (Nasdaq: LOCK) until its acquisition in 2017 (2015 – 2017)

**Other Relevant Experience**

NACD Board Leadership Fellow

Life trustee and board chair, Huntington Hospital

\*

Audit committee financial expert under applicable SEC rules and regulations.



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

*David B. Kelso* Age: 66 is a financial advisor for Kelso Advisory Services, a company he started in 2003. Mr. Kelso's business experience and directorships are detailed below. The Company has concluded, based in part on Mr. Kelso's business experience with Inductis, his management and operating experience at major public companies, his expertise in finance, strategy and investments, and his board and committee service at other global companies, that Mr. Kelso should serve as a director.

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

**Business Experience**

Financial Advisor, Kelso Advisory Services (2003 – present)

Senior Advisor, Inductis, Inc., a strategy and analytics company, until its acquisition by the Company (June 2004 – June 2006)

Chairman, Aetna Life Insurance Co., Executive Vice President, Strategy and Finance and member of the Office of the Chairman for Aetna, Inc., a managed healthcare company (2001 – 2003)

Executive Vice President, Chief Financial Officer and Managing Director, Chubb Corporation, a property and casualty insurer (1996 – 2001)

**Public Directorships During Past Five Years**

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

**Other Directorships**

Lead independent director and chair of the audit, nominating and valuation committees, Sound Shore Fund, an equity mutual fund (2006 – present)

Director, Aspen Holdings Limited, a property and casualty reinsurance company (2005 – 2011)

**Other Relevant Experience**

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

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Audit committee financial expert under applicable SEC rules and regulations.



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

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

**Business Experience**

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

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

Prior executive roles at Larsen & Toubro, Escorts and Denso

**Public Directorships During Past Five Years**

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

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

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

**Other Directorships**

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

**Other Relevant Experience**

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

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

Member/trustee of educational institutions and non-governmental organizations

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*Clyde W. Ostler* Age: 72 is a retired executive of Wells Fargo and during his 40-year tenure held numerous senior leadership positions within that organization. The Company has concluded, based in part on Mr. Ostler's business experience through his positions at Wells Fargo & Company, that Mr. Ostler should serve as a director.

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

**Business Experience**

Leadership positions within Wells Fargo including: Group Executive Vice President, Wells Fargo & Co., Vice Chairman, Wells Fargo Bank California NA, President, Wells Fargo Family Wealth, Vice Chairman in the Office of the President, Chief Financial Officer, Chief Auditor, Head of Retail Branch Banking, Head of Information Technology, Head of Institutional and Personal Investments and Head of Internet Services

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

**Public Directorships During the Past Five Years**

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

**Other Directorships**

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

\*

Audit committee financial expert under applicable SEC rules and regulations.

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

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

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

**Business Experience**

Managing Director, Warburg Pincus, a private equity firm (2019 – present) and previously Senior Advisor (2017 – 2019)

Executive Vice President and Chief Product and Technology Officer, Sabre Corporation (NASDAQ: SABR), a global technology company (2013 – 2017)

Executive Vice President, Chief Product and Technology Officer, Fair Isaac Corporation (FICO), an analytics software company (2009 – 2012)

Prior senior leadership roles with Hewlett Packard, Peregrine Systems and NASA's Jet Propulsion Laboratory

**Public Directorships during Past Five Years**

Director and member of the audit committee, International Airlines Group (BMAD: IAG, LSE: IAG) (2018 – present)

Director and member of the audit committee, NetApp (NASDAQ: NTAP), a hybrid cloud and data services company (2017 – present)

Director and member of the human resources, compensation and benefits committee, Chico's FAS, Inc., a specialty retailer of women's apparel (NYSE: CHS) (2017 – present)

Director, D+H Corporation (TSX: DH), a provider of technology solutions and products to the financial industry (2013 – 2017)

**Other Directorships**

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

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

**Committees:** Audit

**Business Experience**

Chairman and Chief Executive Officer, The Orogen Group (July 2016 – present)

Chairman, TGG Group (February 2014 – June 2016)

Chief Executive Officer, Citigroup Inc. (December 2007 – October 2012)

**Public Directorships During the Past Five Years**

Director and member of the nominating and governance and finance committees, Virtusa Corporation (NASDAQ: VRTU) (2017 – present)

Director, chair of the human resources and compensation committee and member of the corporate governance and nominating committee, Bombardier Inc. (TSX: BBD) (2014 – present)

Director, Citigroup Inc. (December 2007 – October 2012)

**Other Relevant Experience**

Chairman, Fair Square Financial Holdings (2017 – present)

Chairman, JM Financial Credit Solutions Ltd. (2014 – present)

Member of the Board of Overseers of Columbia Business School

Member of the Board of Visitors of Columbia School of Engineering

Member of the Board of Trustees of Columbia Business School until 2016



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*Nitin Sahney* Age: 56 is a leader in the healthcare industry with over 25 years of experience across all areas of healthcare. Mr. Sahney's business experience and directorships are detailed below. The Company has concluded, based in part on Mr. Sahney's experience as CEO of Omnicare, Inc. and his expertise in the healthcare industry garnered from more than two decades of experience, that Mr. Sahney should serve as a director.

**Committees:** Audit, Compensation

**Business Experience**

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

Operating Advisor, Clayton Dubilier & Rice Funds, a private equity firm (2016 - 2017)

President and CEO (2014 - 2015) and President and COO (2012 - 2014) of Omnicare Inc., a former New York Stock Exchange-listed Fortune 500 company in the long-term care and specialty care industries

Manager of a healthcare investment fund (2008 - 2010)

Founder and CEO of RxCrossroads, a specialty pharmaceutical company (2001 - 2007)

Prior leadership positions with Cardinal Healthcare, a global healthcare services and products company

**Other Relevant Experience**

Director, Option Care Enterprises, Inc. (2019 - present)

Member of the Board of Trustees, University of Louisville (2017 - present)

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*Garen K. Staglin* Age: 74 has over 40 years of experience in the financial services and technology industries. Mr. Staglin's business experience and directorships are detailed below. The Company has concluded, based in part on Mr. Staglin's experience in the financial services and technology industries and his past experience as a member of public company boards of directors, that Mr. Staglin should serve as a director.

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

**Business Experience**

Chief Executive Officer of eONE Global LP, an emerging payments company (2001 – 2004)

Chief Executive Officer of Safelite Auto Glass, a provider of glass claim solutions (1993 – 1999)

**Public Directorships during Past Five Years**

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

**Other Directorships**

Senior Advisor and Advisory Director, FTV Capital, a private global investment company (2004 – present)

Vice Chairman, Profit Velocity Solutions, a manufacturing analytics firm (2007 – present)

Chairman, Nvoice Payments, an electronic payment service provider (2010 – present)

Advisory Director, Specialized Bicycle, a manufacturer of cycling equipment (1995 – 2014)

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

**Other Relevant Experience**

Co-Founder and Co-Chairman, One Mind (1995 – present)

Founder and President, BringChange2Mind (2009 – 2014)

Co-Chairman, UCLA Centennial Capital Campaign (2014 – present)



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## CORPORATE GOVERNANCE

### Director Independence

In determining director independence, the board of directors considered the transactions and relationships set forth below under "Certain Relationships and Related Person Transactions Related Party Transactions." Based on its review of all applicable relationships, our board of directors has determined that all of the members on our board of directors, other than Mr. Kapoor, meet the independence requirements of the Nasdaq Stock Market and federal securities laws.

### Meeting Attendance

Our directors are expected to attend all board of directors meetings and meetings of committees on which they serve. Directors are also expected to spend sufficient time and meet as frequently as necessary to discharge their responsibilities properly. Each member of our board of directors attended at least 75% of the aggregate meetings of our board of directors and the committees on which they served during 2018. It is our policy that all of our directors should attend our Annual Meetings of Stockholders absent exceptional cause. All of the persons who were members of the board of directors at the time of our 2018 Annual Meeting of Stockholders attended such meeting.

### Board Leadership Structure

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

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

Consolidating the Vice Chairman and CEO positions allows our CEO to contribute his experience and perspective regarding management and leadership of the Company towards the goals of improved corporate governance and greater management accountability. In addition, the presence of our Chairman ensures that the board can retain sufficient delineation

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of responsibilities, such that our Chairman and our Vice Chairman and CEO may each successfully and effectively perform and discharge their respective duties and, as a corollary, enhance our prospects for success. As a result, the Company will benefit from the ability to integrate the collective leadership and corporate governance experience of our Chairman and our Vice Chairman and CEO, while retaining the ability to facilitate the functioning of the board of directors independently of our management and to focus on our commitment to corporate governance. For the foregoing reasons, our board of directors has determined that its leadership structure is appropriate and in the best interests of our stockholders at this time.

**Majority Voting in Director Elections**

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

**Committees**

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

**Audit Committee.**

Our Audit Committee oversees and assists our board of directors in fulfilling its oversight responsibilities with respect to our accounting and financial reporting processes, including the integrity of the financial statements and other financial information provided by us to our stockholders, the public, stock exchanges and others; our compliance with legal and regulatory

requirements; our independent registered public accounting firm's qualifications and independence; the audit of our financial statements; the performance of our internal audit function and independent registered public accounting firm; and the Company's cyber security program and cyber strategy-related risks.

Our Audit Committee has direct responsibility for the appointment, compensation, retention (including termination) and oversight of our independent registered public accounting firm, and our independent registered public accounting firm reports directly to our Audit Committee. Our Audit Committee also reviews and approves specified related-party transactions as required by the rules of the Nasdaq Stock Market, and oversees the Company's cyber security program and cyber strategy-related risks.

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The Audit Committee was established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934 (the "Exchange Act"). Our Audit Committee annually reviews and assesses the adequacy of the Audit Committee charter and its own performance. A copy of our Audit Committee charter can be found on our website at [www.exlservice.com](http://www.exlservice.com). Information on our website referred to in this proxy statement does not constitute a part of this proxy statement.

The members of our Audit Committee are appointed by our board of directors. All members of our Audit Committee must also be recommended by our Nominating and Governance Committee. Our board of directors has determined that all of the members of the Audit Committee meet the independence and experience requirements of the Nasdaq Stock Market and the federal securities laws for audit committee membership.

**Nominating and Governance Committee.**

Our Nominating and Governance Committee is responsible for:

- (i) identifying and recommending candidates for election to our board of directors using selection criteria approved by our board of directors,
- (ii) developing and recommending to our board of directors Corporate Governance Guidelines that are applicable to us, and (iii) overseeing our board of director and management evaluations. A copy of our Nominating and Governance Committee charter can be found on our website at [www.exlservice.com](http://www.exlservice.com).

Our Nominating and Governance Committee has a policy, reflected in such committee's charter, of considering director candidates recommended by our stockholders. Candidate recommendations should be sent to our Nominating and Governance Committee, c/o ExlService Holdings, Inc., 320 Park Avenue, 29<sup>th</sup> Floor, New York, New York 10022, Attention: Corporate Secretary. Our Nominating and Governance Committee evaluates all candidates in the same manner regardless of the source of the recommendation. Our Nominating and Governance Committee, in making its selection of director candidates, considers the appropriate skills and personal characteristics required in the light of the then-current makeup of our board of directors and in the context of our perceived needs at the time. The Nominating and Governance Committee considers a number of factors in selecting director candidates, including, among others, ethical standards and integrity; independence; diversity of professional and personal backgrounds; skills and experience; other public company directorships; and financial literacy and expertise; communication skills; and ability and willingness to comply with Company policies and procedures.

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

Although our Nominating and Governance Committee does not have a formal policy with regard to diversity of board members, pursuant to our Corporate Governance Guidelines, our

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board of directors seeks members from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. This assessment includes an individual's independence, as well as consideration of diversity, age, skills and experience in the context of the needs of the board of directors. Our Nominating and Governance Committee reviews and makes recommendations regarding the composition of our board of directors in order to ensure that the board has an appropriate breadth of expertise and its membership consists of persons with sufficiently diverse and independent skill sets and backgrounds. The Nominating and Governance Committee also oversees our director onboarding and training program, which provides new directors with training regarding the Company's policies and procedures and specific requirements that may be needed based on the director's committee memberships. Our Nominating and Governance Committee annually reviews and assesses the adequacy of the Nominating and Governance Committee charter and its own performance.

The members of our Nominating and Governance Committee are appointed by our board of directors. Our board of directors has determined that all of the members of the Nominating and Governance Committee meet the independence requirements of the Nasdaq Stock Market and federal securities laws.

**Compensation Committee.**

Our Compensation Committee reviews and recommends policies relating to compensation and benefits of our directors, officers and employees and is responsible for approving the compensation of our Vice Chairman and CEO and other executive officers. Our Compensation Committee also reviews, evaluates and makes recommendations to our board of directors with respect to our incentive compensation plans and equity-based plans and administers the

issuance of awards under our equity incentive plans. Our Compensation Committee charter permits the committee to form and delegate authority to subcommittees when appropriate, provided that the subcommittees are composed entirely of directors who satisfy the applicable independence requirements of the Nasdaq Stock Market. Any such subcommittee must have a published committee charter.

Our Compensation Committee charter also permits the committee to retain advisors, consultants or other professionals to assist the Compensation Committee to evaluate director, Vice Chairman and CEO or other senior executive compensation and to carry out its duties. For 2018, our Compensation Committee retained the services of Frederick W. Cook & Co., Inc. ("FW Cook"), a qualified and independent compensation consultant, to aid the Compensation Committee in performing its review of executive compensation including executive compensation benchmarking and peer group analysis. Our Compensation Committee annually reviews and assesses the adequacy of the Compensation Committee charter and its own performance. Additional information regarding our Compensation Committee's processes and procedures for considering executive compensation are addressed in the Compensation



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Discussion and Analysis below. A copy of our Compensation Committee charter can be found on our website at [www.exlservice.com](http://www.exlservice.com).

The members of our Compensation Committee are appointed by our board of directors. All new members of our Compensation Committee must be recommended by our Nominating and Governance Committee. Our board of directors has determined that all members of the Compensation Committee meet the independence requirements of the Nasdaq Stock Market and federal securities laws for compensation committee membership.

**Risk Oversight**

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

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

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

**Compensation Committee Interlocks and Insider Participation**

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

During 2018, none of our executive officers served as a member of the board of directors or compensation committee of any entity that has one or more executive officers who serve on our board of directors or Compensation Committee.

**Other Directorships**

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

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

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

Our board of directors has also adopted a set of Corporate Governance Guidelines to assist our board of directors in the exercise of its responsibilities. The Corporate Governance Guidelines reflect the commitment of our board of directors to monitor the effectiveness of policy and decision-making, both at the board and senior management levels, and to enhance stockholder value over the long term. A copy of our Corporate Governance Guidelines can be found on our website at [www.exlservice.com](http://www.exlservice.com).

**Communications with the Board**

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

Board of Directors of ExlService Holdings, Inc.  
c/o Corporate Secretary  
ExlService Holdings, Inc.  
320 Park Avenue, 29<sup>th</sup> Floor  
New York, New York 10022

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

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

Audit Committee of the Board of Directors  
ExlService Holdings, Inc.  
320 Park Avenue, 29<sup>th</sup> Floor  
New York, New York 10022  
Attn: General Counsel

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

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

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

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representations from reporting persons that all reportable transaction were reported, the Company's officers, directors and greater than ten percent owners timely filed all reports they were required to file under Section 16(a) with respect to transactions during fiscal year 2018, except for the following Form 4s that were filed subsequent to the due date on account of administrative error: one report (one transaction) for each of Messrs. Staglin, Kapoor, Bagai, Bhalla, Chhibbar, Miglani and Srivatsan and one report (one transaction) for each of Mr. Rembert de Villa and Ms. Nancy Saltzman, each a former officer of the Company.

Table of Contents**OUR EXECUTIVE OFFICERS**

<b>Rohit Kapoor (age 54)</b>	Vice Chairman and CEO	See section entitled "Our Board of Directors" above.
<b>Ajay Ayyappan (age 41)</b>	Senior Vice President, General Counsel and Corporate Secretary	Mr. Ayyappan has served as our Senior Vice President, General Counsel and Corporate Secretary since December 2018 and our Vice President, Acting General Counsel and Corporate Secretary since August 2018. He previously served as Vice President, Deputy General Counsel and Assistant Secretary from April 2014 to August 2018 and Vice President and Assistant General Counsel from March 2007 to March 2014. Prior to joining us, Mr. Ayyappan was a corporate associate at the law firm of Morgan, Lewis & Bockius LLP.
<b>Pavan Bagai (age 57)</b>	President and Chief Operating Officer	Mr. Bagai has served as our President and Chief Operating Officer since April 2012, as our Chief Operating Officer from May 2008 to March 2012 and as Vice President, Head of Outsourcing Services of EXL India from June 2006 until April 2008. He previously served as Vice President, Research and Analytics of EXL India from December 2004 to May 2006, as Vice President, Operations of EXL India from November 2003 to November 2004 and as Vice President, Strategic Businesses of EXL India from July 2002 to November 2003. Prior to joining us, Mr. Bagai served in various capacities in several business areas across markets in Europe and Asia, including India, at Bank of America beginning in 1985.
<b>Vikas Bhalla (age 47)</b>	Executive Vice President and Head of Insurance	Mr. Bhalla has served as our Executive Vice President and Head of Insurance since January 2014, and as our Head of Outsourcing since November 2009. He previously served as Vice President, Operations of EXL India from June 2006 to October 2009 and as Vice President, Migrations, Quality and Process Excellence of EXL India from April 2002 to June 2006 and as Director, Quality Initiatives of EXL India from May 2001 to March 2002. From May 1998 to May 2001, Mr. Bhalla served in various capacities at General Electric, including as the Quality Leader and E-Business Leader for GE Plastics India.
<b>Vishal Chhibbar (age 51)</b>	Executive Vice President and CFO	Mr. Chhibbar has served as our Executive Vice President and CFO since April 2012 and as our CFO since June 2009. He has over 25 years of professional experience in finance. Prior to joining us, Mr. Chhibbar was with GE Capital in various leadership roles. Since 2005, Mr. Chhibbar has served as the Regional Head, Group Financial Planning for Strategy and Treasury for GE Capital, Australia and New Zealand. In 2004 and 2005, Mr. Chhibbar was Chief Financial Officer for GE Capital, South Korea. From 1998 to 2004, Mr. Chhibbar was the Chief Financial Officer for GE Capital, Indonesia and Malaysia. Mr. Chhibbar is a Chartered Accountant and an Associate Member of CPA, Australia.
<b>Samuel Meckey (age 48)</b>	Executive Vice President	Mr. Meckey has served as an Executive Vice President since November 2018. Prior to joining us, Mr. Meckey served as President of UnitedHealth Group's Optum Global Solutions and before that has held various executive roles at UnitedHealth Group, where he was employed from May 2004 to June 2018. Prior to joining UnitedHealth Group, Mr. Meckey was an officer and naval aviator in the United States Navy from May 1992 to August 2002.

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<b>Nalin Miglani (age 58)</b>	Executive Vice President and Chief Human Resource Officer	Mr. Miglani has served as our Executive Vice President, Chief Human Resource Officer since December 2014. Mr. Miglani is responsible for the global human resources function at the Company. Prior to joining the Company, he was the Chief HR and Corporate Development Officer for Nutreco, based in Amsterdam, Netherlands, from March 2013 to November 2014. Mr. Miglani also served as the Chief HR and Communications Officer for Tata Global Beverages Company, London, UK, from June 2008 to February 2013. In addition, Mr. Miglani held various global and regional HR leadership roles around the world during his career at The Coca-Cola Company and British American Tobacco.
<b>Nagaraja Srivatsan (age 52)</b>	Executive Vice President and Chief Growth Officer	Mr. Srivatsan joined the Company as Executive Vice President and Chief Growth Officer in December 2016. Mr. Srivatsan is responsible for overseeing our sales and marketing, consulting, and strategy functions. Previously, he worked at Cognizant Technology Services beginning in 2002, where he served as Senior Vice President and Venture Partner, working with emerging businesses and ventures in the healthcare and life science industry. Mr. Srivatsan was Senior Vice President of Client Solutions at Silverline Technologies from 2001 to 2002, Chief technology Officer and Executive Vice President of Global Delivery at SeraNova from 1998 to 2001, and a Director at SEI Information Technology from 1992 to 1998.

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## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

#### Named Executive Officers

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

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

#### Executive Summary

##### 2018 Financial Highlights

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

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

##### Total Stockholder Return

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

- (1) Cumulative growth rate as of December 31, 2018.
- (2) Peer group TSR data excludes Convergys Corporation, which was acquired in October 2018, and DST Systems, which was acquired in April 2018.

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**Acquisitions, Finance and Equity Transactions**

- > We completed the acquisition of SCIOinspire Holdings, Inc. ("SCIO"), a leading health analytics solution and services company that specializes in identifying opportunities and prescribing actions to drive operational performance and address the healthcare waste epidemic while improving care quality.
- > We entered into an investment agreement with Orogen Echo LLC, an affiliate of The Orogen Group LLC, relating to the issuance by the Company to Orogen Echo LLC of \$150 million aggregate principal amount of 3.50% Convertible Senior Notes due October 1, 2024.

**Awards and Industry Recognition**

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

**Clients and Operations**

- > In 2018 we won 50 new clients compared to the 42 new clients we won in 2017.
- > We consolidated our London offices to support our growing UK and European business and opened new delivery centers in Chennai, India and in West Hartford, CT and Lee's Summit, MO.
- > We announced the global rollout of a digital Know Your Customer (KYC) solution in collaboration with HSBC that delivers faster turnaround times, more accurate due diligence and significant cost efficiencies.
- > We announced a partnership with TransUnion to create a seamless technology solution for lenders to comply with the new Current Expected Credit Loss Accounting rule.
- > We launched a global version of our analytics-driven subrogation platform Subrosource to derive additional recoveries, which has been deployed across Europe, UK, Europe and Asia.

**Summary of Key Compensation Considerations & Decisions in 2018**

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

- > Say on Pay Approval: 95% of our stockholders approved, on a non-binding basis (excluding broker non-votes), of our compensation of our named executive officers.

> Base Salaries: We provided appropriate increases to base salaries in 2018 as described below (in 2017, we held base salaries constant).



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Annual Bonuses: We based our annual bonuses on achievement of company goals (Adjusted PBT & revenue), business unit goals (total revenues & business operating income) and personal performance goals.

>

Equity Incentives: We continued to grant a mix of time-based and performance-based restricted stock units (revenue- & TSR-linked performance goals).

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**Key Corporate Governance Features**

Our compensation programs, practices and policies are reviewed and re-evaluated periodically and are subject to change from time to time. Our executive compensation philosophy is focused on pay for performance and is designed to reflect appropriate governance practices aligned with the needs of our business. Listed below are some of the Company's more significant practices and policies that were in effect during fiscal 2018, which were adopted to drive performance and to align our executives' interests with those of our stockholders.

Align Our Executive Pay with Performance	Link a significant portion of each NEO's total compensation to the achievement of specific performance goals, as described below.
Use Appropriate Peer Groups When Establishing Compensation	Variable compensation is "at-risk" and rewards performance and contributions to both short- and long-term financial performance. Established a peer group to help us review market practices and design a competitive compensation program. The criteria for peer group selection include similar market capitalization, scope of operations, potential mobility of talent and industry alignment.
Ensure Equity Compensation Best Practices	Set compensation of our executive officers at levels that we believe are appropriate relative to the compensation paid to similarly situated officers of our peers, giving consideration to market and other factors. Design equity incentives to encourage our executives to maintain a long-term view of stockholder value creation, to encourage retention & to ensure a significant portion of the award is performance-based.
Maintain an Independent Compensation Committee	Hold dividends accrued under our equity awards, if any, until the recipient vests in the underlying shares or units. Compensation decisions for our NEOs are approved by a Compensation Committee composed of non-employee independent directors.
Mitigate Risks	Compensation Committee is advised by an independent consultant who reports directly to the Compensation Committee & provides no other services to the Company or management. Mix and design of our compensation programs serves to mitigate operational, financial, legal, regulatory, strategic & reputational risks.
Maintain a Clawback Policy	Maintain a compensation recovery policy that allows the Company to recover compensation (including both cash and/or equity awards) previously paid to one or more officers in the event of a financial restatement caused by noncompliance with reporting requirements that impacts the applicable performance metric if, in the opinion of our Board or Compensation Committee, the identified executive's misconduct was a material factor causing the restatement.
Maintain a Robust Stock Ownership Policy	Maintain a stock ownership policy that requires our CEO to maintain stock ownership equal to at least six times his base salary and that requires the other members of our executive committee to maintain stock ownership of at least two times their respective base salaries. Covered executives have five years from Dec. 2014 (or, if later, their hire date) to attain the required stock ownership levels.  We maintain a similar stock ownership policy for our non-employee directors that requires directors to maintain stock ownership of at least five times their respective annual retainers.  As of December 31, 2018, all covered executives and directors were in compliance with the stock ownership policy.



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<p>No Option Repricing No Excessive Overhang or Dilution No Excessive Perquisites</p>	<p>We prohibit option repricing without stockholder approval. We do not have excessive overhang or dilution from equity grants.</p> <p>We provide our named executive officers with only limited perquisites and personal benefits that serve an important business purpose in addition to the regular benefits offered to all employees.</p>
<p>No Tax Gross-Ups</p>	<p>We consider the perquisites and personal benefits that we offer to our executives in India to be customary benefits which allow us to remain competitive for top talent. We do not provide "gross-ups" to any of our named executive officers, including gross-ups for any excise taxes imposed with respect to Section 280G (change-in-control payments) or Section 409A (nonqualified deferred compensation) of the U.S. Internal Revenue Code of 1986, as amended (which we refer to as the "Code").</p>
<p>No Hedging or Pledging</p>	<p>We maintain a policy that prohibits our officers and directors subject to the requirements of Section 16 of the Exchange Act, which includes our executive officers, from engaging in any hedging transactions with respect to Company stock directly or indirectly owned by any of them.</p> <p>In addition, under this policy, Reporting Persons are only permitted to pledge shares of our stock that exceed those required to be owned under our Stock Ownership Policy described above.</p>

**Overview of Compensation Policies and Philosophies**

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

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

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

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greater influence on long-term results, thereby making a significant portion of their total compensation dependent on long-term stock price appreciation. In addition, compensation should focus management on achieving short-term performance goals in a manner that supports and ensures long-term success and profitability.

- > Compensation should reflect the value of the job in the marketplace. We compete for talent globally. In order to attract and retain a highly skilled workforce, we must remain competitive with the pay of other employers who compete with us for talent in the relevant markets.
- > Compensation programs should be easy to understand. We believe that all aspects of executive compensation should be clearly, comprehensibly and promptly disclosed to employees in order to effectively motivate them. Employees need to easily understand

how their efforts can affect their pay, both directly through individual performance accomplishments, and indirectly through contributing to our achievement of strategic, financial and operational goals. We also believe that compensation for our employees should be administered uniformly across the company and should be administered with clear-cut objectives and performance metrics.

**Our Compensation Committee's Processes**

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

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

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

- > **Assessment of Individual Performance.** Individual performance has a strong impact on the compensation of our employees, including our executive officers. The evaluation of an individual's performance determines a portion of the payouts for each of our named

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executive officers made under our incentive bonus program and also influences any changes in base salary.

For Messrs. Chhibbar, Bagai, Srivatsan and Miglani, our Compensation Committee receives a performance assessment and compensation recommendation from our Vice Chairman and CEO. The performance assessments are based on each of our named executive officer's respective self-evaluations and subsequent performance appraisals conducted by our Vice Chairman and CEO. Our Compensation Committee reviews the performance assessments of these executive officers with our Vice Chairman and CEO, and evaluates the achievement of established objectives by each executive officer and his or her business line (if applicable), as well as the executive officer's contribution to our performance, leadership accomplishments and overall competence. In determining the numerical performance rating that translates into specific payouts under our incentive bonus program and also influences any changes in base salary, our Compensation Committee may exercise its judgment based on our board of directors' interactions with such executive officers.

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

>

**Review of Peer Company Market Data.** At the time compensation decisions were made for our U.S.-based and other senior executive officers in 2018, our Compensation Committee reviewed publicly available compensation data for companies that are engaged in business and technology services like us. The Compensation Committee took into account whether the companies had market capitalizations or annual revenues similar to ours, as well as the relevance of their geographic areas. The companies that composed our peer group for 2018 were as follows:

Blackbaud  
 Convergys Corporation<sup>(1)</sup>  
 CSG Systems International, Inc.  
 DST Systems<sup>(2)</sup>  
 EPAM Systems

Genpact Limited  
 LiveRamp Holdings  
 Sykes Enterprises  
 Virtusa  
 WNS (Holdings) Limited

- (1) Convergys Corporation was acquired by SYNEX Corporation in October 2018.
- (2) DST Systems was acquired by SS&C Technologies in April 2018.

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

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paid to executives at the component companies included within such surveys and did not use this information or any other data as a definitive benchmark to set executive compensation for fiscal year 2018.

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

>

**Total Compensation Review.** Our Compensation Committee reviews compensation information provided by FW Cook and the Aon survey in order to evaluate each executive's base pay, incentive bonus and equity incentives when changes in compensation are considered. Compensation decisions are designed to promote our fundamental business objectives and strategy. Our Compensation Committee periodically reviews related matters such as succession planning and management, evaluation of management performance, changes in the scope of managerial responsibilities, and consideration of the business environment, and considers such matters in making compensation decisions.

>

**Role of the Compensation Committee's Independent Compensation Consultant.** For 2018, the Compensation Committee retained the services of FW Cook, a qualified and independent compensation consultant, to aid the Compensation Committee in performing its duties. The Compensation Committee's compensation consultant assists in collecting and evaluating external market data regarding executive compensation and performance, selecting peer group companies, reviewing the proxy statement and advising the Compensation Committee on developing trends and best practices in executive compensation, director compensation and equity and incentive plan design. Other than performing these consulting services, FW Cook does not provide other services to us or our executive officers. We have affirmatively determined that no conflict of interest has arisen in connection with the work of FW Cook as compensation consultant for the Compensation Committee.

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**Components of Executive Compensation for 2018**

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

<b>Base Salary</b>	<p>&gt;</p> <p>Fixed compensation that is reviewed annually and is based on performance, experience, responsibilities, skill set and market value.</p>	<p>&gt;</p> <p>Provide a base level of compensation that corresponds to the job function performed.</p>
<b>Annual Incentives</b>	<p>&gt;</p> <p>"At-risk" compensation earned based on performance measured against pre-established annual goals.</p> <p>&gt;</p> <p>Goals are tailored to each executive's position.</p>	<p>&gt;</p> <p>Attract, retain, reward and motivate qualified and experienced executives.</p> <p>&gt;</p> <p>Incentivize executives to achieve annual goals that ultimately contribute to long-term company growth and stockholder return.</p>
<b>Long-Term Incentives</b>	<p>&gt;</p> <p>"At-risk" compensation in the form of restricted stock unit awards whose value fluctuates according to stockholder value.</p> <p>&gt;</p> <p>50% of the award vests based on continued service.</p> <p>&gt;</p> <p>50% vests based on achievement of revenue and total stockholder return goals.</p>	<p>&gt;</p> <p>Align executive interests with those of stockholders.</p> <p>&gt;</p> <p>Reward continuous service with the company.</p> <p>&gt;</p> <p>Incentivize executives to achieve goals that drive company performance over the long-term.</p>
<b>Other Benefits</b>	<p>&gt;</p> <p>Broad-based benefits provided to company employees (e.g., health and group insurance), a retirement savings plan and other personal benefits where appropriate.</p>	<p>&gt;</p> <p>Provide a total compensation package that is competitive with the marketplace and addresses unique needs, especially for overseas executives.</p>
<b>Severance and Change in Control Protections</b>	<p>&gt;</p> <p>Protect executives during potentially tumultuous corporate transaction.</p> <p>&gt;</p> <p>Provide reduced post-employment compensation upon other involuntary terminations.</p>	<p>&gt;</p> <p>Allow executives to focus on generating stockholder value during a change in control transaction.</p> <p>&gt;</p> <p>Provide market-competitive post-employment compensation recognizing executives likely require more time to find subsequent employment.</p>





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**Compensation Mix**

Consistent with our compensation philosophy, our compensation program balances base salary, short-term incentive and long-term incentive opportunities provided to our executive officers. The following charts illustrate the mix of target compensation components for the Vice Chairman and CEO and the other named executive officers during the 2018 fiscal year.

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

**Detailed Review of Compensation Components**

**Base Salary**

As discussed above, we provide our executive officers fixed compensation commensurate with their performance, experience, responsibilities, skill set and market value. This attracts and retains an appropriate caliber of talent for the position and provides a base wage that is not subject to our performance risk. In setting base salaries for 2018, our Compensation Committee considered:

**Individual Performance**

>

The degree to which the executive met and exceeded expectations.

**Market Data**

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Geographical and market data to test reasonableness of compensation.

**Overall Compensation Mix**

>

Senior employees should have a greater portion of their compensation tied to increasing stockholder value.



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Upon completing its review and as shown in the table below, and considering base salaries were held constant for 2017, the Compensation Committee determined that it was appropriate to increase the base salary for each of our named executive officers in recognition of their individual contributions and the Company's performance. The fixed compensation paid to Mr. Bagai is paid in Indian Rupees but we have included the percentage increase with respect to his fixed compensation in U.S. dollars. Further, this amount covers not only base salary for Mr. Bagai, but also amounts available as a travel allowance, an automobile allowance, a housing allowance, a medical allowance and a cash supplementary allowance, consistent with compensation practices in India.

<b>Rohit Kapoor</b>	\$	620,000	\$	720,000 <sup>(2)</sup>	16.13%
<b>Vishal Chhibbar</b>		400,000		450,000	12.50%
<b>Pavan Bagai</b>		360,106 <sup>(1)</sup>		407,077 <sup>(3)</sup>	13.04%
<b>Nagaraja Srivatsan</b>		415,000		450,000	8.43%
<b>Nalin Miglani</b>		410,000		450,000	9.76%

(1) The exchange rate used for the annual fixed compensation conversion from Indian rupees to U.S. dollars for Mr. Bagai was 63.87 INR to 1 USD, which was the exchange rate on December 31, 2017.

(2) Mr. Kapoor's base salary increased to \$720,000, effective January 1, 2018.

(3) The exchange rate used for the annual fixed compensation conversion from Indian rupees to U.S. dollars for Mr. Bagai was 63.87 INR to 1 USD, which was the exchange rate on December 31, 2017.

**Incentive Bonus**

We have established an annual incentive bonus program in order to align our executive officers' goals with our performance targets for the current year and to encourage meaningful contributions to our future financial performance. Our Compensation Committee approved the framework of our incentive bonus program in December 2017 for the year 2018 for bonuses payable in respect of 2018 performance. Under the program, bonus target amounts, expressed as a percentage of base salary or annual fixed compensation, are established for participants at the beginning of each year unless their employment agreements contain different terms. Funding of potential bonus payouts for the year are determined by our financial results for the year relative to predetermined performance measures and our assessment of each named executive officer's performance relative to his predetermined individual performance goals. If our performance falls short of target, our aggregate funding of the annual cash bonus incentive pool declines. If we do not achieve a minimum threshold for the established financial performance objectives, then the bonus pool is not funded for that particular objective. Although the Compensation Committee has not historically done so, it has the discretion to adjust an award payout from the amount yielded by the formula at the end of the performance period.

Our Compensation Committee considered the following when establishing the awards for 2018:

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**Bonus Targets.** Bonus targets were established based on job responsibilities and comparable market data. Our objective was to set bonus targets such that total annual cash compensation was within the broad middle range of market data and a substantial portion of that compensation was linked to our performance. Consistent with our executive compensation policy, individuals with greater job responsibilities had a greater proportion of their total compensation tied to our performance. During 2018, our Compensation Committee established the following bonus targets (expressed as a

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percentage of base salary or annual fixed compensation) as well as maximum bonus targets for each named executive officer.

Rohit Kapoor	150% of base salary	300% of base salary
Vishal Chhibbar	75% of base salary	150% of base salary
Pavan Bagai	75% of annual fixed compensation	150% of annual fixed compensation
Nagaraja Srivatsan	75% of base salary	150% of base salary
Nalin Miglani	75% of base salary	150% of base salary

>

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

Rohit Kapoor	65%	15%	20%
Vishal Chhibbar	60%	20%	20%
Pavan Bagai	65%	15%	20%
Nagaraja Srivatsan	60%	20%	20%
Nalin Miglani	60%	20%	20%

- (1) Based 50% on the Company's Adjusted PBT goal and 50% on the Company's revenue goal, for all employees whose incentive bonus is linked to Company-wide financial performance, including our named executive officers.
- (2) Based on total revenue and business operating income for specific business units. Business operating income is a component for measuring business unit performance that is computed as the business unit's gross margin less direct operating expenses.

In 2018, the Compensation Committee continued to set the business line and other Company performance goals as well as the individual performance goals described above for all named executive officers to ensure the executives were properly focused on both the Company's Adjusted PBT and revenue goals, aggregate of business units' performance on revenue and Adjusted PBT goals and other areas of performance that are unique to their positions within the organization. We decided to move away from basing our annual bonus in part on Adjusted EPS and, instead, to base it in part on Adjusted PBT targets because of the uncertain effect of proposed U.S. tax reforms on the Company and the Adjusted EPS calculation. Adjusted PBT, by its nature, is a measure that is unaffected by the then-current year's taxation. The Compensation Committee believes achievement of these performance metrics will drive our business and, in turn, lead to increased stockholder value.

>

**Determination of Financial Performance Achievement.** In 2018, the portion of incentive bonus payments that were subject to financial performance measures could have

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ranged from zero to 200% of target depending on the achievement of performance goals, as follows:

<b>% of Adjusted PBT Achieved Compared to Target Goal</b>	<b>% of Target Portion Funded</b>	<b>% of Revenues Achieved Compared to Target Goal</b>	<b>% of Target Portion Funded</b>
Less than 90%	0%	Less than 90%	0%
At 90%	25%	At 90%	25%
From 90% to 100%	Linear interpolation from 25% to 100%	From 90% to 100%	Linear interpolation from 25% to 100%
At 100%	100%	At 100%	100%
From 100% to 110%	Linear interpolation from 100% to 200%	From 100% to 110%	Linear interpolation from 100% to 200%
Above 110%	200%	Above 110%	200%

In 2018, our Compensation Committee established an Adjusted PBT target of \$141.3 million and a revenue target of \$867.0 million. Based on our performance during the 2018 fiscal year, we achieved 88.2% of our Adjusted PBT target, and 97.7% of our revenue target.

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

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**Individual Performance Measures.** As discussed above, each of our named executive officers earns a portion of his respective annual incentive bonuses based on the achievement of individual performance measures. These goals are designed to balance the attention of our named executive officers between the achievement of near-term objectives that improve specific processes or performance metrics and long-term objectives for us. While some of the goals are subjective, other goals, such as client and employee satisfaction metrics, are capable of objective measurement. The individual performance measures are generally based on strategic performance indicators such as improving sales productivity, strengthening our sales effectiveness, supporting inorganic growth through mergers and acquisitions, improving recruitment capabilities, enhancing market recognition, advancing our technological and automation capabilities and achieving revenue growth targets within specific areas.

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**Determination of Individual Performance Achievement.** Mr. Kapoor made performance assessments and compensation recommendations for Messrs. Chhibbar, Bagai, Srivatsan and Miglani and our Compensation Committee approved the recommendations after reviewing similar considerations for such named executive officers. For Mr. Chhibbar, our Compensation Committee noted his role in pursuing our M&A strategy, managing the finance function, developing investor relations, and growing the finance and accounting business. For Mr. Bagai, our Compensation Committee noted his contribution in providing leadership to the analytics business, managing operations, driving cost efficiencies, and improving margins of operational geographies. For Mr. Srivatsan, our Compensation Committee noted his contribution in turning around the consulting business, leading the sales function and implementing the new marketing position of the Company. For Mr. Miglani, our Compensation Committee noted his contribution in promoting diversity, building the talent base and creating an organization for a digital future, while enabling integration of acquired companies. For Mr. Kapoor, the Compensation Committee noted his contribution in building a strong leadership team, meeting business metric targets, and leading the strategic transformation of the company as a leader in global digital transformation services.

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**Actual Bonus Payments.** The table below sets out the 2018 incentive bonuses paid to our named executive officers in March 2019.

<b>Rohit Kapoor</b>	
<b>Vishal Chhibbar</b>	173,210
<b>Pavan Bagai(1)</b>	133,946
<b>Nagaraja Srivatsan</b>	172,987
<b>Nalin Miglani</b>	164,579

- (1) The exchange rate used for the bonus conversion from Indian rupees to U.S. dollars for Mr. Bagai was 69.77 INR to 1 USD, which was the exchange rate on December 31, 2018.

**Long-Term Equity Incentives**

The Committee continues to believe that long-term equity awards provide employees with the incentive to stay with us for longer periods of time, which in turn, provides us with greater stability as we grow. These incentives foster the long-term perspective necessary for continued success in our business because the value of the awards is directly linked to long-term stock price performance, and they ensure that our executive officers are properly focused on stockholder value.

Moreover, the Committee favors restricted stock unit awards as these awards offer executives the opportunity to receive shares of our common stock on or shortly following the date that the restrictions lapse. Such awards serve both to reward and retain executives because value is linked to the price of our stock on the date that the restriction lapses, and the executive must generally remain in employment through the date that the restrictions lapse. Restricted stock unit awards provide a significant degree of alignment of interests between our executives and stockholders.

The Committee also believes that the mix between Time-Vested RSUs and Performance-Vested RSUs provides an appropriate balance between incentivizing our executives to continue their employment with the Company and to ensure they are focused on long-term financial performance and generating stockholder value, which will enable them to realize additional compensation.

Finally, restricted stock units are potentially less dilutive to stockholders' equity than stock options because restricted stock awards are full value awards, and our Compensation Committee can award fewer shares than an equivalent value of stock options.

**Fiscal Year 2018 Awards**

Under our equity compensation program, our executive officers received restricted stock units under the 2015 Amendment and Restatement of the 2006 Omnibus Award Plan (the "2015 Plan"). Subsequent awards were made pursuant to the 2018 Omnibus Incentive Plan approved by the Company's stockholders at the annual meeting of stockholders held in June 2018. We awarded restricted stock units to all of our named executive officers in the portions shown below.

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- > The Time-Vested RSUs will vest in increments of 25% on each of the first four anniversaries of the grant date, subject to continuous service with the Company through the applicable vesting date.
- > The Committee believes these Time-Vested RSUs provide an important role in promoting retention of our executive officers.
- > The "Performance-Vested" portion of the 2018 RSUs ("PRSUs") are split into two types that each vest based on separate performance measures as follows:

**Revenue-Linked PRSUs:** 50% of these performance-based restricted stock unit awards will cliff-vest on December 31 of the third fiscal year in the performance period, subject to achievement of threshold Company revenues against an aggregate revenue target over the grant's three year performance period of January 1, 2018 to December 31, 2020 and continuous employment through December 31, 2020 we call these awards "Revenue-Linked PRSUs." The ultimate amount of Revenue-Linked PRSUs that a recipient earns may be up to 200% of the target award of Revenue-Linked RSUs. To the extent the Company's revenue falls in between 90% and 98%, the percentage of Revenue-Based RSUS earned will be determined based on straight line interpolation calculated using a revenue target range between 90% and 100% and a funding range between 0% and 100%. Likewise, if performance is between 102% and 110%, the percentage of Revenue-Based RSUs earned will be determined based on straight line interpolation calculated using a revenue target range between 100% and 110% and a funding range between 100% and 200%. The chart below sets forth the revenue target achievement thresholds and corresponding funding percentage:

<b>110% or more</b>	200%
<b>98% to 102%</b>	100%
<b>90% or less</b>	0%

**Relative TSR-Linked PRSUs:** The remaining 50% of the performance-based restricted stock unit awards cliff-vest on December 31 of the third fiscal year in the performance period, based on the achievement of relative total stockholder return performance of the Company against a peer group over the grant's three-year performance period of January 1, 2018 to December 31, 2020 and continuous employment through December 31, 2020 we call these awards "Relative TSR-Linked PRSUs." The Company's TSR for the TSR performance period will be computed and then compared to the TSR of the companies in the TSR peer group, which is comprised of the public companies traded on either the NYSE or NASDAQ stock markets in our 8-digit Global Industry Classification Standard sub-industry group. This comparator set is more appropriate than the compensation peer group for this purpose as it provides a more robust comparison of our performance to the marketplace by the inclusion of more companies and eliminating size as a selection criteria, which is more relevant for compensation than performance comparison. For the Relative TSR-Linked PRSUs granted in 2018, the Company included a negative TSR cap. Under the negative TSR cap, if the total stockholder return is negative over the course of the three year performance period, no named executive officer may receive greater than 100% funding of the TSR-Linked PRSUs.



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The percentage of Relative TSR-Linked PRSUs earned will be determined based on straight-line interpolation to the extent the Company's TSR falls in between the 20th and 80th percentiles, as per the chart below:

<b>80.0 or more</b>	200%
<b>65.0</b>	150%
<b>50.0</b>	100%
<b>35.0</b>	50%
<b>20.0 or less</b>	0%

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The Committee believes the PRSUs focus our executives on key drivers of our Company's business that will ultimately lead to creation of additional stockholder value.

The table below shows the amount of Time-Vested and Performance-Vested RSUs our Compensation Committee awarded our named executive officers in 2018. In general, the Compensation Committee believes that the size of the award granted to an executive officer should increase based on the executive officer's level of responsibility within the Company.

Rohit Kapoor	30,005	15,003	15,002
Vishal Chhibbar	7,350	3,675	3,675
Pavan Bagai	10,600	5,300	5,300
Nagaraja Srivatsan	5,960	2,980	2,980
Nalin Miglani	6,410	3,205	3,205

**Payout of Awards Granted in Prior Fiscal Years**

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

**Benefits and Perquisites**

We offer employee benefits coverage in order to:

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provide our global workforce with a reasonable level of financial support in the event of illness or injury; and

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provide market-competitive benefits that enhance productivity and job satisfaction through programs that focus on work/life balance.

The benefits available for all U.S. employees include customary medical and dental coverage, disability insurance and life insurance. In addition, our 401(k) plan provides a reasonable level of retirement income reflecting employees' careers with us. A number of our U.S. employees, including our U.S.-based named executive officers, participate in these plans. The cost of employee benefits is partially borne by our employees, including our named executive officers. Our named executive officer in India, Mr. Bagai, is eligible to participate in the Company's



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pension benefit, health and welfare and fringe benefit plans otherwise available to executive employees in India.

We generally do not provide significant perquisites or personal benefits to executive officers other than our Vice Chairman and CEO and our executive officers in India. Our Vice Chairman and CEO is provided a limited number of perquisites which we believe are reasonable and consistent with market trends, which are intended to be part of a competitive overall compensation program. A discussion of the benefits provided to our Vice Chairman and CEO is provided under "Employment Agreements" beginning on page 52.

**Risk and Compensation Policies**

Our Compensation Committee has taken into account its discussions with management and FW Cook regarding our compensation practices and has concluded that any risks arising from our compensation policies and practices are not reasonably likely to have a material adverse effect on the Company. This conclusion was based on the features of our compensation programs, practices and policies set forth under "Key Corporate Governance Features" beginning on page 35.

**Severance and Change-in-Control Benefits**

Each named executive officer is party to an employment agreement or letter that sets forth the terms of his or her employment, including compensation, which was negotiated through arms<sup>1</sup>-length contract negotiations. Under these employment agreements or letters, we are obligated to pay severance or other enhanced benefits upon termination of their employment. A discussion of the severance and other enhanced benefits provided to our named executive officers is provided under "Potential Payments upon Termination or Change in Control at Fiscal 2018 Year-End" beginning on page 58.

We have provided change-in-control severance protection for some of our executive officers, including our named executive officers. Our Compensation Committee believes that such protection is intended to preserve employee morale and productivity and encourage retention in the face of the disruptive impact of an actual or rumored change in control. In addition, for executive officers, the program is intended to align executive officers' and stockholders' interests by enabling executive officers to consider corporate transactions that are in the best interests of our stockholders and other constituents without undue concern over whether the transactions may jeopardize the executive officers' own employment.

Senior executive officers, including our named executive officers, have enhanced levels of benefits based on their job level, seniority and probable loss of employment after a change in control. We also consider it likely that it will take more time for senior executive officers to find new employment.

**Looking Forward to 2019**

For fiscal 2019, we generally continued the annual bonus program and our long-term equity incentives for fiscal 2018, subject, of course, to new performance goals. As mentioned previously, the Adjusted PBT target was in place for determining a portion of the annual incentive awards in 2018 due to the uncertain effect of U.S. tax reform on the Company. Since the enactment of the Tax Cuts and Jobs Act of 2017 on December 22, 2017, the Compensation Committee determined to return to the Adjusted EPS target for that portion of the 2019 annual incentive awards.

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**Deductibility Cap on Executive Compensation**

The Tax Cuts and Jobs Act of 2017 significantly altered our ability to deduct for federal income tax purposes compensation paid to certain of our executives. Prior to its passage, Section 162(m) of the Code limited our ability to deduct compensation paid to our named executive officers (other than our chief financial officer) in excess of \$1 million per year, unless the compensation was "performance-based", as described in the regulations under Code Section 162(m). In general, the Tax Cuts and Jobs Act of 2017 eliminated the exception from Code Section 162(m)'s deduction limits for performance-based compensation, clarified that chief executive officers are covered by the deduction limitation, and made certain other changes, including providing for transition relief for written binding contracts in effect on November 2, 2017.

As in the past, our Compensation Committee expects to continue to take into consideration the tax deductibility of compensation, but reserves the right to authorize payments that may not be deductible if it believes that the payments are appropriate and consistent with our compensation philosophy.

Despite the changes made to Code Section 162(m) outlined above, our Compensation Committee does not anticipate a shift away from variable or performance-based compensation payable to our named executive officers. Similarly, we do not expect to apply less rigor in the process by which we establish performance goals or evaluate performance against pre-established goals with respect to compensation paid to our named executive officers.

**Compensation Committee Report**

The Compensation Committee of the board of directors of ExlService Holdings, Inc. has reviewed and discussed the Compensation Discussion and Analysis with our management and, based on such review and discussion, has recommended to the board of directors of ExlService Holdings, Inc. that the Compensation Discussion and Analysis be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, and our proxy statement relating to the Annual Meeting.

COMPENSATION COMMITTEE

Ms. Anne Minto (Chair)  
Ms. Deborah Kerr  
Mr. Som Mittal  
Mr. Clyde W. Ostler  
Mr. Garen K. Staglin  
Ms. Jaynie M. Studenmund

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Table of Contents**Summary Compensation Table for Fiscal Year 2018**

The following table sets forth information for compensation earned in fiscal years 2016, 2017 and 2018 by our named executive officers:

<b>Rohit Kapoor</b> Vice Chairman & CEO	2018	720,000	3,791,277	532,748		61,484	5,105,509
	2017	620,000	3,145,687	591,028		41,413	4,398,128
	2016	615,027	4,005,938	525,043		47,129(5)	5,193,137
<b>Vishal Chhibbar</b> Executive Vice President and CFO	2018	437,671	928,709	173,210		11,465	1,551,056
	2017	400,000	717,639	252,608		8,990	1,379,237
	2016	411,054	747,775	210,992		108,340(6)	1,478,161
<b>Pavan Bagai</b> President & Chief Operating Officer	2018	301,448	1,339,363	133,946	17,124	57,284	1,849,164
	2017	296,139	1,134,418	265,561	6,059	66,207	1,768,384
	2016	262,895(1)	1,335,313	200,449	11,170	72,453(7)	1,882,280
<b>Nagaraja Srivatsan</b> Executive Vice President and Chief Growth Officer	2018	441,370	753,076	172,987		8,640	1,376,073
	2017	415,000	651,057	302,701		8,490	1,377,248
	2016					(8)	
<b>Nalin Miglani</b> Executive Vice President and Chief Human Resources Officer	2018	440,137	809,936	164,579		8,640	1,423,292
	2017	410,000	705,312	249,083		8,490	1,372,885
	2016	407,514	640,950	231,104		8,340(9)	1,287,908

(1)

The amount set forth in the "Salary" column for Mr. Bagai includes \$126,666 of base salary, \$125,747 of a cash supplementary allowance, \$27,519 of housing allowance (which Mr. Bagai elected to receive in cash), \$10,750 of car allowance (which Mr. Bagai elected to receive in cash), and \$10,766 of travel and medical allowance (which Mr. Bagai elected to receive in cash). The values set forth in this column are before any

compensation reduction under any Company 401(k) savings or non-qualified plan.

(2)

Amounts reflect the total grant date fair value of awards recognized for financial statement reporting purposes for the fiscal years ended December 31, 2016, 2017 and 2018, in accordance with FASB ASC Topic 718 (disregarding any forfeiture assumptions). Assumptions used in the calculation of these amounts are included (i) for 2018, in footnotes 2 and 24 to the audited financial statements for the fiscal year ended December 31, 2018, included in the 2018 Form 10-K; (ii) for 2017, in footnotes 2 and 21 to the audited financial statements for the fiscal year ended December 31, 2017, included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 27, 2018; and (iii) for 2016, in footnotes 2 and 18 to the audited financial statements for the fiscal year ended December 31, 2016, included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 15, 2017. With respect to stock awards granted in 2018, the table below sets forth the value attributable to performance restricted stock units valued at target achievement. Performance restricted stock units granted in 2018 may pay out up to 200% of the target award, which would have amounted to the grant date fair values listed as the maximum total grant date fair value for each named executive officer in the table below.

<b>Rohit Kapoor</b>	1,973,574	3,947,147
<b>Vishal Chhibbar</b>	483,446	966,893
<b>Pavan Bagai</b>	697,215	1,394,430
<b>Nagaraja Srivatsan</b>	392,019	784,038
<b>Nalin Miglani</b>	421,618	843,236

(3)

Reflects the cash incentive bonuses earned in respect of 2018 and paid in 2019. For details on our annual incentive bonus program, see "Compensation Discussion and Analysis Incentive Bonus" beginning on page 42.

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- (4) Reflects the present value of accruals under the Gratuity Plan for Indian Employees. Information regarding our Gratuity Plan (including the assumptions used to calculate these amounts) may be found under "Pension Benefits for Fiscal Year 2018" beginning on page 57.
- (5) Amount for Mr. Kapoor includes the travel allowance provided for under his employment agreement, to be used for once-a-year business class airfare for himself and his family between the United States and India (\$35,180), costs associated with use of an automobile and driver in India, car lease, tax preparation assistance in India, contributions to our 401(k) plan, and Company-paid life insurance premiums.
- (6) Amount for Mr. Chhibbar includes contributions to our 401(k) plan and Company-paid life insurance premiums and tax preparation assistance.
- (7) Amount for Mr. Bagai includes housing allowance (\$38,699), contributions to Employees' Provident Fund Scheme (a statutorily required defined contribution program for Indian employees) (\$15,200), costs associated with use of an automobile and driver in India, and home internet and telephone charges.
- (8) Amount for Mr. Srivatsan includes contributions to our 401(k) plan and Company-paid life insurance premiums.
- (9) Amount for Mr. Miglani includes contributions to our 401(k) plan and Company-paid life insurance premiums.

Unless otherwise specified, U.S. dollar figures in this proxy statement have been converted from Indian rupees at a rate of 69.77 Indian rupees to \$1.00, the Indian rupee to U.S. dollar exchange rate in effect as of December 31, 2018. Some of the information in the Summary Compensation Tables for fiscal years 2016 and 2017 was converted using the exchange rates in effect as set forth below:

<b>2017</b>	December 31, 2017	63.87
<b>2016</b>	December 31, 2016	67.94

Table of Contents**Grants of Plan-Based Awards Table for Fiscal Year 2018**

The following table sets forth information concerning grants of stock and option awards and non-equity incentive plan awards granted to our named executive officers during fiscal year 2018:

<b>Rohit Kapoor</b>	1,080,000	2,160,000			
2/22/2018			15,003(2)	30,006	908,882
2/22/2018			15,002(3)	30,004	1,064,692
2/22/2018					30,005(4) 1,817,703
<b>Vishal Chhibbar</b>	313,459	626,918			
2/22/2018			3,675(2)	7,350	222,632
2/22/2018			3,675(3)	7,350	260,815
2/22/2018					7,350(4) 445,263
<b>Pavan Bagai</b>	271,538	543,076			
2/22/2018			5,300(2)	10,600	321,074
2/22/2018			5,300(3)	10,600	376,141
2/22/2018					10,600(4) 642,148
<b>Nagaraja Srivatsan</b>	331,027	662,055			
2/22/2018			2,980(2)	5,960	180,528
2/22/2018			2,980(3)	5,960	211,491



	2/22/2018			5,960(4)	361,057
<b>Nalin Miglani</b>		314,938	629,877		
	2/22/2018		3,205(2)	6,410	194,159
	2/22/2018		3,205(3)	6,410	227,459
	2/22/2018			6,410(4)	388,318

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- (1) These amounts reflect the target and maximum cash incentive bonuses set for 2018. For details of our annual incentive bonus program, see "Compensation Discussion and Analysis Incentive Bonus" beginning on page 42.
- (2) Represents annual awards of Revenue-Linked PRSUs granted under the 2015 Plan, subject to the vesting set forth in footnote 6.
- (3) Represents annual awards of Relative TSR-Linked PRSUs granted under the 2015 Plan, subject to the vesting set forth in footnote 6.
- (4) Represents annual awards of restricted stock units granted under the 2015 Plan, subject to the vesting set forth in footnote 6.
- (5) The grant date fair value of the estimated future payouts for the Relative TSR-Linked PRSUs are based on the Monte Carlo value.
- (6) The vesting schedules of the stock grants mentioned in the table are as follows for each named executive officer (subject to continued employment through each applicable vesting date):

<b>2/22/2018</b>	2/22/2018	Revenue Linked PRSUs: 100% vesting on 12/31/2020
<b>2/22/2018</b>	2/22/2018	Relative TSR-Linked PRSUs: 100% vesting on 12/31/2020
<b>2/22/2018</b>	2/22/2018	Restricted Stock Units: Vesting over 4 years 25% each year

### Employment Agreements

In addition to the terms described below, the employment and severance agreements for each of our named executive officers include severance, termination and/or noncompetition

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provisions which are described below under "Potential Payments upon Termination or Change in Control at Fiscal 2018 Year-End" beginning on page 58.

**Rohit Kapoor**

Mr. Kapoor serves as our Vice Chairman and CEO, and is based at our executive offices in New York, New York. Our engagement of Mr. Kapoor has been under the terms of employment agreements for over 13 years. On September 19, 2017, we entered into an amended and restated employment agreement with Mr. Kapoor that became effective on January 1, 2018. That employment agreement provides for an initial term from January 1, 2018 until December 31, 2020, and automatically renews for successive one-year periods unless terminated with 120 days prior notice.

**Salary, Bonus and Equity.** Mr. Kapoor's base salary increased to \$720,000, effective April 1, 2018. Mr. Kapoor's base salary can be increased at our sole discretion and cannot be decreased unless a Company-wide decrease in pay is implemented. Mr. Kapoor can earn an annual cash bonus, with a target of 150% of base salary and a maximum of 300% of base salary, based upon the attainment of performance criteria determined by our Compensation Committee. Mr. Kapoor remains eligible to receive equity-based awards annually during the term, in amounts and forms determined by the Compensation Committee, but with vesting terms no less favorable than ratable vesting over four years from the date of grant.

**Personal Benefits.** We provide Mr. Kapoor with certain personal benefits, including certain club memberships, home office supplies, term life insurance policy (with a face value of \$500,000), once-a-year business class airfare between the United States and India for the executive and his family, up to \$12,000 for personal tax and estate planning expenses, up to \$1,400 per month car allowance, up to \$12,000 per year for expenses associated with maintaining an automobile in India (including cost of a driver), personal security for the executive and his family while in India, reimbursement for first-class business travel, and a per diem allowance for certain trips. In addition, his employment agreement entitles him to certain other benefits in the event he is relocated to India, but which are not applicable currently as he maintains a U.S. residency.

Mr. Kapoor's employment agreement also includes severance, termination and noncompetition provisions which are described below under "Potential Payments upon Termination or Change in Control at Fiscal 2018 Year-End" beginning on page 58.

**Vishal Chhibbar**

Mr. Chhibbar serves as our Executive Vice President and CFO, and was based in India until December 31, 2015. We entered into an employment agreement with him, effective January 1, 2016 which will continue throughout Mr. Chhibbar's employment with the Company.

**Salary, Bonus and Equity.** Mr. Chhibbar's base salary was increased to \$450,000, effective April 1, 2018. Mr. Chhibbar's base salary will be reviewed at least annually and may be increased at the discretion of the Board. In addition, under his agreement, Mr. Chhibbar can earn an annual cash bonus, with a target of 75% of base salary and a maximum of 150% of base salary, based upon the attainment of performance criteria determined by our Compensation Committee. Mr. Chhibbar is also eligible, subject to performance and other conditions, to receive annual equity awards at the discretion of the Compensation Committee. Mr. Chhibbar was entitled to receive \$100,000 in connection with his relocation from India to New York, New York in 2016.

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Mr. Chhibbar's employment agreement also includes severance, termination and noncompetition provisions which are described below under "Potential Payments upon Termination or Change in Control at Fiscal 2018 Year-End" beginning on page 58.

**Pavan Bagai**

Mr. Bagai serves as our President and Chief Operating Officer, and is based in India. We entered into an employment agreement with him, effective July 31, 2002 and a severance letter, effective March 15, 2011, each of which will continue throughout Mr. Bagai's employment with the Company.

**Salary, Bonus and Equity.** Mr. Bagai's annual fixed compensation, measured in U.S. dollars rather than his home currency of Indian rupees (using an exchange rate of 63.87 INR to 1 USD, which was the exchange rate on December 31, 2017), was increased to \$404,077 effective April 1, 2018. Mr. Bagai's annual fixed compensation includes base salary, as well as amounts available as a leave travel allowance, a housing allowance, an automobile allowance, a medical allowance and a cash supplementary allowance. In addition, Mr. Bagai can earn an annual cash bonus, with a target of 75% of annual fixed compensation and a maximum of 150% of annual fixed compensation, based upon the attainment of performance criteria determined by our Compensation Committee. Mr. Bagai is also eligible, subject to performance and other conditions, to receive annual equity awards at the discretion of the Compensation Committee.

Mr. Bagai's agreements also includes severance, termination and noncompetition provisions which are described below under "Potential Payments upon Termination or Change in Control at Fiscal 2018 Year-End" beginning on page 58.

**Nagaraja Srivatsan**

Mr. Srivatsan serves as our Executive Vice President and Chief Growth Officer, and is based at our executive offices in New York, New York. We entered into an employment agreement with him, effective December 10, 2016, which will continue throughout Mr. Srivatsan's employment with the Company.

**Salary, Bonus and Equity.** Mr. Srivatsan's base salary increased to \$450,000, effective April 1, 2018. Mr. Srivatsan's base salary will be reviewed at least annually and may be increased at the discretion of the Board. In addition, under his agreement, Mr. Srivatsan can earn an annual cash bonus, with a target of 75% of base salary and a maximum of 150% of base salary, based upon the attainment of performance criteria determined by our Compensation Committee. Mr. Srivatsan is also eligible, subject to performance and other conditions, to receive annual equity awards at the discretion of the Compensation Committee. Mr. Srivatsan's employment agreement provided for: (i) an initial equity award of 18,000 restricted stock units in 2017 that vest according to the schedule described below under "Outstanding Equity Awards at Fiscal 2018 Year-End" beginning on page 56 and (ii) a one-time joining bonus in 2017 of \$200,000.

Mr. Srivatsan's employment agreement also includes severance, termination and noncompetition provisions which are described below under "Potential Payments upon Termination or Change in Control at Fiscal 2018 Year-End" beginning on page 58.

**Nalin Miglani**

Mr. Miglani serves as our Executive Vice President and Chief Human Resources Officer, and is based at our executive offices in New York, New York. We entered into an employment agreement with him, effective December 1, 2014, which will continue throughout Mr. Miglani's employment with the Company.

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**Salary, Bonus and Equity.** Mr. Miglani's base salary increased to \$450,000, effective April 1, 2018 and may be further increased from time to time by our Board. While employed, Mr. Miglani can earn an annual cash bonus, with a target of 75% of base salary and a maximum of 150% of base salary, based upon attainment of performance criteria determined by our Compensation Committee. Mr. Miglani is also eligible, subject to performance and other conditions, to receive annual equity awards at the discretion of the Compensation Committee. Mr. Miglani's employment agreement provided for: (i) an initial equity award of 20,000 restricted stock units that will vest according to the schedule described below under "Outstanding Equity Awards at Fiscal 2018 Year-End" beginning on page 56 and (ii) a one-time joining bonus of \$200,000 half of which was paid on the commencement of his employment and the other half paid in March 2015, based on his continued service with the Company. Mr. Miglani received \$100,000 in connection with his relocation from Amsterdam to New York in 2014.

Mr. Miglani's employment agreement also includes severance, termination and noncompetition provisions which are described below under "Potential Payments upon Termination or Change in Control at Fiscal 2018 Year-End" beginning on page 58.

Table of Contents**Outstanding Equity Awards at Fiscal 2018 Year-End**

The following table sets forth the equity awards we have made to our named executive officers that were outstanding as of December 31, 2018:

Rohit Kapoor	2/7/2012	47,500	24.77	2/7/2022				
	2/26/2015				9,375(a)	493,313		
	2/24/2016				18,750(a)	986,625		
	2/23/2017				23,917(a)	1,258,513		
	2/23/2017						31,890(c)	1,678,052
	2/23/2017						31,888(d)	1,677,947
	2/22/2018				30,005(a)	1,578,863		
	2/22/2018						15,003(e)	789,458
Vishal Chhibbar	2/22/2018					15,002(e)	789,405	
	6/1/2009	33,000	9.59	6/1/2019				
	2/26/2015				3,000(b)	157,860		
	2/24/2016				3,500(a)	184,170		
	2/23/2017				5,457(a)	287,147		
	2/23/2017						7,276(c)	382,863
	2/23/2017						7,274(d)	382,758
	2/22/2018				7,350(a)	386,757		
2/22/2018						3,675(e)	193,379	
Pavan Bagai	2/22/2018					3,675(e)	193,379	
	2/26/2015				5,000(b)	263,100		
	2/24/2016				6,250(a)	328,875		
	2/23/2017				8,625(a)	453,848		
	2/23/2017						11,500(c)	605,130
	2/23/2017						11,500(d)	605,130
2/22/2018	10,600(a)	557,772						
2/22/2018						5,300(e)	278,886	

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	2/22/2018			5,300(e)	278,886
Nagaraja	12/15/2016	9,000(a)	473,580		
Srivatsan	2/23/2017	4,950(a)	260,469		
	2/23/2017			6,600(c)	347,292
	2/23/2017			6,600(d)	347,292
	2/22/2018	5,960(a)	313,615		
	2/22/2018			2,980(e)	156,808
	2/22/2018			2,980(e)	156,808
Nalin	2/26/2015	2,400(b)	126,288		
Miglani	2/24/2016	3,000(a)	157,860		
	2/23/2017	5,363(a)	282,201		
	2/23/2017			7,150(c)	376,233
	2/23/2017			7,150(d)	376,233
	2/22/2018	6,410(a)	337,294		
	2/22/2018			3,205(e)	168,647
	2/22/2018			3,205(e)	168,647

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(1)

The stock option awards for Mr. Kapoor became vested in increments of 25% on each of the first, second, third and fourth anniversaries of the grant date, generally subject to continued employment through each applicable vesting date. For Mr. Chhibbar, 10% of the options vested on the first anniversary of the grant date, an additional 20% of the options vested on the second anniversary of the grant date, an additional 30% of the options vested on the third anniversary of the grant date and the remaining 40% of the options vested on the fourth anniversary of the grant date, generally subject to continued employment through each applicable vesting date.

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(2)

The restricted stock unit awards in this table vest and convert to shares in accordance with the following schedules (generally subject to continued employment through each applicable vesting date):

(a)

25% of the restricted stock units vest on each of the first, second, third and fourth anniversaries of the grant date.

(b)

10% of the restricted stock units vest on the first anniversary of the grant date, an additional 20% of the options vest on the second anniversary of the grant date, an additional 30% of the options vest on the third anniversary of the grant date and the remaining 40% of the options vest on the fourth anniversary of the grant date.

(3)

The performance restricted stock unit awards in this table vest and convert to shares in accordance with the following schedules (generally subject to continued employment through the applicable vesting date and achievement of applicable performance goals):

(c)

100% of the restricted stock units vest on December 31, 2019. This amount represents the 2017 Revenue-Linked PRSUs and reflects maximum performance.

(d)

100% of the restricted stock units vest on December 31, 2019. This amount represents the 2017 Relative TSR-Linked PRSUs and reflects maximum performance.

(e)

100% of the restricted stock units vest on December 31, 2020. This amount represents 2018 performance-based PRSUs and reflects target performance.

(4)

The price used in determining the market values set forth in this table is \$52.62, which was the closing price of our stock on December 31, 2018.

**Option Exercises and Stock Vested During Fiscal Year 2018**

The following table provides additional information about the value realized by our named executive officers on option award exercises and stock award vesting during fiscal year 2018:

Rohit Kapoor			49,877	2,960,150
Vishal Chhibbar	9,000	470,850	11,190	663,948
Pavan Bagai			18,944	1,123,512
Nagaraja				
Srivatsan			6,150	347,969
Nalin Miglani			15,292	900,960

**Pension Benefits For Fiscal Year 2018**

The following table discloses the present value of accumulated benefits payable to each of the named executive officers and the years of service credited to each named executive under the Gratuity Plan for Indian Employees as of December 31, 2018:

Pavan Bagai	Gratuity Plan for Indian Employees <sup>(2)</sup>	16	100,330
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- (1) Consists of the number of years of service credited as of December 31, 2018 for the purpose of determining benefit service under the Gratuity Plan. Credited service is determined based on the completed years of continuous employment (rounded to the nearest whole number of years) with the Company since the executive's date of hire.
- (2) Liabilities with regard to the Gratuity Plans are determined by actuarial valuation using the projected unit credit method. Under this method, we determine our liability based upon the discounted value of salary increases until the date of separation arising from retirement, death, resignation or other termination of services. Critical assumptions used in measuring the plan expense and projected liability under the projected unit credit method include the discount rate, expected return on assets and the expected increase in the compensation rates. Details regarding the assumptions used in the calculation of these amounts are included in footnote 21 to the audited financial statements for the fiscal year ended December 31, 2018 included in the 2018 Form 10-K.



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We are required to provide all Indian employees with benefits under the Gratuity Plan, a defined benefit pension plan in India. Distributions from the Gratuity Plan are made in a single lump sum following retirement from the Company. An executive's benefit under the Gratuity Plan is determined at any time as the executive's annual base salary (determined based on the executive's most recent monthly base salary) divided by 26, multiplied by 15, and the product multiplied by the executive's completed years of continuous service with the Company. An executive has a vested and nonforfeitable right to payment of his accrued Gratuity Plan benefit only after five years of service. The present value of Mr. Bagai's accumulated benefits has been determined based on his monthly basic salary rates in effect on December 31, 2018, which is approximately \$10,869.

**Potential Payments upon Termination or Change in Control at Fiscal 2018 Year-End**

The following tables summarize the amounts payable to each named executive officer upon a change in control or termination of his employment with us on December 31, 2018. In calculating potential payments for purposes of this disclosure, we have quantified our equity-based payments using the closing stock price on December 31, 2018, which was \$52.62. Certain defined terms used in the employment agreements for our named executive officers are defined following the description of Mr. Miglani's potential payments.

**Rohit Kapoor**

**Cash Severance.** If Mr. Kapoor's employment were terminated by us without "cause" or by the executive for "good reason" (in each case, as described below) on December 31, 2018, he would have been entitled to cash severance consisting of:

- > continuation of his base salary for 24 months;
- > his actual bonus, if any, earned for the year of termination, determined as if he had been employed for the full year of termination, paid ratably over the remaining period of base salary payments;
- > any unpaid bonus amounts from prior periods;
- > any accrued but unpaid base salary and vacation days or unreimbursed expenses;
- > costs of continued COBRA coverage under the Company's group health plan on behalf of the executive and his eligible dependents (described in more detail below), until the earlier of (x) the 18-month anniversary of termination and (y) the date the executive becomes eligible to receive comparable benefits from a subsequent employer; and
- > continuation of life insurance coverage until the earlier of (x) the 18-month anniversary of termination and (y) the date the executive commences employment with a subsequent employer.

**Change-in-Control Cash Severance.** If Mr. Kapoor's employment is terminated by us without "cause" or by the executive for "good reason" (in each case, as described above) within 12 months following a "change in control" or in specific contemplation of a change in control, the executive will receive, in lieu of the cash severance described above, (1) a lump sum payment equal to 24 months of base salary and (2) his actual bonus, if any, earned for the year of termination, determined as if he had been employed for the full year of termination, paid ratably over the remaining period of base salary payments.

**Death or Disability.** If Mr. Kapoor's employment terminates due to his death or is terminated by either the executive or us due to his disability, he (or his estate) will be entitled to a prorated portion of his projected bonus amount for the year of termination.

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**Noncompetition and Nonsolicitation Provisions.** Mr. Kapoor is subject to confidentiality and nondisparagement restrictions at all times, as well as noncompetition and nonsolicitation restrictions during his employment and for one year thereafter.

**Annual Equity Awards.** If Mr. Kapoor's employment is terminated by us without cause or by Mr. Kapoor for good reason, Mr. Kapoor shall be treated as if he was still employed by the Company for a period of two years following the termination date. On a "change in control" (as defined in the 2006 Plan or 2015 Plan, as applicable) or on death, Mr. Kapoor's outstanding annual equity awards will vest as described below:

>

**Time-Vested RSUs:** If a change in control occurs prior to the end of the four-year vesting period, Mr. Kapoor's Time-Vested RSUs will be advanced by one year. In addition, all of Mr. Kapoor's outstanding Time-Vested RSUs will become fully vested if, he is terminated without cause in specific contemplation of or within 12 months following a change in control or, he voluntarily terminates his employment for good reason within 12 months following a change in control. If Mr. Kapoor dies before the end of the four-year vesting period, all of Mr. Kapoor's outstanding Time-Vested RSUs will become fully vested.

>

**Revenue-Linked PRSUs:** If a change in control occurs prior to the end of the performance period, 100% of target of Mr. Kapoor's Revenue-Linked PRSUs will be deemed earned, will be subject to a three-year installment vesting schedule and will be advanced by one year under such schedule. In addition, all of Mr. Kapoor's outstanding Revenue-Linked PRSUs will become fully vested if, (i) he is terminated without cause in specific contemplation of or within 12 months following a change in control; (ii) he voluntarily terminates his employment for good reason within 12 months following a change in control; or (iii) he dies following a change in control. If Mr. Kapoor dies prior to the end of the performance period and no change in control has occurred, Mr. Kapoor will become vested in a portion of the outstanding Revenue-Linked PRSUs equal to (x) the number of completed full months during the three-year performance period up to the date of Mr. Kapoor's death divided by (y) 36 multiplied by (z) 100% of Mr. Kapoor's Revenue-Linked PRSUs.

>

**Relative TSR-Linked PRSUs:** If a change in control occurs on or prior to the first anniversary of the grant date, 100% of target of Mr. Kapoor's Relative TSR-Linked PRSUs will be deemed earned. If a change in control occurs after the first anniversary of the grant date, the performance period will be deemed to end on the date of the change in control and the Compensation Committee shall determine the number of earned Relative TSR-Linked PRSUs based on the TSR of the Company and the peer group as of such date. In either scenario, the Relative TSR-Linked PRSUs that are deemed earned will be subject to a three year installment vesting schedule and will be advanced by one year under such schedule. In addition, all of Mr. Kapoor's outstanding Relative TSR-Linked PRSUs will become fully vested if, following or in specific contemplation of a change in control, he is terminated without cause or, following a change in control, he (i) voluntarily terminates his employment for good reason or (ii) dies. If Mr. Kapoor dies prior to the end of the performance period and no change in control has occurred, Mr. Kapoor will become vested in a portion of the outstanding Relative TSR-Linked PRSUs equal to (x) the number of completed full months during the 3 year performance period up to the date of Mr. Kapoor's death divided by (y) 36 multiplied by (z) 100% of Mr. Kapoor's Relative TSR-Linked PRSUs.

**Release of Claims.** Mr. Kapoor's severance payments and termination-related equity acceleration are subject to his execution of a release of claims against us, his not having committed a material breach of the restrictive covenants that has remained uncured for

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15 days after we have given him notice of such breach and his resignation from the board of directors and all committees thereof, if requested by the Company.

**Code Section 280G.** Mr. Kapoor's employment agreement also contains a "modified cut-back" provision such that any payments that constitute "excess parachute payments" under Section 280G of the Code will be reduced to an amount that does not trigger the applicable excise taxes, to the extent such reduced amount is larger than the amount Mr. Kapoor would have received on a present-value net-after-tax basis (including excise taxes) absent such a reduction.

***Indicative Payouts for Rohit Kapoor***

Base salary payout				1,440,000		1,440,000
Bonus payout	532,748	532,748	532,748	532,748		532,748
Life insurance				2,448		2,448
Health insurance				35,486		35,486
Restricted stock units	4,317,300	4,317,300		3,108,369	1,800,841	4,317,300
Performance restricted stock units	1,644,957	3,077,881		3,256,862(1)	2,551,646	3,077,881

(1)

As described above, upon his termination for good reason or without cause, Mr. Kapoor is treated as having continued his employment for two additional years for purposes of his annual equity awards. The information in this table was calculated assuming target performance over the additional two year-period, however, the actual payment would depend upon the Company's actual performance following Mr. Kapoor's termination.

**Vishal Chhibbar**

Either Mr. Chhibbar or we may terminate Mr. Chhibbar's employment at any time (though we must give Mr. Chhibbar 30 days' notice if the termination is without "cause" and Mr. Chhibbar must give us 90 days' advance notice upon any resignation). If Mr. Chhibbar's employment with the Company is terminated by the Company without "cause" or by Mr. Chhibbar for "good reason," as summarized below, Mr. Chhibbar will receive a cash severance payment equal to 12 months base salary, with 25% payable as a lump sum payment and the remaining 75%

payable in accordance with the Company's regular payroll practices.

On a "change in control" (as defined in the 2006 Plan or 2015 Plan, as applicable) or on death, Mr. Chhibbar's outstanding equity awards will vest as described below:

>

***Time-Vested RSUs:*** If a change in control occurs prior to the end of the four-year vesting period, Mr. Chhibbar's Time-Vested RSUs will be advanced by one year. In addition, all of Mr. Chhibbar's outstanding Time-Vested RSUs will become fully vested if, following or in specific contemplation of a change in control, he is terminated without cause or, following a change in control, he terminates his employment for good reason. If Mr. Chhibbar dies before the end of the four-year vesting period, all of Mr. Chhibbar's outstanding Time-Vested RSUs will become fully vested.

>

***Revenue-Linked PRSUs:*** If a change in control occurs prior to the end of the performance period, 100% of Mr. Chhibbar's Revenue-Linked PRSUs will be deemed earned, will be subject to a new three year installment vesting schedule and will be advanced by one year under such schedule. In addition, all of Mr. Chhibbar's

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outstanding Revenue-Linked PRSUs will become fully vested if, following or in specific contemplation of a change in control, he is terminated without cause or, following a change in control, he (i) terminates his employment for good reason or, (ii) dies. If Mr. Chhibbar dies prior to the end of the performance period and no change in control has occurred, Mr. Chhibbar will become vested in a portion of the outstanding Revenue-Linked PRSUs equal to (x) the number of completed full months during the 3 year performance period up to the date of Mr. Chhibbar's death divided by (y) 36 multiplied by (z) 100% of Mr. Chhibbar's Revenue-Linked PRSUs.

&gt;

**Relative TSR-Linked PRSUs:** If a change in control occurs on or prior to the first anniversary of the grant date, 100% of Mr. Chhibbar's Relative TSR-Linked PRSUs will be deemed earned. If a change in control occurs after the first anniversary of the grant date, the performance period will be deemed to end on the date of the change in control and the Compensation Committee shall determine the number of earned Relative TSR-Linked PRSUs based on the TSR of the Company and the peer group as of such date. In either scenario, the Relative TSR-Linked PRSUs that are deemed earned will be subject to a new three year installment vesting schedule and will be advanced by one year under such schedule. In addition, all of Mr. Chhibbar's outstanding, earned TSR-Linked PRSUs will become fully vested if, following or in specific contemplation of a change in control, he is terminated without cause or, following a change in control, he (i) voluntarily terminates his employment for good reason or, (ii) dies. If Mr. Chhibbar dies prior to the end of the performance period and no change in control has occurred, Mr. Chhibbar will become vested in a portion of the outstanding Relative TSR-Linked PRSUs equal to (x) the number of completed full months during the 3 year performance period up to the date of Mr. Chhibbar's death divided by (y) 36 multiplied by (z) 100% of Mr. Chhibbar's Relative TSR-Linked PRSUs.

Mr. Chhibbar's severance payments and termination-related equity acceleration are subject to his execution of a release of claims against us. Mr. Chhibbar is subject to confidentiality restrictions at all times, as well as noncompetition, nondisparagement and nonsolicitation restrictions during his employment and for one year thereafter.

**Indicative Payouts of Vishal Chhibbar**

Base salary payout			450,000		450,000
Restricted stock units	1,015,934	1,015,934		442,337	1,015,934
Performance restricted stock units	384,126	728,740		599,834	728,740

**Pavan Bagai**

Either Mr. Bagai or we may terminate Mr. Bagai's employment at any time with three months' notice (or pay three months' salary in lieu of notice). If Mr. Bagai is terminated by us without "cause" (other than due to disability) at any time following a change in control or in specific contemplation of a change in control, or if Mr. Bagai resigns for "good reason" following a "change in control" (as defined in the 2015 Plan), Mr. Bagai will receive a cash severance payment equal to twelve months' of his then-current annual fixed compensation, payable in twelve equal monthly installments.



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On a "change in control" (as defined in the 2006 Plan or 2015 Plan, as applicable) or death, Mr. Bagai's outstanding equity awards will vest in the same manner as described for Mr. Chhibbar's outstanding equity awards beginning on page 60.

Mr. Bagai's severance payments and termination-related equity acceleration are subject to his execution of a waiver and release of claims against us. Mr. Bagai is subject to confidentiality restrictions at all times, as well as noncompetition and nonsolicitation restrictions for two years following termination of his employment.

***Indicative Payouts for Pavan Bagai***

Base salary payout				372,653		372,653
Restricted stock units	1,603,595	1,603,595			718,263	1,603,595
Performance restricted stock units	589,346	1,098,355			912,449	1,098,355
Government- required payouts(1)	100,330	100,330	100,330	100,330		100,330

(1) Represents distributions under the Gratuity Plan, which is due to Mr. Bagai because he has earned over five years of credited service.

**Nagaraja Srivatsan**

Either Mr. Srivatsan or we may terminate Mr. Srivatsan's employment at any time (though we must give Mr. Srivatsan 30 days' notice if the termination is without "cause" and Mr. Srivatsan must give us 90 days' advance notice upon any resignation). If Mr. Srivatsan's employment with the Company is terminated by the Company without "cause" or by Mr. Srivatsan for "good reason," as summarized below, Mr. Srivatsan will receive a cash severance payment equal to 12 months base salary, payable in accordance with the Company's regular payroll practices.

On a "change in control" (as defined in the 2006 Plan or 2015 Plan, as applicable) or death, Mr. Srivatsan's outstanding equity awards will vest in the same manner as described for Mr. Chhibbar's outstanding equity awards beginning on page 60.

Mr. Srivatsan's severance payments and termination-related equity acceleration are subject to his execution of a release of claims against us. Mr. Srivatsan is subject to confidentiality restrictions at all times, as well as noncompetition, nondisparagement and nonsolicitation restrictions during his employment and for one year thereafter.

*Indicative Payouts for Nagaraja Srivatsan*

Base salary payout			450,000		450,000
Restricted stock units	1,047,664	1,047,664		402,017	1,047,664
Performance restricted stock units	336,068	623,863		519,335	623,863

**Nalin Miglani**

Either Mr. Miglani or we may terminate Mr. Miglani's employment at any time (though we must give Mr. Miglani 30 days' notice if the termination is without "cause" and Mr. Miglani must give us 90 days' advance notice upon any resignation). If Mr. Miglani's employment with the Company is



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terminated by the Company without "cause" (other than due to death or disability) or by Mr. Miglani for "good reason" (both "cause" and "good reason" as defined above), Mr. Miglani will receive a cash severance payment equal to 12 months base salary, with 25% payable as a lump sum payment and the remaining 75% payable in accordance with the Company's regular payroll practices.

On a "change in control" (as defined in the 2006 Plan or 2015 Plan, as applicable) or death, Mr. Miglani's outstanding equity awards will vest in the same manner as described for Mr. Chhibbar's outstanding equity awards beginning on page 60.

Mr. Miglani's severance payments and termination-related equity acceleration are subject to his execution of a release of claims against us. Mr. Miglani is subject to confidentiality restrictions at all times, as well as noncompetition, nondisparagement and nonsolicitation restrictions during his employment and for one year thereafter.

*Indicative Payouts for Nalin Miglani*

Base salary payout			450,000		450,000
Restricted stock units	903,617	903,617		383,547	903,617
Performance restricted stock units	363,255	673,396		560,976	673,396

**Certain Defined Terms**

*Definition of Cause*

The following definition of "cause" applies to Messrs. Kapoor, Chhibbar, Bagai, Srivatsan and Miglani unless stated otherwise. "Cause" will occur if: (i) there is a final nonappealable conviction of, or pleading of no contest to, (1) a crime of moral turpitude which causes serious economic injury or serious injury to our reputation or (2) a felony; (ii) the executive engages in fraud, embezzlement, gross negligence, self-dealing, dishonesty or other gross and willful misconduct which causes serious and demonstrable injury to us; (iii) the executive materially violates any of our material policies (for Mr. Kapoor, which is not remedied within 15 days of receipt of notice from the Company specifying the breach in reasonable detail); (iv) the executive willfully and continually fails to substantially perform his duties (other than for reason of physical or mental incapacity) which continues beyond 15 days after we notify him in writing of his need to substantially improve his performance; provided that a failure to achieve performance objectives will not by itself constitute cause and no act or failure to act shall be considered "willful" unless done or failed to be done by the executive in bad faith and without a reasonable belief that his actions or omission was in our best interest; (v) the executive fails to reasonably cooperate in a governmental investigation involving us; (vi) the executive materially, knowingly and intentionally fails to comply with applicable laws with respect to the execution of the Company's business operations (subject to a presumption of good faith if the executive is following advice of counsel); (vii) the executive fails to follow his supervisor's (or, for Messrs. Kapoor and Bagai our board of directors') lawful instructions and does not remedy the failure for 15 days after we give him written notice; (viii) the executive's use of alcohol or drugs materially interferes with the performance of his duties; (ix) for Mr. Kapoor only, he fails to take reasonable steps to end certain affiliations specified in his employment agreement within six months after a request by our board of directors; or (x) for Mr. Kapoor only, he materially breaches any material term of his employment agreement which is not remedied within 15 days of receipt of notice from the Company specifying the breach in reasonable detail.

*Definition of Good Reason*

For Mr. Kapoor, "good reason" generally means: (i) his duties or responsibilities are substantially reduced, he is required to report to anyone other than our board of directors, or his title as our officer

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is adversely changed; however, if following a change in control, his new title and authority are similar to his old title and authority, then any change in the executive's title will not constitute a significant reduction in his duties and authorities, it being understood that "good reason" shall be deemed to exist if Mr. Kapoor is no longer the chief executive officer of the Company or any entity that acquires the Company; (ii) his base salary is reduced, or his target annual bonus opportunity is reduced below 100% of his base salary; (iii) the office or location where he is based in the metropolitan New York City area is moved more than 30 miles, and the new location is more than 30 miles from his primary residence in the metropolitan New York City area; or (iv) we breach any material term of his employment agreement. If Mr. Kapoor plans to terminate his employment for good reason, he must notify us within 45 days following the date the executive first becomes aware of the circumstances giving rise to good reason and must allow us 30 days to remedy the problem.

The following definition of "good reason" applies to Messrs. Chhibbar, Bagai, Srivatsan and Miglani unless stated otherwise. "Good reason" means, without the executive's prior written consent: (i) the executive's duties or responsibilities are substantially reduced, or he is required to report to anyone other than our board of directors, or our CEO; (ii) the executive's title as our officer is adversely changed; however, if following a change in control (as defined in the 2015 Plan), his new title and authority are similar to his old title and authority, then any change in the executive's title will not constitute a significant reduction in his duties and authorities; (iii) for Mr. Bagai only, the executive's base salary or annual cash bonus opportunity is reduced, other than in connection with a proportionate reduction impacting all members of our executive committee; (iv) for Messrs. Chhibbar, Srivatsan and Miglani only, there is a change in the office or location where the executive is based of more than 50 miles and such new office or location is more than 50 miles from the executive's primary residence; or (v) we breach any material term of the executive's employment agreement or severance agreement. If the executive plans to terminate his employment for good reason, he must notify us within 30 days following the date the executive first becomes aware of the circumstances giving rise to good reason and must allow us 30 days to remedy the problem.

***Definition of Change in Control***

A "change in control" (as generally defined in Mr. Kapoor's employment agreement, the 2006 Plan and the 2015 Plan, as applicable) generally means any of the following events: (i) any person or group becomes a beneficial owner (within the meaning of Rule 13d-3 under the Exchange Act) of more than 50% (50% or more in the 2006 Plan) of either (1) the combined voting power of our then-outstanding voting securities entitled to vote in the election of directors or (2) our outstanding shares of common stock, assuming all rights to acquire common stock through options, warrants, conversion of convertible stock or debt, and the like are exercised; (ii) a majority of the members of our board of directors changes from those in office as of the date of Mr. Kapoor's employment agreement or the effective date of the 2006 or 2015 Plan (as applicable), except that the election of any new director whose election or nomination was approved by at least two-thirds of our incumbent directors will not be regarded towards a change in the majority for these purposes; (iii) our dissolution or liquidation; (iv) the sale, transfer or other disposition of all or substantially all of our business or our assets; or (v) consummation of a reorganization, recapitalization, merger, consolidation or similar transaction with another entity which requires the approval of our stockholders; however, any such transaction will not be a change in control if after the transaction (1) more than 50% of the total voting power of the resulting entity or its ultimate parent is represented by what were our outstanding voting securities before the transaction in substantially the same proportion among holders; (2) no person or group is or becomes the beneficial owner of more than 50% (50% or more in the 2006 Plan) of the total voting power of the outstanding voting securities eligible to elect members of our board of directors of the parent or surviving company; and (3) at least a majority of the members of our board of directors of the parent or surviving company following the transaction were our board members when our board first approved the transaction.

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**CEO Pay Ratio**

Pursuant to SEC rules, we are required to provide an estimate of the ratio of our CEO's total compensation to our median employee's total compensation (our "Pay Ratio"). Due to the size and complexity of our organization, which is made up of over 29,100 professionals throughout the world, with delivery centers over 10 countries, our Pay Ratio is based on reasonable assumptions and estimates described below.

We calculated our Pay Ratio by looking at our entire employee population (excluding our CEO) as of December 31, 2018, but excluding leased employees and independent contractors. We then calculated each employee's "total pay" using the sum of his or her fixed pay / base salary and variable pay (including any performance bonus, sales commission, and retention or signing bonus). We also annualized total pay for all full-time and part-time employees that were employed for less than the full 2018 fiscal year.

For all employees located in jurisdictions other than the United States, a cost-of-living adjustment was made to align their compensation with the cost-of-living standards in the United States, the jurisdiction in which our CEO resides. Finally, we identified the median employee and calculated his or her annual total compensation and the CEO's annual total compensation in the manner required by Item 402(u) of Regulation S-K, to determine the pay ratio shown in the table below.

Chief Executive Officer's Annual Total Compensation	\$	5,105,509
Median Employee's Annual Total Compensation	\$	9,460
Ratio of Chief Executive Officer's Annual Total Compensation to Median Employee's Annual Total Compensation		540:1

(1) 2018 Mercer Combined Index. Our median employee, identified without performing a cost-of-living adjustment, is based in India and had an annual total compensation of \$6,066, resulting in a pay ratio of 842:1.

Approximately 91% of our employees are located outside of the United States, primarily in India and the Philippines. As is common with many global companies, our compensation programs are market based, and as such they may differ for employees based on the country where an employee works. Accordingly, we believe that it is important to show our pay-ratio calculated in a similar manner as described above using the median U.S.-based employee to provide a commensurable view of our pay practices.

Chief Executive Officer's Annual Total Compensation	\$	5,105,509
Median Employee's Annual Total Compensation	\$	72,117
Ratio of Chief Executive Officer's Annual Total Compensation to Median Employee's Annual Total Compensation		71:1

Table of Contents**Director Compensation for Fiscal Year 2018**

The following table sets forth information for compensation earned in fiscal year 2018 by our non-executive directors who served during fiscal year 2018:

David Kelso	92,500	110,000		202,500
Deborah Kerr	81,875	110,000		191,875
Anne Minto	90,000	110,000	31,599	231,599
Som Mittal	80,000	110,000	28,317	218,317
Clyde Ostler	95,000	110,000		205,000
Vikram Pandit <sup>(5)</sup>	18,125	77,590		95,715
Nitin Sahney	82,500	110,000		192,500
Garen Staglin	130,000	210,000	39,734	379,734
Jaynie Studenmund <sup>(6)</sup>	41,250	79,760		121,010

- 
- (1) Mr. Kapoor's compensation during 2018 was based solely on his role as CEO, as disclosed in the "Summary Compensation Table for Fiscal Year 2018" beginning on page 50 and discussed in "Compensation Discussion and Analysis" beginning on page 33. He does not receive any additional compensation for his services as a director.
- (2) Amounts reflect the aggregate grant date fair value of stock awards and option awards recognized for financial statement reporting purposes for the fiscal year ended December 31, 2018, in accordance with FASB ASC Topic 718 (disregarding any forfeiture assumptions). Assumptions used in the calculation of these amounts are included in footnotes 2 and 24 to our audited financial statements for the fiscal year ended December 31, 2018 included in the 2018 Form 10-K.
- (3) The outstanding equity awards held by our non-employee directors on December 31, 2018 is set forth on the table below:

David Kelso	26,294	1,857
Deborah Kerr		1,857
Anne Minto	3,093	1,857
Som Mittal		1,857
Clyde Ostler	15,831	1,857
Vikram Pandit		1,199
Nitin Sahney		1,857
Garen Staglin	15,831	3,507
Jaynie Studenmund		1,240

- (4) For Ms. Minto and Mr. Mittal, amount reflects our reimbursement to the director for tax planning fees as well as tax gross-up amounts (\$20,418 Ms. Minto and \$21,884 for Mr. Mittal). For Mr. Staglin, amount reflects our reimbursement for costs associated with secretarial services.
- (5)

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Mr. Pandit was appointed to our board of directors on October 4, 2018. His cash fees include the full cash fee for the fourth quarter of 2018 for his services as a director and member of the Audit Committee, and he received a pro-rated equity grant as reflected in the table above.

(6)

Ms. Studenmund was appointed to our board of directors on September 7, 2018. Her cash fees include the full cash fee for the third and fourth quarter of 2018 for her services as a director and member of the Compensation and Audit Committees, and she received a pro-rated equity grant as reflected in the table above.

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For 2018, non-employee directors (other than the non-executive Chairman) were eligible to receive an annual retainer fee in the amount of \$60,000 in cash and \$110,000 in equity valued at the time of grant. The non-executive Chairman of our board of directors was eligible to receive an annual retainer fee in the amount of \$110,000 in cash and \$210,000 in equity valued at the time of grant. New non-employee directors who join our board of directors during a calendar quarter are eligible to receive the full cash fee for such calendar quarter and a pro-rated equity grant. The chairperson of our Audit Committee was eligible to receive an additional annual fee of \$25,000 in cash, and other members of our Audit Committee were eligible to receive an additional annual fee of \$12,500 in cash. The Chairpersons of committees other than our Audit Committee were eligible to receive an additional annual fee of \$20,000 in cash, and members of committees other than our Audit Committee were eligible to receive an additional annual fee of \$10,000.

There are no additional fees payable for attendance at our board or committee meetings (whether in person, telephonic or otherwise). We make quarterly cash payments to our directors who elect to receive a portion of their director fees in the form of cash.

Holders of restricted stock units do not receive the underlying shares of common stock until the units have vested and are settled. The restricted stock units issued to each of our non-employee directors will settle on the earliest of:

- > such director's death;
- > 180 days following the end of such director's term on our board of directors, or if the director has satisfied our stock ownership guidelines and made an election prior to the grant, the vesting date of the award; and

the occurrence of a "change in control," as defined in the 2006 Plan or 2015 Plan, as applicable, that satisfies the requirements of Section 409A of the Code.

Table of Contents**STOCK OWNERSHIP OF DIRECTORS, EXECUTIVE OFFICERS AND CERTAIN BENEFICIAL OWNERS**

Unless otherwise indicated, the table below sets forth information with respect to the beneficial ownership of our common stock by:

- > each of our directors and each of our named executive officers individually;
- > each person who is known to be the beneficial owner of more than 5% of our common stock; and
- > all of our current directors and current executive officers (i.e., not just named executive officers) as a group.

The amounts and percentages of common stock beneficially owned below are as of March 29, 2019 (the "Determination Date"), and are reported on the basis of the regulations of the SEC governing the determination of beneficial ownership of securities. Under these rules, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of such security, or investment power, which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days of the Determination Date. Under these rules, more than one person may be deemed to be a beneficial owner of the same securities. Except as otherwise indicated below, each of the persons named in the table has sole voting and investment power with respect to the securities beneficially owned by such person as set forth opposite such person's name.

**5% Beneficial Owners**

Blackrock Inc. <sup>(4)</sup>	4,904,881	14.3	4,904,881
Vanguard Group, Inc. <sup>(5)</sup>	3,431,398	10.0	3,431,398
FMR LLC <sup>(6)</sup>	2,519,396	7.3	2,519,396
Mackenzie Financial Corporation <sup>(7)</sup>	1,723,020	5.0	1,723,020

**NEOs and Directors**

Pavan Bagai	50,612	*	50,612
Vishal Chhibbar	43,734 <sup>(8)</sup>	*	43,734
Rohit Kapoor	1,033,705 <sup>(9)</sup>	3.0	1,033,705
Nalin Miglani			
Nagaraja Srivatsan	2,958	*	2,958
David B. Kelso	28,148 <sup>(10)</sup>	*	38,061 66,209
Deborah Kerr			8,270 8,270
Anne E. Minto	3,093 <sup>(11)</sup>	*	15,421 18,514
Som Mittal	3,800	*	8,874 12,674
Clyde W. Ostler	32,239 <sup>(12)</sup>	*	32,588 64,827
Vikram S. Pandit			
Nitin Sahney		*	4,846 4,846
Garen K. Staglin	34,677 <sup>(13)</sup>	*	49,343 84,020
Jaynie M. Studenmund	2,220	*	2,220
<b>All current directors and executive officers as a group (17 persons)<sup>(14)</sup></b>	<b>1,247,998<sup>(15)</sup></b>	<b>3.6</b>	<b>157,403 1,411,399</b>





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- 
- \*
- Less than 1%.
- (1) Unless otherwise noted, the business address of each beneficial owner is c/o ExlService Holdings, Inc., 320 Park Avenue, 29<sup>th</sup> Floor, New York, New York 10022.
- (2) Based on 34,365,437 shares outstanding as of the Determination Date.
- (3) For non-management directors, this column includes restricted stock units (previously granted for service on the Board) that have vested but are unsettled. Because vested restricted stock units generally settle 180 days following the director's term of service (see "Director Compensation for Fiscal Year 2018" for additional details on settlement), the units are not treated as beneficially owned under SEC rules because the holder does not have the right to acquire the underlying stock within 60 days of the Determination Date. However, restricted stock units that are vested but unsettled provide a meaningful alignment with the Company's stockholders, and they count towards our stock ownership policy for non-employee directors, which requires directors to maintain stock ownership of at least five times their respective annual retainers.
- (4) Based on the Schedule 13G/A filed on January 28, 2019, BlackRock, Inc. had sole voting power with respect to 4,831,429 shares and sole dispositive power with respect to 4,904,881 shares. The business address of Blackrock, Inc. is 55 East 52nd Street, New York, New York 10022.
- (5) Based on the Schedule 13G/A filed on January 10, 2019, Vanguard Group, Inc. had sole voting power with respect to 69,208 shares, shared voting power with respect to 5,534 shares, sole dispositive power with respect to 3,359,853 shares and shared dispositive power with respect to 71,545 shares. The business address of Vanguard Group, Inc. is 100 Vanguard Boulevard, Malvern, PA 19355.
- (6) Based on the Schedule 13G/A filed on February 13, 2019, FMR LLC had sole voting power with respect to 882,921 shares and sole dispositive power with respect to 2,519,396 shares. The business address of FMR LLC is 245 Summer Street, Boston, Massachusetts 02210.
- (7) Based on the Schedule 13G/A filed on February 14, 2019, Mackenzie Financial Corporation had sole voting and dispositive power with respect to 1,723,020 shares. The business address of Mackenzie Financial Corporation is 180 Queen Street West, Toronto, Ontario M5V 3K1.
- (8) This amount includes 33,000 shares of our common stock of which Mr. Chhibbar has the right to acquire beneficial ownership within 60 days of the Determination Date pursuant to currently vested and exercisable stock options.
- (9) The amount includes: (a) 177,134 shares of our common stock owned indirectly by Mr. Kapoor through a family trust created in 2016 under a 2005 grantor-retained annuity trust, for which Mr. Kapoor's spouse and Mr. Kapoor's brother are the co-trustees and share dispositive and voting control over the shares in the trust, (b) 40,219 shares of our common stock owned indirectly by Mr. Kapoor through a family trust created in 2016 under a 2013 grantor retained annuity trust, for which Mr. Kapoor's spouse and Mr. Kapoor's brother are the co-trustees and share dispositive and voting control over the shares in the trust, (c) 84,000 shares of our common stock owned indirectly by Mr. Kapoor through a spousal lifetime access trust, for which Mr. Kapoor's spouse and Mr. Kapoor's brother are the co-trustees and share dispositive and voting control over the shares in the trust, (d) 84,000 shares of our common stock owned indirectly by Mr. Kapoor through a spousal lifetime access trust for Mr. Kapoor's spouse, for which Mr. Kapoor and Mr. Kapoor's brother are the co-trustees and share dispositive and voting control over the shares in the trust, (e) 333,185 shares of our common stock owned indirectly by Mr. Kapoor through a family trust for which Mr. Kapoor is the investment advisor to Commonwealth Trust Company, the trustee, and (f) 47,500 shares of our common stock of which Mr. Kapoor has the right to acquire beneficial ownership within 60 days of the Determination Date pursuant to currently vested and exercisable stock options.
- (10) This amount consists of 26,294 shares of our common stock of which Mr. Kelso has the right to acquire beneficial ownership within 60 days of the Determination Date pursuant to currently vested and exercisable stock options.
- (11) This amount consists of 3,093 shares of our common stock of which Ms. Minto has the right to acquire beneficial ownership within 60 days of the Determination Date pursuant to currently vested and exercisable stock options.
- (12) This amount includes 15,831 shares of our common stock of which Mr. Ostler has the right to acquire beneficial ownership within 60 days of the Determination Date pursuant to currently vested and exercisable stock options.



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- (13) This amount includes 1,854 shares of our common stock owned indirectly by Mr. Staglin through an irrevocable family trust created in 2018, for which Mr. Staglin's spouse is the sole beneficiary and trustee with sole dispositive and voting control over the shares in the trust, and 15,831 shares of our common stock of which Mr. Staglin has the right to acquire beneficial ownership within 60 days of the Determination Date pursuant to currently vested and exercisable stock options.
- (14) Includes all ten current directors and our seven current executive officers, which includes our four named executive officers (other than Mr. Kapoor, counted as a director), and our other three executive officers.
- (15) This amount includes an aggregate of 141,549 shares of our common stock of which our current directors and current executive officers have the right to acquire beneficial ownership within 60 days of the Determination Date pursuant to currently vested and exercisable stock options.

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**CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS**  
**Review and Approval of Related Party Transactions**

We review all relationships and transactions in which we, our directors and executive officers or their immediate family members and our 5% stockholders are participants to determine whether such persons have a direct or indirect material interest in such transactions. Our Code of Conduct and Ethics instructs our directors, officers and employees to report the facts and circumstances of any such transaction or potential transaction to our General Counsel or our Audit Committee. Our board of directors has adopted a policy regarding the review of potential related party transactions. Under this policy, our General Counsel will review the facts and circumstances of any covered transaction. If our General Counsel determines that the transaction involves a related party transaction and that the amount involved does not equal or exceed \$120,000, our General Counsel will approve or disapprove the transaction. If our General Counsel determines that the transaction involves a related party transaction and that the amount involved equals or exceeds \$120,000, our General Counsel will refer the transaction to our Audit Committee for consideration. In the course of reviewing, approving or ratifying a disclosable related party transaction, our General Counsel and Audit Committee considers all factors it considers appropriate, including but not limited to the factors in the box to the right.

**Related Party Transactions**

As required under SEC rules, transactions that are determined to be directly or indirectly material to us or a related person and which involve amounts exceeding \$120,000 in the previous fiscal year are disclosed in our proxy statement.

For fiscal year 2018, the Company recognized revenue of approximately \$225,000 for consulting services provided to PharmaCord, LLC. One of the Company's directors, Nitin Sahney, is the member-manager and chief executive officer of PharmaCord, LLC. The terms of the Company's services with PharmaCord, LLC are, in the Company's opinion, no less favorable than the terms the Company would have been able to negotiate with an unrelated party, and the transactions with PharmaCord have been approved or ratified by our Audit Committee, with Mr. Sahney recusing himself from the discussion and decision regarding the transactions. After considering the amounts and other facts and circumstances regarding the relationship, the Board has determined that our transactions with PharmaCord, LLC do not impair Mr. Sahney's independence under applicable Nasdaq standards and federal securities laws.

On October 1, 2018, the Company entered into the Investment Agreement with the Purchaser, an affiliate of The Orogen Group LLC. One of the Company's directors, Vikram Pandit, is the Chairman and Chief Executive Officer of The Orogen Group LLC. Under the terms of the Investment Agreement, the Company issued to the Purchaser \$150,000,000 in aggregate principal amount of 3.50% Convertible Senior Notes due October 1, 2024. In addition, we appointed Mr. Pandit, a nominee of the Purchaser, to our board of directors pursuant to the Investment Agreement. After considering the facts and circumstances regarding the relationship, the Board has determined that the Investment Agreement does not impair Mr. Pandit's independence under applicable Nasdaq standards and federal securities laws.

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## REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the board of directors of ExlService Holdings, Inc. assists our board of directors in fulfilling its oversight responsibilities with respect to the following:

- > our accounting and financial reporting processes, including the integrity of the financial statements and other financial information provided by us to our stockholders, the public, stock exchanges and others;
- > our compliance with legal and regulatory requirements;
- > our registered independent public accounting firm's qualifications and independence;
- > the audit of our financial statements; and
- > the performance of our internal audit function and independent registered public accounting firm.

In connection with these responsibilities, the Audit Committee met with management and Deloitte & Touche LLP to review and discuss the December 31, 2018 audited consolidated financial statements. The Audit Committee also discussed with Deloitte & Touche LLP the matters required to be discussed by the Statement on Auditing Standards No. 61 (Communication with Audit Committees), as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The Audit Committee also received written disclosures and the letter from Deloitte & Touche LLP required by Rule 3526 of the Public Company Accounting Oversight Board (Communications with Audit Committees Concerning Independence), and the Audit Committee discussed with Deloitte & Touche LLP the firm's independence.

Based on the review and discussions referred to above, the Audit Committee approved the inclusion of the audited financial statements in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

### AUDIT COMMITTEE

Mr. Clyde W. Ostler (Chairman)  
Mr. David B. Kelso  
Mr. Vikram Pandit  
Mr. Nitin Sahney  
Ms. Jaynie Studenmund

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## **PROPOSAL 1**

### **AMENDMENT OF AMENDED & RESTATED CERTIFICATE OF INCORPORATION TO EFFECT A DECLASSIFICATION OF THE BOARD OF DIRECTORS**

You are being asked to approve an amendment to the Company's Amended & Restated Certificate of Incorporation (the "charter"), which will have the effect of phasing out and eliminating the classifications of the board of directors over the next three years.

#### **General Information about the Proposal**

Currently, the charter divides the Company's board of directors into three classes (Class I, Class II and Class III), each with a three-year term. The terms of the classes are staggered, so that only one of the three classes stands for election for a three-year term at each Annual Meeting of Stockholders.

The board of directors has determined that it is advisable, and in the best interests of the Company and its stockholders, to amend the charter to declassify the board of directors and allow the stockholders of the Company to vote on the election of the entire board of directors on an annual basis, rather than on a staggered basis. Accordingly, the board of directors has adopted and recommended that the stockholders of the Company approve the amendment to the charter set forth on Appendix A attached hereto (the "Charter Amendment").

Under the Charter Amendment, director nominees standing for election at each annual meeting of stockholders, commencing with the Annual Meeting, will be elected for a one-year term expiring at the next Annual Meeting of Stockholders or until their successors are duly elected and qualified in accordance with our by-laws. The Charter Amendment will not shorten the term of any current director. If the Charter Amendment is approved by the stockholders of the Company by the requisite vote at the Annual Meeting, then the Charter Amendment will become effective upon the filing of the Charter Amendment with the office of the Secretary of State of the State of Delaware, which the Company intends to cause to occur promptly after it is determined that the Charter Amendment has been approved by the requisite vote of stockholders at the Annual Meeting.

#### **Phased Declassification**

As mentioned above, if the Charter Amendment is approved by the Company's stockholders, the classification of the board of directors will be phased out over the next three Annual Meetings of Stockholders, such that:

- (i) at the Annual Meeting, each of the Class I director nominees elected by our stockholders will be elected to hold office for a term of one year, or until their successors are duly elected and qualified in accordance with our by-laws,
- (ii) at the 2020 annual meeting of stockholders, each of the Class I and Class II director nominees elected by our stockholders will be elected to hold office for a term of one year, or until their successors are duly elected and qualified in accordance with our by-laws, and
- (iii) at the 2021 annual meeting of stockholders, each of the Class I, Class II and Class III director nominees elected by our stockholders will be elected to hold office for a term of one year, or until their successors are duly elected and qualified in accordance with our by-laws, and thereafter the classification of the board of directors will terminate in its entirety.

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If the Charter Amendment is not approved by the Company's stockholders by the requisite vote at the Annual Meeting, the Company will continue to have a classified board as currently provided by the Charter.

**Required Vote**

The ratification of the Charter Amendment requires the affirmative vote of at least  $66\frac{2}{3}\%$  of the voting power of the then-outstanding shares of the Company, voting together as a single class. Unless marked to the contrary, proxies received will be voted "FOR" ratification of the Charter Amendment.

**FOR** the approval of the Charter Amendment.



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## PROPOSAL 2 ELECTION OF DIRECTORS

### The Nominees

Our Nominating and Governance Committee has nominated, and our board of directors has designated, Mses. Minto and Studenmund and Mr. Kapoor to stand for election as Class I directors at the Annual Meeting. Ms. Minto and Mr. Kapoor are standing for re-election and Ms. Studenmund was appointed since the last annual meeting of stockholders and is standing for her first stockholder election. Ms. Studenmund was identified and recommended to the Nominating and Governance Committee by a third-party search firm.

### Term of Office

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

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

### Voting Instructions and Substitutes

The proxies given to the proxy holders will be voted or not voted as directed and, if no direction is given, will be voted FOR these three nominees. Our board of directors knows of no reason why any of these nominees should be unable or unwilling to serve. However, if for any reason any nominee should be unable or unwilling to stand for election, the shares represented by proxies will be voted for the election of any substitute nominee designated by our board of directors to fill the vacancy.

### General Information About Nominees

The age, tenure on our board of directors and committee membership, if any, of each nominee appears below. Information regarding the business experience during at least the last five years and directorships of other publicly owned corporations of each nominee can be found above

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under "Our Board of Directors." Other information required with respect to any solicitation of proxies in connection with the election of directors is found elsewhere in this proxy statement.

Name	Age	Director Since	Independent	Committee Membership
Rohit Kapoor, Vice Chairman & CEO	54	April 2012	No	>
Anne Minto	65	March 2013	Yes	None >
				Compensation Committee (Chair) >
Jaynie Studenmund	73	September 2018	Yes	Nominating and Corporate Governance Committee >
				Audit Committee >
				Compensation Committee

### Required Vote

The affirmative vote of a majority of votes (meaning the number of shares voted "for" a nominee must exceed the number of shares voted "against" such nominee) cast in person or represented by proxy and entitled to vote at the Annual Meeting will elect the three nominees as Class III directors for the specified three-year term. If any nominee for director receives a greater number of votes "against" his or her election than votes "for" such election, our by-laws provide that such person shall tender to the board of directors his or her resignation as a director. Unless marked to the contrary, proxies received will be voted "FOR" the nominees.

**FOR** the election of Mses. Minto and Studenmund and Mr. Kapoor as Class I directors of the Company.

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### **PROPOSAL 3**

## **RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Our Audit Committee has appointed Deloitte & Touche LLP ("Deloitte") as the independent registered public accounting firm to audit the Company's and its subsidiaries' books, records and accounts for the fiscal year 2019. Our board of directors has endorsed this appointment. Ratification of the appointment of Deloitte by our stockholders is not required by law. However, as a matter of good corporate practice, such appointment is being submitted to our stockholders for ratification at the Annual Meeting. If our stockholders do not ratify the appointment, our board of directors and our Audit Committee will reconsider whether or not to retain Deloitte, but may nonetheless retain Deloitte. Even if the appointment is ratified, the Audit Committee in its discretion may change such appointment at any time during the year if it determines that such change would be in the best interests of the Company and our stockholders.

In retaining Deloitte as the Company's independent registered public accounting firm, the Audit Committee considered whether the provision of non-audit services by Deloitte was compatible with maintaining Deloitte's independence and concluded that it was. Representatives of Deloitte are expected to be present at the Annual Meeting. They will have an opportunity to make a statement, if they desire to do so, and will be available to respond to appropriate questions. Deloitte has served as our independent registered public accounting firm since February 28, 2018.

#### **Change in Accountants**

Ernst & Young LLP ("EY") audited our consolidated financial statements for fiscal years 2017 and 2016. On February 27, 2018, pursuant to the Audit Committee determination, the Company dismissed EY as the Company's independent registered public accounting firm. EY's reports on the Company's consolidated financial statements as of and for the fiscal year ended December 31, 2017 did not contain an adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles. During the fiscal years ended December 31, 2016 and 2017, and the subsequent interim periods through February 27, 2018, there were: (i) no disagreements within the meaning of Item 304(a)(1)(iv) of Regulation S-K and the related instructions between the Company and EY on any matters of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to EY's satisfaction, would have caused EY to make reference thereto in their reports; and (ii) no "reportable events" within the meaning of Item 304(a)(1)(v) of Regulation S-K.

In connection with the filing of the Company's Current Report on Form 8-K dated February 27, 2018 (the "Form 8-K"), the Company provided EY with a copy of the above disclosures, and requested that EY furnish a letter addressed to the SEC stating whether or not EY agrees with the statements in the immediately preceding paragraph. The Company subsequently received the requested letter, and a copy of EY's letter, dated March 1, 2018, was filed as Exhibit 16.1 to the Form 8-K.

As of February 28, 2018, pursuant to the Audit Committee's determination, the Company engaged Deloitte to serve as its independent registered public accounting firm for fiscal year 2018. During the fiscal years ended December 31, 2016 and 2017 and the subsequent interim periods through February 28, 2018, neither the Company nor anyone on its behalf has consulted with Deloitte regarding: (i) the application of accounting principles to a specific

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transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's financial statements, and neither a written report nor oral advice was provided to the Company that Deloitte concluded was an important factor considered by the Company in reaching a decision as to any accounting, auditing, or financial reporting issue; (ii) any matter that was the subject of a disagreement within the meaning of Item 304(a)(1)(iv) of Regulation S-K and the related instructions; or (iii) any reportable event within the meaning of Item 304(a)(1)(v) of Regulation S-K.

The change in independent registered public accounting firm did not result from any dissatisfaction with the quality of professional services rendered by EY.

**Audit and Non-Audit Fees**

The following is a summary of the fees billed or expected to be billed to us by the Company's independent registered public accounting firm for professional services rendered in each of the last two fiscal years:

<b>Audit Fees</b>	\$ 1,425	\$	
<b>Audit-Related Fees</b>			
<b>Tax Fees</b>	523		862
<b>All Other Fees</b>	54		124
<b>Total Fees</b>	\$ 2,002	\$	986

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(1) Reflects fees of Deloitte prior to its appointment as the Company's independent registered public accounting firm.

**Audit Fees.** Consist of fees billed or expected to be billed for professional services rendered for the audit of our consolidated financial statements, including (i) the audit of effectiveness of internal control over financial reporting, (ii) review of our consolidated financial statements included in our quarterly reports, and (iii) services that are normally provided by our registered independent public accountants including services in connection with statutory or regulatory filings or engagements for those fiscal years.

**Tax Fees.** Consist primarily of fees billed or expected to be billed for other tax filing and advisory projects.

**All Other Fees.** Consist of fees billed or expected to be billed for other permissible work performed by the Company's independent public registered accounting firm that does not meet the above category descriptions.

Our Audit Committee pre-approves and is responsible for the engagement of all auditing services provided by our independent registered public accountants and all non-auditing services to be provided by such accountants to the extent permitted under Section 10A of the Exchange Act, including all fees and other terms of engagement. Our Audit Committee may delegate the authority to pre-approve audit and permitted non-audit services between meetings of our Audit Committee to a designated member of our Audit Committee, provided that the decisions made by such member are presented to our full Audit Committee for ratification at its next scheduled meeting.

All of the fees paid to Deloitte in fiscal year 2018 were pre-approved by the Audit Committee.

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**Required Vote**

The ratification of the appointment of Deloitte as our independent registered public accounting firm requires the affirmative vote of a majority of shares present in person or represented by proxy and entitled to vote at the Annual Meeting. Unless marked to the contrary, proxies received will be voted "FOR" ratification of the appointment.

**FOR** the ratification of the appoinment of Deloitte as our independent registered public accounting firm.

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## PROPOSAL 4

### ADVISORY (NON-BINDING) VOTE ON EXECUTIVE COMPENSATION

Proposal 4 is a vote, on a non-binding advisory basis, to approve the compensation of our executive officers as described in this proxy statement. Although the vote is advisory and is not binding on the board of directors, our Compensation Committee will take into account the outcome of the vote when considering future executive compensation decisions. We refer to this vote as the "say-on-pay" vote.

At the 2018 Annual Meeting of Stockholders, our stockholders voted on a proposal relating to the frequency of the "say-on-pay" vote. We recommended, and our stockholders approved on a non-binding advisory basis, an annual say-on-pay vote. Accordingly, we include the say-on-pay vote each year as a regular part of each Annual Meeting of Stockholders, and the next such say-on-pay vote will occur at next year's Annual Meeting of Stockholders. The next vote on the frequency of the "say-on-pay" vote will be held at the Annual Meeting to be held in 2023.

Our board of directors is committed to corporate governance best practices and recognizes the significant interest of stockholders in executive compensation matters.

Our board of directors believes that our current executive compensation program directly links executive compensation to our performance and aligns the interests of our executive officers with those of our stockholders. For example, the bulk of our annual incentive bonuses are earned based on achievement of two core financial metrics: Adjusted PBT and revenues. As we discuss in greater detail in our Compensation Discussion and Analysis, these financial metrics focus our named executive officers on top-line revenues and bottom-line earnings that are likely to make meaningful contributions to our future financial performance. We believe rewarding our executives with incentive pay based on achievement of these three financial metrics closely aligns management with the interests of our stockholders.

In addition, our philosophy places more emphasis on variable elements of compensation (such as incentive bonuses and equity-based compensation) than fixed remuneration.

Our stockholders have the opportunity to vote for, against or abstain from voting on the following resolution:

**"Resolved, that the stockholders approve on an advisory basis the compensation of our named executive officers, as disclosed pursuant to the compensation disclosure rules of the SEC (which disclosure shall include the Compensation Discussion and Analysis, the compensation tables and any related material disclosed in this proxy statement)."**

The above-referenced disclosures related to the compensation of our named executive officers appear beginning at page 33 of this proxy statement.

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**Required Vote**

The approval, on an advisory (non-binding) basis, of the compensation of our named executive officers requires the affirmative vote of a majority of shares present in person or represented by proxy and entitled to vote at the Annual Meeting. Unless marked to the contrary, proxies received will be voted "FOR" the approval of the compensation of our named executive officers.

**FOR** the approval, on an advisory (non-binding) basis, of the compensation of our named executive officers as disclosed pursuant to the compensation disclosure rules of the SEC (including the Compensation Discussion and Analysis, the compensation tables and any related material disclosed in this proxy statement)

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## **STOCKHOLDER PROPOSALS AND DIRECTOR NOMINATIONS FOR THE 2020 ANNUAL MEETING**

Stockholder proposals intended to be included in our proxy materials for the 2020 Annual Meeting of Stockholders ("2020 Annual Meeting") must be received by the deadline calculated in accordance with SEC Rule 14a-8, which is 120 days before the anniversary of the date of this year's proxy statement. This year's deadline is Saturday, December 28, 2019. Such proposals must include the information required by SEC rules, and should be sent in writing by courier or certified mail to the Corporate Secretary of the Company at 320 Park Avenue, 29<sup>th</sup> Floor, New York, New York 10022. Stockholder proposals that are sent to any other person or location or by any other means may not be received in a timely manner and thus ineligible for inclusion.

Stockholders who intend to submit proposals at the 2020 Annual Meeting but whose proposals are not included in the proxy materials for the meeting, and stockholders who intend to submit nominations for directors at the 2020 Annual Meeting, are required to notify the Corporate Secretary of the Company (at the address above) of their proposal or nominations not less than 90 days, nor more than 120 days, before the anniversary of this year's Annual Meeting of Stockholders, in accordance with our by-laws. Such notices of proposals for the 2019 Annual Meeting must be delivered between February 18, 2020 and March 19, 2020. Special notice provisions apply under the by-laws if the date of the 2020 Annual Meeting is more than 30 days before or 70 days after the anniversary date of this year's Annual Meeting of Stockholders.

Any notice of proposed business or nomination, whether or not included in our proxy statement, must include the information required under our by-laws, including Section 2.11.4, in order for the matter to be eligible for consideration at the 2020 Annual Meeting. The presiding officer of the 2020 Annual Meeting may refuse to acknowledge any matter or nomination not made in compliance with the procedures in our by-laws. Our by-laws can be found on our website and the current SEC rules for submitting stockholder proposals can be obtained from the SEC at: Division of Corporation Finance, 100 F. Street, N.E., Washington, DC 20549, or through the SEC's Internet website at [www.sec.gov](http://www.sec.gov).



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## MISCELLANEOUS

### Delivery of Documents to Stockholders Sharing an Address

If you are the beneficial owner, but not the record holder, of shares of our common stock, your broker, bank, trust or other nominee may only deliver one copy of this proxy statement and the 2018 Form 10-K, which serves as our Annual Report to Stockholders under Regulation 14A (the "2018 Annual Report"), to multiple stockholders who share an address unless that nominee has received contrary instructions from one or more of the stockholders. We will deliver promptly, upon written or oral request, a separate copy of this proxy statement and the 2018 Annual Report to a stockholder at a shared address to which a single copy of the documents was delivered. A stockholder who wishes to receive a separate copy of the proxy statement and annual report, now or in the future, should submit this request to our investor relations department through our website at [www.exlservice.com](http://www.exlservice.com). Beneficial owners sharing an address who are receiving multiple copies of proxy materials and annual reports and who wish to receive a single copy of such materials in the future will need to contact their broker, bank, trust or other nominee to request that only a single copy of each document be mailed to all stockholders at the shared address in the future.

### Electronic Access to Proxy Statement and Annual Report

This proxy statement and our 2018 Annual Report may be viewed on our website at [www.exlservice.com](http://www.exlservice.com) and at [www.proxyvote.com](http://www.proxyvote.com) by following the instructions provided in the Internet Notice. If you are a stockholder of record, you can elect to access future annual reports and proxy statements electronically by marking the appropriate box on your proxy form. If you choose this option, you will receive a proxy form in mid-May listing the website locations and your choice will remain in effect until you notify us by mail that you wish to resume mail delivery of these documents. If you hold your common stock through a bank, broker or another holder of record, refer to the information provided by that entity for instructions on how to elect this option.

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## OTHER MATTERS

Our board of directors does not know of any other business that will be presented at the Annual Meeting. If any other business is properly brought before the Annual Meeting, your proxy holders will vote on it as they think best unless you direct them otherwise in your proxy instructions.

Whether or not you intend to be present at the Annual Meeting, we urge you to submit your signed proxy promptly.

By Order of the Board of Directors,

Ajay Ayyappan  
Senior Vice President, General Counsel  
and Corporate Secretary

New York, New York  
April 26, 2019

**We will furnish without charge to each person whose proxy is being solicited, upon the written request of any such person, a copy of the 2018 Form 10-K, as filed with the SEC, as well as copies of exhibits to the 2018 Form 10-K, but for copies of exhibits will charge a reasonable fee per page to any requesting stockholder. Stockholders may make such request in writing to ExlService Holdings, Inc., 320 Park Avenue, 29<sup>th</sup> Floor, New York, New York 10022, Attention: Investor Relations. The request must include a representation by the stockholder that as of April 18, 2019, the stockholder was entitled to vote at the Annual Meeting.**

CERTIFICATE OF AMENDMENT  
TO AMENDED AND RESTATED CERTIFICATE OF INCORPORATION  
OF  
EXLSERVICE HOLDINGS, INC.

I, the undersigned, being the officer designated by the board of directors to execute this Certificate of Amendment to the Amended and Restated Certificate of Incorporation of ExlService Holdings, Inc. (the "Corporation"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware do hereby certify:

**FIRST:** By unanimous written consent of the Board of Directors of ExlService Holdings, Inc., filed with the Corporation, resolutions were duly adopted setting forth a proposed amendment to the Amended and Restated Certificate of Incorporation, as amended, of said corporation, declaring said amendment to be advisable and directing that the amendment be considered at the next annual meeting of the stockholders of said corporation.

The text of the Amended and Restated Certificate of Incorporation is as set forth in such resolution is as follows:

1. The first paragraph of Section 6.2 of the Amended Restated Certificate of Incorporation, as amended, is hereby amended and restated in its entirety to read as follows:

"Terms of Directors. Subject to the provisions of this Certificate of Incorporation relating to directors elected by the holders of one or more series of Preferred Stock, voting as a separate series or with one or more other series of Preferred Stock, at each annual meeting of stockholders commencing with the 2019 annual meeting of stockholders, directors of the corporation other than those in the 2020 Class and 2021 Class (each as defined below) shall be elected for a term of one year, expiring at the next succeeding annual meeting of stockholders. Each director of the corporation who was elected at the 2017 annual meeting of stockholders for a three-year term expiring in 2020 (the "2020 Class"), and each director of the corporation who was elected at the 2018 annual meeting of stockholders for a three-year term expiring in 2021 (the "2021 Class"), including any person appointed to fill any vacancy occurring with respect to any director in the 2020 Class or the 2021 Class (each of whom shall be deemed to be a member of the class of directors in which the vacancy occurred), shall continue to hold office until the end of the term for which such director was elected or appointed, as applicable. Subject to the provisions of this Certificate of Incorporation relating to directors elected by the holders of one or more series of Preferred Stock, voting as a separate series or with one or more other series of Preferred Stock, (a) commencing with the 2020 annual meeting of stockholders, all directors of the corporation other than those in the 2021 Class will be elected for a term of one year, and (b) commencing with the 2021 annual meeting of stockholders, all directors of the corporation will be elected for a term of one year. In all cases, each director shall serve until such director's successor has been duly elected and qualified or until such director's earlier death, disqualification, resignation or removal."

**SECOND:** That said amendments were duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware. The foregoing amendments shall be effective upon filing with the Secretary of State of the State of Delaware.













