UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2016.**

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from to .**

Commission file number: **001-33626**

GENPACT LIMITED

(Exact name of registrant as specified in its charter)

Bermuda	**98-0533350**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda
(441) 295-2244
(Address, including zip code, and telephone number, including area code, of registrant's principal executive office)

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

Title of Each Class	Name of Exchange on Which Registered
Common shares, par value $0.01 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

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

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

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Annual Report on Form 10-K or any amendment to this Annual Report on Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

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

As of June 30, 2016, the aggregate market value of the common stock of the registrant held by non-affiliates of the registrant was $4,049,244,809, based on the closing price of the registrant's common shares, par value of $0.01 per share, reported on the New York Stock Exchange on such date of $26.84 per share. Directors, executive officers and significant shareholders of Genpact Limited are considered affiliates for purposes of this calculation, but should not necessarily be deemed affiliates for any other purpose.

As of February 17, 2017, there were 198,970,955 common shares of the registrant outstanding.

Documents incorporated by reference:

The registrant intends to file a definitive proxy statement pursuant to Regulation 14A within 120 days of the end of the fiscal year ended December 31, 2016. Portions of the proxy statement are incorporated herein by reference to the following parts of this Annual Report on Form 10-K:

Part III, Item 10, Directors, Executive Officers and Corporate Governance;

Part III, Item 11, Executive Compensation;

Part III, Item 12, Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters;

Part III, Item 13, Certain Relationships and Related Transactions, and Director Independence; and

Part III, Item 14, Principal Accounting Fees and Services.

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Special Note Regarding Forward-Looking Statements

We have made statements in this Annual Report on Form 10-K (the "Annual Report") in, among other sections, Item 1—"Business," Item 1A—"Risk Factors," and Item 7—"Management's Discussion and Analysis of Financial Condition and Results of Operations" that are forward-looking statements. In some cases, you can identify these statements by forward-looking terms such as "expect," "anticipate," "intend," "plan," "believe," "seek," "estimate," "could," "may," "shall," "will," "would" and variations of such words and similar expressions, or the negative of such words or similar expressions. These forward-looking statements, which are subject to risks, uncertainties and assumptions about us, may include projections of our future financial performance, which in some cases may be based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from those expressed or implied by the forward-looking statements. In particular, you should consider the numerous risks outlined under Item 1A—"Risk Factors" in this Annual Report. These forward-looking statements include, but are not limited to, statements relating to:

- our ability to retain existing clients and contracts;
- our ability to win new clients and engagements;
- the expected value of the statements of work under our master service agreements;
- our beliefs about future trends in our market;
- political, economic or business conditions in countries where we have operations or where our clients operate;
- expected spending on business process management and information technology services by clients;
- foreign currency exchange rates;
- our ability to convert bookings to revenue;
- our rate of employee attrition;
- our effective tax rate; and
- competition in our industry.

Factors that may cause actual results to differ from expected results include, among others:

- our ability to grow our business and effectively manage growth and international operations while maintaining effective internal controls;
- our dependence on revenues derived from clients in the United States and Europe and clients that operate in certain industries, such as the financial services industry;
- our dependence on favorable tax legislation and tax policies that may be amended in a manner adverse to us or be unavailable to us in the future;
- our ability to successfully consummate or integrate strategic acquisitions;
- our ability to maintain pricing and asset utilization rates;
- our ability to hire and retain enough qualified employees to support our operations;
- increases in wages in locations in which we have operations;
- our relative dependence on the General Electric Company (GE);
- financing terms, including, but not limited to, changes in the London Interbank Offered rate, or LIBOR;
- restrictions on visas for our employees traveling to North America and Europe;
- fluctuations in exchange rates between the U.S. dollar, the euro, U.K. pound sterling, Chinese renminbi, Hungarian forint, Japanese yen, Indian rupee, Australian dollar, Philippines peso, Norwegian krone, Mexican peso, Polish zloty, Romanian leu, South African rand, Hong Kong dollar, Singapore dollar, Arab Emirates dirham, Brazilian real, Swiss franc, Swedish krona, Danish krone, Kenyan shilling, Czech koruna, Israeli new shekel, Colombian peso, Guatemalan quetzal, Peruvian sol, Macau pataca, Malaysian ringgit, Moroccan dirham and Canadian dollar;

- our ability to retain senior management;
- the selling cycle for our client relationships;
- our ability to attract and retain clients and our ability to develop and maintain client relationships on attractive terms;
- legislation in the United States or elsewhere that adversely affects the performance of business process outsourcing and information technology services offshore;
- increasing competition in our industry;
- telecommunications or technology disruptions or breaches, or natural or other disasters;
- our ability to protect our intellectual property and the intellectual property of others;
- our ability to maintain the security and confidentiality of personal and other sensitive data of our clients, employees or others;
- deterioration in the global economic environment and its impact on our clients, including the bankruptcy of our clients;
- regulatory, legislative and judicial developments, including the withdrawal of governmental fiscal incentives;
- the international nature of our business;
- technological innovation;
- our ability to derive revenues from new service offerings; and
- unionization of any of our employees.

Although we believe the expectations reflected in the forward-looking statements are reasonable at the time they are made, we cannot guarantee future results, level of activity, performance or achievements. Achievement of future results is subject to risks, uncertainties, and potentially inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could differ materially from past results and those anticipated, estimated or projected. You should bear this in mind as you consider forward-looking statements. We undertake no obligation to update any of these forward-looking statements after the date of this filing to conform our prior statements to actual results or revised expectations. You are advised, however, to consult any further disclosures we make on related subjects in our Forms 10-Q and Form 8-K reports to the SEC.

In this Annual Report on Form 10-K, we use the terms “Genpact,” “Company,” “we” and “us” to refer to both our predecessor company and its subsidiaries, and Genpact Limited and its subsidiaries. Our registered office is located at Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda.

PART I

Item 1. Business

Overview

Genpact stands for "generating business impact." We are a global leader in digitally-powered business process management and services. We architect the Lean Digital[SM] enterprise through our patented Smart Enterprise Processes (SEP[SM]) framework that reimagines our clients' operating models end-to-end, including the middle and back offices. This creates Intelligent Operations[SM] that we help design, transform, and run. The impact on our clients is a high return on transformation investments through growth, efficiency, and business agility. For two decades, first as a division of the General Electric Company, or GE, and later as an independent company, we have been passionately serving our clients. Today, we generate impact for a few hundred strategic clients, including approximately one fifth of the Fortune Global 500, and have grown to over 75,000 people in 25 countries, with corporate offices in New York City. The resulting business process and industry domain expertise and experience running complex operations are a unique heritage and focus that help us drive the best choices across technology, analytics, and organizational design.

Our business was initially conducted through various entities and divisions of GE. We began operating as an independent company in 2004, when GE spun off our operations and sold indirect interests in us to our initial investors. In 2007, we completed our initial public offering. In 2012, affiliates of Bain Capital Investors, LLC, or Bain Capital, acquired the majority of the remaining interests held by our initial investors. As of December 31, 2016, Bain Capital (through its affiliates) owned approximately 29% of our outstanding equity.

In 2016, we had net revenues of $2.57 billion, of which $2.21 billion, or 86%, was from clients other than GE, which we refer to as Global Clients, with the remaining $358 million, or 14%, coming from GE.

We provide digitally-driven solutions that draw on our deep domain expertise, our understanding of process operations, analytics and advanced technology, and the operational insight we have acquired from our experience in managing thousands of processes for our clients. We seek to build long-term client relationships with companies that wish to improve the ways in which they do business and to whom we can offer a full range of services. Our business is increasingly focused on digital and consulting solutions, and we made significant investments in these areas in 2016.

Genpact Digital

Genpact's digital practice helps architect the Lean Digital[SM] enterprise, enabling clients to re-imagine their business operations by extending the power of digital all the way through the middle and back offices in an effort to enhance growth, cost efficiency, and business agility. Building on our foundation of deep process expertise in industry and functional domains and our SEP[SM] framework, our digital approach harnesses advanced technologies to drive transformative solutions for our clients through the application of actionable analytics that can be incorporated into their operations. Through this approach, we strive to improve our clients' returns on existing IT investments.

In 2016, we opened the Genpact Lean Digital[SM] Innovation Center, a lab designed to help our clients drive digital transformations across their enterprises. The Innovation Center enables clients to learn about new digital solutions and how they apply to their specific business needs through a comprehensive program that includes three key components: customer-focused design thinking workshops to help identify and reframe problems and develop innovative ideas that can scale to accelerate business impact; a digital incubation program that leverages carefully selected cutting-edge digital technology disruptors with proven success in developing real-life solutions that add value to the client experience; and a co-innovation lab that brings enterprise executives together with technology and business process experts to turn ideas into actionable prototypes through rapid development.

Smart Enterprise Processes (SEP[SM])

SEP[SM] is our patented and highly granular approach to dramatically improving the performance of business processes. In addition to efficiency, it focuses on maximizing process effectiveness.

SEP[SM] and its more recent evolution, Digital SEP[SM], are based on work done in the Genpact Process Innovation Lab, where we leverage our exposure to thousands of business processes and hundreds of millions of client transactions to map and analyze end-to-end processes at a granular level. This enables us to test the effectiveness of clients' processes by identifying opportunities for improvement using best-in-class and granular benchmarks gleaned from within and across industries and then applying our deep process knowledge, process-centric technology, and analytical skills to improve them. The result is a client-specific road map for maximizing process effectiveness.

Digital SEP^{SM} builds on our SEP^{SM} framework, developing our digital and domain-specific assets and solutions in an effort to drive business impact for clients in such areas as profitability and cash flows, user and customer experience, speed and strategic risk. Using Lean and design-thinking principles, we have built proprietary digital assets to address the domain-specific needs of clients in our targeted industry verticals. Our Digital SEP^{SM} solutions leverage our digital expertise in mobility, cloud, workflow, advanced visualization, robotics, and machine learning capabilities and incorporate proprietary frameworks that we use to determine a client's process, technology and performance maturity.

Our Strategic Client Model

We seek to create long-term relationships with our clients where they view us as an integral part of their organization and not just as a service provider. These relationships often begin with the outsourcing of discrete processes or with shorter-cycle engagements in analytics and research or consulting and transformation services. Over time, these relationships often expand to encompass multiple business processes across a broader set of functions and geographic areas.

No matter how large or small the engagement, we strive to be a seamless extension of our client's operations. To achieve this goal, we developed the Genpact Virtual Captive^{SM} model for service delivery, and we may implement all or some of its features in any given client relationship, depending on the client's needs. This approach provides clients with dedicated employees and management as well as dedicated infrastructure at our delivery centers to create virtual extensions of the client's own teams and environments. We train our personnel in the client's culture to be familiar not only with the process but also with the business environment in which it is being executed.

Our Strategy

The specific elements of our strategy include the following:

Enhance Targeted Vertical Industry and Domain Expertise

Clients want partners who know their industry and processes at a granular level. We continue to seek to enhance our industry and domain capabilities through acquisitions, strategic partnerships and by investing in experienced professionals in our targeted verticals and service areas to strengthen client relationships and help us deliver end-to-end services that drive business impact.

Guide Global Enterprises to Best-in-Class

Our Smart Enterprise Processes (SEP^{SM}) framework, built on the foundation of thousands of Lean Six Sigma-based improvement ideas and benchmarks around granular process performance, builds deeper client relationships and delivers measurable business impact over time. We continue to integrate new digital technologies and data analytics into these frameworks to develop Digital SEPs. Our differentiated framework is critical not only to extending client contracts but also to creating an expansive partnership with our clients.

Differentiate our Solutions by Combining Process Expertise, Analytics and Technology

Clients face an environment of uncertainty and change, which requires them to better leverage existing costs and investments, and make more informed decisions that address challenges around regulations and risk, while they continue to drive top-line growth and profitability. The insights we derive from our experience and expertise, combining smarter processes, analytics and technology, help us provide a differentiated solution to these challenges.

Expand Geographically in Key Markets

We deliver our services and solutions from service delivery centers in 17 countries, including nine locations in the United States. We continue to expand and diversify our delivery capabilities globally in order to be closer to our clients.

Our Services

We seek to deliver significant business impact for our clients by designing, transforming and running a combination of processes, as well as providing solutions that combine elements of several of our service offerings. We recognize that our clients are focused on achieving business outcomes, rather than on transferring particular processes or using particular platforms. Accordingly, we focus on understanding their business needs and the business context of their existing processes in order to design appropriate and comprehensive solutions. We help organizations examine and re-frame the challenges that prevent them from reaching their business objectives by using design-thinking practices to help them reimagine end-to-end processes and rapidly leveraging the power of effective digital solutions, including reusable tools, platforms, and analytics.

Our business focuses on industry verticals in banking and financial services, capital markets, consumer product goods, healthcare, high tech, infrastructure, manufacturing and services, insurance, and life sciences. Our core domain expertise within these industry verticals includes the following:

- *Banking and Financial Services*. Our banking and financial services core operations include application processing; mortgage loan origination; wealth management; risk management and compliance activities; omnichannel account servicing and setup; collections and customer services; commercial lending, business banking, auto finance, and finance and accounting activities. We use our analytics capabilities to help our clients price products, estimate capital and reserve requirements, analyze and monitor portfolios, and manage risk. We also handle reporting and monitoring services for statutory and regulatory compliance, portfolio and performance review services and financial planning and tax services. Our services for financial services clients include investment banking support for deals, asset-backed finance surveillance, trade finance support, payment and fraud operations support, credit and market risk management, operational risk management and continuous transaction monitoring. Our wealth management services include brokerage and retirement offerings that provide end-to-end process services, including onboarding, reconciliations, plan administration, fund administration and trade support.
- *Capital Markets*. Our capital markets practice provides an end-to-end range of information technology services for the capital markets industry, including application development and maintenance; managed services such as quality assurance, testing and production support; business process outsourcing; domain knowledge-based consulting related to technology systems (domain consulting); and consulting not tied to a technology system (business consulting). Areas of domain focus within our capital markets practice include asset and wealth management; risk and compliance; client onboarding; Know Your Customer (KYC); collateral management; post trade processing; and data services, such as reference data and data scrubbing and reconciliation. We have also set up centers of excellence focusing on several technology platforms used by the financial services industry, including platforms focused on brokerage compliance, trade processing and portfolio accounting.
- *Consumer Product Goods*. Our consumer product goods services include trade promotion optimization, trade promotion management, order management, master data management, customer service, marketing optimization, supply chain decision services, marketing analytics, market mix modeling, and enterprise services such as finance and accounting, indirect procurement and IT operations. We also provide supplier risk management, supplier recovery audit, shopper analytics, store and product-mix optimization services.
- *Healthcare*. Our healthcare expertise covers a full spectrum of services including end-to-end transactional processes, advanced technology, analytics and consultative and transformational solutions for payers, providers and pharmacy benefit managers. Our solutions help payers and providers manage the end-to-end life cycle of a claim, from claims processing and adjudication to claims recovery and payment integrity, leveraging comprehensive solutions including consulting, enterprise application services, infrastructure management services and integrated business-process-as-a-service (BPaaS) solutions. Our regulatory compliance solutions encompass planning, business alignment systems change management, training and testing.

- *High Tech*. Our high tech services include service support, including customer care service, technical product support and aftermarket services; lead-to-cash; sales force commission management; supply chain and consumer analytics; and enterprise services such as F&A, sourcing and procurement, and IT operations.
- *Infrastructure, Manufacturing and Services*. Our infrastructure, manufacturing and services offerings include enterprise processes such as finance and accounting, indirect procurement and IT operations. Our industry specific solutions include industrial internet solutions, aftermarket services support, industrial asset optimization, engineering services covering the complete product lifecycle from concept to release and sustaining engineering, supply chain management, direct procurement and logistics services.
- *Insurance*. Our insurance services include underwriting, claims management, risk and catastrophe modeling, customer segmentation and loyalty, and finance and accounting activities. We offer insurance services to several industry sectors—life and annuities, property and casualty, and reinsurance. We cover many phases of insurance business processes, including in the areas of product development, finance, risk management, actuarial modeling, sales and marketing, underwriting support, claims and policy administration, and brokerage operations.
- *Life Sciences*. Our life sciences and pharmaceutical services include contract management for managed markets; regulatory affairs services, including lifecycle management, regulatory operations, Chemistry Manufacturing Controls (CMC) compliance, safety and pharmacovigilance, and regulatory information management; multi-channel customer experience for medical information, sales and marketing, direct-to-consumer support, patient assistance programs (access and reimbursement), and patient support programs; and enterprise services such as finance and accounting (F&A), indirect procurement, IT operations, risk management and audit support. We also provide comprehensive analytics services including market research and competitive intelligence, patient level data analysis, physician and drug analysis, social media monitoring and data management.

Our professional services offerings in these core industry verticals are driven by our broad end-to-end process expertise in a number of service areas, including analytics and research, collections and customer services, consulting and transformation services, core industry operations services, enterprise application services, finance and accounting (F&A) services, IT infrastructure management services, and supply chain and procurement services.

Analytics and Research

Our analytics and research capabilities are central to our ability to improve business operations and drive transformational value for clients. We offer analytics services in areas where we have domain expertise, both on a standalone basis and as an integrated part of our other service offerings. We help our clients reimagine their business operations in the context of analytics and technology through the delivery of Genpact Intelligent Operations℠ fueled by our Lean Digital℠ approach. Using Systems of Engagement™, we have built what we refer to as the Genpact Intelligent Process Insights Engine, a process-aware platform that embeds technology and analytics to deliver purpose-built analytics applications.

Through our Data-to-Action℠ Analytics approach, we deliver measurable business outcomes to clients across industries. Companies do not always recognize the inherent potential in data or have the capability to apply rigorous analytical models that can reveal opportunities. Our domain-specific analytics prowess, along with a sophisticated innovation ecosystem, is embedded in our service offerings to help clients make timely, informed and fact-based decisions. By quantitatively and qualitatively scrutinizing data, we can deliver the insight necessary for clients to assess new business opportunities, mitigate market risks, and make better business decisions. Our innovation centers in Bangalore, India, and Palo Alto, California facilitate collaboration and innovation with clients, partners and industry experts by bringing together process-centric digital technologies, design thinking, data and analytics, and deep domain expertise.

Collections and Customer Services

Our collections and customer services are provided primarily in the areas of consumer banking, business-to-business finance and mortgage servicing. Our collections services include collections strategy design through smart analytics and a full range of accounts receivable management services, such as early to late stage collections, skiptracing, refunds and other specialized services. In our collections services, we act as an agent only; we do not acquire debts for our own account or handle debtor payments. Our customer services include account servicing and customer care services such as handling customer queries, general servicing and dispute resolution. We support omnichannel interactions and provide origination and order management support.

Consulting and Transformation Services

Our consulting teams apply Lean Digital[SM] practices to help clients design the right strategy and target operating model for their functions. We help clients develop transformation roadmaps that deliver all components of a target operating model vision and implement process-driven improvements. Our business and enterprise risk consulting teams support our clients through transformation delivery, including enhanced internal controls and regulatory compliance. We partner with our clients to reimagine their controllership functions and improve their risk and control environments across operational and regulatory processes while preserving value and mitigating risk exposure.

Our transformation services leverage digital, analytics and consulting solutions to help clients create competitive advantage and realize cost savings or increase revenues by improving or re-engineering business processes that are underperforming or by designing new processes to meet growth objectives. Clients engage our transformation teams to provide an end-to-end view of their organization and help determine business-process needs at the strategic and execution levels. Strategically, we help clients achieve a comprehensive assessment of how well their enterprise-level processes – such as source to pay, order to cash, record to report, inquiry to order, new product introduction and salesforce effectiveness – perform against industry benchmarks and best practices. At the execution level, we institutionalize the recommendations by deploying resources to train the client team and drive sustainable best practices.

Our consulting and transformation services build on our deep understanding of the complete enterprise operating model and draw on our expertise in process, state-of-the-art technology, organizational structures, compliance and risk-mitigation strategies. We combine a design-thinking approach with our industry and domain expertise to create client offerings that apply cutting-edge digital technologies and analytics with the goal of driving fundamental shifts in clients' business performance.

Core Industry Operations Services

We help our clients design, transform and run core enterprise operations specific to their industries. On the foundation of domain expertise embedded in our SEP[SM] frameworks, we use Lean Digital[SM] to leverage digital technologies and specialized analytics to power Intelligent Operations[SM]. We support our clients' core operations in retail and commercial banking, capital markets, insurance, healthcare, life sciences, manufacturing, consumer goods and retail, and high tech.

Enterprise Application Services

Our information technology approach focuses on business outcomes and related business processes. Equipped with industry and functional expertise and guided by our proprietary Lean Digital[SM] approach, we aim to create Intelligent Operations[SM] that execute efficiently and effectively, and continuously learn to adapt. Our focused approach is designed to maximize the impact that business processes have on business outcomes while limiting capital expenditures, risk, complexity, and time-to-benefit. Our solutions include business intelligence and big data, enterprise resource planning, quality assurance and technology integration. We also have significant expertise in Hyperion, SAS and Cognos, and platform support for ERP systems such as Oracle, SAP and Microsoft.

Finance and Accounting (F&A)

We believe we are one of the world's premier providers of F&A services. Our services include Accounts Payable (AP), Order to Cash (OTC), Record to Report (R2R), Enterprise Performance Management (EPM), and Enterprise Risk and Compliance (ERC) services. Our AP services span the end-to-end AP function and include document management, invoice processing, approval and resolution management, and T&E processing. Our OTC services cover customer master data management, credit and contract management, fulfillment, billing, collections, and dispute management services. Our R2R services encompass accounting, closing and reporting, including SEC and regulatory reporting, treasury, tax services, and product cost accounting. Our EPM services include budgeting, forecasting, business performance reporting and analytics, including predictive analytics. Our ERC services specialize in operational risk and controls, Sarbanes-Oxley Act advisory, third-party risk management and regulatory compliance with services such as enterprise risk management, internal audits, Foreign Corrupt Practices Act and IT risk management.

In addition to managing our clients' finance and accounting processes, we help them design, transform, and run their finance operating models to achieve best-in-class performance. As part of our Lean Digital℠ approach, Genpact Systems of Engagement™ for F&A creates an agile technology layer that complements existing systems of record, providing continuity of information and operations across the enterprise. Our Systems of Engagement™ modules for OTC, AP, R2R, and EPM support smart processes, detailed analytics, and a host of agile technologies, including proprietary cloud-based technology platforms and bolt-on, best-of-breed solutions from our technology partners. Our F&A services also include Digital SEP℠ frameworks and solutions, which aim to reimagine client processes.

IT Infrastructure Management Services

Our IT infrastructure management services consist of end user computing, infrastructure management services, application production support and database management services. We provide support in more than 25 languages with a global footprint of native speakers. We provide monitoring and management of clients' data centers, servers, storage, emails, networks, databases, applications and end user devices. We use a network of Remote Operations Centers to provide 24/7 infrastructure monitoring and management. Along with Information Technology Infrastructure Library (ITIL) ISO 20000, we use Six Sigma and Lean principles to address technology problems and to enable our clients to align their IT capabilities with their business priorities and at the same time reduce technology costs. We use our proprietary SEP℠ framework Service Disruption to Restore (D2R), along with our accelerators and IP frameworks, to continuously reduce defects. We also provide cloud infrastructure services, IT service integration and management and cyber security services apart from ITIL implementation services.

Supply Chain and Procurement

Our supply chain and procurement services include direct and indirect strategic sourcing, category management, spend analytics, procurement operations, master data management, and other procurement and supply chain advisory services. We work with our clients to design, transform and run sourcing strategies across expense categories, drive process compliance and realize significant cost reduction in their businesses. This includes sourcing and procurement process transformation, inventory planning and optimization, value transformation and process automation. Using our Lean Digital℠ approach, we integrate disparate technology systems and provide dynamic digital dashboard reporting while transforming business operations and improving service productivity. We leverage our technology expertise in delivering our services in this area, particularly in automating order management processes and optimizing the supply chain. We have competency in many of the custom platforms used by our clients and are not tied to any single platform or vendor.

Our Clients

Our clients include some of the best known companies in the world, many of which are leaders in their respective industries.

GE has been our largest client since our inception and accounted for approximately 14% of our 2016 revenues. We currently provide services to most of GE's business units, including GE Capital, Power and Water, Oil and Gas, Energy Management, Renewables, Aviation, Healthcare, Transportation, Current, Digital and Corporate. The services we currently provide to GE are broad in their nature and are drawn from all of our service offerings. Although we have a single master services agreement, or MSA, with GE, we have many statements of work, or SOWs, with GE business units that cover in more detail the nature of the work we will perform and the amounts we will bill for the relevant services. As a general matter, each GE business unit makes its own decisions as to whether to enter into a SOW with us and as to the terms of any such SOW. Therefore, although some decisions may be made centrally at GE, our revenues from GE are generally attributable to a number of different businesses each with its own leader responsible for decision-making regarding our services.

We have over 700 clients spread across a variety of industries and geographies. Our net revenues from clients other than GE, or Global Clients, have grown rapidly in the last five years, from $1.12 billion in 2011 to $2.21 billion in 2016, a compound annual growth rate of 14.7%. Our net revenues from Global Clients as a percentage of total net revenues increased from approximately 70% in 2011 to approximately 86% in 2016. See Item 7—"Management's Discussion and Analysis of Financial Condition and Results of Operations—Classification of Certain Net Revenues." The majority of our Global Clients are based in the United States, and we also have Global Clients in Europe, Asia and Australia.

Our contracts with our clients generally take the form of an MSA, which is a framework agreement that is then supplemented by SOWs. Our MSAs specify the general terms applicable to the services we will provide. For a description of our MSAs and SOWs, see Item 7—"Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Revenues."

We serve about one fifth of the Global Fortune 500, including AstraZeneca, Boeing, Citigroup, GE, GlaxoSmithKline, Heineken, Honeywell, Kraft-Heinz, Merck, Nissan, Walgreens and Wells Fargo.

Our People

Our people are critical to the success of our business. Our Chief Executive Officer and other members of our senior leadership team have been involved in our business since its commencement under GE resulting in an experienced and cohesive leadership team. Many members of our leadership team developed their management skills working within GE and many of them were involved in the founding of our business. They have built our business based on the experience gained in helping GE meet a wide range of challenges. As a result, we are an institutional embodiment of much of the wisdom and experience GE developed in improving and managing its own business processes.

We have created, and constantly reinforce, a culture that emphasizes teamwork, constant improvement of our processes and, most importantly, dedication to the client. We manage this challenge through innovative human resource practices. These include broadening the employee pool by opening delivery centers in diverse locations, using innovative recruiting techniques to attract the best employees, emphasizing ongoing training, instilling a vibrant and distinctive culture and providing well-defined, long-term career paths. We also have programs modeled on GE management training programs to develop the next generation of leaders and managers of our business.

As of December 31, 2016, we had approximately 75,000 employees. We monitor and manage our attrition rate very closely, and believe it is one of the lowest in the industry. We attribute this to our reputation, our ability to attract high quality applicants, our emphasis on maintaining our culture and the breadth of exposure, experience and opportunity for advancement that we provide to our employees.

Lean and Six Sigma Methodologies

Lean is a methodology for reducing waste or inefficiency in a process. Among other things, it is designed to measure and eliminate overproduction, over-processing and waiting, and to improve the flow of a process. Six Sigma is a method for improving process quality by removing variation, defects and their causes from business activities. We have Lean Six Sigma programs that train, test and grade employees in Lean and Six Sigma principles and award them Lean Six Sigma certifications. In 2015, we launched a simplified transformation framework – ProDG^{SM}, a four-step method focused on driving outcomes leveraging Lean Six Sigma, transformation, change management, digital and design-thinking tools. The rankings of Lean Six Sigma qualifications from lowest to highest are green belt, black belt and master black belt. With the growing prevalence of digital technologies incorporated in our solutions, we also certify digital black belts and digital master black belts.

As of December 31, 2016, we had more than 17,000 employees with Six Sigma green belt training, over 500 employees with Six Sigma black belt training, and more than 46,000 Lean-trained employees. This large number of employees with Lean Six Sigma training helps infuse our organization with a disciplined, analytical approach to everything we do.

Recruiting

We face meaningful competition for skilled employees in every jurisdiction in which we operate. We have refined our talent acquisition strategy by organizing our recruiting teams by industry vertical and utilizing an internal executive recruiting team, social media platforms, online job portals and professional search firms to recruit globally. Our internal employee referral program has also become a key recruiting vehicle for us. We believe that our focus on our employees' career development makes us attractive to candidates beyond our delivery center locations. As part of our global diversity and inclusion efforts, we have implemented Career 2.0, a program to attract top female leaders who have just returned from the workforce after an extended break.

Training and Development

We believe in extensive and continuous training of our employees. We have the infrastructure to train approximately 6,000 people at any one time with approximately 250 trainers. In 2016, we had more than 16,500 employees enrolled in part-time professional degree, e-learning and other non-degree programs provided internally or by universities and other third parties. Our training programs are designed to transfer the industry-specific knowledge and experience of our industry leaders to our employees to ensure we maintain our deep process and domain expertise across the industries and processes in which we work. Our training programs cover a large number of topics, including specific service offerings, key technical and IT skills, our different clients' workplace cultures and Lean and digital transformation methodologies. A large part of our continuous training is designed to impart the skills and knowledge required by our employees to move to positions of increasing responsibility within Genpact.

Retention

In order to meet our growth and service commitments, we are constantly striving to attract and retain employees. There is significant turnover of employees in the business process management and information technology sectors generally, particularly in India where the majority of our employees are currently based. Our attrition rate for all employees who have been employed by us for one day or more was 26% in 2016. We believe this rate is relatively low for our industry based on statistics published by industry associations such as NASSCOM. We attribute this low attrition rate to a number of factors, including our effective recruiting measures, extensive training and a strong culture of providing opportunities for growth and learning.

We also take aggressive action to monitor and minimize potential attrition. Using Six Sigma principles we have developed an early warning system that tracks employees and gives us an insight into which employees are most likely to resign. These employees are automatically highlighted to management who can take action such as relocating the employee or enrolling the employee in continuing education programs to increase the likelihood of retention.

As another measure designed to minimize attrition, we "right-skill" our employees to the tasks assigned to them. This means that we match the level of services required to the experience and qualification of the employee concerned and we avoid having over-qualified people in any particular job. This allows us to give our highly qualified and experienced people higher-value jobs and, coupled with the practice of up-skilling, ensures better career paths for all of our employees.

Corporate Social Responsibility

Our Corporate Social Responsibility (CSR) initiative aims to integrate our social and environmental priorities with our operational fabric. Genpact's approach to CSR focuses on three pillars that reflect our strengths and core expertise and include causes that our employees are passionate about:

- Education and employability
- Environment and sustainability
- Diversity and inclusion

We have institutionalized a culture of giving and volunteering through a number of global platforms, programs, projects and social initiatives. Our more than 15,000 employee volunteers have, among other things, helped underprivileged children and women to develop vocational skills, worked on environmental initiatives such as rejuvenating urban forest land and participating in cleaning drives, and participated in programs that address the health and nutritional needs of the poor. Additionally, more than 15,000 of our employees have participated in our payroll-based charitable donation programs.

Our Alliances

We have entered into and continue to pursue partnerships or alliances with companies whose capabilities complement ours in an effort to enhance our existing solutions or create new solutions to address market needs. Such alliances may be transaction- or deal-specific, may be for the development of joint capabilities in a service line or may take the form of enterprise-wide transformational partnerships. Our alliances generally fall into one of four categories: joint ventures; strategic, go-to-market alliances; deal-specific partnerships to provide a joint solution to a client; or digital and other “white label” partnerships.

Our digital partnerships aim to nurture relationships with established and emerging players and start-ups that specialize in leading-edge disruptive digital technologies that we can embed into our solutions. Our Lean Digital℠ Innovation Center in Palo Alto supports these partnerships, combining our partners’ solutions with our expertise and hands-on practical experience.

Sales and Marketing

We market our services to both existing and potential clients through our business development team and our global relationship managers. Members of this team are based around the globe, including in the United States, Europe, Australia and Asia, and dedicate their time to expanding the services we provide to our existing clients as well as acquiring new clients.

We have designated client partners and global relationship managers for each of our strategic relationships. The relationship manager is supported by process improvement, quality, transition, finance, human resources, information technology and industry/product subject matter expert teams to ensure the best possible solution is provided to our clients. We constantly measure our client satisfaction levels to ensure that we maintain high service levels for each client, using measures such as the Net Promoter Score. Our sales force is primarily organized by industry vertical teams that are supported by horizontal service offerings.

The length of our selling cycle varies depending on the type of engagement. The sales cycle for project work is much shorter than the sales cycle for a large business process engagement. Our efforts may begin in response to our lead generation program, a perceived opportunity, a reference by an existing client, a request for proposal or otherwise. In addition to our business development personnel, the sales effort involves people from the relevant service areas, people familiar with that prospective client’s industry, business leaders and Six Sigma resources. We may expend substantial time and resources in securing new business. See Item 7—“Management’s Discussion and Analysis of Financial Condition and Results of Operations—Overview—Revenues.”

As our relationship with a client grows, the time required to win an engagement for additional services often gradually declines. In addition, as we become more knowledgeable about a client’s business and processes, our ability to identify opportunities to create value for the client typically increases. For example, productivity benefits and greater business impact can often be achieved by applying our Lean Digital℠ approach and SEP℠ methodology, by focusing on processes that are “upstream” or “downstream” from the processes we initially handle, or by applying our analytical, consulting and digital capabilities to transform processes.

We also strive to foster relationships between our senior leadership team and our clients’ senior management. These “C-level” relationships ensure that both parties are focused on establishing priorities, aligning objectives and driving client value from the top down. High-level executive relationships have been particularly constructive as a means of increasing business from our existing clients. It also provides us with a forum for addressing client concerns. Our governance methodology is designed to ensure that we are well connected at all levels of our clients’ organizations (executive, management and operations).

Significant new business opportunities are reviewed by business and sales leaders from the applicable industry vertical, operations personnel, and members of our finance department. If they determine that the new business is aligned with our strategic objectives and a good use of our resources, then our business development team is authorized to pursue the opportunity.

Global Delivery Platform

A key differentiator is our global network of 75 delivery centers in 17 countries. We also have a number of employees who work directly in client locations or provide services from a virtual environment which offers flexibility for both clients and employees. Our presence in locations around the world provides us with multilingual capabilities, access to a larger talent pool, "near-shoring" capabilities to take advantage of time zones, as well as the ability to provide services from the United States. With this network, we manage complex processes in multiple geographic regions. We use different locations for different types of services depending on the specific client needs and the mix of skills and cost of employees available in each location. We choose the location of our delivery centers based on a number of factors, which include the available talent pool, infrastructure, government support and operating costs, as well as client demand.

We have been a pioneer in our industry in opening centers in several cities in India as well as in some of the other countries in which we operate. We were one of the first companies in our industry to establish operating centers in certain locations, including Dalian, Foshan and Huaqiao in China; Bucharest in Romania; and Gurgaon, Hyderabad, Jaipur and Kolkata in India. We regularly evaluate new locations, including new countries and new cities within countries in which we currently operate, as potential sites for delivery centers and offices. Our delivery centers are located in Brazil, China, the Czech Republic, Guatemala, India, Israel, Japan, Malaysia, Mexico, the Netherlands, the Philippines, Poland, Romania, Slovakia, South Africa, the United Kingdom and the United States. As of December 31, 2016, we provided services in more than 30 languages.

The large number of different countries from which we serve our clients differentiates us from a number of our competitors and enables us to take advantage of different languages and time zones which, in turn, enhances our ability to serve our clients.

Intellectual Property

Increasingly, the solutions we offer our clients include a range of proprietary methodologies, software, and reusable knowledge capital. We also develop intellectual property in the course of our business and our agreements with our clients regulate the ownership of such intellectual property. We regularly apply for patents, trademarks, service marks, copyrights and domain names to protect our intellectual property. Some of our intellectual property rights are trade secrets and relate to proprietary business process enhancements.

At times, we use third-party software platforms and the software systems of our clients to provide our services. Our agreements with our clients normally include a license to use the client's proprietary systems to provide our services. Clients authorize us to access and use third party software licenses held by the client so that we may provide our services.

It is our practice to enter into agreements with our employees and independent contractors that:

- ensure that all new intellectual property developed by our employees or independent contractors in the course of their employment or engagement is assigned to us;
- provide for employees' and independent contractors' cooperation in intellectual property protection matters even if they no longer work for us; and
- include a confidentiality undertaking by our employees and independent contractors.

Competition

We operate in a highly competitive and rapidly evolving global market. We have a number of competitors offering services that are the same as or similar to ours. Our competitors include:

- large multinational service providers and accounting firms that provide consulting and other professional services;
- companies that are primarily business process service providers operating from low-cost countries, most commonly India;
- companies that are primarily information technology service providers with some business process service capabilities;
- smaller, niche service providers that provide services in a specific geographic market, industry or service area, including digital; and

- in-house departments of companies that use their own resources rather than engage an outside firm for the types of services and solutions we provide.

Our revenues are derived primarily from *Fortune* Global 500 and *Fortune* 1000 companies. We believe that the principal competitive factors in our industry include:

- skills and capabilities;
- technical and industry expertise;
- innovative service and product offerings, including digital offerings;
- ability to add value, including through continuous process improvement;
- reputation and client references;
- contractual terms, including competitive pricing;
- scope of services;
- quality of services and solutions;
- ability to sustain long-term client relationships; and
- global reach and scale.

Our clients typically retain us on a non-exclusive basis.

Regulation

We are subject to regulation in many jurisdictions around the world as a result of the complexity of our operations and services, including at the federal, state and local level, particularly in the countries where we have operations and where we deliver services. We are also subject to regulation by regional bodies such as the European Union, or EU.

In addition, the terms of our service contracts typically require that we comply with applicable laws and regulations. In some of our service contracts, we are contractually required to comply even if such laws and regulations apply to our clients, but not to us, and sometimes our clients require us to take specific steps intended to make it easier for our clients to comply with requirements that are applicable to them. In some of our other service contracts, our clients undertake the responsibility to inform us about laws and regulations that may apply to us in jurisdictions in which they are located.

If we fail to comply with any applicable laws and regulations, we may be restricted in our ability to provide services, and may also be the subject of civil or criminal actions involving penalties, any of which could have a material adverse effect on our operations. Our clients generally have the right to terminate our contracts for cause in the event of regulatory failures, subject to notice periods. See Item 1A—"Risk Factors—Risks Related to our Business—Our global operations expose us to numerous and sometimes conflicting legal and regulatory requirements, and violations of these laws and regulations could harm our business." If we fail to comply with contractual commitments to facilitate our clients' compliance, we may be liable for contractual damages, and clients in regulated industries may be less willing to use our services. In addition, public figures in the United States, including the current U.S. President and members of his administration, have suggested that changes to certain regulations applicable to us may potentially be adopted. See Item 1A—"Risk Factors—Risks Related to our Business—Future legislation or executive action in the United States and other jurisdictions could significantly affect the ability or willingness of our clients and prospective clients to utilize our services."

In the United States, we are either directly subject to, or contractually required to comply or facilitate our clients' compliance with, laws and regulations arising out of our work for clients operating there, especially in the area of banking, financial services and insurance, such as the Financial Modernization Act (sometimes referred to as the Gramm-Leach-Bliley Act), the Fair Credit Reporting Act, the Fair and Accurate Credit Transactions Act, the Right to Financial Privacy Act, the Bank Secrecy Act, the USA PATRIOT Act, the Bank Service Company Act, the Home Owners Loan Act, the Electronic Funds Transfer Act, the Equal Credit Opportunity Act, and regulation by U.S. agencies such as the SEC, the Federal Reserve, the Federal Deposit Insurance Corporation, the National Credit

Union Administration, the Commodity Futures Trading Commission, the Federal Financial Institutions Examination Council, the Office of the Comptroller of the Currency, and the Consumer Financial Protection Bureau. We are also subject to regulation under the Health Insurance Portability and Accountability Act, the Federal Trade Commission Act, the Family Educational Rights and Privacy Act, the Communications Act, the Electronic Communications Privacy Act and applicable regulations in the area of health and other personal information that we process as part of our services.

Because of our debt collections work in the United States, we are also regulated by laws such as the Truth in Lending Act, the Fair Credit Billing Act and the Fair Debt Collection Practices Act and related regulations. We are currently licensed to engage in debt collection activities in all jurisdictions in the United States where licensing is required.

Because of our mortgage origination activities in the United States, in addition to the applicable regulations listed above, we are subject to laws such as the S.A.F.E. Mortgage Licensing Act, the Fair Housing Act, the Real Estate Settlement Procedures Act, the Homeowners Protection Act, the Truth in Lending Act, the Real Estate Settlement Procedures Act, and the Home Mortgage Disclosure Act and by regulatory bodies such as the U.S. Department of Housing and Urban Development. We currently hold mortgage-related licenses, registrations or letters of exemption from licensing in all 50 U.S. states and the District of Columbia and are regulated by each applicable state regulatory agency.

Because of our insurance processing activities, we are currently licensed as a third-party administrator in 41 states and are regulated by the department of insurance in each such state. In two other states, we qualify for regulatory exemption from licensing based on the insurance processing activities we provide.

We are affected by laws in the United States, the United Kingdom and the EU that are intended to limit the impact of outsourcing on employees in those countries. See Item 1A—"Risk Factors—Risks Related to our Business—Future legislation or executive action in the United States and other jurisdictions could significantly affect the ability or willingness of our clients and prospective clients to utilize our services."

We are also subject to laws and regulations on direct marketing, such as the Telemarketing Consumer Fraud and Abuse Prevention Act and the Telemarketing Sales Rule, the Telephone Consumer Protection Act and rules promulgated by the Federal Communications Commission, and the CAN-SPAM Act.

We are subject to laws and regulations governing foreign trade, such as export control, customs and sanctions regulations maintained by government bodies such as the Commerce Department's Bureau of Industry and Security, the State Department's Directorate of Defense Trade Controls and the Treasury Department's Office of Foreign Assets Control, and Homeland Security Department's Bureau of Customs and Border Protection.

Several of our service delivery centers, primarily located in India, China, the Philippines and Guatemala, benefit from tax incentives or concessional rates provided by local laws and regulations. The Indian Special Economic Zones Act of 2005, or SEZ legislation, introduced a tax holiday in certain situations for operations established in designated "special economic zones," or SEZs. The SEZ tax benefits are available only for new business operations that are conducted at qualifying SEZ locations. We cannot predict what percentage of our operations or income in India or other jurisdictions in future years will be eligible for a tax holiday. See Item 7—"Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Income Taxes." In addition to the tax holidays described above, certain benefits are also available to us under certain Indian state laws. These benefits include rebates and waivers in relation to payments for the transfer or registration of property (including for the purchase or lease of premises), waivers of conversion fees for land, exemption from state pollution control requirements, entry tax exemptions, labor law exemptions and commercial usage of electricity.

Our hedging activities and currency transfer are restricted by regulations in certain countries, including India, Romania and China.

Certain Bermuda Law Considerations

As a Bermuda company, we are also subject to regulation in Bermuda. Among other things, we must comply with the provisions of the Companies Act 1981 regulating the declaration and payment of dividends and the making of distributions from contributed surplus.

We are classified as a non-resident of Bermuda for exchange control purposes by the Bermuda Monetary Authority. Pursuant to our non-resident status, we may engage in transactions in currencies other than Bermuda dollars. There are no restrictions on our ability to transfer funds in and out of Bermuda or to pay dividends to United States residents that are holders of our common shares.

Under Bermuda law, “exempted” companies are companies formed for the purpose of conducting business outside Bermuda. As an exempted company, we may not, without a license granted by the Minister of Economic Development, participate in certain business transactions, including transactions involving Bermuda landholding rights and the carrying on of business of any kind, for which we are not licensed in Bermuda.

Available Information

We file current and periodic reports, proxy statements, and other information with the SEC, copies of which can be obtained from the SEC’s Public Reference Room at 100 F Street, NE., Washington, D.C. 20549. Information on the operation of the Public Reference Room can be obtained by calling the SEC at 1-800-SEC-0330.

The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, at www.sec.gov. We make available free of charge on our website, www.genpact.com, our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. The contents of our website are not incorporated by reference into this Annual Report.

Executive Officers

The following table sets forth information concerning our executive officers as of February 15, 2017:

Name	Age	Position(s)
N.V. Tyagarajan	55	President, Chief Executive Officer and Director
Edward Fitzpatrick	50	Chief Financial Officer
Patrick Cogny	50	Senior Vice President, Infrastructure, Manufacturing & Services and High Tech
Victor Guaglianone	61	Senior Vice President, General Counsel and Corporate Secretary
Piyush Mehta	48	Senior Vice President, Chief Human Resources Officer
Arvinder Singh	52	Senior Vice President, Capital Markets and IT Services
Mohit Thukral	51	Senior Vice President, Banking, Financial Services and Insurance

N.V. Tyagarajan has served as our President and Chief Executive Officer since June 2011. From February 2009 to June 2011, he was our Chief Operating Officer. From February 2005 to February 2009, he was our Executive Vice President and Head of Sales, Marketing and Business Development. From October 2002 to January 2005, he was Senior Vice President, Quality and Global Operations, for GE’s Commercial Equipment Finance division. Between 1999 and 2002, he served as our Chief Executive Officer.

Edward Fitzpatrick became our Chief Financial Officer in July 2014. Prior to joining Genpact, he spent 13 years at Motorola Solutions Inc. and its predecessor company Motorola Inc., most recently serving as executive vice president and Chief Financial Officer. Prior to Motorola, he worked at General Instrument Corporation and Price Waterhouse, LLP. Mr. Fitzpatrick also currently serves as a director of CBOE, Inc.

Patrick Cogny has served as our Senior Vice President of Infrastructure, Manufacturing and Services since September 2011 and has also been responsible for our High Tech business since January 2017. From 2005 to August 2011, he was the Chief Executive Officer of Genpact Europe. Prior to this, he spent 15 years working for GE in the Healthcare business and in the GE Europe corporate headquarters, in France, the United States and Belgium.

Victor Guaglianone has served as our Senior Vice President, General Counsel and Corporate Secretary since January 2007. From 2004 to 2007, he was senior counsel at Holland & Knight LLP. From 2003 to 2004, he served as a commercial arbitrator for the American Arbitration Association. Prior to 2003, he spent 16 years at GE Capital, most recently as Vice President and Associate General Counsel.

Piyush Mehta has served as our Senior Vice President, Chief Human Resources Officer since March 2005. He has worked for us since 2001, initially as Vice President of Human Resources.

Arvinder Singh has served as our Senior Vice President, Capital Markets and IT Services since October 2013. From August 2011 to October 2013, he was Senior Vice President, Sales and Marketing, Client Relationships and Re-engineering. From August 2008 to July 2011, he was Global Head of Client Relationships and GE, and from June 2005 to August 2008 he was the Business Leader for Lean Six Sigma, Transitions and Solutions. Prior to joining Genpact in June 2005 he was Senior Vice President, Six Sigma and Chief Quality Officer for GE Vendor Financial Services.

Mohit Thukral has served as our Senior Vice President, Banking, Financial Services and Insurance since 2004. He was also responsible for our healthcare business from July 2011 to December 2014.

Item 1A. Risk Factors

Risks Related to our Business

Our results of operations could be adversely affected by economic and political conditions and the effects of these conditions on our clients' businesses and levels of business activity.

Global macroeconomic conditions affect our clients' businesses and the markets they serve. Volatile, negative or uncertain economic conditions in our significant markets have undermined and could in the future undermine business confidence in our significant markets or in other markets, which are increasingly interdependent, and cause our clients to reduce or defer their spending on new initiatives, or may result in clients reducing, delaying or eliminating spending under existing contracts with us, which would negatively affect our business. Growth in the markets we serve could be at a slow rate, or could stagnate or contract, in each case, for an extended period of time. Differing economic conditions and patterns of economic growth and contraction in the geographical regions in which we operate and the industries we serve have affected and may in the future affect demand for our services. A material portion of our revenues and profitability is derived from our clients in North America and Europe. Weak demand or a slower-than-expected recovery in these markets could have a material adverse effect on our results of operations. Ongoing economic volatility and uncertainty and changing demand patterns affect our business in a number of other ways, including making it more difficult to accurately forecast client demand and effectively build our revenue and resource plans. Economic volatility and uncertainty is particularly challenging because it may take some time for the effects and changes in demand patterns resulting from these and other factors to manifest themselves in our business and results of operations. Changing demand patterns from economic volatility and uncertainty could have a significant negative impact on our results of operations.

Our business depends on generating and maintaining ongoing, profitable client demand for our services and solutions, including through the adaptation and expansion of our services and solutions in response to ongoing changes in technology and offerings, and a significant reduction in such demand or an inability to respond to the evolving technological environment could materially affect our results of operations.

Our revenue and profitability depend on the demand for our services and solutions with favorable margins, which could be negatively affected by numerous factors, many of which are beyond our control and unrelated to our work product. Volatile, negative or uncertain global economic conditions and lower growth in the markets we serve have adversely affected and could in the future adversely affect client demand for our services and solutions. Our success depends, in part, on our ability to continue to develop and implement services and solutions that anticipate and respond to rapid and continuing changes in technology and offerings to serve the evolving needs of our clients. Examples of areas of significant change include digital- and cloud-related offerings, which are continually evolving as developments such as artificial intelligence, automation, Internet of Things and as-a-service solutions are commercialized. Technological developments such as these may materially affect the cost and use of technology by our clients and, in the case of as-a-service solutions, could affect the nature of how we generate revenue. Some of these technologies, such as cloud-based services, artificial intelligence and automation, and others that may emerge, have reduced and replaced some of our historical services and solutions and may continue to do so in the future. This has caused, and may in the future cause, clients to delay spending under existing contracts and engagements and to delay entering into new contracts while they evaluate new technologies. Such delays can negatively impact our results of operations if the pace and level of spending on new technologies is not sufficient to make up any shortfall.

Developments in the industries we serve, which may be rapid, also could shift demand to new services and solutions. If, as a result of new technologies or changes in the industries we serve, our clients demand new services and solutions, we may be less competitive in these new areas or need to make significant investment to meet that demand. Our growth strategy focuses on responding to these types of developments by driving innovation that will enable us to expand our business into new growth areas. If we do not sufficiently invest in new technology and adapt to industry developments, or evolve and expand our business at sufficient speed and scale, or if we do not make the right strategic investments to respond to these developments and successfully drive innovation, our services and solutions, our results of operations, and our ability to develop and maintain a competitive advantage and to execute on our growth strategy could be negatively affected.

We operate in a rapidly evolving environment in which there currently are, and we expect will continue to be, new technology entrants. New services or technologies offered by competitors or new entrants may make our offerings less differentiated, less competitive or obsolete when compared to other alternatives, which may adversely affect our results of operations. In addition, companies in the industries we serve sometimes seek to achieve economies of scale and other synergies by combining with or acquiring other companies. If one of our current clients merges or consolidates with a company that relies on another provider for the services and solutions we offer, we may lose work from that client or lose the opportunity to gain additional work if we are not successful in generating new opportunities from the merger or consolidation.

Future legislation or executive action in the United States and other jurisdictions could significantly affect the ability or willingness of our clients and prospective clients to utilize our services.

The topic of companies outsourcing services to organizations operating in other countries is a source of political discussion in many countries. Current or prospective clients may elect to perform such services themselves or may be discouraged from transferring these services from onshore to offshore providers to avoid negative perceptions that may be associated with using an offshore provider. Any slowdown or reversal of existing industry trends toward offshore outsourcing would seriously harm our ability to compete effectively with competitors that provide services from the United States.

In the United States, federal and state measures aimed at limiting or restricting offshore outsourcing have been occasionally proposed and enacted. The measures that have been enacted to date generally have restricted the ability of government entities to outsource work to offshore business process service providers and have not materially adversely affected our business, primarily because we do not currently work for such governmental entities and they are not a focus of our sales strategy. Such measures might, for example, require call centers to disclose their geographic locations, require notice to individuals whose personal information is disclosed to non-U.S. affiliates or subcontractors, require disclosures of companies' foreign outsourcing practices, or limit eligibility for government contracts or financial incentives for companies that transfer work to foreign work locations. Measures to expand privacy protections in the United States could discourage offshore outsourcing by, for example, requiring notice and consent as a condition for sharing sensitive personal information with third-party service providers. In addition, public figures in the United States, including the current U.S. President and members of his administration, have suggested that U.S. businesses be subjected to tax or other consequences for outsourcing, with incentives for returning outsourced operations to the U.S., although it is not known what specific measures might be proposed or how they would be implemented and enforced. There can be no assurance that pending or future legislation or executive action in the United States that would significantly adversely affect our business, results of operations, and financial condition will not be enacted.

Legislation enacted in certain European jurisdictions and any future legislation in Europe, Japan or any other country in which we have clients restricting the performance of business process services from an offshore location could also have a material adverse effect on our business, results of operations and financial condition. For example, evolving European Union cloud computing standards and regulations and proposed taxes on outsourced data center activities may limit or restrict our operations, or make them more costly. Moreover, legislation enacted in the United Kingdom and by many EU countries, provides that if a company outsources all or part of its business to a service provider or changes its current service provider, the affected employees of the company or of the previous service provider are entitled to become employees of the new service provider, generally on the same terms and conditions as their original employment. In addition, dismissals of employees who were employed by the company or the previous service provider immediately prior to that outsourcing, if the dismissals resulted solely or principally from the outsourcing, are automatically considered unfair dismissals that entitle such employees to compensation. As a result, in order to avoid unfair dismissal claims we may have to offer, and become liable for, voluntary redundancy payments to the employees of our clients in the United Kingdom and other EU countries who have adopted similar laws who transfer business to us. We believe that this legislation could materially affect our ability to obtain new business from companies in the EU and, after including the cost of the potential compensation paid for unfair dismissal claims or redundancies, to provide outsourced services to our current and future clients in the EU in a cost-effective manner.

Our global operations expose us to numerous and sometimes conflicting legal and regulatory requirements, and violations of these laws and regulations could harm our business.

We are subject to, or subject to contractual requirements to comply with or facilitate our clients' compliance with, numerous, and sometimes conflicting, legal regimes on matters such as anticorruption, import/export controls, trade restrictions, taxation, immigration, internal and disclosure control obligations, securities regulation, anticompetition, data privacy and protection, wage-and-hour standards, and employment and labor relations. Our clients' business operations are also subject to numerous regulations, and our clients may require that we perform our services in compliance with regulations applicable to them or in a manner that will enable them to comply with such regulations.

The global nature of our operations increases the difficulty of compliance. Compliance with diverse legal requirements is costly, time-consuming and requires significant resources. Violations of one or more of these regulations in the conduct of our business could result in significant fines, criminal sanctions against us and/or our employees, prohibitions on doing business, breach of contract damages and harm to our reputation. Due to the varying degrees of development of the legal systems of the countries in which we operate, local laws may not be well developed or provide sufficiently clear guidance and may be insufficient to protect our rights.

In particular, in many parts of the world, including countries in which we operate and/or seek to expand, common practices in the local business community might not conform to international business standards and could violate anticorruption laws or regulations, including the U.S. Foreign Corrupt Practices Act and the UK Bribery Act 2010. Our employees, subcontractors, agents, joint venture partners, the companies we acquire and their employees, subcontractors and agents, and other third parties with which we associate, could take actions that violate policies or procedures designed to promote legal and regulatory compliance or applicable anticorruption laws or regulations. Violations of these laws or regulations by us, our employees or any of these third parties could subject us to criminal or civil enforcement actions (whether or not we participated or knew about the actions leading to the violations), including fines or penalties, disgorgement of profits and suspension or disqualification from work, any of which could materially adversely affect our business, including our results of operations and our reputation.

Tax matters may have an adverse effect on our operations, effective tax rate and financial condition.

We are subject to income taxes in the United States and in numerous foreign jurisdictions, notably in India where we have substantial operations. Our provision for income taxes, actual tax expense and cash tax liability could be adversely affected by a variety of factors including, but not limited to, lower income before taxes generated in countries with lower tax rates; higher income generated in countries with higher tax rates; changes in tax laws and regulations or in applicable income tax treaties; changes in accounting principles or interpretations thereof or in the valuation of deferred tax assets and liabilities; the possible disappearance of certain tax concessions that we have enjoyed in prior years; and adverse outcomes of tax examinations and pending tax-related litigation. Any of these factors could have a material adverse effect on our operations, effective tax rate and financial condition.

We are subject to examination of our income tax returns by the U.S. Internal Revenue Service and tax authorities around the world, notably in India where we have substantial operations, and there can be no assurance that negative outcomes from those examinations or any appeals therefrom will not adversely affect our provision for income taxes and cash tax liability, which in turn could have a material adverse effect on our operations, effective tax rate and financial condition. For example, the Government of India is appealing a 2011 ruling by the Delhi High Court that Genpact India Private Limited (one of our subsidiaries) cannot be held to be a representative assessee of GE in connection with an assertion that GE has a "permanent establishment" in India by reason of a 2004 transfer of shares of our predecessor company. We believe that, if the Government of India is successful in its appeal, GE would be obligated to indemnify us for any resulting tax, though there can be no assurance as to the outcome of this matter.

In addition, the Government of India issued assessment orders to us in 2014, 2015 and 2016 seeking to assess tax on certain transactions that occurred in 2009, 2010 and 2013. We do not believe that the transactions should be subject to tax in India under applicable law, including due to the relief provided under the Mauritius-India treaty, and have accordingly filed appeals. Our appeal in respect of tax year 2010 has been resolved in our favor. We have received demands for potential tax claims resulting from assessments related to tax years 2009 and 2013 in an aggregate amount of $158 million, including interest. To date, we have paid a total of $20 million toward these demands to the Indian tax authority under protest, and may be required to pay the remainder of the demands pending resolution of the matter. There is no assurance that we will prevail in this matter or similar transactions, including where we have relied on the Mauritius-India treaty, and a final determination of tax in the amounts claimed could have a material adverse effect on our operations, effective tax rate and financial condition.

More generally, the Indian tax authorities may claim that Indian tax is owed with respect to certain of our transactions, such as our acquisitions (including our subsidiaries organized under Indian law or owning assets located in India), internal reorganizations and the sale of our shares in public offerings or otherwise by our existing significant shareholders, in which indirect transfers of Indian subsidiaries or assets are involved. Those authorities may seek to impose tax on us directly or as a withholding agent or representative assessee of the seller in these or other transactions.

Furthermore, there is growing pressure in many jurisdictions, including the United States, and from multinational organizations such as the Organization for Economic Cooperation and Development (OECD) and the European Union (EU) to amend existing international tax rules in order to render them more responsive to current global business practices. For example, in October 2015 the OECD published a package of measures for reform of the international tax rules as a product of its Base Erosion and Profit Shifting (BEPS) initiative, which was endorsed by the G20 finance ministers. Many of the initiatives in the BEPS package will require amendments to the domestic tax legislation of various jurisdictions. Separately, the European Union is asserting that a number of country-specific favorable tax regimes and rulings in certain member states may violate, or have violated, EU law, and may require rebates of some or all of the associated tax benefits to be paid by benefitted taxpayers in particular cases. In 2016, some members of the U.S. Congress began publicly considering potential tax reform, including the possibility of replacing large parts of the existing federal income tax with a "destination-based cash flow tax" that could result in higher taxes being imposed on entities buying goods and services provided from outside the United States. The current U.S. President and his administration have stated that they are considering this proposal as well as other potential tax reforms. While the details of any proposed changes in U.S. tax law being discussed are unknown at this point and there is no certainty that any changes will be implemented, any changes imposing higher taxes on entities buying goods and services from outside the United States could have a material adverse effect on our operations, effective tax rate and financial condition and could materially reduce the willingness of clients and prospective clients to utilize our services. See Item 1A—"Risk Factors—Risks Related to our Business—Future legislation or executive action in the United States and other jurisdictions could significantly affect the ability or willingness of our clients and prospective clients to utilize our services."

Although we monitor these developments, it is very difficult to assess to what extent these changes may be implemented in the United States and other jurisdictions in which we conduct our business or may impact the way in which we conduct our business or our effective tax rate due to the unpredictability and interdependency of these potential changes. As these and other tax laws and related regulations and practices change, those changes could have a material adverse effect on our operations, effective tax rate and financial condition.

If the transfer pricing arrangements we have among our subsidiaries are determined to be inappropriate, our tax liability may increase.

We have transfer pricing arrangements among our subsidiaries in relation to various aspects of our business, including operations, financing, marketing, sales and delivery functions. U.S. and Indian transfer pricing regulations, as well as regulations applicable in other countries in which we operate, require that any international transaction involving associated enterprises be on arm's-length terms. We consider the transactions among our subsidiaries to be substantially on arm's-length terms. If, however, a tax authority in any jurisdiction reviews any of our tax returns and determines that the transfer prices and terms we have applied are not appropriate, or that other income of our affiliates should be taxed in that jurisdiction, we may incur increased tax liability, including accrued interest and penalties, which would cause our tax expense to increase, possibly materially, thereby reducing our profitability and cash flows, which in turn could have a material adverse effect on our operations, effective tax rate and financial condition.

Historically, GE has accounted for a significant portion of our revenues and any material loss of business from, or change in our relationship with, GE could have a material adverse effect on our business, results of operations and financial condition.

Historically, we have derived a significant portion of our revenues from GE. For 2014, 2015 and 2016, GE accounted for 20.4%, 18.7% and 13.9% of our revenues, respectively. As a result of GE's publicly announced plan to divest a significant portion of its GE Capital business, our services for GE have declined and we expect that our services for GE will continue to decline as GE concludes the planned divestitures. We intend to continue to make efforts to procure contracts with respect to the divested businesses; however, there can be no assurance that we will be able to procure any such contracts or that such contracts would be on favorable terms. In addition, we recently entered into a new master services agreement, or MSA, with GE, effective January 1, 2017, which replaced our prior MSA with GE that expired in December 2016 under which GE was committed to purchase minimum amounts of services annually. Under the new MSA, GE is not obligated to provide us with any exclusivity or opportunity to work on GE projects and GE is no longer required to purchase a minimum amount of services from us. In addition, GE has the right to terminate the MSA or any statement of work in whole or in part for any reason by providing us 30 days' notice. As a result of the foregoing, we expect that our revenues from GE will be more volatile in the future and may go through periods of decline as well as increase. See Item 7—"Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Revenues" for further information regarding our new MSA with GE.

We expect that any business with GE that we retain will continue to come from a variety of GE's businesses and that, in general, GE's decisions to use our services will continue to be made by a number of people within GE. Therefore, although some decisions may be made centrally at GE, we expect that the total level of business we receive will continue to depend on the decisions of the various operating managers of such businesses. Finally, there can be no assurance that GE will not establish its own business unit to provide English-language business process services from low-wage countries or otherwise compete with us.

Any of the above events could have a material adverse effect on our business, results of operations and financial condition.

Our revenues are highly dependent on clients located in the United States and Europe, as well as on clients that operate in certain industries. If events or conditions occur which adversely affect the economic health of the United States or Europe, demand in the United States or Europe or in certain industries for the type of services we provide, or the rate of growth in the industries in which our clients operate, our business, results of operations and financial condition may be materially and adversely affected.

In 2016, more than 65% of our revenues were derived from clients based in North America and more than 15% of our revenues were derived from clients based in Europe. Additionally, in 2016, more than 40% of our revenues were derived from clients in the financial services industry, which includes insurance.

A number of factors could adversely affect our ability to do business in the United States or Europe, which could in turn have a material adverse effect on our business, results of operations and financial condition. Any deterioration in economic activity in the United States or Europe could adversely affect demand for our services, thus reducing our revenue. Increased regulation, changes in existing regulation or increased government intervention in the industries in which our clients operate may adversely affect growth in such industries and therefore have an adverse impact on our revenues.

We may face difficulties in providing end-to-end business solutions or delivering complex and large projects for our clients that could cause clients to discontinue their work with us, which in turn could harm our business.

We continue to expand the nature and scope of our engagements, including by incorporating digital solutions that use social, mobility, big data and cloud-based technologies. Our ability to effectively offer a wide breadth of end-to-end business solutions depends on our ability to attract existing or new clients to new service offerings, and the market for end-to-end solutions is highly competitive. We cannot be certain that our new service offerings, particularly our digital offerings, will effectively meet client needs or that we will be able to attract clients to these service offerings. The complexity of our new service offerings, our inexperience in developing or implementing them, and significant competition in the markets for these services may affect our ability to market these services successfully. In addition, the breadth of our existing service offerings continues to result in larger and more complex projects with our clients, which have risks associated with their scope and complexities. Our failure to deliver services that meet the requirements specified by our clients could result in termination of client contracts, and we could be liable to our clients for significant penalties or damages. Larger projects may involve multiple engagements or stages, and there is a risk that a client may choose not to retain us for additional stages or may cancel or delay additional planned engagements. These terminations, cancellations or delays may result from factors that have little or nothing to do with the quality of our services, such as the business or financial condition of our clients or the economy generally. Such cancellations or delays make it difficult to plan for project resource requirements and inaccuracies in such resource planning and allocation may have a negative impact on our profitability.

We may fail to attract and retain enough qualified employees to support our operations.

Our industry relies on large numbers of skilled employees and our success depends on our ability to attract, train and retain a sufficient number of qualified employees. Historically, high employee attrition has been common in our industry. See Item 1—"Business—Our People." In 2016, our attrition rate for all employees who were employed for a day or more was approximately 26%. We cannot assure you that we will be able to reduce our level of attrition or even maintain our attrition rate at the 2016 level. If our attrition rate increases, our operating efficiency and productivity may decrease.

Competition for qualified employees, particularly in India and China, remains high and we expect such competition to continue. We compete for employees not only with other companies in our industry but also with companies in other industries, such as software services, engineering services and financial services companies. In many locations in which we operate, there is a limited pool of employees who have the skills and training needed to do our work. If our business continues to grow, the number of people we will need to hire will increase. We will also need to increase our hiring if we are not able to maintain our attrition rate through innovative recruiting and retention policies. Significant competition for employees could have an adverse effect on our ability to expand our business and service our clients, as well as cause us to incur greater personnel expenses and training costs.

Wage increases in the countries in which we have operations may prevent us from sustaining our competitive advantage and may reduce our profit margin.

Salaries and related benefits of our employees are our most significant costs. Most of our employees are based in India and other countries in which wage levels have historically been significantly lower than wage levels in the United States and Western Europe for comparably skilled professionals, which has been one of our competitive advantages. However, wage levels for comparably skilled employees in most of the countries in which we operate have increased and further increases are expected at a faster rate than in the United States and Western Europe because of, among other reasons, faster economic growth, increased competition for skilled employees and increased demand for business process services. We will lose this competitive advantage to the extent that we are not able to control or share wage increases with our clients. Sharing wage increases may cause our clients to be less willing to utilize our services. In addition, wage increases may reduce our margins. We will attempt to control such costs by our efforts to add capacity in locations where we consider wage levels of skilled personnel to be satisfactory, but we may not be successful in doing so. We may need to increase our wage levels significantly and rapidly in order to attract the quantity and quality of employees that are necessary for us to remain competitive, which may have a material adverse effect on our business, results of operations and financial condition. We have also increased, and expect to further increase, the number of employees we have in the United States from the levels than we have had historically, and this could have a negative effect on our profit margin.

Currency exchange rate fluctuations in various currencies in which we do business, especially the Indian rupee, the euro and the U.S. dollar, could have a material adverse effect on our business, results of operations and financial condition.

Most of our revenues are denominated in U.S. dollars, with the remaining amounts largely in euros, UK pounds sterling, the Australian dollar, the Japanese yen and the Indian rupee. Most of our expenses are incurred and paid in Indian rupees, with the remaining amounts largely in U.S. dollars, Chinese renminbi, Romanian lei, euros, UK pounds sterling, Philippine pesos, Japanese yen, Polish zloty, Mexican pesos, Guatemalan quetzals, the South African rand and Hungarian forints. As we expand our operations to new countries, we will incur expenses in other currencies. We report our financial results in U.S. dollars. The exchange rates between the Indian rupee, the euro and other currencies in which we incur costs or receive revenues, on the one hand, and the U.S. dollar, on the other hand, have changed substantially in recent years and may fluctuate substantially in the future. See Item 7A—"Quantitative and Qualitative Disclosures about Market Risk."

Our results of operations could be adversely affected over time by certain movements in exchange rates, particularly if the Indian rupee or other currencies in which we incur expenses appreciate against the U.S. dollar or if the currencies in which we receive revenues, such as the euro, depreciate against the U.S. dollar. Although we take steps to hedge a substantial portion of our Indian rupee-U.S. dollar, Mexican peso-U.S. dollar, Philippines peso-U.S. dollar, euro-U.S. dollar, euro- Romanian leu, pound sterling-U.S. dollar, Australian dollar-U.S. dollar and our Chinese renminbi-Japanese yen foreign currency exposures, there is no assurance that our hedging strategy will be successful or that the hedging markets will have sufficient liquidity or depth for us to implement our strategy in a cost effective manner. In addition, in some countries such as India and China, we are subject to legal restrictions on hedging activities, as well as convertibility of currencies, which could limit our ability to use cash generated in one country in another country and could limit our ability to hedge our exposures. Finally, our hedging policies only provide near term protection from exchange rate fluctuations. If the Indian rupee or other currencies in which we incur expenses appreciate against the U.S. dollar, we may have to consider additional means of maintaining profitability, including by increasing pricing, which may or may not be achievable. See also Item 7—"Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Foreign exchange gains (losses), net."

Restrictions on entry visas may affect our ability to compete for and provide services to clients, which could have a material adverse effect on our business and financial results.

Our business depends on the ability of our employees to obtain the necessary visas and entry permits to do business in the countries where our clients and, in some cases, our delivery centers, are located. In recent years, in response to terrorist attacks and global unrest, immigration authorities generally, and those in the United States in particular, have increased the level of scrutiny in granting visas. If further terrorist attacks occur or global unrest intensifies, then obtaining visas for our personnel may become even more difficult. Local immigration laws may also require us to meet certain other legal requirements as a condition to obtaining or maintaining entry visas. Adverse economic conditions in countries where our clients may be located may create an environment where countries, including the United States, may restrict the number of visas or entry permits available. In general, immigration laws are subject to legislative change and varying standards of application and enforcement due to political forces, economic conditions, terrorist attacks or other events. In addition, there is currently uncertainty with respect to immigration laws and standards in the United States due to potential policy changes suggested by public figures, including the current U.S. President and members of his administration, although it is not currently known what, if any, specific measures might be proposed or how they would be implemented or enforced.

Our senior leadership team is critical to our continued success and the loss of such personnel could harm our business.

Our future success substantially depends on the continued service and performance of the members of our senior leadership team. These personnel possess business and technical capabilities that are difficult to replace. In particular, our Chief Executive Officer and other members of our senior leadership team have been involved in our business since its commencement under GE. Our employment agreement with our Chief Executive Officer does not obligate him to work for us for any specified period. If we lose key members of our senior leadership team, we may not be able to effectively manage our current operations or meet ongoing and future business challenges, and this may have a material adverse effect on our business, results of operations and financial condition.

We may be unable to service our debt or obtain additional financing on competitive terms.

On June 30, 2015, we entered into a five-year credit agreement with certain financial institutions as lenders which replaced our prior credit facility. The credit agreement provides for an $800 million term credit facility and a $350 million revolving credit facility, and may be increased by us by up to $150 million (or a greater amount based on certain conditions). The credit agreement obligations are unsecured, and guaranteed by certain subsidiaries. As of December 31, 2016, the total amount due under the credit facility, including the amount utilized under the revolving facility, was $900 million.

Our credit agreement contains covenants that require maintenance of certain financial ratios, including consolidated leverage and interest coverage ratios, and also, under certain conditions, restrict our ability to incur additional indebtedness, create liens, make certain investments, pay dividends or make certain other restricted payments, repurchase common shares, undertake certain liquidations, mergers, consolidations and acquisitions and dispose of certain assets or subsidiaries, among other things. Our cash flow from operations provides the primary source of funds for our debt service payments. If our cash flow from operations declines, we may be unable to service or refinance our current debt which could adversely affect our business and financial condition.

In addition, we may have limited ability to increase our borrowings under our existing credit agreement without increased pricing. We may in the future require additional financing to fund one or more acquisitions, pay dividends or repurchase shares and may not be able to obtain such additional financing on competitive terms, which could restrict our ability to complete such transactions.

We often face a long selling cycle to secure a new contract as well as long implementation periods that require significant resource commitments, which result in a long lead time before we receive revenues from new relationships.

We often face a long selling cycle to secure a new contract. If we are successful in obtaining an engagement, that is generally followed by a long implementation period in which the services are planned in detail and we demonstrate to a client that we can successfully integrate our processes and resources with their operations. During this time a contract is also negotiated and agreed. There is then a long ramping up period in order to commence providing the services. We typically incur significant business development expenses during the selling cycle. We may not succeed in winning a new client's business, in which case we receive no revenues and may receive no reimbursement for such expenses. Even if we succeed in developing a relationship with a potential new client and begin to plan the services in detail, a potential client may choose a competitor or decide to retain the work in-house prior to the time a final contract is signed. If we enter into a contract with a client, we will typically receive no revenues until implementation actually begins. Our clients may also experience delays in obtaining internal approvals or delays associated with technology or system implementations, thereby further lengthening the implementation cycle. We generally hire new employees to provide services to a new client once a contract is signed. We may face significant difficulties in hiring such employees and incur significant costs associated with these hires before we receive corresponding revenues. If we are not successful in obtaining contractual commitments after the selling cycle, in maintaining contractual commitments after the implementation cycle or in maintaining or reducing the duration of unprofitable initial periods in our contracts, it may have a material adverse effect on our business, results of operations and financial condition.

Our profitability will suffer if we are not able to price appropriately, maintain asset utilization levels and control our costs.

Our profitability is largely a function of the efficiency with which we utilize our assets, and in particular our people and delivery centers, and the pricing that we are able to obtain for our services. Our utilization rates are affected by a number of factors, including our ability to transition employees from completed projects to new assignments, hire and assimilate new employees, forecast demand for our services and thereby maintain an appropriate headcount in each of our geographies and workforce and manage attrition, and our need to devote time and resources to training, professional development and other typically non-chargeable activities. The prices we are able to charge for our services are affected by a number of factors, including our clients' perceptions of our ability to add value through our services, competition, introduction of new services or products by us or our competitors, our ability to accurately estimate, attain and sustain revenues from client engagements, margins and cash flows over increasingly longer contract periods and general economic and political conditions. Therefore, if we are unable to price appropriately or manage our asset utilization levels, there could be a material adverse effect on our business, results of operations and financial condition. Our profitability is also a function of our ability to control our costs and improve our efficiency. As we increase the number of our employees and grow our business, we may not be able to manage the significantly larger and more geographically diverse workforce that may result and our profitability may not improve. New taxes may also be imposed on our services such as sales taxes or service taxes which could affect our competitiveness as well as our profitability.

Our results of operations and share price could be adversely affected if we are unable to maintain effective internal controls.

The accuracy of our financial reporting is dependent on the effectiveness of our internal controls. We are required to provide a report from management to our shareholders on our internal control over financial reporting that includes an assessment of the effectiveness of these controls. Internal control over financial reporting has inherent limitations, including human error, sample-based testing, the possibility that controls could be circumvented or become inadequate because of changed conditions, and fraud. Because of these inherent limitations, internal control over financial reporting might not prevent or detect all misstatements or fraud. If we cannot maintain and execute adequate internal control over financial reporting or implement required new or improved controls that provide reasonable assurance of the reliability of the financial reporting and preparation of our financial statements for external use, we could suffer harm to our reputation, fail to meet our public reporting requirements on a timely basis, be unable to properly report on our business and our results of operations, or be required to restate our financial statements, and our results of operations, the market price of our common shares and our ability to obtain new business could be materially adversely affected.

We make estimates and assumptions in connection with the preparation of our consolidated financial statements, and any changes to those estimates and assumptions could adversely affect our financial results.

Our financial statements have been prepared in accordance with U.S. generally accepted accounting principles. The application of generally accepted accounting principles requires us to make estimates and assumptions about certain items and future events that affect our reported financial condition, and our accompanying disclosure with respect to, among other things, revenue recognition and income taxes. We base our estimates on historical experience, contractual commitments and on various other assumptions that we believe to be reasonable under the circumstances and at the time they are made. These estimates and assumptions involve the use of judgment and are subject to significant uncertainties, some of which are beyond our control. If our estimates, or the assumptions underlying such estimates, are not correct, actual results may differ materially from our estimates, and we may need to, among other things, adjust revenues or accrue additional charges that could adversely affect our results of operations.

Our operating results may experience significant fluctuations.

Our operating results may fluctuate significantly from period to period. The long selling cycle for many of our services as well as the time required to complete the implementation phases of new contracts makes it difficult to accurately predict the timing of revenues from new clients or new SOWs as well as our costs. In addition, our future revenues, operating margins and profitability may fluctuate as a result of: lower demand for our services; lower win rates versus our competition; changes in pricing in response to client demands and competitive pressures; changes to the financial condition of our clients; employee wage levels and utilization rates; changes in foreign exchange rates, including the Indian rupee versus the U.S. dollar and the euro versus the U.S. dollar; the timing of collection of accounts receivable; enactment of new taxes; changes in domestic and international income tax rates and regulations; and changes to levels and types of share-based compensation awards and assumptions used to determine the fair value of such awards. As a result of these factors, it is possible that in some future periods, our revenues and operating results may be significantly below the expectations of public market analysts and investors. In such an event, the price of our common shares would likely be materially and adversely affected.

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

The pricing of our services is usually included in SOWs entered into with our clients, many of which are for terms of two to five years. In certain cases, we have committed to pricing over this period with only limited sharing of risk regarding inflation and currency exchange rates. In addition, we are obligated under some of our contracts to deliver productivity benefits to our clients. If we fail to estimate accurately future wage inflation rates, currency exchange rates or our costs, or if we fail to accurately estimate the productivity benefits we can achieve under a contract, it could have a material adverse effect on our business, results of operations and financial condition.

A portion of our SOWs are currently billed on a fixed price basis rather than on a time and materials basis. We may increase the number of fixed price contracts we perform in the future. Any failure to accurately estimate the resources or time required to complete a fixed price engagement or to maintain the required quality levels or any unexpected increase in the cost to us of employees, office space or technology could expose us to risks associated with cost overruns and could have a material adverse effect on our business, results of operations and financial conditions.

We could be liable to our clients or others for damages, subject to criminal liability, and our reputation could be damaged, if our information systems are breached or confidential or sensitive client or employee data is compromised.

We are often required to collect, process and store proprietary, personally identifying or other sensitive or confidential client data in the operation of our business or in connection with the services we provide under our contracts, including names, address, social security numbers, personal health information, credit card account numbers, payment history records, and checking and savings account numbers. In addition, we collect and store data regarding our employees. As a result, we are subject to numerous data protection and privacy laws and regulations designed to protect this information in the countries in which we operate. If any person, including any of our current or former employees, negligently disregards or intentionally breaches our established controls with respect to sensitive data or if we do not adapt to changes in data protection legislation, we could be subject to significant litigation, monetary damages, regulatory enforcement actions, fines and/or criminal prosecution in one or more jurisdictions.

In addition, the products, services and software that we provide to our clients may contain or introduce cybersecurity threats or vulnerabilities to our clients' information technology networks, intentionally or unintentionally. Our clients may maintain their own proprietary, sensitive, or confidential information that could be compromised in a cybersecurity attack, or their systems may be disabled or disrupted as a result of such an attack. Our clients, regulators, or other third-parties may attempt to hold us liable, through contractual indemnification clauses or directly, for any such losses or damages resulting from such an attack.

The threat of incursion into our information systems and technology infrastructure has increased and evolved in recent years with the increasing number and sophistication of third parties who have hacked, attacked, disrupted or otherwise invaded information systems of other companies and have misappropriated or disclosed data. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently or may be designed to remain dormant until a predetermined event and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. If an actual or perceived breach of our security occurs, whether through breach of our computer systems, systems failure or otherwise, the market perception of the effectiveness of our security measures and our reputation could be harmed and we could lose existing or potential customers. Our clients, suppliers, subcontractors, and other third parties with whom we do business generally face similar cybersecurity threats, and in some cases we must rely on the safeguards adopted by these parties. We may also be liable to our clients or others for damages caused by disclosure of confidential information or system failures. Many of our contracts do not limit our potential liability for breaches of confidentiality. We may also be subject to civil actions and criminal prosecution by governments or government agencies for breaches relating to such data. Our insurance coverage or indemnification protections for breaches or mismanagement of such data may not be adequate to cover all costs related to data loss, cybersecurity attacks, or disruptions resulting from such events, or they may not continue to be available on reasonable terms or in sufficient amounts to cover one or more large claims against us and our insurers may disclaim coverage as to any future claims. The impact of these cybersecurity attacks, data losses, and other security breaches cannot be predicted, but any such attack, loss or breach could disrupt our operations, or the operations of our clients, suppliers, subcontractors, or other third parties. Incidents of this type could require significant management attention and resources, could result in the loss of business, regulatory enforcement and financial liability, and could harm our reputation among our clients and the public, any of which could have a material adverse impact on our financial condition, results of operation, or liquidity.

We may be subject to claims for substantial damages by our clients arising out of disruptions to their businesses or inadequate service, and our insurance coverage may be inadequate.

Most of our service contracts with clients contain service level and performance requirements, including requirements relating to the quality of our services. Failure to consistently meet service requirements of a client or errors made by our employees in the course of delivering services to our clients could disrupt the client's business and result in a reduction in revenues or a claim for damages against us. Additionally, we could incur liability if a process we manage for a client were to result in internal control failures or impair our client's ability to comply with its own internal control requirements.

Under our MSAs with our clients, our liability for breach of our obligations is generally limited to actual damages suffered by the client and is typically capped at the greater of an agreed amount or the fees paid or payable to us under the relevant agreement. These limitations and caps on liability may be unenforceable or otherwise may not protect us from liability for damages. In addition, certain liabilities, such as claims of third parties for which we may be required to indemnify our clients or liability for breaches of confidentiality, are generally not limited under those agreements. Our MSAs are governed by laws of multiple jurisdictions, therefore the interpretation of such provisions, and the availability of defenses to us, may vary, which may contribute to the uncertainty as to the scope of our potential liability. Although we have commercial general liability insurance coverage, the coverage may not continue to be available on acceptable terms or in sufficient amounts to cover one or more large claims and our insurers may disclaim coverage as to any future claims. The successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have a material adverse effect on our business, results of operations and financial condition.

If we are unable to collect our receivables or unbilled services, our results of operations, financial condition and cash flows could be adversely affected.

Our business depends on our ability to successfully obtain payment from our clients of the amounts they owe us for work performed. We evaluate the financial condition of our clients and usually bill and collect on relatively short cycles. We have established allowances for losses of receivables and unbilled services. Actual losses on client balances could differ from those that we currently anticipate, and, as a result, we might need to adjust our allowances. We might not accurately assess the creditworthiness of our clients. Macroeconomic conditions could also result in financial difficulties for our clients, including bankruptcy and insolvency. This could cause clients to delay payments to us, request modifications to their payment arrangements that could increase our receivables balance, or default on their payment obligations to us. If we experience an increase in the time to bill and collect for our services, our cash flows could be adversely affected.

Some of our contracts contain provisions which, if triggered, could result in lower future revenues and have a material adverse effect on our business, results of operation and financial condition.

Some of our contracts allow a client, in certain limited circumstances, to request a benchmark study comparing our pricing and performance with that of an agreed list of other service providers for comparable services. Based on the results of the study and depending on the reasons for any unfavorable variance, we may be required to make improvements in the services we provide or to reduce the pricing for services on a prospective basis to be performed under the remaining term of the contract, which could have an adverse effect on our business, results of operations and financial condition.

Some of our contracts contain provisions that would require us to pay penalties to our clients and/or provide our clients with the right to terminate the contract if we do not meet pre-agreed service level requirements. Failure to meet these requirements could result in the payment of significant penalties by us to our clients which in turn could have a material adverse effect on our business, results of operations and financial condition.

A few of our MSAs provide that during the term of the MSA and under specified circumstances, we may not provide similar services to the competitors of our client. Some of our contracts also provide that, during the term of the contract and for a certain period thereafter ranging from six to 12 months, we may not provide similar services to certain or any of our client’s competitors using the same personnel. These restrictions may hamper our ability to compete for and provide services to other clients in the same industry, which may inhibit growth and result in lower future revenues and profitability.

Some of our contracts with clients specify that if a change of control of our company occurs during the term of the contract, the client has the right to terminate the contract. These provisions may result in our contracts being terminated if there is such a change in control, resulting in a potential loss of revenues. In addition, these provisions may act as a deterrent to any attempt by a third party to acquire our company.

Some of our contracts with clients require that we bear the cost of any sales or withholding taxes or unreimbursed value-added taxes imposed on payments made under those contracts. While the imposition of these taxes is generally minimized under our contracts, changes in law or the interpretation thereof and changes in our internal structure may result in the imposition of these taxes and a reduction in our net revenues.

Our industry is highly competitive, and we may not be able to compete effectively.

Our industry is highly competitive, highly fragmented and subject to rapid change. We believe that the principal competitive factors in our markets are breadth and depth of process, technology and domain expertise, service quality, the ability to attract, train and retain qualified people, compliance rigor, global delivery capabilities, price and marketing and sales capabilities. We compete for business with a variety of companies, including large multinational firms that provide consulting, technology and/or business process services, off-shore business process service providers in low-cost locations like India, in-house captives of potential clients, software services companies that also provide business process services and accounting firms that also provide consulting or outsourcing services.

Some of our competitors have greater financial, marketing, technological or other resources and larger client bases than we do, and may expand their service offerings and compete more effectively for clients and employees than we do. Some of our competitors have more established reputations and client relationships in our markets than we do. In addition, some of our competitors who do not have global delivery capabilities may expand their delivery centers to the countries in which we are located which could result in increased competition for employees and could reduce our competitive advantage. There could also be new competitors that are more powerful as a result of strategic consolidation of smaller competitors or of companies that each provide different services or service different industries.

Increased competition may result in lower prices and volumes, higher costs for resources, especially people, and lower profitability. We may not be able to supply clients with services that they deem superior and at competitive prices and we may lose business to our competitors. Any inability to compete effectively would adversely affect our business, results of operations and financial condition.

Our business could be materially and adversely affected if we do not protect our intellectual property or if our services are found to infringe on the intellectual property of others.

Our success depends in part on certain methodologies, practices, tools and technical expertise we utilize in designing, developing, implementing and maintaining applications and other proprietary intellectual property rights. In order to protect our rights in these various intellectual properties, we rely upon a combination of nondisclosure and other contractual arrangements as well as trade secret, copyright and trademark laws. We also generally enter into confidentiality agreements with our employees, consultants, clients and potential clients and limit access to and distribution of our proprietary information. India is a member of the Berne Convention, an international intellectual property treaty, and has agreed to recognize protections on intellectual property rights conferred under the laws of other foreign countries, including the laws of the United States. There can be no assurance that the laws, rules, regulations and treaties in effect in the United States, India and the other jurisdictions in which we operate and the contractual and other protective measures we take, are adequate to protect us from misappropriation or unauthorized use of our intellectual property, or that such laws will not change. We may not be able to detect unauthorized use and take appropriate steps to enforce our rights, and any such steps may not be successful. Infringement by others of our intellectual property, including the costs of enforcing our intellectual property rights, may have a material adverse effect on our business, results of operations and financial condition.

Although we believe that we are not infringing on the intellectual property rights of others, claims may nonetheless be successfully asserted against us in the future. The costs of defending any such claims could be significant, and any successful claim may require us to modify, discontinue or rename any of our services. Any such changes may have a material adverse effect on our business, results of operations and financial condition.

A substantial portion of our assets and operations are located in India and we are subject to regulatory, economic, social and political uncertainties in India.

We are subject to several risks associated with having a substantial portion of our assets and operations located in India.

We have benefited from many policies of the Government of India and the Indian state governments in the states in which we operate which are designed to promote foreign investment generally and the business process services industry in particular, including significant tax incentives, relaxation of regulatory restrictions, liberalized import and export duties and preferential rules on foreign investment and repatriation. There is no assurance that such policies will continue. Various factors, such as changes in the central or state governments, could trigger significant changes in India's economic liberalization and deregulation policies and disrupt business and economic conditions in India generally and our business in particular.

In addition, our financial performance and the market price of our common shares may be adversely affected by general economic conditions and economic and fiscal policy in India, including changes in exchange rates and controls, interest rates and taxation policies, as well as social stability and political, economic or diplomatic developments affecting India in the future. In particular, India has experienced significant economic growth over the last several years, but faces major challenges in sustaining that growth in the years ahead. These challenges include the need for substantial infrastructure development and improving access to healthcare and education. Recent economic reform efforts have been disruptive and may increase the level of economic uncertainty in India. Our ability to recruit, train and retain qualified employees, develop and operate our delivery centers, and attract and retain clients could be adversely affected if India does not successfully meet these challenges.

Our delivery centers are at risk of damage from natural disasters and other disruptions.

Our delivery centers and our data and voice communications may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rains, epidemics, tsunamis and cyclones, technical disruptions such as electricity or infrastructure breakdowns, including damage to telecommunications cables, computer glitches and electronic viruses or human-caused events such as protests, riots and labor unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our clients, our leadership team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or delivery centers. We may also be liable to our clients for disruption in service resulting from such damage or destruction. While we currently have commercial liability insurance, our insurance coverage may not be sufficient. Furthermore, we may be unable to secure such insurance coverage at premiums acceptable to us in the future or at all. Prolonged disruption of our services would also entitle our clients to terminate their contracts with us. Any of the above factors may adversely affect our business, results of operations and financial condition.

We may face difficulties as we expand our operations into countries in which we have no prior operating experience.

We intend to continue to expand our global footprint in order to maintain an appropriate cost structure and meet our clients' delivery needs. This may involve expanding into countries other than those in which we currently operate. It may involve expanding into less developed countries, which may have less political, social or economic stability and less developed infrastructure and legal systems. As we expand our business into new countries we may encounter regulatory, personnel, technological and other difficulties that increase our expenses or delay our ability to start up our operations or become profitable in such countries. This may affect our relationships with our clients and could have an adverse effect on our business, results of operations and financial condition.

Terrorist attacks and other acts of violence involving any of the countries in which we or our clients have operations could adversely affect our operations and client confidence.

Terrorist attacks and other acts of violence or war may adversely affect worldwide financial markets and could potentially lead to economic recession, which could adversely affect our business, results of operations, financial condition and cash flows. These events could adversely affect our clients' levels of business activity and precipitate sudden significant changes in regional and global economic conditions and cycles. These events also pose significant risks to our people and to our delivery centers and operations around the world.

Southern Asia has, from time to time, experienced instances of civil unrest and hostilities among neighboring countries, including India and Pakistan. In recent years, military confrontations between India and Pakistan have occurred in the region of Kashmir and along the India/Pakistan border. There have also been incidents in and near India such as terrorist attacks on the Indian Parliament and in the city of Mumbai, troop mobilizations along the India/Pakistan border and an aggravated geopolitical situation in the region. Such military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult. Resulting political tensions could create a greater perception that investments in companies with Indian operations involve a high degree of risk, and that there is a risk of disruption of services provided by companies with Indian operations, which could have a material adverse effect on our share price and/or the market for our services. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that were protracted or involved the threat or use of nuclear weapons, we might not be able to continue our operations. We generally do not have insurance for losses and interruptions caused by terrorist attacks, military conflicts and wars.

If more stringent labor laws become applicable to us or if our employees unionize, our profitability may be adversely affected.

India has stringent labor legislation that protects employee interests, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment. Though we are exempt from some of these labor laws at present under exceptions in some states for providers of IT-enabled services, there can be no assurance that such laws will not become applicable to us in the future. If these labor laws become applicable to our employees, it may become difficult for us to maintain flexible human resource policies and attract and employ the numbers of sufficiently qualified candidates that we need or discharge employees, and our compensation expenses may increase significantly.

In addition, our employees may in the future form unions. If employees at any of our delivery centers become eligible for union membership, we may be required to raise wage levels or grant other benefits that could result in an increase in our compensation expenses, in which case our profitability may be adversely affected.

We may engage in strategic transactions that could create risks.

As part of our business strategy, we regularly review potential strategic transactions, including potential acquisitions, dispositions, consolidations, joint ventures or similar transactions, some of which may be material. Through the acquisitions we pursue, we may seek opportunities to add to or enhance the services we provide, to enter new industries or expand our client base, or to strengthen our global presence and scale of operations. We have completed more than ten acquisitions since our inception. There can be no assurance that we will find suitable candidates in the future for strategic transactions at acceptable prices, have sufficient capital resources to accomplish our strategy, or be successful in entering into agreements for desired transactions.

Acquisitions, including completed acquisitions, also pose the risk that any business we acquire may lose clients or employees or could under-perform relative to expectations. We could also experience financial or other setbacks if transactions encounter unanticipated problems, including problems related to execution or integration. Following the completion of an acquisition, we may have to rely on the seller to provide administrative and other support, including financial reporting and internal controls, to the acquired business for a period of time. There can be no assurance that the seller will do so in a manner that is acceptable to us.

Our principal shareholders exercise significant influence over us, and their interests in our business may be different from yours.

A significant percentage of our issued and outstanding common shares are currently beneficially owned by affiliates of Bain Capital. As of December 31, 2016, Bain Capital (through its affiliates) beneficially owned approximately 29% of our outstanding common shares.

Our shareholder agreement with Bain Capital and its co-investors provides that Bain Capital has the right to nominate four directors to our board, so long as it maintains certain minimum shareholding thresholds, and the shareholders party to the agreement have agreed to vote their shares for the election of such persons. These shareholders can exercise significant influence over our business policies and affairs and all matters requiring a shareholders' vote, including the composition of our board of directors, the adoption of amendments to our certificate of incorporation and bye-laws, the approval of mergers or sales of substantially all of our assets, our dividend policy and our capital structure and financing. This concentration of ownership also may delay, defer or even prevent a change in control of our company and may make some transactions more difficult or impossible without the support of these shareholders, even if such transactions are beneficial to other shareholders. The interests of these shareholders may conflict with your interests. Bain Capital currently holds interests in companies that compete with us and it may, from to time, make significant investments in companies that could compete with us. In addition, pursuant to our shareholder agreement and to the extent permitted by applicable law, our directors who are affiliated with Bain Capital are not required to present to us corporate opportunities (*e.g.*, acquisitions or new potential clients) of which they become aware. So long as Bain Capital owns a significant amount of our equity it will be able to strongly influence our decisions.

We may become subject to taxation as a result of our incorporation in Bermuda or place of management, which would have a material adverse effect on our business, results of operations and financial condition.

We have received a written assurance from the Bermuda Minister of Finance under The Exempted Undertaking Tax Protection Act 1966 of Bermuda to the effect that if there is enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, then the imposition of any such tax shall not be applicable to us or to any of our operations or common shares, debentures or other obligations or securities until March 31, 2035, except insofar as such tax applies to persons ordinarily resident in Bermuda or is payable by us in respect of real property owned or leased by us in Bermuda. We cannot assure you that after such date we would not be subject to any such tax. If we were to become subject to taxation in Bermuda or any other jurisdiction as a result of our incorporation in Bermuda, it could have a material adverse effect on our business, results of operations and financial condition.

We may not be able to realize the entire book value of goodwill and other intangible assets from acquisitions.

As of December 31, 2016, we have $1,069.4 million of goodwill and $72.0 million of intangible assets. We periodically assess these assets to determine if they are impaired and we monitor for impairment of goodwill relating to all acquisitions and our formation in 2004. Goodwill is not amortized but is tested for impairment at least on an annual basis as of December 31 of each year, based on a number of factors including macro-economic conditions, industry and market considerations, overall financial performance, business plans and expected future cash flows. Impairment testing of goodwill may also be performed between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of goodwill below its carrying amount. We perform an assessment of qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Based on the results of the qualitative assessment, the Company performs the quantitative assessment of goodwill impairment if it determines that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the book value of our goodwill and other intangible assets is impaired, any such impairment would be charged to earnings in the period of impairment. We cannot assure you that future impairment of goodwill and other intangible assets will not have a material adverse effect on our business, financial condition or results of operations.

Risks Related to our Shares

Future sales of our common shares could cause our share price to decline.

Sales of substantial amounts of common shares by our employees and other shareholders, or the possibility of such sales, may adversely affect the price of our common shares and impede our ability to raise capital through the issuance of equity securities. As of December 31, 2016, Bain Capital (through its affiliates) and its co-investors beneficially owned approximately 34% of our outstanding common shares. Subject to certain restrictions set forth in our shareholder agreement with Bain Capital and its co-investors, such shareholders are able to sell their common shares in the public market from time to time without registering them, subject to certain limitations on the timing, amount and method of those sales imposed by Rule 144 under the Securities Act of 1933, as amended.

Pursuant to our shareholder agreement, Bain Capital has the right, subject to certain conditions and with certain exceptions, to require us to file registration statements covering all of the common shares it owns or to include those common shares in registration statements that we may file for ourselves or for another holder of our common shares. Following their registration and sale under the applicable registration statement, those shares will become freely tradable. By exercising their registration rights and selling a large number of common shares, these holders could cause the price of our common shares to decline. In addition, the perception in the public markets that sales by them might occur could also adversely affect the market price of our common shares.

There can be no assurance that we will continue to declare and pay dividends on our common shares, and future determinations to pay dividends will be at the discretion of our board of directors.

Historically we have not declared regular dividends. In February 2017, we announced the declaration of a quarterly cash dividend on our common shares in the amount of $0.06 per share, representing a planned annual dividend of $0.24 per share. Any determination to pay dividends to holders of our common shares in the future, including future payment of a regular quarterly cash dividend, will be at the discretion of our board of directors and will depend on many factors, including our financial condition, results of operations, general business conditions, statutory requirements under Bermuda law and any other factors our board of directors deems relevant. Our ability to pay dividends will also continue to be subject to restrictive covenants contained in credit facility agreements governing indebtedness we and our subsidiaries have incurred or may incur in the future. In addition, statutory requirements under Bermuda law could require us to defer making a dividend payment on a declared dividend date until such time as we can meet statutory requirements under Bermuda law. A reduction in, delay of, or elimination of our dividend payments could have a negative effect on our share price.

We are organized under the laws of Bermuda, and Bermuda law differs from the laws in effect in the United States and may afford less protection to shareholders.

Our shareholders may have more difficulty protecting their interests than would shareholders of a corporation incorporated in a state of the United States. As a Bermuda company, we are governed by, in particular, the Companies Act 1981, or the Companies Act. The Companies Act differs in some material respects from laws generally applicable to U.S. corporations and shareholders, including the provisions relating to interested directors, mergers, amalgamations, takeovers and indemnification of directors.

Generally, the duties of directors and officers of a Bermuda company are owed to the company only. Shareholders of Bermuda companies generally do not have the right to take action against directors or officers of the company except in limited circumstances. Directors of a Bermuda company must, in exercising their powers and performing their duties, act honestly and in good faith with a view to the best interests of the company, exercising the care and skill that a reasonably prudent person would exercise in comparable circumstances. Directors have a duty not to put themselves in a position in which their duties to the company and their personal interests may conflict and also are under a duty to disclose any personal interest in any contract or arrangement with the company or any of its subsidiaries. If a director of a Bermuda company is found to have breached his or her duties to that company, he may be held personally liable to the company in respect of that breach of duty. A director may be liable jointly and severally with other directors if it is shown that the director knowingly engaged in fraud or dishonesty. In cases not involving fraud or dishonesty, the liability of the director will be determined by the Bermuda courts on the basis of their estimation of the percentage of responsibility of the director for the matter in question, in light of the nature of the conduct of the director and the extent of the causal relationship between his or her conduct and the loss suffered.

In addition, our bye-laws contain a broad waiver by our shareholders of any claim or right of action, both individually and on our behalf, against any of our officers or directors. The waiver applies to any action taken by an officer or director, or the failure of an officer or director to take any action, in the performance of his or her duties, except with respect to any matter involving or arising out of any fraud or dishonesty on the part of the officer or director or to matters which would render it void pursuant to the Companies Act. This waiver limits the right of shareholders to assert claims against our officers and directors unless the act or failure to act involves fraud or dishonesty. Therefore, our shareholders may have more difficulty protecting their interests than would shareholders of a corporation incorporated in a state within the United States.

The market price for our common shares has been and may continue to be volatile.

The market price for our common shares has been and may continue to be volatile and subject to price and volume fluctuations in response to market and other factors, some of which are beyond our control. Among the factors that could affect our stock price are:

- actual or anticipated fluctuations in our quarterly and annual operating results;
- changes in financial estimates by securities research analysts;
- changes in the economic performance or market valuations of other companies engaged in providing business process and information technology services;
- loss of one or more significant clients;
- addition or loss of executive officers or key employees;
- regulatory developments in our target markets affecting us, our clients or our competitors;
- announcements of technological developments;
- limited liquidity in our trading market;
- sales or expected sales of additional common shares or purchases or expected purchases of common shares, including by the Company under existing or future share repurchase programs; and
- terrorist attacks or natural disasters or other such events impacting countries where we or our clients have operations.

In addition, securities markets generally and from time to time experience significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may have a material adverse effect on the market price of our common shares.

You may be unable to effect service of process or enforce judgments obtained in the United States or Bermuda against us or our assets in the jurisdictions in which we or our executive officers operate.

We are organized under the laws of Bermuda, and a significant portion of our assets are located outside the United States. It may not be possible to enforce court judgments obtained in the United States against us in Bermuda or in countries, other than the United States, where we have assets based on the civil liability or penal provisions of the federal or state securities laws of the United States. In addition, there is some doubt as to whether the courts of Bermuda and other countries would recognize or enforce judgments of United States courts obtained against us or our directors or officers based on the civil liability or penal provisions of the federal or state securities laws of the United States or would hear actions against us or those persons based on those laws. We have been advised by Appleby (Bermuda) Limited, our Bermuda counsel, that the United States and Bermuda do not currently have a treaty providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not based solely on United States federal or state securities laws, would not automatically be enforceable in Bermuda. Similarly, those judgments may not be enforceable in countries, other than the United States, where we have assets.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We have delivery centers in 17 countries. Our only material properties are our premises in India at Phase V, Gurgaon, which comprises of 212,531 square feet, and Uppal, Hyderabad which comprises approximately 449,286 square feet, both of which we own. We have a mixture of owned and leased properties and substantially all of our leased properties are leased under long-term leases with varying expiration dates. We believe that all of our properties and facilities are well-maintained.

Item 3. Legal Proceedings

There are no legal proceedings pending against us that we believe are likely to have a material adverse effect on our business, results of operations and financial condition.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

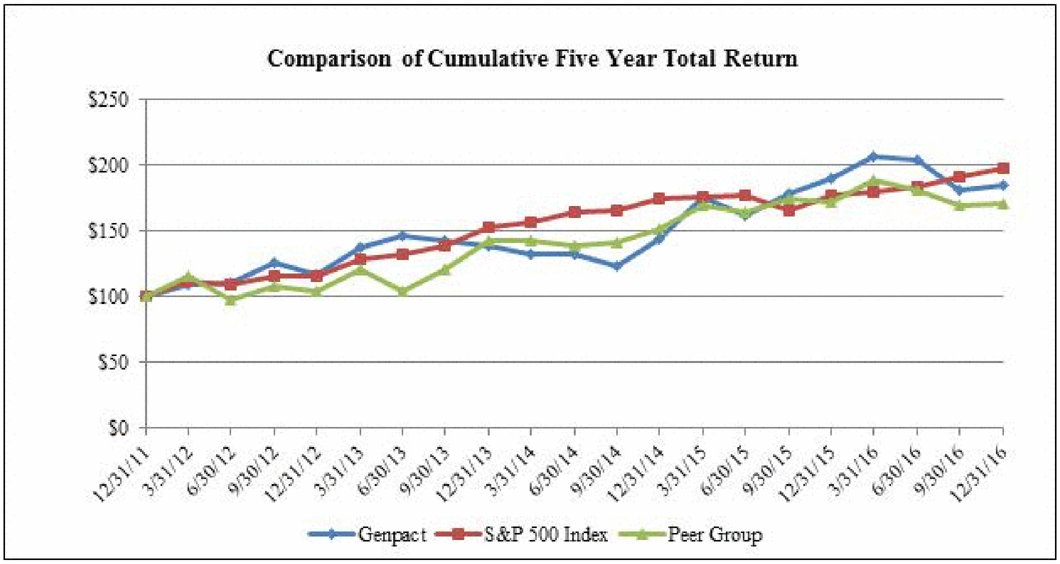
Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Stock Price Information and Stockholders

The principal market on which the Company's common shares are traded is the New York Stock Exchange under the symbol "G." The following table sets forth the high and low closing sales price of the Company's common shares for each quarter of 2015 and 2016. As of January 31, 2017, there were 20 holders of record of our common shares.

	Sales Price	
	High	Low
Year Ended December 31, 2016:		
First Quarter	$27.19	$23.30
Second Quarter	$28.39	$25.41
Third Quarter	$27.16	$22.70
Fourth Quarter	$24.51	$22.76
Year Ended December 31, 2015:		
First Quarter	$23.76	$18.87
Second Quarter	$23.31	$21.33
Third Quarter	$23.64	$21.22
Fourth Quarter	$25.85	$23.42

The following graph and table compare the performance of an investment in our common shares (measured as the cumulative total shareholder return) with investments in the S&P 500 Index (capitalization weighted) and a peer group of companies for the period from January 1, 2012 to December 31, 2016. The selected peer group for the period presented is comprised of six companies that we believe are our closest reporting issuer competitors: Accenture plc, Cognizant Technology Solutions Corp., ExlService Holdings, Inc., Infosys Technologies Limited, Wipro Technologies Limited, and WNS (Holdings) Limited. The returns of the component entities of our peer group index are weighted according to the market capitalization of each company as of the beginning of each period for which a return is presented. The returns assume that $100 was invested on December 31, 2011 and that all dividends were reinvested. The performance shown in the graph and table below is historical and should not be considered indicative of future price performance.



	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013
Genpact	109.03	111.24	126.56	117.60	138.01
Peer Group	115.29	98.28	108.41	104.21	120.35
S&P 500	112.59	109.49	116.44	116.00	128.31

	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014
Genpact	145.98	143.25	139.38	132.17	133.00
Peer Group	103.76	121.38	143.06	142.20	139.05
S&P 500	132.04	138.97	153.57	156.35	164.53

	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015
Genpact	123.82	143.63	176.40	161.84	179.13
Peer Group	141.51	151.42	169.53	164.78	175.18
S&P 500	166.39	174.60	176.26	176.75	165.37

	12/31/2015	3/31/2016	6/30/2016	9/30/2016	12/31/2016
Genpact	189.53	206.30	203.64	181.71	184.67
Peer Group	171.75	188.35	181.49	169.94	170.63
S&P 500	177.01	179.40	183.80	190.88	198.18

This graph is not deemed to be “filed” with the SEC or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, and should not be deemed to be incorporated by reference into any of our prior or subsequent filings under the Securities Act of 1933 or the Exchange Act of 1934.

Dividends

In February 2017, we announced that our board of directors has approved a dividend program under which we intend to pay a regular quarterly cash dividend of $0.06 per share to holders of our common shares, representing a planned annual dividend of $0.24 per share. The initial dividend will be payable on or about March 28, 2017 to shareholders of record as of March 10, 2017. Future dividends will be subject to the discretion of the board of directors.

Unregistered Sales of Equity Securities

None.

Purchase of Equity Securities by the Issuer and Affiliated Purchasers

Share repurchase activity during the three months ended December 31, 2016 was as follows:

Period	Total Number of Shares Purchased	Average Price Paid per Share ($)	Total Number of Shares Purchased as Part of Publicly Announced Plan or Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan or Program ($)
October 1-October 31, 2016	2,101,262	23.75	2,101,262	230,633,562
November 1-November 30, 2016	1,358,424	23.47	1,358,424	198,757,245
December 1-December 31, 2016	865,773	24.11	865,773	177,883,222
Total	**4,325,459**	**23.73**	**4,325,459**	

The table above does not reflect that in February 2017, our board of directors authorized a $500 million increase to our existing $750 million share repurchase program, first announced in February 2015, bringing the total authorization under our existing program to $1.25 billion. This repurchase program does not obligate us to acquire any specific number of shares and does not specify an expiration date. All shares repurchased under the plan have been cancelled.

Item 6. Selected Financial Data

The table below presents selected historical financial data.

We prepare our consolidated financial statements in accordance with U.S. generally accepted accounting principles (U.S. GAAP). Financial data as of December 31, 2015 and 2016 and for the three-year period ended December 31, 2016 have been derived from our audited consolidated financial statements included elsewhere in this Annual Report on Form 10-K. Financial data as of December 31, 2012, 2013 and 2014 and for the years ended December 31, 2012 and 2013 have been derived from our audited consolidated financial statements not included in this Annual Report on Form 10-K.

You should read the selected financial data below together with the financial statements included herein and Item 7—"Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Year Ended December 31,				
	2012	2013	2014	2015	2016
	(dollars and share count in millions, except per share data)				
Statement of income data:					
Total net revenues	$ 1,902.0	$ 2,132.0	$ 2,279.4	$ 2,461.0	$ 2,570.8
Income from operations	$ 264.3	$ 309.5	$ 294.0	$ 334.2	$ 340.8
Net income available to Genpact Limited common shareholders	$ 178.2	$ 229.7	$ 192.0	$ 239.8	$ 269.7
Earnings per common share					
Basic	$ 0.80	$ 1.00	$ 0.87	$ 1.11	$ 1.30
Diluted	$ 0.78	$ 0.97	$ 0.85	$ 1.09	$ 1.28
Weighted average number of common shares used in computing earnings per common share					
Basic	223.7	229.3	220.8	216.6	206.9
Diluted	229.5	235.8	225.2	219.1	210.1

	As of December 31,				
	2012	2013	2014	2015	2016
	(dollars in millions)				
Balance sheet data:					
Cash and cash equivalents	$ 459.2	$ 571.3	$ 461.8	$ 450.9	$ 422.6
Total assets	2,605.9	2,689.4	2,742.5	2,793.5	2885.9
Long-term debt, including current portion	661.9	657.9	653.6	776.5	737.3
Genpact Limited shareholders' equity	$ 1,168.4	$ 1,323	$ 1,285.1	$ 1,304.4	$ 1286.6

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our audited consolidated financial statements and the related notes that appear elsewhere in this Annual Report on Form 10-K. In addition to historical information, this discussion includes forward-looking information that involves risks and assumptions, which could cause actual results to differ materially from management's expectations. See "Special Note Regarding Forward-Looking Statements" included elsewhere in this Annual Report on Form 10-K.

Overview

Our business began as the India-based captive business process services operation for GE's financial services business. We started actively pursuing business from clients other than GE, or Global Clients, on January 1, 2005. Since that time, we have succeeded in increasing our business and diversifying our revenue sources, including through acquisitions and other strategic opportunities. Our 2016 revenues were $2.571 billion, an increase of 4% year-over-year, or 6% on a constant currency basis. See Item 7—"Net Revenues" below for an explanation of how we calculate constant currency, which is a non-GAAP financial measure.

Revenues

Revenue by top clients. The table below sets forth the percentage of our total net revenues derived from our largest clients, including GE, in the years ended December 31, 2014, 2015 and 2016:

	Percentage of Total Net Revenues		
	Year ended December 31,		
	2014	2015	2016
Top five clients	30.7%	28.5%	26.7%
Top ten clients	39.2%	36.9%	35.6%
Top fifteen clients	45.3%	43.0%	41.4%
Top twenty clients	50.3%	48.0%	46.0%

We earn revenues pursuant to contracts that generally take the form of a master service agreement, or MSA, which is a framework agreement that is then supplemented by statements of work, or SOWs. Our MSAs specify the general terms applicable to the services we will provide. Our MSAs are generally for terms of three to seven years, although they may also have an indefinite term or be for terms of less than three years. In most cases they do not specify pricing terms or obligate the client to purchase a particular amount of services. We then enter into SOWs under an MSA, which specify particular services to be provided and the pricing terms. Most of our revenues are from SOWs with terms of two to five years. We typically have multiple SOWs under any given MSA, and the terms of our SOWs vary depending on the nature of the services provided. We seek to develop long-term relationships with our clients. We believe that these relationships best serve our clients as they create opportunities for us to provide a variety of services using the full range of our capabilities and to deliver continuous process improvement.

New business proposals are reviewed in line with our strategy to target specific industry verticals and geographical markets. We begin each year with a set of named accounts, including prospective clients with operations in our target areas, and all opportunities during the year are reviewed by business leaders from the applicable industry vertical, operations personnel, and members of our finance team. In this way, we try to ensure that contract terms meet our pricing, cash and service objectives. See Item 1—"Business—Sales and Marketing."

There are a variety of aspects to our pricing of contracts. Under some of our MSAs, we are able to share a limited amount of inflation and currency exchange risk for engagements lasting longer than 12 months. Many of our

MSAs also provide that, under transaction-based and fixed-price SOWs, we are entitled to retain a portion of certain productivity benefits we achieve. However, some of our MSAs and/or SOWs require certain minimum productivity benefits to be passed on to our clients. Once an MSA and related SOWs are signed and production of services commences, our revenues and expenses increase as services are ramped up to the agreed upon level. In many cases, we may have opportunities to increase our margins over the life of an MSA or SOW, driven by a number of factors.

We entered into a new MSA, effective January 1, 2017, with General Electric International, Inc. on December 22, 2016. The new MSA replaced our prior MSA with GE, which expired on December 31, 2016. Under the new MSA, GE is not obligated to provide us with any exclusivity or opportunity to work on GE projects and GE is no longer required to purchase a minimum amount of services from us. In addition, GE has the right to terminate the MSA or any SOW in whole or in part for any reason by providing us 30 days' notice. The term of the new MSA is four years, unless it is terminated earlier, and may be extended upon mutual agreement by us and GE. The specific nature of the work we will perform under the new MSA and the amounts we will bill for our services will be covered in separate SOWs that we enter into with GE during the term of the new MSA. Under the new MSA, we are obligated to provide certain transition assistance services to GE upon GE's request for a period of 180 days following the termination or expiration of the MSA or a statement of work upon GE's request and we are obligated to continue providing services to any GE divested business for a period of 24 months following its divestiture. In addition, the new MSA contains customary indemnification provisions. The terms of the prior MSA will continue to govern any statements of work or other agreements with any GE business that was divested as of January 1, 2017 if such statement of work or agreement was in place prior to such date. The foregoing description of the new MSA is qualified in its entirety by the full text of the MSA, which is attached hereto as Exhibit 10.36 and is incorporated herein by reference.

Although some decisions may be made centrally at GE, the total level of business we receive from GE generally depends on the decisions of the various operating managers of the GE businesses we serve. Because our business from GE is derived from a variety of businesses within GE, our exposure to GE is diversified in terms of industry risk. See Item 1A—"Risk Factors—Historically, GE has accounted for a significant portion of our revenues and any material loss of business from, or change in our relationship with, GE or GE's businesses could have a material adverse effect on our business, results of operations and financial condition."

Classification of certain net revenues. We classify our net revenues in two categories: net revenues from GE and net revenues from Global Clients. Net revenues from Global Clients consist of revenues from services provided to all clients other than GE and the companies in which GE owns 20% or less of the outstanding equity interest. If GE ceases to own at least 20% of a business we serve, we reclassify the revenues from such business as Global Client revenues following the divestiture. Prior to 2016, we reclassified revenues from these divested GE businesses as Global Client revenues in each fiscal quarter beginning on the date of divestiture. However, beginning with 2016, we reclassify such revenue as Global Client revenue only at the end of each fiscal year. We believe that this change allows us to provide a more consistent view of quarterly trends underlying our Global Client and GE businesses. After reclassifying $69.7 million of revenues from businesses that GE divested in 2016, our 2016 revenues from Global Clients and GE were $2,212.9 million and $357.9 million, respectively.

In many cases, we have continued to perform services for GE-divested businesses following their divestiture by GE even though they were not obligated by the GE MSA to continue to use our services. In such cases, we have either entered into new MSAs with respect to such businesses following their divestiture by GE or agreed with such businesses to continue to work pursuant to the terms agreed to by GE. We are currently undertaking efforts, and plan to continue efforts, to procure engagements with the businesses that GE is divesting as part of its planned divestiture of a portion of its GE Capital businesses.

In 2016, we also reclassified revenue from our 2016 acquisitions of Endeavour Software Technologies Private Limited and PNMSoft Ltd. as revenue from BPO services rather than revenue from IT services to better align with the digital business process client solutions derived from these businesses. After reclassifying $12.4 million of revenues from these acquisitions, our 2016 revenues from BPO and IT services were $2,083.4 million and $487.3 million, respectively.

Expenses. Personnel expenses are a major component of both our cost of revenue and our selling, general and administrative expenses. Personnel expenses include salaries and benefits (including stock-based compensation) as well as costs related to recruiting and training. Personnel expenses are allocated between cost of revenue and selling, general and administrative expenses based on the classification of the employee. Stock-based compensation and depreciation and amortization expense are allocated between cost of revenue and selling, general and administrative expenses based on an employee's function.

Our industry is labor-intensive. Wage levels in the countries in which our delivery centers are located have historically increased on a year-over-year basis. We attempt to address the impact of wage increases, and pressures to increase wages, in a number of ways, which include seeking to control entry-level wages, managing our attrition rate, delivering productivity and "right-skilling," which refers to ensuring that positions are not filled by overqualified employees. We try to control increases in entry-level wages by implementing innovative recruiting policies, utilizing continuous training techniques, emphasizing promotion opportunities and maintaining an attractive work atmosphere and company culture. In 2011, we launched an integrated talent management program globally to expand the pool of potential applicants we hire and to upgrade our employees' skill levels so that employees may take on higher value-added tasks over time across multiple domains. We have been scaling up this program every year to hire at optimal costs and are now partnering with universities, governments, not-for-profit entities and private institutions to create sustainable pipelines for our talent supply. In 2015, we launched a certification program for our Six Sigma black belts and master black belts to train them on our Lean Digital℠ approach, tools and design thinking. Additionally in 2015, we first implemented various initiatives, which we continued to advance in 2016, to train our sales force, consulting teams and lead solution architects in concepts relating to design thinking and digital technologies in support of our Lean Digital℠ approach.

In planning capacity expansion, we look for locations that help us ensure global delivery capability while helping us control average salary levels. In India and in other countries where we may open multiple locations, we try to expand into cities where competition for personnel and wage levels may be lower than in more developed cities. In addition, under some of our contracts we have the ability to share with our clients a portion of any increase in costs due to inflation. Nevertheless, despite these steps, we expect general increases in wage levels in the future, which could adversely affect our margins. A significant increase in attrition rates would also increase our recruiting and training costs and decrease our operating efficiency, productivity and profit margins. Increased attrition rates or increased pricing may also cause some clients to be less willing to use our services. See Item 1A—"Risk Factors—Wage increases in the countries in which we have operations may prevent us from sustaining our competitive advantage and may reduce our profit margin."

Our operational expenses include facilities maintenance expenses, travel and living expenses, IT expenses, and consulting and certain other expenses. Consulting charges, consisting of the cost of consultants and contract employees with specialized skills who are directly responsible for the performance of services for clients, are included in cost of revenue. Facilities maintenance expenses and certain other expenses are allocated between cost of revenue and selling, general and administrative expenses based on the employee's function.

Cost of revenue. The principal component of cost of revenue is personnel expenses. We include in cost of revenue all personnel expenses for employees who are directly responsible for the performance of services for clients, their supervisors and certain support personnel who may be dedicated to a particular client or a set of processes. Travel and living expenses are included in cost of revenue if the personnel expense for the employee incurring such expense is included in cost of revenue.

The ratio of cost of revenue to revenues for any particular SOW or for all SOWs under an MSA is typically higher in the early periods of the contract or client relationship than in later periods. This is because the number of supervisory and direct support personnel relative to the number of employees who are performing services declines. It is also because we may retain a portion of the benefit of productivity increases realized over time.

Selling, general and administrative expenses. Our selling, general and administrative, or SG&A, expenses are primarily comprised of personnel expenses for senior management, corporate personnel in enabling functions such as human resources, finance, legal, marketing, sales and sales-related personnel, and other support personnel. The operational costs component of SG&A expenses also includes travel and living costs for such personnel. Additionally, the operational costs component of SG&A expenses includes professional fees, which represent the costs of third-party legal, tax, accounting and other advisors, and an allowance for doubtful receivables.

Other operating (income) expense, net. Other operating (income) expense, net primarily consists of the impact of the change in the fair value of earn-out consideration relating to business acquisitions and certain operating losses resulting from the impairment of property, plant and equipment, intangible assets and certain capital work-in-progress items.

Foreign exchange gains (losses), net. Foreign exchange gains (losses), net, primarily consist of gains or losses on the re-measurement of non-functional currency assets and liabilities. In addition, it includes gains or losses from derivative contracts entered into to offset the impact of the re-measurement of non-functional currency assets and liabilities. It also includes the realized and unrealized gains or losses on derivative contracts that do not qualify for hedge accounting. The gains or losses on derivative contracts that qualify for hedge accounting are deferred and included under other comprehensive income (loss) until the derivative contracts mature, at which time the gains or losses on such cash flow hedges are classified as net revenues, cost of revenue or selling, general and administrative expenses based on the underlying risk being hedged. See note 2 to our consolidated financial statements and Item 7A—"Quantitative and Qualitative Disclosures about Market Risk—Foreign Currency Risk."

Approximately 73% of our fiscal 2016 revenues were earned in U.S. dollars. We also received payments in euros, U.K. pounds sterling, Australian dollars, Chinese renminbi, Japanese yen, South African rand and Indian rupees. Our costs are primarily in Indian rupees, as well as in U.S. dollars, Chinese renminbi, euros and the currencies of the other countries in which we have operations. While some of our contracts provide for limited sharing of the risk of inflation and fluctuations in currency exchange rates, we bear a substantial portion of this risk, and therefore our operating results could be negatively affected by adverse changes in wage inflation rates and foreign currency exchange rates. See our discussion of wage inflation under "—Expenses" above. We enter into forward currency contracts, which are generally designed to qualify for hedge accounting, in order to hedge most of our cost currency exposure between the U.S. dollar and the Indian rupee, Mexican peso and Philippine peso, and between the euro and the Romanian leu, and our revenue currency exposure between the U.S dollar and the pound sterling, Australian dollar and euro, and between the Chinese renminbi and the Japanese yen. However, our ability to hedge such risks is limited by local law, the liquidity of the market for such hedges and other practical considerations. Thus, our results of operations may be adversely affected if we are not able to enter into the desired hedging arrangements or if our hedging strategies are not successful. See Note 2 to our consolidated financial statements for additional information.

Interest income (expense), net. Interest income (expense), net consists primarily of interest expense on indebtedness and capital lease obligations, interest adjustments relating to earn-out consideration in connection with certain acquisitions, certain items related to debt restructuring and interest income on certain deposits.

Other income (expense), net. Other income (expense), net primarily includes the gain or loss on the divestiture of our cloud-hosted technology platform for the rural banking sector in India and certain government subsidies received by one of our subsidiaries.

Net loss (income) attributable to non-controlling interest/redeemable non-controlling interest. Net loss (income) attributable to non-controlling interest/redeemable non-controlling interest primarily refers to the loss associated with the non-controlling interest in the operations of SSE in 2016, which we discuss in Note 3—"Business acquisitions" to our consolidated financial statements.

Gain (loss) on equity-method investment activity, net. Gain (loss) on equity-method investment activity, net primarily pertains to the loss or gain from our non-consolidated affiliate, Markit Genpact KYC Services Limited, a U.K.-based joint venture with Markit Group Limited formed in 2014.

Income taxes. We are incorporated in Bermuda and have operations in many countries. Our effective tax rate has historically varied and will continue to vary from year to year based on the tax rate in our jurisdiction of organization, the geographical sources of our earnings and the tax rates in those countries, the tax relief and incentives available to us, the financing and tax planning strategies employed by us, changes in tax laws or the interpretation thereof, and movements in our tax reserves, if any.

Bermuda taxes. We are organized in Bermuda. Bermuda does not impose any income tax on us.

Indian taxes. Indian SEZ legislation provides for a 15-year tax holiday scheme for operations established in designated special economic zones, or SEZs. Under the SEZ legislation, qualifying operations are eligible for a deduction from taxable income equal to (i) 100% of their profits or gains derived from the export of services for a period of five years from the commencement of operations; (ii) 50% of such profits or gains for the next five years; and (iii) 50% of such profits or gains for an additional period of five years, subject to the creation of a "Special Economic Zone Re-investment Reserve Account," to be utilized only for acquiring new plant or machinery or for other business purposes, not including the distribution of dividends. This holiday is available only for new business operations that are conducted at qualifying SEZ locations and is not available to operations formed by splitting up or reconstructing existing operations or transferring existing plant and equipment (beyond prescribed limits) to new locations. During the last nine years, we established new delivery centers that we believe are eligible for the SEZ benefits. However, we cannot forecast what percentage of our operations or income in India will in the future be eligible for SEZ benefits, as this will depend on how much of our business can be conducted at the qualifying locations and how much of that business can be considered to meet the restrictive conditions described above.

Our tax expense will increase as a result of the expiration of our tax holidays, and our after-tax profitability will be materially reduced, unless we can obtain comparable benefits under new legislation or otherwise reduce our tax liability.

Additionally, the governments of foreign jurisdictions from which we deliver services may assert that certain of our clients have a "permanent establishment" in such jurisdictions by reason of the activities we perform on their behalf, particularly those clients that exercise control over or have substantial dependency on our services. Such an assertion could affect the size and scope of the services requested by such clients in the future.

Transfer pricing. We have transfer pricing arrangements among our subsidiaries involved in various aspects of our business, including operations, marketing, sales and delivery functions. U.S. and Indian transfer pricing regulations, as well as the regulations applicable in the other countries in which we operate, require that any international transaction involving affiliated enterprises be made on arm's-length terms. We consider the transactions among our subsidiaries to be substantially on arm's-length pricing terms. If, however, a tax authority in any jurisdiction reviews any of our tax returns and determines that the transfer prices we have applied are not appropriate, or that other income of our affiliates should be taxed in that jurisdiction, we may incur increased tax liability, including accrued interest and penalties, which would cause our tax expense to increase, possibly materially, thereby reducing our profitability and cash flows.

Other taxes. We have operating subsidiaries in other countries, including Australia, Brazil, Canada, China, the Czech Republic, Germany, Guatemala, Israel, Japan, Kenya, Malaysia, Mexico, the Netherlands, the Philippines, Poland, Romania, Singapore, Slovakia, South Africa, the United Kingdom and the United States, as well as sales and marketing subsidiaries in certain jurisdictions, including the United States and the United Kingdom, which are subject to tax in such jurisdictions.

In 2009, one of our subsidiaries in China obtained a ruling from the Government of China certifying it to be a Technologically Advanced Service Enterprise. As a result, that subsidiary was subject to a lower corporate income tax rate of 15% for a three-year period that began in 2009 and was extended through December 31, 2017, subject to the fulfillment of certain conditions. Our delivery centers also enjoy corporate tax holidays or concessional tax rates in certain other jurisdictions, including the Philippines and Guatemala. These tax concessions will expire over the next few years, possibly increasing our overall tax rate.

Our ability to repatriate surplus earnings from our foreign subsidiaries in a tax-efficient manner is dependent upon interpretations of local laws, possible changes in such laws and the renegotiation of existing double tax avoidance treaties. Changes to any of these may adversely affect our overall tax rate.

Tax audits. Our tax liabilities may also increase, including due to accrued interest and penalties, if the applicable income tax authorities in any jurisdiction, during the course of any audits, were to disagree with any of our tax return positions. Through the period ended December 30, 2004, we have an indemnity from GE for any additional taxes attributable to periods prior to December 30, 2004.

Tax losses and other deferred tax assets. Our ability to utilize our tax loss carry-forwards and other deferred tax assets and credits may be affected if our profitability deteriorates or if new legislation is introduced that changes carry-over or crediting rules. Additionally, reductions in enacted tax rates may affect the value of our deferred tax assets and our tax expense.

Certain Acquisitions

From time to time we may make acquisitions or engage in other strategic transactions if suitable opportunities arise, and we may use cash, securities, other assets or a combination thereof as consideration.

On August 4, 2016, we acquired 100% of the outstanding equity interest in PNMSoft Limited ("PNM"), a Company incorporated under laws of Israel, for cash consideration of $28.1 million, net of cash acquired of $2.9 million and an adjustment for working capital, transaction expenses and net debt. The acquisition enhances our digital capabilities by adding dynamic workflow solution and implementation services. The purchase agreement between us and the sellers of PNM also provides for contingent earn-out consideration of up to $9.0 million payable by us to the sellers. Goodwill arising from the acquisition amounted to $25.1 million, which has been allocated to the Company’s India reporting unit and is not deductible for tax purposes. The goodwill represents primarily the capabilities, operating synergies and other benefits expected to result from combining the acquired operations with the Company’s existing operations.

On April 13, 2016, we acquired 100% of the outstanding equity interest in Endeavour Software Technologies Private Limited (“Endeavour”), a private limited company incorporated under the laws of India, for cash consideration of $10.0 million, net of cash acquired of $2.3 million, subject to adjustment for closing date working capital and net debt. The purchase agreement between us and the sellers of Endeavour also provides for contingent earn-out consideration of up to $3.5 million payable by us to the sellers. This acquisition enhances our digital capabilities by adding end-to-end mobility services. Goodwill arising from the acquisition amounted to $8.9 million, which has been allocated to the Company’s India reporting unit and is not deductible for tax purposes. The goodwill represents primarily the capabilities in end-to-end mobility services, operating synergies and other benefits expected to result from combining the acquired operations with the Company’s existing operations.

On January 8, 2016, we acquired 51% of the outstanding equity interest in Strategic Sourcing Excellence LLC (“SSE”), a Delaware limited liability company, for initial cash consideration of $2.6 million, subject to adjustment for working capital, transaction expenses and indebtedness. This acquisition strengthens our procurement consulting, transformation and strategic sourcing capabilities. The equity purchase agreement between us and the selling equityholders provides for contingent earn-out consideration of up to $20.0 million, payable by us to the selling equityholders based on the future performance of SSE relative to the thresholds specified in the earn-out calculation. Up to $9.8 million of the total potential earn-out consideration, representing the selling equityholders’ 49% interest in SSE, is payable by us to the selling equityholders only if either the put or call option, each as described below, is exercised. Goodwill arising from the acquisition amounted to $14.4 million, which has been allocated to our India reporting unit and is deductible for tax purposes. The equity purchase agreement grants us a call option to purchase the remaining 49% equity interest in SSE, which option we have the right to exercise between January 1, 2018 and January 31, 2018. If we do not exercise our call option during such period, the selling equityholders have the right to exercise a put option between March 1, 2018 and April 30, 2018 to require us to purchase their 49% interest in SSE at a price ranging from $2.5 million to $3.0 million. The goodwill represents future economic benefits we expect to derive from the Company’s expanded presence in the sourcing and procurement consulting domains, operating synergies and other anticipated benefits of combining the acquired operations with the Company’s existing operations.

In November 2014, we acquired from Hitachi Management Partner, Corp. a finance-and-accounting service delivery center in Japan, and we simultaneously entered into a five-year master services agreement with Hitachi Ltd. The contingent earn-out consideration for this acquisition is based on additional work contracted by the delivery center for the period from November 4, 2014 to November 4, 2021. This acquisition expands our presence in Japan and strengthens our finance-and-accounting service offerings. The purchase consideration for the acquisition was $21.7 million. Goodwill arising from the acquisition amounted to $16.8 million and has been allocated to our China reporting unit.

In May 2014, we acquired 100% of the outstanding equity interest in each of Pharmalink Consulting Limited, a company incorporated under the laws of England and Wales, and Pharmalink Consulting Inc., a California corporation (collectively referred to as “Pharmalink”). The contingent earn-out consideration for this acquisition was based on gross profits and order bookings of sustainable outsourcing contracts for the period from June 1, 2014 to June 30, 2016. This acquisition enabled us to provide additional regulatory consulting, outsourcing and operations capabilities for our clients in the life sciences industry. The purchase consideration for the acquisition of Pharmalink was $138.8 million. Goodwill arising from the acquisition amounted to $110.1 million and was allocated to our India reporting unit.

Divestiture

In September 2016, we completed the sale of our cloud-hosted technology platform for the rural banking sector in India, which we acquired in 2012. Net sale proceeds were $17.2 million, net of selling expenses of $0.4 million and cash divested of $0.9 million. As a result of the divestiture, we recorded a gain of $5.2 million under “other income (expense)” in our consolidated statement of income.

Bookings

New bookings is an operating or other statistical measure. We define new bookings as the total contract value of new client contracts, and certain renewals, extensions and changes to existing contracts to the extent that such contracts represent incremental future business. In determining total contract value for this purpose, we assume the minimum volume to which the client has committed. Regular renewals of contracts with no change in scope, which we consider business as usual, are not counted as new bookings. We provide information regarding our new bookings because we believe doing so provides useful trend information regarding changes in the volume of our new business over time and may be a useful metric as an indicator of future revenue growth potential. New bookings is also used by management to measure our sales force productivity.

New bookings in 2016 were approximately $2.65 billion, up 3% from approximately $2.59 billion in 2015. The increase in new bookings is attributable to our investments in our front-end sales teams and our continued focus on deepening existing client relationships, including by adding transformation services comprised of our consulting, digital, and analytics offerings.

Bookings can vary significantly year to year depending in part on the timing of the signing of a small number of large contracts. The types of services clients are demanding, the duration of the contract and the pace and level of their spending may impact the conversion of new bookings to revenues. For example, business process outsourcing bookings, which are typically for multi-year contracts, generally convert to revenue over a longer period of time compared to information technology outsourcing bookings, which are often for short-term, project-based work.

Information regarding our bookings is not comparable to, nor should it be substituted for, an analysis of our revenues over time. The calculation of new bookings involves estimates and judgments. There are no third-party standards or requirements governing the calculation of bookings. We do not update our new bookings for material subsequent terminations or reductions related to bookings originally recorded in prior fiscal years. New bookings are recorded using then-existing foreign currency exchange rates and are not subsequently adjusted for foreign currency exchange rate fluctuations. Our revenues recognized each year will vary from the new bookings value since new bookings is a snapshot measurement of a portion of the total client contract value at a given time.

Critical Accounting Policies and Estimates

A summary of our significant accounting policies is included in Note 2—"Summary of Significant Accounting Policies" to our consolidated financial statements. An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made and if changes in the estimate that are reasonably possible could materially impact the financial statements or require a higher degree of judgment than others in their application. We base our estimates on historical experience, contractual commitments and on various other assumptions that we believe to be reasonable under the circumstances and at the time they are made. We believe the following critical accounting policies require a higher level of management judgment and estimates than others in preparing the consolidated financial statements. Management believes that the estimates used in the preparation of the consolidated financial statements are reasonable. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Revenue recognition. We typically face a long selling cycle in securing a new client. It is not unusual for us to spend twelve to eighteen months or more from the time we begin actively soliciting a new client until we begin to recognize revenues.

All costs we incur prior to signing a contract with a client are expensed as incurred, except for any costs incurred for acquiring contracts, such as contract acquisition fees or other upfront fees paid to a client or any other third party, which are amortized over the period of a contract. Once a contract is signed, we defer revenues from the transition of services to our delivery centers, as well as the related cost of revenue. We recognize such deferred revenues and related costs of revenue over the period in which the related service delivery is expected to be performed. Deferred costs are limited to the amount of deferred revenues. Such amounts are generally recoverable from clients in the event of premature contract termination without cause.

We price our services under a variety of arrangements, including time and materials, transaction-based and, to a lesser extent, fixed-price contracts. When services are priced on a time-and-materials basis, we charge the client based on full-time equivalent, or FTE, rates for the personnel who will directly perform the services. The FTE rates are determined on a periodic basis, vary by category of service delivery personnel and are set at levels to reflect all of our costs, including the cost of supervisory personnel, the allocable portion of other costs, and a margin. In some cases, time-and-materials contracts are based on hourly rates of the personnel providing the services. We recognize revenues when persuasive evidence of an arrangement exists, the sales price is fixed or determinable, services have been rendered, and collectability is reasonably assured. Revenues derived from time-and-materials and transaction-based contracts are recognized as the related services are performed.

In transaction-based pricing, clients are charged a fixed fee per transaction, with the fee per transaction sometimes linked to the total number of transactions processed. Some of our contracts give the client the option to prospectively change from a time-and-materials model to a transaction-based pricing model.

In the case of fixed-price contracts, including those for application maintenance and support services, revenues are recognized ratably over the terms of the contracts. Revenues with respect to fixed-price contracts for the development, modification or customization of software are recognized on a percentage-of-completion method. Guidance has been drawn from FASB guidelines on Software—Revenue Recognition, to account for revenue from fixed-price arrangements for software development and related services in conformity with FASB guidance on Revenue Recognition—Construction—Type and Production-Type Contracts. The input (effort or cost expended) method has been used to measure progress towards completion, because management considers this to be the best available measure of progress on these contracts as there is a direct relation between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on current contract estimates.

We sometimes enter into multiple-element revenue arrangements in which a customer may purchase a combination of our services. Revenue from multiple-element arrangements is recognized, for each element, based on (1) the attainment of the delivery criterion; (2) its fair value, which is determined using the selling price hierarchy of vendor-specific objective evidence ("VSOE") of fair value, third-party evidence or best estimated selling price, as applicable, and (3) its allocated selling price, which is based on the relative sales price method.

If we receive payment in respect of services prior to the time a contract is signed, we recognize the payment as an advance from a client. When the related contract is signed, the advance becomes revenue to the extent the services are rendered and price is fixed or determinable.

Some of our client contracts also include incentive payments for benefits delivered to clients. Revenues relating to such incentive payments are recorded when the contingency is satisfied, price is determinable and we conclude that the amounts are earned.

Accounts receivable. Our accounts receivable include amounts for services that we have performed but for which we have not received payment. We typically follow a 30-day billing cycle and, as such, at any point in time we may have accrued up to 30 days of revenues that have not been billed. We maintain an allowance for doubtful accounts for estimated losses inherent in our accounts receivable portfolio. In establishing the required allowance, we consider current market conditions and our clients' financial condition, the amount of receivables in dispute, and the current receivables' aging and current payment patterns of the client. We do not have any off-balance-sheet credit exposure related to our clients.

Business combinations. The application of business combination accounting requires the use of significant estimates and assumptions. We account for business combinations by recognizing the identifiable tangible and intangible assets acquired and liabilities assumed, and any non-controlling interest in the acquired business, measured at their acquisition date fair values. The allocation of the purchase price utilizes significant estimates in determining the fair values of assets acquired and liabilities assumed, including with respect to intangible assets and deferred and contingent consideration. Significant estimates and assumptions we may make include, but are not limited to, the timing and amount of future revenue and cash flows based on, among other things, anticipated growth rates, customer attrition rates, and the discount rate reflecting the risk inherent in future cash flows.

Goodwill and other intangible assets. Goodwill represents the cost of acquired businesses in excess of the fair value of the identifiable tangible and intangible net assets purchased. Goodwill is tested for impairment at least on an annual basis on December 31, or as circumstances warrant based on a number of factors, including operating results, business plans and future cash flows. We perform an assessment of qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Based on our assessment of events or circumstances, we perform a quantitative assessment of goodwill impairment if it is determined that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Based on the results of our assessments of qualitative factors, we determined that the fair values of all of our reporting units are likely to be higher than their respective carrying values as of December 31, 2016, except our IT services reporting unit, primarily due to decline in planned revenues. We conducted a quantitative assessment of our IT services reporting unit to determine if its fair value is less than the carrying amount. Based on such quantitative assessment, we concluded that no impairment is warranted for the year ended December 31, 2016 and that the fair value of our IT services reporting unit substantially exceeded its carrying value as of December 31, 2016. Further details are included in the "Goodwill Impairment Testing" section below. As of December 31, 2015, based on the results of our assessments of qualitative factors, we determined that the fair values of all of our reporting units are likely to be higher than their respective carrying values.

We review for impairment our identified intangible assets with defined useful lives whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Determining whether we have incurred an impairment loss requires comparing the carrying amount to the sum of undiscounted cash flows expected to be generated by the asset. When determining the fair value of our reporting units or our intangible assets, we utilize various assumptions, including discount rates, estimated growth rates, economic trends and projections of future cash flows. These projections also take into account factors such as the expected impact of new client contracts, expanded or new business from existing clients, efficiency initiatives, and the maturity of the markets in which each of our businesses operates. We generally categorize intangible assets acquired individually or with a group of other assets or in a business combination as customer-related, marketing-related and other intangible assets. See Note 2—"Summary of Significant Accounting Policies—Business combinations, goodwill and other intangible assets" to our consolidated financial statements for more information about how we value our intangible assets. Actual results may vary, and may cause significant adjustments to the valuation of our assets in the future.

Derivative instruments and hedging activities. We enter into forward foreign exchange contracts to mitigate foreign exchange risk on intercompany transactions and forecasted transactions denominated in foreign currencies, and we enter into interest rate swaps to mitigate interest rate fluctuation risk on its indebtedness. Most of these transactions meet the criteria for hedge accounting as cash flow hedges under FASB guidance on Derivatives and Hedging.

With respect to derivatives designated as cash flow hedges, we formally document all relationships between hedging instruments and hedged items, as well as our risk management objectives and strategy for undertaking various hedge transactions. In addition, we formally assess, both at the inception of a hedge and on a quarterly basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item. If it is determined that a derivative or a portion thereof is not highly effective as a hedge, or if a derivative ceases to be a highly effective hedge, we prospectively discontinue hedge accounting with respect to that derivative.

We recognize derivative instruments and hedging activities as either assets or liabilities in our Consolidated Balance Sheets and measure them at fair value. Changes in the fair values of these hedges are deferred and recorded as a component of other comprehensive income (losses), net of tax, until the hedged transactions occur and are recognized in the Consolidated Statements of Income along with the underlying hedged item and disclosed as a part of "Total net revenues," "Cost of revenue", "Selling, general and administrative expenses," and "Interest expense" as applicable.

We value our derivatives based on market observable inputs, including both forward and spot prices for currencies. Derivative assets and liabilities included in Level 2 of the fair value hierarchy primarily represent foreign currency forward contracts. The quotes are taken from independent sources and databases.

Income taxes. We account for income taxes using the asset and liability method. Under this method, income tax expense is recognized for the amount of taxes payable or refundable for the current year. In addition, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities, and their tax bases and operating losses are carried forward, if any. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates or tax status is recognized in the statement of income in the period that includes the enactment date or the filing or approval date of the tax status change. Deferred tax assets are recognized in full, subject to a valuation allowance that reduces the amount recognized to that which is more likely than not to be realized. In assessing the likelihood of realization, we consider estimates of future taxable income. In the case of an entity that benefits from a corporate tax holiday, deferred tax assets or liabilities for existing temporary differences are recorded only to the extent such temporary differences are expected to reverse after the expiration of the tax holiday.

We also evaluate potential exposures related to tax contingencies or claims made by tax authorities in various jurisdictions and determine if a reserve is required. A reserve is recorded if we believe that a loss is more likely than not to occur and the amount can be reasonably estimated. Any such reserves are based on estimates and are subject to changing facts and circumstances considering the progress of ongoing audits, case law and new legislation. We believe that the reserves we have established are adequate.

We apply a two-step approach for recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining, based on the technical merits, that the position is more likely than not to be sustained upon examination. The second step is to measure the tax benefit as the largest amount of the tax benefit that is greater than 50% likely of being realized upon settlement. We also include interest and penalties related to unrecognized tax benefits within our provision for income tax expense.

We generally plan to indefinitely reinvest the undistributed earnings of foreign subsidiaries, except for those earnings that can be repatriated in a tax-free manner. Accordingly, we do not currently accrue any material income, distribution or withholding taxes that would arise if such earnings were repatriated.

Retirement benefits. We record annual amounts relating to defined benefit plans based on calculations that incorporate various actuarial and other assumptions, including discount rates, mortality, assumed rates of return on plan assets, future compensation increases and attrition rates. We review these assumptions on an annual basis and modify the assumptions based on current rates and trends when it is appropriate to do so. Actual results in any given year will often differ from actuarial assumptions because of economic and other factors.

Stock-based compensation expense. We recognize and measure compensation expense for all stock-based awards based on the grant date fair value. For option awards, grant date fair value is determined under the option pricing model (Black-Scholes-Merton model) and, for stock-based awards other than option awards, grant date fair value is determined on the basis of the fair market value of the Company's shares on the grant date of such awards. Determining the fair value of stock-based awards requires estimates and assumptions, including estimates of the period the stock awards will be outstanding before they are exercised, future volatility in the price of our common shares, and the number of stock-based awards that are likely to be forfeited. The Black-Scholes-Merton option pricing model also involves the use of additional key assumptions, including dividend yield and risk-free interest rate. For performance share units, we are required to estimate the most probable outcome of the performance conditions in order to determine the stock-based compensation cost to be recorded over the vesting period. We periodically assess the reasonableness of our assumptions and update our estimates as required. If actual results differ significantly from our estimates, stock-based compensation expense and our results of operations could be materially affected.

Results of Operations

The following table sets forth certain data from our income statement for the years ended December 31, 2014, 2015 and 2016.

	Year ended December 31,			Percentage Change Increase/(Decrease)	
	2014	2015	2016	2015 vs. 2014	2016 vs. 2015
	(dollars in millions)				
Net revenues—GE*	$ 466.1	$ 459.9	$ 357.9	(1.3) %	(22.2) %
Net revenues—Global Clients*	1,813.4	2,001.1	2,212.9	10.4 %	10.6 %
Total net revenues	**2,279.4**	**2,461.0**	**2,570.8**	**8.0 %**	**4.5 %**
Cost of revenue	1,378.1	1,493.5	1,554.7	8.4 %	4.1 %
Gross profit	**901.4**	**967.5**	**1,016.0**	**7.3 %**	**5.0 %**
Gross profit margin	**39.5%**	**39.3%**	**39.5%**		
Operating expenses					
Selling, general and administrative expenses	585.6	608.1	653.0	3.8 %	7.4 %
Amortization of acquired intangible assets	28.5	28.5	27.2	(0.1) %	(4.7) %
Other operating (income) expense, net	(6.9)	(3.3)	(4.9)	(51.6) %	48.7 %
Income from operations	**294.0**	**334.2**	**340.8**	**13.7 %**	**2.0 %**
Income from operations as a percentage of total net revenues	**12.9%**	**13.6%**	**13.3%**		
Foreign exchange gains (losses), net	(12.4)	5.3	2.6	(142.6) %	(50.1) %
Interest income (expense), net	(29.4)	(31.3)	(16.2)	6.4 %	(48.2) %
Other income (expense), net	2.1	4.4	10.1	106.4 %	132.1 %
Income before equity-method investment activity, net and income tax expense	**254.4**	**312.6**	**337.3**	**22.9 %**	**7.9 %**
Gain (loss) on equity-method investment activity, net	(4.8)	(10.8)	(7.7)	125.2 %	(28.7) %
Income before income tax expense	**249.6**	**301.8**	**329.6**	**20.9 %**	**9.2 %**
Income tax expense	57.4	61.9	62.1	7.9 %	0.3 %
Net income	**192.2**	**239.8**	**267.5**	**24.8 %**	**11.6 %**
Net loss (income) attributable to non-controlling interest/redeemable non-controlling interest	(0.2)	—	2.1	(100.0) %	100.0 %
Net income attributable to Genpact Limited common shareholders	**$ 192.0**	**$ 239.8**	**$ 269.7**	**24.9 %**	**12.5 %**
Net income attributable to Genpact Limited common shareholders as a percentage of total net revenues	**8.4%**	**9.7%**	**10.5%**		

* As described in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Classification of Certain Net Revenues," net revenues from certain businesses in which GE ceased to be a 20% shareholder are reclassified from GE net revenues to Global Client net revenues only at the end of each fiscal year. There was no impact on net revenues from GE in the year ended December 31, 2015 as a result of excluding net revenues from such divested GE businesses. Net revenues from GE in the year ended December 31, 2016, after excluding net revenues from such divested GE businesses, decreased by 8.1% compared to the year ended December 31, 2015.

Fiscal Year Ended December 31, 2016 Compared to Fiscal Year Ended December 31, 2015

Net revenues. Our net revenues were $2,570.8 million in 2016, up $109.7 million, or 4.5%, from $2,461.0 million in 2015. The growth in net revenues was primarily driven by an increase in business process outsourcing, or BPO, services delivered to our Global Clients. Adjusted for foreign exchange, primarily the depreciation of the U.K. pound sterling, euro and Australian dollar against the U.S. dollar, our net revenues grew 6% compared to 2015. We provide information about our revenue growth on a constant currency basis so that our revenue may be viewed without the impact of foreign currency exchange rate fluctuations, thereby facilitating period-to-period comparisons of our business performance. Total net revenues on a constant currency basis are calculated by restating current-period activity using the prior fiscal period's foreign currency exchange rates and hedging gains/losses. Our average headcount increased by 10.7% in 2016 to approximately 74,600 from approximately 67,400 in 2015.

	Year ended December 31,		Percentage Change Increase/ (Decrease)
	2015	2016	2016 vs. 2015
	(dollars in millions)		
Global Clients:			
BPO services	$ 1,578.1	$ 1,825.4	15.7 %
IT services	423.0	387.4	(8.4)
Total net revenues from Global Clients	$ **2,001.1**	**$ 2,212.9**	**10.6 %**
GE :			
BPO services	355.0	258.0	(27.3)%
IT services	104.9	99.9	(4.8)
Total net revenues from GE	**$ 459.9**	**$ 357.9**	**(22.2)%**
Total net revenues from BPO services	1,933.1	2,083.4	7.8
Total net revenues from IT services	527.9	487.3	(7.7)
Total net revenues	**$ 2,461.0**	**$ 2,570.8**	**4.5 %**

Net revenues from Global Clients in 2016 were $2,212.9 million, up $211.7 million, or 10.6%, from $2,001.1 million in 2015. This increase was primarily driven by growth in our targeted verticals, including banking and financial services, consumer product goods, life sciences, insurance and high tech. As a percentage of total net revenues, net revenues from Global Clients increased from 81.3% in 2015 to 86.1% in 2016.

Net revenues from GE in 2016 were $357.9 million, down $102.0 million, or 22.2%, from 2015. The decline in net revenues from GE was largely due to phase-outs of work we do for GE Capital due to continued dispositions by GE of GE Capital businesses. Net revenues from GE declined as a percentage of our total net revenues from 18.7% in 2015 to 13.9% in 2016.

Prior to 2016, we reclassified revenues from these divested GE businesses as Global Client revenues in each fiscal quarter beginning on the date of divestiture. However, beginning with 2016, we reclassify such revenue as Global Client revenue only at the end of each fiscal year. We believe that this change allows us to provide a more consistent view of quarterly trends underlying our Global Client and GE businesses. After reclassifying $69.7 million of revenues from businesses that GE divested in 2016, our 2016 revenues from Global Clients and GE were $2,212.9 million and $357.9 million, respectively. Due to delays in GE's planned divestitures, we expect that our revenues from GE will continue to be volatile in 2017. See Item 1A—"Risk Factors—Historically, GE has accounted for a significant portion of our revenues and any material loss of business from, or change in our relationship with, GE or GE's businesses could have a material adverse effect on our business, results of operations and financial condition."

In 2016, we also reclassified revenue from our 2016 acquisitions of Endeavour Software Technologies Private Limited and PNMSoft Ltd. as revenue from BPO services rather than revenue from IT services to better align with the digital business process client solutions derived from these businesses. After reclassifying $12.4 million of revenues from these acquisitions, our 2016 revenues from BPO and IT services were $2,083.4 million and $487.3 million, respectively.

Net revenues from BPO services in 2016 were $2,083.4 million, up $150.4 million, or 7.8%, from $1,933.1 million in 2015. This increase is primarily attributable to an increase in services delivered to our Global Clients, particularly finance and accounting services, core industry vertical operations services and transformation services. Net revenues from IT services were $487.3 million in 2016, down $40.6 million, or 7.7%, from $527.9 million in 2015 due to a decline in IT services engagements from Global Clients in the investment banking and healthcare industries.

Net revenues from BPO services as a percentage of total net revenues increased to 81.0% in 2016 from 78.5% in 2015 with a corresponding decline in the percentage of total net revenues attributable to IT services.

Cost of revenue and *gross margin*. The following table sets forth the components of our cost of revenue and the resulting gross margin:

	Year Ended December 31,		As a Percentage of Total Net Revenues	
	2015	2016	2015	2016
	(dollars in millions)			
Personnel expenses	$ 1,013.2	$ 1,061.5	41.2 %	41.3 %
Operational expenses	432.5	446.9	17.6	17.4
Depreciation and amortization	47.8	46.3	1.9	1.8
Cost of revenue	**$ 1,493.5**	**$ 1,554.7**	**60.7 %**	**60.5 %**
Gross margin	**39.3 %**	**39.5 %**		

Cost of revenue was $1,554.7 million, up $61.2 million, or 4.1%, from 2015. Wage inflation, an increase in our operational headcount, and increases in infrastructure expenses and the use of contract employees contributed to the higher cost of revenue in 2016 compared to 2015. These increases were partially offset by improved operational efficiencies, a decrease in IT and travel expenses, and favorable foreign exchange, primarily the depreciation of the Indian rupee and U.K. pound sterling against the U.S. dollar. Foreign exchange fluctuations cause gains and losses on our foreign currency hedges and have a translation impact when we convert our non-U.S. dollar income statement items to the U.S. dollar, our reporting currency.

Our gross margin increased marginally from 39.3% in 2015 to 39.5% in 2016 due to the factors described above, partially offset by lower headcount utilization on billable projects due to a decline in IT services engagements.

Personnel expenses. Personnel expenses as a percentage of total net revenues increased marginally from 41.2% in 2015 to 41.3% in 2016. Personnel expenses were $1,061.5 million, up $48.3 million, or 4.8%, from $1,013.2 million in 2015. The impact of wage inflation and an approximately 5,900-person, or 10.0%, increase in our operational headcount resulted in higher personnel expenses in 2016 compared to 2015. These increases were partially offset by favorable foreign exchange and improved operational efficiencies.

Operational expenses. Operational expenses as a percentage of total net revenues decreased from 17.6% in 2015 to 17.4% in 2016. Operational expenses were $446.9 million, up $14.4 million, or 3.3%, from 2015. An increase in the use of contract employees and an increase in infrastructure expenses in 2016 contributed to the increase in operational expenses compared to 2015. These increases were partially offset by lower IT and travel expenses and favorable foreign exchange.

Depreciation and amortization expenses. Depreciation and amortization expenses as a percentage of total net revenues were 1.8%, compared to 1.9% in 2015. Depreciation and amortization expenses as a component of cost of revenue were $46.3 million, down $1.5 million, or 3.2%, from 2015. This marginal decrease was primarily due to an increase in fully depreciated assets since 2015 and favorable foreign exchange, partially offset by the expansion of certain existing facilities in India.

Selling, general and administrative expenses. The following table sets forth the components of our selling, general and administrative, or SG&A, expenses:

	Year Ended December 31,		As a Percentage of Total Net Revenues	
	2015	2016	2015	2016
	(dollars in millions)			
Personnel expenses	$ 430.1	$ 470.0	17.5 %	18.3 %
Operational expenses	169.0	174.1	6.9	6.8
Depreciation and amortization	9.0	9.0	0.4	0.4
Selling, general and administrative expenses	**$ 608.1**	**$ 653.0**	**24.7 %**	**25.4 %**

SG&A expenses as a percentage of total net revenues increased from 24.7% in 2015 to 25.4% in 2016. SG&A expenses were $653.0 million, up $44.9 million, or 7.4%, from 2015. Our sales and marketing expenses as a percentage of total net revenues were approximately 7.0% in 2016, marginally up from approximately 6.9% in 2015. Higher personnel expenses, investments in domain expertise and digital and analytics capabilities, a reserve for doubtful receivables and certain non-recurring travel and related costs all contributed to higher SG&A expenses in 2016 compared to 2015. These increases were partially offset by lower fees for professional services, lower travel expenses and by favorable foreign exchange, primarily the depreciation of the Indian rupee and U.K. pound sterling against the U.S. dollar.

Personnel expenses. Personnel expenses as a percentage of total net revenues increased from 17.5% in 2015 to 18.3% in 2016. Personnel expenses as a component of SG&A expenses were $470.0 million, up $39.9 million, or 9.3%, from 2015. Wage inflation and investments in domain expertise and digital and analytics capabilities resulted in higher personnel costs as a component of SG&A expenses in 2016 compared to 2015. These increases were partially offset by favorable foreign exchange.

Operational expenses. Operational expenses as a percentage of total net revenues decreased marginally from 6.9% in 2015 to 6.8% in 2016. Operational expenses as a component of SG&A expenses were $174.1 million, up $5.0 million, or 3.0%, compared to 2015. Operational expenses increased primarily due to a reserve for doubtful receivables and the timing of certain non-recurring travel and related costs in 2016. These increases were partially offset by lower fees for professional services, lower travel expenses and favorable foreign exchange.

Depreciation and amortization. Depreciation and amortization expenses as a percentage of total net revenues were 0.4%, unchanged from 2015. Depreciation and amortization expenses as a component of SG&A expenses were $9.0 million, unchanged from 2015.

Amortization of acquired intangibles. Non-cash charges on account of the amortization of acquired intangibles were $27.2 million, down $1.3 million, or 4.7%, from 2015. This decrease is primarily due to a decline in the amortization expense relating to a 2014 acquisition.

Other operating (income) expense, net. The following table sets forth the components of other operating (income) expense, net:

	Year Ended December 31,		Percentage Change Increase/(Decrease)
	2015	2016	2016 vs. 2015
	(dollars in millions)		
Other operating (income) expense	$ (2.5)	$ (1.3)	(49.7) %
Impairment of intangible assets	10.7	11.2	4.5
Change in the fair value of earn-out consideration, deferred consideration (relating to business acquisitions)	(11.5)	(14.9)	29.1
Other operating (income) expense, net	**$ (3.3)**	**$ (4.9)**	**48.7 %**
Other operating (income) expense, net as a percentage of total net revenues	**(0.1)%**	**(0.2)%**	

Other operating income, net of expenses, was $4.9 million, up $1.6 million from $3.3 million in 2015. This increase was primarily due to $14.9 million gain in 2016 compared to $11.5 million gain in 2015 due to changes in the fair value of earn-out consideration payable in connection with certain acquisitions. This income was partially offset by a $1.2 million decrease in other operating income in 2016 compared to 2015 primarily due to decrease in income from subleases and an $11.2 million charge in 2016 compared to a $10.7 million charge in 2015 relating to a software intangible asset, which charges are discussed in Note 10—"Goodwill and intangible assets" to our consolidated financial statements.

Income from operations. As a result of the foregoing factors, income from operations as a percentage of total net revenues decreased from 13.6% in 2015 to 13.3% in 2016. Income from operations was $340.8 million, up $6.6 million from $334.2 million in 2015.

Foreign exchange gains (losses), net. We recorded a net foreign exchange gain of $2.6 million in 2016, compared to a $5.3 million gain in 2015, primarily due to the re-measurement of non-functional currency assets and liabilities and related foreign exchange contracts. The gain in 2016 resulted primarily from the depreciation of the Indian rupee and U.K. pound sterling against the U.S. dollar, and the gain in 2015 was primarily attributable to the depreciation of the Indian rupee against the U.S. dollar.

Interest income (expense), net. The following table sets forth the components of interest income (expense), net:

	Year ended December 31,		Percentage Change Increase/(Decrease)
	2015	2016	2016 vs. 2015
	(dollars in millions)		
Interest income	$ 8.7	$ 7.2	(16.5) %
Interest expense	(29.8)	(23.4)	(21.4)
Loss on extinguishment of debt	(10.1)	—	(100.0)
Interest income (expense), net	**$ (31.3)**	**$ (16.2)**	**(48.2) %**
Interest income (expense), net as a percentage of total net revenues	**(1.3) %**	**(0.6) %**	

Our net interest expense was $16.2 million in 2016, down $15.1 million from $31.3 million in 2015, primarily due to the accelerated amortization of $10.1 million in debt issuance costs in 2015 and a $6.4 million decrease in interest expense in 2016 compared to 2015. The 2015 accelerated amortization was in connection with the refinancing of our credit facility in June 2015, which we discuss in Note 14—"Long-term debt" to our consolidated financial statements. The $6.4 million decrease in interest expense is primarily due to (i) a lower interest rate on our term loan in 2016 compared to 2015, which accounted for $4.1 million of the decrease, (ii) a reduction in the unwinding of interest in 2016 on earn-out consideration payable by the Company in connection with certain acquisitions compared to 2015, which accounted for $2.1 million of the decrease, and (iii) $1.3 million in debt issuance costs and interest expense on the two short-term loans we obtained and repaid in 2015 in the amounts of $672.5 million and $737.5 million, respectively, in connection with certain internal reorganization transactions. The decrease in interest expense was partially offset by $1.5 million in interest on interest rate swaps that we entered into in 2016. Our interest income decreased by $1.4 million in 2016 compared to 2015 primarily due to lower account balances in India, where we earn higher interest rates on our deposits, in 2016 compared to 2015, and to the non-recurring receipt of interest income on income tax refunds in 2015. The weighted average rate of interest on our debt decreased from 2.5% in 2015 to 2.2%, including interest on interest rate swaps, in 2016.

Other income (expense), net. Our net other income was $10.1 million in 2016, up $5.8 million from $4.4 million in 2015. This increase is primarily due to a $5.2 million gain on the divestiture of our cloud-hosted technology platform for the rural banking sector in India in the third quarter of 2016.

Equity-method investment activity, net. Equity-method investment activity, net in 2016 primarily represents our $7.7 million share of loss, compared to our $10.8 million share of loss in 2015, from our non-consolidated affiliate, Markit Genpact KYC Services Limited, a U.K.-based joint venture with Markit Group Limited formed in 2014.

Income tax expense. Our income tax expense increased marginally from $61.9 million in 2015 to $62.1 million in 2016 due to higher pre-tax income. Our effective tax rate, or ETR, was 18.7% in 2016, down from 20.5% in 2015. Our ETR reflects the jurisdictional mix of our income. The decrease in our ETR is primarily due to certain discrete items, including the reversal of tax reserves for uncertain tax positions and our early adoption of ASU 2016-09.

Net income attributable to redeemable non-controlling interest. Redeemable non-controlling interest primarily refers to the loss associated with the non-controlling interest in the operations of SSE, in which we acquired a controlling interest in in 2016 and which is discussed in Note 3—"Business acquisitions" to our consolidated financial statements.

Net income attributable to Genpact Limited common shareholders. As a result of the foregoing factors, net income attributable to our common shareholders as a percentage of net revenues increased from 9.7% in 2015 to 10.5% in 2016. Net income attributable to our common shareholders increased by $29.9 million from $239.8 million in 2015 to $269.7 million in 2016.

Fiscal Year Ended December 31, 2015 Compared to Fiscal Year Ended December 31, 2014

Net revenues. Our net revenues were $2,461.0 million in 2015, up $181.6 million, or 8.0%, from $2,279.4 million in 2014. The growth in net revenues was primarily driven by an increase in BPO services delivered to our Global Clients, including the impact of revenues derived from large, transformational deals. Adjusted for foreign exchange, primarily the depreciation of the euro, Japanese yen and Australian dollar against the U.S. dollar, our net revenues grew 10.2% compared to 2014. We provide information about our revenue growth on a constant currency basis so that our revenue may be viewed without the impact of foreign currency exchange rate fluctuations, thereby facilitating period-to-period comparisons of our business performance. Total net revenues on a constant currency basis are calculated by restating current-period activity using the prior fiscal period's foreign currency exchange rates and hedging gains/losses. Our average headcount increased by 4.7% to approximately 67,400 in 2015 from approximately 64,400 in 2014.

	Year ended December 31, 2014	Year ended December 31, 2015	Percentage Change Increase/ (Decrease) 2015 vs. 2014
	(dollars in millions)		
Global Clients:			
BPO services	$ 1,381.2	$ 1,578.1	14.3 %
IT services	432.2	423.0	(2.1)
Total net revenues from Global Clients	**$ 1,813.4**	**$ 2,001.1**	**10.4 %**
GE :			
BPO services	355.5	355.0	(0.2) %
IT services	110.6	104.9	(5.1)
Total net revenues from GE	**$ 466.1**	**$ 459.9**	**(1.3) %**
Total net revenues from BPO services	1,736.7	1,933.1	11.3
Total net revenues from IT services	542.7	527.9	(2.7)
Total net revenues	**$ 2,279.4**	**$ 2,461.0**	**8.0 %**

Net revenues from Global Clients in 2015 were $2,001.1 million, up $187.8 million, or 10.4%, from $1,813.4 million in 2014. This increase was primarily driven by growth in our targeted verticals, including banking and financial services, consumer product goods, life sciences, insurance and high tech. As a percentage of total net revenues, net revenues from Global Clients increased from 79.6% in 2014 to 81.3% in 2015.

Net revenues from GE in 2015 were $459.9 million, down $6.2 million, or 1.3%, from 2014. The decline in net revenues from GE was in line with our expectations for the year. Net revenues from GE declined as a percentage of our total net revenues from 20.4% in 2014 to 18.7% in 2015.

Net revenues from BPO services in 2015 were $1,933.1 million, up $196.4 million, or 11.3%, from $1,736.7 million in 2014. This increase was primarily attributable to an increase in services delivered to our Global Clients, particularly finance and accounting services, core industry vertical operations services, analytics services and consulting services. Net revenues from IT services were $527.9 million in 2015, down $14.8 million, or 2.7%, from $542.7 million in 2014 due to an overall decrease in IT services delivered to our clients. This decrease was primarily the result of a decline in revenues from our healthcare and capital markets verticals.

Net revenues from BPO services as a percentage of total net revenues increased to 78.5% in 2015 from 76.2% in 2014 with a corresponding decline in the percentage of total net revenues attributable to IT services.

Cost of revenue and *gross margin*. The following table sets forth the components of our cost of revenue and the resulting gross profit:

	Year Ended December 31,		As a Percentage of Total Net Revenues	
	2014	2015	2014	2015
	(dollars in millions)			
Personnel expenses	$ 943.1	$ 1,013.2	41.4 %	41.2 %
Operational expenses	390.4	432.5	17.1	17.6
Depreciation and amortization	44.5	47.8	2.0	1.9
Cost of revenue	**$ 1,378.1**	**$ 1,493.5**	**60.5 %**	**60.7 %**
Gross margin	**39.5 %**	**39.3 %**		

Cost of revenue was $1,493.5 million, up $115.5 million, or 8.4%, from 2014. Wage inflation, an increase in our operational headcount to support the growth in our business, and related increases in the use of contract employees and infrastructure, IT and travel expenses contributed to the higher cost of revenue in 2015 compared to 2014. These increases were partially offset by improved operational efficiencies and favorable foreign exchange, primarily the depreciation of the Indian rupee and euro against the U.S. dollar. Foreign exchange fluctuations cause gains and losses on our foreign currency hedges and have a translation impact when we convert our non-U.S. dollar income statement items to the U.S. dollar, our reporting currency.

Our gross margin decreased marginally from 39.5% in 2014 to 39.3% in 2015 due to the factors described above.

Personnel expenses. Personnel expenses as a percentage of total net revenues decreased from 41.4% in 2014 to 41.2% in 2015. Personnel expenses were $1,013.2 million, up $70.1 million, or 7.4%, from $943.1 million in 2014. The impact of wage inflation and an approximately 3,000-person, or 5.3%, increase in our operational headcount resulted in higher personnel expenses in 2015 compared to 2014. These increases were partially offset by operational efficiencies and favorable foreign exchange.

Operational expenses. Operational expenses as a percentage of total net revenues increased from 17.1% in 2014 to 17.6% in 2015. Operational expenses were $432.5 million, up $42.1 million, or 10.8%, from 2014. An increase in the use of contract employees and increases in infrastructure, IT and travel expenses in 2015 contributed to the increase in operational expenses compared to 2014. These increases were partially offset by favorable foreign exchange.

Depreciation and amortization expenses. Depreciation and amortization expenses as a percentage of total net revenues were 1.9%, compared to 2.0% in 2014. Depreciation and amortization expenses as a component of cost of revenue were $47.8 million, up $3.3 million, or 7.3%, from 2014. This increase was primarily due to the expansion of certain existing facilities in India and was partially offset by favorable foreign exchange.

Selling, general and administrative expenses. The following table sets forth the components of our selling, general and administrative, or SG&A, expenses:

	Year Ended December 31,		As a Percentage of Total Net Revenues	
	2014	2015	2014	2015
	(dollars in millions)			
Personnel expenses	$ 419.3	$ 430.1	18.4 %	17.5%
Operational expenses	157.8	169.0	6.9	6.9
Depreciation and amortization	8.6	9.0	0.4	0.4
Selling, general and administrative expenses	**$ 585.6**	**$ 608.1**	**25.7 %**	**24.7%**

SG&A expenses as a percentage of total net revenues decreased to 24.7% from 25.7% in 2014. SG&A expenses were $608.1 million, up $22.5 million, or 3.8%, from 2014. Investments in front-end sales and relationship management teams and subject matter experts through the hiring of seasoned personnel in targeted markets and verticals along with the impact of wage inflation contributed to higher SG&A expenses. As a result, our sales and marketing expenses as a percentage of net revenues were approximately 6.9% in 2015, up from approximately 6.6% in 2014. Additionally, fees for professional services contributed to higher SG&A expenses in 2015 compared to 2014. These increases were partially offset by productivity savings, including the more effective use of support staff, a reduction in stock-based compensation costs and by favorable foreign exchange, primarily the depreciation of the Indian rupee and euro against the U.S. dollar.

Personnel expenses. Personnel expenses as a percentage of total net revenues were 17.5%, down from 18.4% in the year ended 2014. Personnel expenses as a component of SG&A expenses were $430.1 million, up $10.8 million, or 2.6%, from 2014. The impact of wage inflation and a $17.2 million, or 4.1%, increase in personnel expenses due to our investments in front-end sales and relationship management teams resulted in an increase in personnel expenses compared to 2014. This increase was partially offset by productivity savings, including as a result of the more effective use of support staff, a reduction in stock-based compensation costs, and favorable foreign exchange.

Operational expenses. Operational expenses as a percentage of total net revenues were 6.9%, unchanged from 2014. Operational expenses as a component of SG&A expenses were $169.0 million, up $11.3 million, or 7.2%, compared to 2014. Operational expenses increased primarily due to higher fees for professional services and an increase in travel expenses for subject matter experts in 2015 compared to 2014, partially offset by favorable foreign exchange.

Depreciation and amortization. Depreciation and amortization expenses as a percentage of total net revenues were 0.4%, unchanged from 2014. Depreciation and amortization expenses as a component of SG&A expenses were $9.0 million, up $0.4 million, or 4.6%, from 2014. This marginal increase was primarily due to the expansion of certain facilities in India.

Amortization of acquired intangibles. Non-cash charges on account of the amortization of acquired intangibles were $28.5 million, unchanged from 2014. A $1.6 million increase in amortization expenses in 2015 is primarily due to a 2014 acquisition. This increase was more than offset by a $1.9 million decline in the amortization expense of intangibles arising out of the Company's 2004 reorganization when we began operating as an independent company. The 2004 reorganization intangibles were fully amortized in 2014.

Other operating (income) expense, net. The following table sets forth the components of other operating (income) expense, net:

	Year Ended December 31, 2014	Year Ended December 31, 2015	Percentage Change Increase/(Decrease) 2015 vs. 2014
	(dollars in millions)		
Other operating (income) expense	$ (3.2)	$ (2.5)	(20.5) %
Impairment of intangible assets	—	10.7	100.0
Change in the fair value of earn-out consideration, deferred consideration (relating to business acquisitions)	(3.7)	(11.5)	210.8
Other operating (income) expense, net	**$ (6.9)**	**$ (3.3)**	**(51.6) %**
Other operating (income) expense, net as a percentage of total net revenues	**(0.3)%**	**(0.1)%**	

Other operating income, net of expenses, was $3.3 million, down from $6.9 million in 2014. This decrease was primarily due to a $10.7 million non-recurring charge in the third quarter of 2015 relating to a software intangible asset, which charge is discussed in Note 10—"Goodwill and intangible assets" to our consolidated financial statements. We recorded an $11.5 million gain in 2015 compared to a $3.7 million gain in 2014 due to changes in the fair value of earn-out consideration payable in connection with certain acquisitions.

Income from operations. As a result of the foregoing factors, income from operations as a percentage of total net revenues increased from 12.9% in 2014 to 13.6% in 2015. Income from operations was $334.2 million, up $40.2 million from $294.0 million in 2014.

Foreign exchange gains (losses), net. We recorded a net foreign exchange gain of $5.3 million in 2015, compared to a net foreign exchange loss of $12.4 million in 2014, primarily due to the re-measurement of non-functional currency assets and liabilities and related foreign exchange contracts. The gain in 2015 resulted primarily from the depreciation of the Indian rupee against the U.S. dollar, and the loss in 2014 is primarily attributable to the depreciation of the euro against the U.S. dollar.

Interest income (expense), net. The following table sets forth the components of Interest income (expense), net:

	Year ended December 31, 2014	Year ended December 31, 2015	Percentage Change Increase/(Decrease) 2015 vs. 2014
	(dollars in millions)		
Interest income	$ 4.4	$ 8.7	97.0 %
Interest expense	(33.8)	(29.8)	(11.8)
Loss on extinguishment of debt	—	(10.1)	100.0
Interest income (expense), net	**$ (29.4)**	**$ (31.3)**	**6.4 %**
Interest income (expense), net as a percentage of total net revenues	**(1.3) %**	**(1.3) %**	

Our net interest expense increased by $1.9 million in the year ended 2015 compared to the year ended 2014, primarily due to the accelerated amortization in 2015 of $10.1 million in debt issuance costs in connection with the refinancing of our credit facility, which is discussed in Note 14 to our consolidated financial statements. This was partially offset by lower interest expense and higher interest income in the year ended 2015 compared to the year ended 2014. The decrease in our interest expense is primarily due to a lower interest rate on our term loan and a lower amount drawn down under our revolving facility in 2015 compared to 2014. The weighted average rate of interest on our debt decreased from 3.4% in 2014 to 2.5% in 2015. Our interest income increased by $4.3 million in 2015 compared to 2014, primarily due to higher account balances in India, where we earn higher interest rates on our deposits, in 2015 compared to 2014, and to the non-recurring receipt of interest income on income tax refunds in 2015.

Other income (expense), net. Our net other income was $4.4 million in the year ended 2015 compared to $2.1 million in the year ended 2014. This increase is primarily due to a non-recurring loss on the sale of a capital asset in 2014.

Equity-method investment activity, net. Equity-method investment activity, net in 2015 primarily represents our $10.8 million share of loss, compared to a $4.8 million loss in 2014, from our non-consolidated affiliate, Markit Genpact KYC Services Limited, a U.K.-based joint venture with Markit Group Limited formed in 2014.

Income tax expense. Our income tax expense increased from $57.4 million in 2014 to $61.9 million in 2015 due to higher pre-tax income. Our effective tax rate, or ETR, was 20.5% in 2015, down from 23.0% in 2014. The improvement in our ETR was primarily driven by an increase in our earnings in lower-tax locations.

Net income attributable to non-controlling interest. Non-controlling interest primarily refers to profit or loss associated with the non-controlling partners' interest in the operations of Genpact Netherlands B.V. As a result of our purchase of the non-controlling interests in Genpact Netherlands B.V. in the third quarter of 2014, we now have 100% control of the entity. Accordingly, no income or loss was attributable to non-controlling interest in respect of Genpact Netherlands B.V. in 2015.

Net income attributable to Genpact Limited common shareholders. As a result of the foregoing factors, net income attributable to our common shareholders as a percentage of net revenues increased from 8.4% in 2014 to 9.7% in 2015. Net income attributable to our common shareholders increased by $47.8 million from $192.0 million in 2014 to $239.8 million in 2015.

Seasonality

Our financial results may vary from period to period. Our revenues are typically higher in the third and fourth quarters than in other quarters, as a result of several factors. We generally find that demand for short-term IT projects, transformation services and analytics services increases in the fourth quarter as our clients utilize the balance of their budgets for the year. In addition, contracts for long-term IT Services and BPO engagements are often signed in the first and second quarters as clients begin new budget cycles. Volumes under such contracts then increase in the latter part of the year as engagements ramp up. Additionally, demand for certain services, such as collections and transaction processing, is often greater in the second half of the year as our clients' volumes in such areas increase.

The tables in Note 29 to our consolidated financial statements present unaudited quarterly financial information for each of our last eight fiscal quarters on a historical basis. We believe the quarterly information set forth therein contains all adjustments necessary to fairly present such information. The comparison of our results for the first quarter of 2016 with the fourth quarter of 2015 reflects the seasonal trends described above. The results for any interim period are not necessarily indicative of the results that may be expected for the full year.

Statement of financial position

Key changes in our financial position during 2016

Following are the significant changes in our financial position as of December 31, 2016 compared to December 31, 2015:

- **Short-term borrowings increased by $138.5 million**
  Our short-term borrowings increased, primarily as a result of the drawdown of $138.5 million (net of repayments) on our revolving credit facility to meet short-term internal funding requirements. Refer to Note 15 to our consolidated financial statements for additional information.
- **Other assets and prepaid expenses increased by $97.4 million**
  The increase in other assets and prepaid expenses is primarily due to a net increase in advance tax payments, customer acquisition costs, mark-to-market gains on derivative financial instruments, advance supplier payments and deferred transition costs.
- **Accounts receivable increased by $25.1 million**
  The increase in our accounts receivable is primarily due to increased sales in 2016, partially offset by a marginal decrease in our days sales outstanding.
- **Goodwill and intangible assets increased by $4.5 million**
  Goodwill increased by $31.1 million, primarily due to goodwill arising out of our 2016 acquisitions, partially offset by foreign exchange fluctuations in 2016. Our intangible assets decreased by $26.6 million, primarily due to amortization expenses and a charge relating to a software intangible asset in 2016, partially offset by intangible assets acquired in 2016. Refer to Notes 3 and 10 to our consolidated financial statements for additional information.
- **Accrued expenses, other current liabilities and other liabilities increased by $6.2 million**
  The increase in accrued expenses, other current liabilities and other liabilities is primarily due to higher net employee-related accruals in 2016 and an increase in earn-out consideration payable in connection with certain acquisitions. These increases were partially offset by the mark-to-market impact of our derivative financial instruments, including interest rate swaps that we entered into in 2016.
- **Long-term debt decreased by $39.2 million**
  Our long-term debt decreased primarily as a result of repayments we made in 2016. Refer to Note 14 to our consolidated financial statements for additional information.
- **Net deferred tax assets decreased by $29.6 million**
  Our net deferred tax assets decreased by $29.6 million. Refer to Note 25 to our consolidated financial statements for additional information.

Liquidity and Capital Resources

Overview

Information about our financial position as of December 31, 2015 and 2016 is presented below:

	As of December 31, 2015	As of December 31, 2016	Percentage Change Increase/(Decrease) 2016 vs. 2015
	(dollars in millions)		
Cash and cash equivalents	$ 450.9	$ 422.6	(6.3) %
Short-term borrowings	21.5	160.0	644.2
Long-term debt due within one year	39.1	39.2	0.1
Long-term debt other than the current portion	737.3	698.2	(5.3)
Genpact Limited total shareholders' equity	$ 1,304.4	$ 1,286.6	(1.4) %

Financial Condition

We have historically financed our operations and our expansion, including acquisitions, with cash from operations and borrowing facilities.

As of December 31, 2016, $412.5 million of our $422.6 million in cash and cash equivalents was held by our foreign (non-Bermuda) subsidiaries. $148.2 million of this cash is held by a foreign subsidiary for which the Company expects to incur and has accrued a deferred tax liability on the repatriation of $35.9 million of retained earnings. $92.3 million of the cash and cash equivalents is held by foreign subsidiaries in jurisdictions where no tax is expected to be imposed upon repatriation. The remaining $172.1 million in cash and cash equivalents held by certain foreign subsidiaries is being permanently reinvested.

In February 2015, our board of directors authorized a program to repurchase up to $250 million in value of our common shares. Under the same program, our board of directors subsequently approved up to an additional $250 million in share repurchases on February 4, 2016, up to an additional $250 million in share repurchases on September 19, 2016, and up to an additional $500 million share repurchases on February 10, 2017, bringing the total authorization under our existing program to $1.25 billion. Our share repurchase program does not obligate us to acquire any specific number of shares. Under the program, we may purchase shares in privately negotiated or open market transactions.

During the year ended December 31, 2016, we purchased 13,940,782 of our common shares under this program. The shares were purchased at a weighted average price of $24.76 per share for an aggregate cash amount of $345.2 million.

Pursuant to our share repurchase program, we purchased an aggregate of 808,293 of our common shares between January 1, 2017 and March 1, 2017 at a weighted average price of $24.48 per share for an aggregate cash amount of $19.8 million.

We expect that in the future our cash from operations, cash reserves and debt capacity will be sufficient to finance our operations, our growth and expansion plans, dividend payments and additional share repurchases we may make under our share repurchase program. In addition, we may raise additional funds through public or private debt or equity financings. Our working capital needs are primarily to finance our payroll and other administrative and information technology expenses in advance of the receipt of accounts receivable. Our primary capital requirements include opening new delivery centers, expanding related operations to support our growth, and financing acquisitions.

Cash flows from operating, investing and financing activities, as reflected in our consolidated statements of cash flows, are summarized in the following table:

	Year Ended, December 31,		Percentage Change Increase/(Decrease)
	2015	2016	2016 vs. 2015
	(dollars in millions)		
Net cash provided by (used for)			
Operating activities	$ 327.4	$ 345.8	5.6 %
Investing activities	(100.5)	(125.8)	25.2
Financing activities	(218.9)	(232.8)	6.4
Net increase (decrease) in cash and cash equivalents	**$ 8.1**	**$ (12.8)**	**(258.2) %**

Cash flows from operating activities. We generated net cash from operating activities of $345.8 million in 2016, up $18.3 million from 2015. The increase in cash inflows is primarily attributable to a $74.4 million increase in net income adjusted for amortization, depreciation and other non-cash items. This increase was partially offset by a $56.1 million net change in our operating assets and liabilities in 2016 compared to 2015 primarily due to (i) higher upfront investments in connection with certain client contracts in 2016, (ii) a $15.7 million net decrease in income taxes, which was primarily due to tax refunds received in 2016 and certain excess payments made in 2015 relating to tax demands received from Indian taxing authorities for prior year assessments as well as to the timing of certain other payments, and (iii) a decrease in trade receivables in 2016 primarily due to the favorable impact of a decrease in our days sales outstanding partially offset by an increase in revenue volume in 2016 compared to 2015.

Cash flows from investing activities. Our net cash used for investing activities was $125.8 million in 2016, up $25.3 million from $100.5 million in 2015. This increase was primarily due to higher payments for purchases of property, plant and equipment (net of sales proceeds) of $27.5 million in 2016 compared to 2015. Additionally, payments for acquisitions consummated in 2016 were $23.8 million higher than for acquisitions consummated in 2015. This increase was partially offset by an $8.8 million reduction in investments in our nonconsolidated affiliate, Markit Genpact KYC Services Limited, in 2016 compared to 2015, and proceeds of $17.2 million in 2016 from the divestiture of our cloud-hosted technology platform for the rural banking sector in India.

Cash flows from financing activities. Our net cash used for financing activities was $232.8 million in 2016, up $13.9 million from $218.9 million in 2015. In June 2015, we refinanced our 2012 credit facility through a new credit facility comprised of an $800.0 million term loan and a $350.0 million revolving facility. As a result, we extinguished the outstanding term loan, amounting to $663.2 million, under the previous facility and obtained $800.0 million in new funding, resulting in a net inflow of $136.8 million. In connection with the entry into the new facility in 2015, we paid $5.5 million in expenses and repaid $135.0 million, representing the amount we had drawn down under the 2012 revolving credit facility as of the date of the June 2015 refinancing. Also in 2015, we obtained and repaid two short-term loans in the amounts of $672.5 million and $737.5 million, in connection with which we paid debt issuance costs of $1.0 million. In 2016, we repaid $40.0 million of the term loan under our new credit facility, compared to repayments of $20.0 million in 2015. Additionally, we had higher proceeds from short-term borrowings (net of repayments) of $138.5 million in 2016 compared to $21.5 million in 2015 to meet short-term internal funding requirements. For details refer to Notes 14 and 15 to our consolidated financial statements. Additionally, no excess tax benefit related to stock-based compensation was recognized in 2016 due to our early adoption of ASU 2016-09, compared to $6.6 million in such excess tax benefits in 2015. Proceeds from the issuance of common shares under stock-based compensation plans (net of payments) were $8.6 million higher in 2016 than in 2015 and payments related to earn-out or deferred consideration were $1.3 million higher in 2016 than in 2015. Share repurchase payments were $345.2 million in 2016 compared to $226.9 million in 2015.

Financing Arrangements (Credit Facility)

In June 2015, we refinanced the 2012 Facility through a new credit facility comprised of a term loan of $800 million and a revolving credit facility of $350 million. As of December 31, 2015 and December 31, 2016, our outstanding term loan debt, net of debt amortization expense of $3.5 million and $2.7 million, respectively, was $776.5 million and $737.3 million, respectively. As of December 31, 2015 and December 31, 2016, a total of $22.9 million and $161.0 million, respectively, of our revolving credit facility was utilized, of which $21.5 million and $160.0 million, respectively, constituted funded drawdown and $1.4 million and $1.0 million, respectively, constituted non-funded drawdown. We also have fund-based and non-fund based credit facilities with banks, which are available for operational requirements in the form of overdrafts, letters of credit, guarantees and short-term loans. As of December 31, 2015 and December 31, 2016, the limits available under such facilities were $15.8 million and $15.4 million, respectively, of which $10.3 million and $11.0 million was utilized, constituting non-funded drawdown. For details on our financing arrangements, refer to Notes 14 and 15 to our consolidated financial statements.

Goodwill Impairment Testing

Goodwill of a reporting unit is tested for impairment at least annually and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount. In accordance with ASU 2011-08, the Company has an option to perform an assessment of qualitative factors, such as macro-economic conditions, industry and market considerations, overall financial performance, business plans and expected future cash flows, to determine whether events or circumstances exist which lead to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount.

Based on our assessment of such qualitative factors, we concluded that as of December 31, 2016, the fair values of all of our reporting units are likely to be higher than their respective carrying values other than our IT services reporting unit primarily due to decline in planned revenues. We conducted a quantitative assessment of our IT services reporting unit as of December 31, 2016 to determine if its fair value is less than the carrying amount. Determining, through a quantitative approach, whether an impairment has occurred requires valuation of the reporting unit, which we estimate using a discounted cash flow model. The fair valuation of a reporting unit is judgmental in nature and involves the use of significant estimates and assumptions. While we believe that our estimates and assumptions are reasonable at the time they are made, they are unpredictable and inherently uncertain, and, accordingly, actual results may differ from such estimates. Our estimates and assumptions included revenue growth rates and operating margins to calculate projected future cash flows, risk-adjusted discount rates, and terminal growth rates. We derived our discount rate using the capital asset pricing model to estimate the weighted average cost of capital relevant to our reporting units. We used a discount rate that is commensurate with the risks and uncertainties in the business and our internally developed forecasts. Based on the results of our quantitative assessment we determined that the fair value of the IT services reporting unit substantially exceeded its carrying value as of December 31, 2016.

In the year ended December 31, 2015, in accordance with ASU 2011-08, the Company performed an assessment of qualitative factors to determine whether events or circumstances exist that may lead to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Based on this assessment, the Company concluded that it is not more likely than not that the fair value of any of the Company's reporting units is less than its carrying amount.

Off-Balance Sheet Arrangements

Our off-balance sheet arrangements consist of foreign exchange contracts and certain operating leases. For additional information, see Item 1A —"Risk Factors—Currency exchange rate fluctuations in various currencies in which we do business, especially the Indian rupee, the euro and the U.S. dollar, could have a material adverse effect on our business, results of operations and financial condition," the section titled "Contractual Obligations" below, and Note 7 to our consolidated financial statements.

Contractual Obligations

The following table sets forth our total future contractual obligations as of December 31, 2016:

	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
			(dollars in millions)		
Long-term debt	$ 791.7	$ 55.9	$ 109.1	$ 626.7	—
— *Principal payments*	737.3	39.2	78.5	619.6	—
— *Interest payments**	54.4	16.7	30.6	7.1	—
Short-term borrowings	161.8	161.8	—	—	—
— *Principal payments*	160.0	160.0	—	—	—
— *Interest payments***	1.8	1.8	—	—	—
Capital leases	4.7	1.7	2.3	0.7	—
— *Principal payments*	3.8	1.3	1.9	0.6	—
— *Interest payments*	0.9	0.4	0.4	0.1	—
Operating leases	136.5	29.9	48.1	31.5	27.0
Purchase obligations	26.7	19.4	6.9	0.4	—
Capital commitments net of advances	5.2	5.2	—	—	—
Earn-out consideration	26.5	8.0	9.9	8.6	—
— *Reporting date fair value*	22.5	6.9	8.8	6.8	—
— *Interest*	4.0	1.1	1.1	1.8	—
Other liabilities	33.7	20.2	11.9	1.6	—
Total contractual obligations	**$ 1,186.8**	**$ 302.1**	**$ 188.2**	**$ 669.5**	**$ 27.0**

* Our interest payments on long-term debt are calculated at a rate equal to LIBOR plus a margin of 1.50% per annum based on our election and current credit rating as of December 31, 2016. Amounts shown exclude the impact of interest rate swaps.

** Our interest payments on short-term debt represent estimated payments at a rate equal to LIBOR plus a margin of 1.50% per annum based on our election and current credit rating as of December 31, 2016 and our expectation for the repayment of such debt.

Recent Accounting Pronouncements

Recently adopted accounting pronouncements

For a description of recently adopted accounting pronouncements, see Note 2—“Recently adopted accounting pronouncements” under Item 1—“Financial Statements” above and Part II, Item 7—“Management’s Discussion and Analysis of Financial Condition and Results of Operations”—“Critical Accounting Policies and Estimates” in this Annual Report on Form 10-K.

Recently issued accounting pronouncements

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers, which will replace most existing revenue recognition guidance in U.S. GAAP. The core principle of the ASU is that an entity should recognize revenue for the transfer of goods or services equal to the amount that it expects to be entitled to receive for those goods or services. The ASU requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments. Subsequently, the FASB issued ASU No. 2016-08, “Principal versus Agent Considerations (Reporting Gross versus Net),” in March 2016, ASU No. 2016-10, “Identifying performance obligations and licensing,” in April 2016, and ASU 2016-20 “Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers” in December 2016, which amend and clarify ASU 2014-09. These ASUs will be effective for us beginning January 1, 2018, including interim periods in our fiscal year 2018, and allow for both retrospective and prospective adoption. We expect to complete our assessment of the cumulative effect of adopting ASU No. 2014-09 as well as the selection of a transition approach during the first half of 2017. However, we do not believe there will be a material impact to our revenues upon adoption while there may be an impact on the recognition of timing of contract costs. We are continuing to evaluate the impact on our consolidated results of operations, cash flows, financial position and disclosures of our pending adoption of ASU 2014-09 and our preliminary assessments are subject to change.

In January 2016, the FASB issued ASU No. 2016-01, “Financial Instruments—Overall: Recognition and Measurement of Financial Assets and Financial Liabilities,” which primarily affects accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. In addition, the ASU clarifies guidance related to the valuation allowance assessment when recognizing deferred tax assets resulting from unrealized losses on available-for-sale debt securities. The ASU will be effective for us beginning January 1, 2018, including interim periods in our fiscal year 2018. Early adoption is permitted. We are in the process of determining the method of adoption and assessing the impact of this ASU on our consolidated results of operations, cash flows, financial position and disclosures.

In February 2016, the FASB issued ASU No. 2016-02, “Leases.” The core principle of the ASU is that a lessee should recognize the assets and liabilities that arise from its leases other than those that meet the definition of a short-term lease. The ASU requires extensive qualitative and quantitative disclosures, including with respect to significant judgments made by management. The ASU will be effective for us beginning January 1, 2019, including interim periods in our fiscal year 2019. Early adoption is permitted. We are in the process of determining the method of adoption and assessing the impact of this ASU on our consolidated results of operations, cash flows, financial position and disclosures.

In June 2016, the FASB issued ASU No. 2016-13, “Measurement of credit losses on financial instruments,” The ASU requires measurement and recognition of expected credit losses for financial assets held. The ASU will be effective for us beginning January 1, 2020, including interim periods in our fiscal year 2020. We are in the process of assessing the impact of this ASU on our consolidated results of operations, cash flows, financial position and disclosures.

In August 2016, the FASB issued ASU 2016-15, "Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments." The new guidance is intended to reduce diversity in how certain transactions are classified in the statement of cash flows. The ASU is effective for us beginning January 1, 2018, including interim periods in our fiscal year 2018. Early adoption is permitted. We are in the process of assessing the impact of this ASU on our consolidated results of operations, cash flows, financial position and disclosures.

In October 2016, the FASB issued ASU 2016-16, “Intra-Entity Transfers of Assets Other Than Inventory.” The new guidance eliminates the exception for deferment of tax recognition until the transferred asset is sold to a third party or otherwise recovered through use for all intra-entity sales of assets other than inventory. The ASU is effective for us beginning January 1, 2018, including interim periods in our fiscal year 2018. Early adoption is permitted. We are in the process of assessing the impact of this ASU on our consolidated results of operations, cash flows, financial position and disclosures.

In January 2017, the FASB issued ASU 2017-01, “Business Combinations (Topic 805): Clarifying the Definition of a Business.” The new guidance revises the definition of a business. The definition of a business affects many areas of accounting (e.g., acquisitions, disposals, goodwill impairment, consolidation). The ASU is effective for us beginning January 1, 2018, including interim periods in our fiscal year 2018. Early adoption is permitted. We are in the process of assessing the impact of this ASU on our consolidated results of operations, cash flows, financial position and disclosures.

In January 2017, the FASB issued ASU 2017-04, “Simplifying the Test for Goodwill Impairment,” which removes step two from the goodwill impairment test. As a result, under the ASU, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit’s fair value, however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. Also, an entity should consider income tax effects from any tax deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss, if applicable. The ASU is effective for us beginning January 1, 2020, including interim periods in our fiscal year 2020. Early adoption is permitted. We are in the process of assessing the impact of this ASU on our consolidated results of operations, cash flows, financial position and disclosures.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Foreign currency risk

Our exposure to market risk arises principally from exchange rate risk. A substantial portion of our revenues (approximately 73% in fiscal 2016) is received in U.S. dollars. We also receive revenues in Japanese yen, euros, U.K. pounds sterling, Australian dollars, Chinese renminbi, South African rand and Indian rupees. Our expenses are primarily in Indian rupees and we also incur expenses in U.S. dollars, Chinese renminbi, euros and the currencies of the other countries in which we have operations. Our exchange rate risk arises from our foreign currency revenues, expenses, receivables and payables. Based on the results of our European operations for fiscal 2016, and excluding any hedging arrangements that we had in place during that period, a 5.0% appreciation or depreciation of the Euro against the U.S. dollar would have increased or decreased, as applicable, our revenues in fiscal 2016 by approximately $6 million. Similarly, excluding any hedging arrangements that we had in place during that period, a 5.0% depreciation of the Indian rupee against the U.S. dollar would have decreased our expenses incurred and paid in Indian rupees in fiscal 2016 by approximately $35 million. Conversely, a 5.0% appreciation of the Indian rupee against the U.S. dollar would have increased our expenses incurred and paid in rupees in fiscal 2016 by approximately $39 million.

We have sought to reduce the effect of any Indian rupee-U.S. dollar, Philippine Peso-U.S. dollar, Chinese renminbi-Japanese yen, euro-Romanian leu, Mexican peso-U.S. dollar and certain other local currency exchange rate fluctuations on our results of operations by purchasing forward foreign exchange contracts to cover a portion of our expected cash flows and accounts receivable. These instruments typically have maturities of zero to sixty months. We use these instruments as economic hedges and not for speculative purposes, and most of them qualify for hedge accounting under the FASB guidance on derivatives and hedging. Our ability to enter into derivatives that meet our planning objectives is subject to the depth and liquidity of the market for such derivatives. In addition, the laws of China and India limit the duration and amount of such arrangements. We may not be able to purchase contracts adequate to insulate us from Indian rupee-U.S. dollar and Chinese renminbi-Japanese yen foreign exchange currency risks. In addition, any such contracts may not perform adequately as hedging mechanisms. See Item 7—"Management's Discussion and Analysis of Financial Condition and Results of Operations—Foreign Exchange gains (losses), net."

Interest rate risk

Our exposure to interest rate risk arises principally from interest on our indebtedness. As of December 31, 2016, we had $897.3 million of indebtedness under our credit facility, comprised of a long-term loan of $737.3 million, net of $2.7 million in debt amortization expenses, and a revolving loan of $160 million. Interest on indebtedness under our credit facility is variable based on LIBOR and we are subject to market risk from changes in interest rates. Based on our indebtedness as of December 31, 2016, a 1% change in interest rates, including the impact on the cost of our interest rate swaps, would have had an approximately $4.1 million impact on our net interest expense in fiscal 2016.

We are exposed to interest rate risk arising from changes in interest rates on the floating rate indebtedness under our term loan. Borrowings under our term loan bear interest at floating rates based on LIBOR, but in no event less than the floor rate of 0.0% plus an applicable margin. Accordingly, fluctuations in market interest rates may increase or decrease our interest expense which will, in turn, increase or decrease our net income and cash flow.

We manage a portion of our interest rate risk related to floating rate indebtedness by entering into interest rate swaps under which we receive floating rate payments based on the greater of LIBOR and the floor rate under our term loan and make payments based on a fixed rate. As of December 31, 2016, we were party to interest rate swaps covering a total notional amount of $456.8 million. Under our swap agreements, the rate that we pay to banks in exchange for LIBOR ranges between 0.88% and 1.20%.

Credit risk

As of December 31, 2016, we had accounts receivable, including long-term accounts receivable, net of provisions for doubtful receivables, of $618.5 million. Of this, $92.1 million was owed by GE, and the balance, or $526.4 million, was owed by Global Clients. No single Global Client owed more than 5% of our accounts receivable balance as of December 31, 2016.

Item 8. Financial Statements and Supplementary Data

The financial statements and supplementary data required by this item are listed in Item 15—"Exhibits and Financial Statement Schedules" of this Annual Report on Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of disclosure controls and procedures

Disclosure controls and procedures are the Company's controls and other procedures which are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 ("Exchange Act") is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer along with the Company's Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b). Based upon that evaluation, the Company's Chief Executive Officer along with the Company's Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company (including its consolidated subsidiaries) required to be included in the Company's periodic SEC filings.

Management's Report on Internal Control over Financial Reporting

Genpact's management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that:

(i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;

(ii) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with the authorization of management and/or our Board of Directors; and

(iii) provide reasonable assurance regarding the prevention or timely detection of any unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Due to its inherent limitations, including that it relies on sample-based testing, internal control over financial reporting may not prevent or detect misstatements. Additionally, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate due to changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework (2013). Based on its evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2016.

During 2016, we acquired all of the outstanding equity interest in PNMSoft Ltd., all of the outstanding equity interest in Endeavour Software Technologies Private Limited and a controlling equity interest in Strategic Source Excellence Limited. We have excluded from our assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2016 the operations of such acquisitions and the internal control over financial reporting associated with total assets of $74.1 million (of which $56.1 million represents goodwill and intangible assets included within the scope of the assessment) and total revenues of $17.5 million included in the consolidated financial statements of the Company as of and for the year ended December 31, 2016.

KPMG, an independent registered public accounting firm, has audited the consolidated financial statements included in this Annual Report on Form 10-K and, as part of its audit, has issued an attestation report, included herein, on the effectiveness of our internal control over financial reporting. See "Report of Independent Registered Public Accounting Firm" on page F-3.

Changes in internal control over financial reporting

During 2016, we implemented the second phase of our new enterprise resource planning, or ERP, system the first phase of which we implemented in 2015. This ERP system was designed to enhance our overall system of internal control over financial reporting through further automation and integration of business processes and was not implemented in response to any identified deficiency or material weakness in the Company's internal control over financial reporting. This implementation was significant in scale and complexity and significantly affected certain accounting functions. Both during and after the implementation, the Company maintained its internal control design by changing detailed key controls to achieve all key financial reporting assertions. Other than the ERP implementation, there were no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarterly period ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

We entered into a new MSA, effective January 1, 2017, with General Electric International, Inc. on December 22, 2016. The new MSA replaced our prior MSA with GE, which expired on December 31, 2016. The description of the MSA set forth in Item 7—"Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview" and the full text of the MSA, which is attached hereto as Exhibit 10.36, are incorporated by reference herein.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information about our executive officers is contained in the section titled "Executive Officers" in Part I of this Annual Report on Form 10-K. The other information required by this Item will be included in our Proxy Statement for the 2017 Annual General Meeting of Shareholders under the captions "Director Nominees," "Corporate Governance," and "Section 16(a) Beneficial Ownership Reporting Compliance," which will be filed with the SEC no later than 120 days after the close of the fiscal year ended December 31, 2016 and is incorporated by reference in this report.

Item 11. Executive Compensation

The information required by this Item will be included in our Proxy Statement for the 2017 Annual General Meeting of Shareholders under the caption "Information about Executive and Director Compensation," which will be filed with the SEC no later than 120 days after the close of the fiscal year ended December 31, 2016 and is incorporated by reference in this report.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item will be included in our Proxy Statement for the 2017 Annual General Meeting of Shareholders under the captions "Security Ownership of Certain Beneficial Owners and Management" and "Securities Authorized for Issuance under Equity Compensation Plans," which will be filed with the SEC no later than 120 days after the close of the fiscal year ended December 31, 2016 and is incorporated by reference in this report.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item will be included in our Proxy Statement for the 2017 Annual General Meeting of Shareholders under the caption "Certain Relationships and Related Transactions," which will be filed with the SEC no later than 120 days after the close of the fiscal year ended December 31, 2016 and is incorporated by reference in this report.

Item 14. Principal Accounting Fees and Services

The information required by this Item will be included in our Proxy Statement for the 2017 Annual General Meeting of Shareholders under the caption "Independent Registered Public Accounting Firm Fees and Other Matters," which will be filed with the SEC no later than 120 days after the close of the fiscal year ended December 31, 2016 and is incorporated by reference in this report.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Documents filed as part of this Annual Report on Form 10-K:

1. Consolidated Financial Statements

   The consolidated financial statements required to be filed in the Annual Report on Form 10-K are listed on page F-1 hereof. The required financial statements appear on pages F-4 through F-58 hereof.

2. Financial Statement Schedules

   Separate financial statement schedules have been omitted either because they are not applicable or because the required information is included in the consolidated financial statements.

3. Exhibits

   See the Exhibit Index on pages E-1 through E-4 for a list of the exhibits being filed or furnished with or incorporated by reference into this Annual Report on Form 10-K.

Item 16. Form 10-K Summary

None.

GENPACT LIMITED AND ITS SUBSIDIARIES

Index to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Genpact Limited:

We have audited the accompanying consolidated balance sheets of Genpact Limited and subsidiaries ("Genpact Limited" or the "Company") as of December 31, 2015 and 2016, and the related consolidated statements of income, comprehensive income (loss), equity, and cash flows for each of the years in the three-year period ended December 31, 2016. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2015 and 2016, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2016, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 1, 2017 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG
Gurgaon, India
March 1, 2017

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Genpact Limited:

We have audited Genpact Limited and subsidiaries ("Genpact Limited" or the "Company") internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control Over Financial Reporting*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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

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

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The Company acquired PNMSoft Limited, Endeavour Software Technologies Private Limited and Strategic Sourcing Excellence Limited, and management excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2016, PNMSoft Limited's, Endeavour Software Technologies Private Limited's and Strategic Sourcing Excellence Limited's internal control over financial reporting associated with total assets of $74,133 thousands (of which $56,139 thousands represent goodwill and intangible assets included within the scope of the assessment) and total revenues of $17,459 thousands included in the consolidated financial statements of the Company as of and for the year ended December 31, 2016. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of PNMSoft Limited, Endeavour Software Technologies Private Limited and Strategic Sourcing Excellence Limited.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of the Company as of December 31, 2015 and 2016, and the related consolidated statements of income, comprehensive income (loss), equity, and cash flows for each of the years in the three-year period ended December 31, 2016, and our report dated March 1, 2017 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG
Gurgaon, India
March 1, 2017

GENPACT LIMITED AND ITS SUBSIDIARIES

Consolidated Balance Sheets

(In thousands, except per share data and share count)

	Notes	As of December 31, 2015		As of December 31, 2016	
Assets					
Current assets					
Cash and cash equivalents	4	$	450,907	$	422,623
Accounts receivable, net	5		590,137		615,265
Prepaid expenses and other current assets	8		154,025		189,149
Total current assets		**$**	**1,195,069**	**$**	**1,227,037**
Property, plant and equipment, net	9		175,396		200,115
Deferred tax assets	25		99,395		70,143
Investment in equity affiliates			6,677		4,800
Intangible assets, net	10		98,601		72,049
Goodwill	10		1,038,346		1,069,408
Other assets	11		180,005		242,328
Total assets		**$**	**2,793,489**	**$**	**2,885,880**
Liabilities and equity					
Current liabilities					
Short-term borrowings	15	$	21,500	$	160,000
Current portion of long-term debt	14		39,134		39,181
Accounts payable			10,086		9,768
Income taxes payable	25		24,122		24,159
Accrued expenses and other current liabilities	13		499,638		498,247
Total current liabilities		**$**	**594,480**	**$**	**731,355**
Long-term debt, less current portion	14		737,332		698,152
Deferred tax liabilities	25		2,093		2,415
Other liabilities	16		155,228		162,790
Total liabilities		**$**	**1,489,133**	**$**	**1,594,712**
Redeemable non-controlling interest			—		4,520
Shareholders' equity					
Preferred shares, $0.01 par value, 250,000,000 authorized, none issued			—		—
Common shares, $0.01 par value, 500,000,000 authorized, 211,472,312 and 198,794,052 issued and outstanding as of December 31, 2015 and December 31, 2016, respectively			2,111		1,984
Additional paid-in capital			1,342,022		1,384,468
Retained earnings			411,508		358,121
Accumulated other comprehensive income (loss)			(451,285)		(457,925)
Total equity		**$**	**1,304,356**	**$**	**1,286,648**
Commitments and contingencies	28				
Total liabilities, redeemable non-controlling interest and equity		**$**	**2,793,489**	**$**	**2,885,880**

See accompanying notes to the Consolidated Financial Statements.

GENPACT LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Income

(In thousands, except per share data and share count)

	Notes	Year ended December 31, 2014	2015	2016
Net revenues		$ 2,279,438	$ 2,461,044	$ 2,570,756
Cost of revenue	21,27	1,378,088	1,493,547	1,554,707
Gross profit		**$ 901,350**	**$ 967,497**	**$ 1,016,049**
Operating expenses:				
Selling, general and administrative expenses	22,27	585,646	608,114	653,029
Amortization of acquired intangible assets	10	28,543	28,513	27,183
Other operating (income) expense, net	23	(6,870)	(3,322)	(4,940)
Income from operations		**$ 294,031**	**$ 334,192**	**$ 340,777**
Foreign exchange gains (losses), net		(12,363)	5,269	2,630
Interest income (expense), net	24	(29,395)	(31,267)	(16,184)
Other income (expense), net		2,112	4,360	10,120
Income before equity-method investment activity, net and income tax expense		**$ 254,385**	**$ 312,554**	**$ 337,343**
Gain (loss) on equity-method investment activity, net		(4,795)	(10,800)	(7,698)
Income before income tax expense		**$ 249,590**	**$ 301,754**	**$ 329,645**
Income tax expense	25	57,419	61,937	62,098
Net income		**$ 192,171**	**$ 239,817**	**$ 267,547**
Net loss (income) attributable to non-controlling interest/ redeemable non-controlling interest		(169)	—	2,137
Net income attributable to Genpact Limited shareholders		**$ 192,002**	**$ 239,817**	**$ 269,684**
Net income available to Genpact Limited common shareholders	20	$ 192,002	$ 239,817	$ 269,684
Earnings per common share attributable to Genpact Limited common shareholders	20			
Basic		$ 0.87	$ 1.11	$ 1.30
Diluted		$ 0.85	$ 1.09	$ 1.28
Weighted average number of common shares used in computing earnings per common share attributable to Genpact Limited common shareholders				
Basic		220,847,098	216,606,542	206,861,536
Diluted		225,168,665	219,145,044	210,126,023

See accompanying notes to the Consolidated Financial Statements.

GENPACT LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Comprehensive Income (Loss)

(In thousands)

	Year ended December 31,					
	2014		2015		2016	
	Genpact Limited Shareholders	Non-controlling interest	Genpact Limited Shareholders	Non-controlling interest	Genpact Limited Shareholders	Redeemable Non-controlling interest
Net income (loss)	$ 192,002	$ 169	$ 239,817	$ —	$ 269,684	$ (2,137)
Other comprehensive income:						
Currency translation adjustments	(41,964)	(11)	(64,504)	—	(46,340)	104
Net gain (loss) on cash flow hedging derivatives, net of taxes (Note 7)	90,200	—	22,880	—	43,742	—
Retirement benefits, net of taxes	(1,106)	—	2,823	—	(4,042)	—
Other comprehensive income (loss)	$ 47,130	$ (11)	$ (38,801)	$ —	$ (6,640)	$ 104
Comprehensive income (loss)	$ 239,132	$ 158	$ 201,016	$ —	$ 263,044	$ (2,033)

See accompanying notes to the Consolidated Financial Statements.

GENPACT LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Equity

(In thousands, except share count)

	Genpact Limited Shareholders						
	Common shares						
	No. of Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-controlling interest	Total Equity
Balance as of January 1, 2014	**231,262,576**	**$ 2,310**	**$ 1,268,344**	**$ 511,699**	**$ (459,614)**	**1,329**	**$ 1,324,068**
Net settlement on issuance of common shares on exercise of options (Note 18)	3,319,760	33	16,018	—	—	—	16,051
Issuance of common shares under the employee stock purchase plan (Note 18)	151,461	2	2,345	—	—	—	2,347
Net settlement on vesting of restricted share units (Note 18)	329,311	3	(2,361)	—	—	—	(2,358)
Net settlement on vesting of performance units (Note 18)	913,939	9	(15,681)	—	—	—	(15,672)
Stock repurchased and retired (Note 19)	(17,292,842)	(173)	—	(302,452)	—	—	(302,625)
Expenses related to stock purchase (Note 19)	—	—	—	(2,543)	—	—	(2,543)
Distribution to non-controlling interest	—	—	—	—	—	(1,487)	(1,487)
Stock-based compensation expense (Note 18)	—	—	28,065	—	—	—	28,065
Comprehensive income:							
Net income	—	—	—	192,002	—	169	192,171
Other comprehensive income	—	—	—	—	47,130	(11)	47,119
Balance as of December 31, 2014	**218,684,205**	**$ 2,184**	**$ 1,296,730**	**$ 398,706**	**$ (412,484)**	**$ —**	**$ 1,285,136**

See accompanying notes to the Consolidated Financial Statements.

GENPACT LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Equity

(In thousands, except share count)

	Genpact Limited Shareholders					
	Common shares					
	No. of Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Equity
Balance as of January 1, 2015	**218,684,205**	**$ 2,184**	**$ 1,296,730**	**$ 398,706**	**$ (412,484)**	**$ 1,285,136**
Issuance of common shares on exercise of options (Note 18)	1,428,605	14	13,550	—	—	13,564
Issuance of common shares under the employee stock purchase plan (Note 18)	121,485	1	2,523	—	—	2,524
Net settlement on vesting of restricted share units (Note 18)	259,776	3	(2,309)	—	—	(2,306)
Net settlement on vesting of performance units (Note 18)	846,114	8	(8)	—	—	—
Stock repurchased and retired (Note19)	(9,867,873)	(99)	—	(226,818)	—	(226,917)
Excess tax benefit on stock-based compensation (Note 25)	—	—	6,560	—	—	6,560
Expenses related to stock purchase (Note 19)	—	—	—	(197)	—	(197)
Stock-based compensation expense (Note 18)	—	—	24,976	—	—	24,976
Comprehensive income:						
Net income	—	—	—	239,817	—	239,817
Other comprehensive income	—	—	—	—	(38,801)	(38,801)
Balance as of December 31, 2015	**211,472,312**	**$ 2,111**	**$ 1,342,022**	**$ 411,508**	**$ (451,285)**	**$ 1,304,356**

See accompanying notes to the Consolidated Financial Statements.

GENPACT LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Equity and Redeemable Non-controlling Interest

(In thousands, except share count)

	Genpact Limited Shareholders						
	Common shares				Accumulated		
	No. of Shares	Amount	Additional Paid-in Capital	Retained Earnings	Other Comprehensive Income (Loss)	Total Equity	Redeemable non-controlling interest
Balance as of January 1, 2016	**$ 211,472,312**	**$ 2,111**	**$ 1,342,022**	**$ 411,508**	**$ (451,285)**	**$ 1,304,356**	**$ —**
Issuance of common shares on exercise of options (Note 18)	994,155	10	14,886	—	—	14,896	—
Issuance of common shares under the employee stock purchase plan (Note 18)	146,685	1	3,331	—	—	3,332	—
Net settlement on vesting of restricted share units (Note 18)	121,682	1	(884)	—	—	(883)	—
Net settlement on vesting of performance units (Note 18)	—	—	—	—	—	—	—
Stock repurchased and retired (Note19)	(13,940,782)	(139)	—	(345,061)	—	(345,200)	—
Excess tax benefit on stock-based compensation (Note 25)	—	—	—	—	—	—	—
Expenses related to stock purchase (Note 19)	—	—	—	(279)	—	(279)	—
Stock-based compensation expense (Note 18)	—	—	25,113	—	—	25,113	—
Redeemable non-controlling interest	—	—	—	—	—	—	3,910
Deferred Tax Assets recognized on early adoption of ASU 2016-09 (Note 25)	—	—	—	24,912	—	24,912	—
Change in fair value of redeemable non-controlling interest	—	—	—	(2,643)	—	(2,643)	2,643
Comprehensive income:							
Net income (loss)	—	—	—	269,684	—	269,684	(2,137)
Other comprehensive income	—	—	—	—	(6,640)	(6,640)	104
Balance as of December 31, 2016	**198,794,052**	**$ 1,984**	**$ 1,384,468**	**$ 358,121**	**$ (457,925)**	**$ 1,286,648**	**$ 4,520**

See accompanying notes to the Consolidated Financial Statements.

GENPACT LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows

(In thousands)

	Year ended December 31, 2014	2015	2016
Operating activities			
Net income attributable to Genpact Limited shareholders	$ 192,002	$ 239,817	$ 269,684
Net income (loss) attributable to non-controlling interest/redeemable non-controlling interest	169	—	(2,137)
Net income	**$ 192,171**	**$ 239,817**	**$ 267,547**
Adjustments to reconcile net income to net cash provided by (used for) operating activities:			
Depreciation and amortization	51,064	54,286	54,553
Amortization of debt issuance costs (including loss on extinguishment of debt)	3,240	13,546	1,531
Amortization of acquired intangible assets	28,543	28,513	27,183
Intangible assets write-down	—	10,714	11,195
Reserve for doubtful receivables	3,107	2,449	7,282
Unrealized (gain) loss on revaluation of foreign currency asset/liability	9,419	(4,999)	1,717
Equity-method investment activity, net	4,795	10,800	7,698
Excess tax benefit on stock-based compensation	—	(6,560)	—
Stock-based compensation expense	28,065	24,976	25,113
Deferred income taxes	(12,252)	(18,713)	30,454
Gain on divestiture	—	—	(5,214)
Others, net	1,291	(238)	(41)
Change in operating assets and liabilities:			
Increase in accounts receivable	(24,088)	(78,923)	(48,612)
Increase in prepaid expenses, other current assets and other assets	(31,657)	(32,602)	(62,852)
Increase (decrease) in accounts payable	(7,268)	(3,988)	(463)
Increase (decrease) in accrued expenses, other current liabilities and other liabilities	27,500	69,606	27,977
Increase (decrease) in income taxes payable	(2,092)	18,757	704
Net cash provided by operating activities	**$ 271,838**	**$ 327,441**	**$ 345,772**
Investing activities			
Purchase of property, plant and equipment	(62,577)	(62,173)	(88,772)
Proceeds from sale of property, plant and equipment	564	1,486	547
Investment in equity affiliates	—	(18,423)	(9,620)
Short-term deposits placed	(25,000)	—	—
Redemption of short-term deposits	25,000	—	—
Payment for business acquisitions, net of cash acquired	(130,809)	(21,363)	(45,162)
Proceeds from divestiture of business, net of cash divested	—	—	17,242
Net cash used for investing activities	**$ (192,822)**	**$ (100,473)**	**$ (125,765)**
Financing activities			
Repayment of capital lease obligations	(2,095)	(2,035)	(1,793)
Payment of debt issuance and refinancing costs	—	(6,584)	—
Proceeds from long-term debt	—	800,000	—
Repayment of long-term debt	(6,750)	(684,875)	(40,000)
Proceeds from short-term borrowings	195,000	1,451,500	200,000
Repayment of short-term borrowings	(60,000)	(1,565,000)	(61,500)
Proceeds from issuance of common shares under stock-based compensation plans	30,144	16,088	18,228
Payment for net settlement of stock-based awards	(25,975)	(7,194)	(769)
Payment of earn-out/deferred consideration	(1,088)	(230)	(1,485)
Distribution to non-controlling interest	(1,487)	—	—
Payment for stock purchased and retired	(302,625)	(226,917)	(345,200)
Payment for expenses related to stock purchase	(2,543)	(197)	(279)
Excess tax benefit on stock-based compensation	—	6,560	—
Net cash used for financing activities	**$ (177,419)**	**$ (218,884)**	**$ (232,798)**
Effect of exchange rate changes	(11,085)	(18,965)	(15,493)
Net increase (decrease) in cash and cash equivalents	(98,403)	8,084	(12,791)
Cash and cash equivalents at the beginning of the period	571,276	461,788	450,907
Cash and cash equivalents at the end of the period	**$ 461,788**	**$ 450,907**	**$ 422,623**
Supplementary information			
Cash paid during the period for interest	27,175	20,950	17,860
Cash paid during the period for income taxes	83,803	72,102	46,731
Property, plant and equipment acquired under capital lease obligations	2,176	1,656	2,206

See accompanying notes to the Consolidated Financial Statements

GENPACT LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements

(In thousands, except per share data and share count)

1. Organization

(a) Nature of Operations

The Company is a provider of digitally-powered business process management and services. The architect of the Lean Digital^{SM} enterprise, the Company uses its patented Smart Enterprise Processes (SEP^{SM}) framework to reimagine its clients' operating models end-to-end, including their middle and back offices. This creates Intelligent Operations^{SM} that the Company helps to design, transform, and run. The Company generates impact for a few hundred strategic clients, including approximately one fifth of the Fortune Global 500, and has over 75,000 employees in 25 countries.

(b) Organization

Prior to December 30, 2004, the business of the Company was conducted through various entities and divisions of GE. On December 30, 2004, in a series of transactions referred to as the "2004 Reorganization," GE transferred such operations to the Company. In August 2007, the Company completed an initial public offering of its common shares. On October 25, 2012, Glory Investments A Limited, formerly known as South Asia Private Investments, an affiliate of Bain Capital Investors, LLC ("Bain Capital"), became the Company's largest shareholder when, together with its affiliated assignees and two additional co-investors, it purchased 67,750,678 common shares of the Company from the Company's initial investors.

2. Summary of significant accounting policies

(a) Basis of preparation and principles of consolidation

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP). The accompanying consolidated financial statements reflect all adjustments that management considers necessary for a fair presentation of the results of operations for these periods.

The accompanying financial statements have been prepared on a consolidated basis and reflect the financial statements of Genpact Limited, a Bermuda company, and all of its subsidiaries that are more than 50% owned and controlled. When the Company does not have a controlling interest in an entity but exerts significant influence over the entity, the Company applies the equity method of accounting. All intercompany transactions and balances are eliminated in consolidation.

Non-controlling interest in subsidiaries that is redeemable outside of the Company's control for cash or other assets is reflected in the mezzanine section between liabilities and equity in the consolidated balance sheets at the redeemable value, which approximates fair value. Redeemable non-controlling interest is adjusted to its fair value at each balance sheet date. Any resulting increases or decreases in the estimated redemption amount are affected by corresponding charges to additional paid-in capital. The share of non-controlling interest in subsidiary earnings is reflected in net loss (income) attributable to redeemable non-controlling interest in the consolidated statements of income.

(b) Use of estimates

The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements.

2. Summary of significant accounting policies (Continued)

Significant items subject to such estimates and assumptions include the useful lives of property, plant and equipment, intangibles and goodwill, revenue recognition, reserves for doubtful receivables, valuation allowances for deferred tax assets, the valuation of derivative financial instruments, measurements of stock-based compensation, assets and obligations related to employee benefits, and income tax uncertainties and other contingencies. Management believes that the estimates used in the preparation of the consolidated financial statements are reasonable. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any changes in estimates are adjusted prospectively in the Company's consolidated financial statements.

(c) Revenue recognition

The Company derives its revenue primarily from business process outsourcing and information technology services, which are provided on a time-and-material, transaction or fixed-price basis. The Company recognizes revenue when persuasive evidence of an arrangement exists, the sales price is fixed or determinable, services have been rendered and collectability is reasonably assured. Revenues from services rendered under time-and-materials and transaction-based contracts are recognized as the services are provided. The Company's fixed-price contracts include contracts for application development, maintenance and support services. Revenues on these contracts are recognized ratably over the term of the agreement. The Company accrues for revenue and unbilled receivables for the services rendered between the last billing date and the balance sheet date.

Customer contracts can also include incentive payments received for discrete benefits delivered to clients. Revenues relating to such incentive payments are recorded when the contingency is satisfied and the Company concludes the amounts are earned.

Revenue with respect to fixed-price contracts for the development of software and related services is recognized in accordance with the percentage-of-completion method. Guidance has been drawn from Financial Accounting Standards Board ("FASB") guidance on Software—Revenue Recognition to account for revenue from fixed-price arrangements for software development and related services in conformity with FASB guidance on Revenue Recognition—Construction—Type and Production-Type Contracts. The input (effort or cost expended) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates.

The Company has deferred the revenue and costs attributable to certain process transition activities with respect to its customers where such activities do not represent the culmination of a separate earnings process. Such revenue and costs are subsequently recognized ratably over the period in which the related services are performed. Further, the deferred costs are limited to the amount of the deferred revenues.

Revenues are reported net of value-added tax, business tax and applicable discounts and allowances. Reimbursements of out-of-pocket expenses received from clients have been included as part of revenues.

The Company enters into multiple-element revenue arrangements in which a client may purchase a combination of its services. Revenue from multiple-element arrangements is recognized, for each element, based on (1) the attainment of the delivery criterion; (2) its fair value, which is determined using the selling price hierarchy of vendor-specific objective evidence ("VSOE") of fair value, third-party evidence or best estimated selling price, as applicable, and (3) its allocated selling price, which is based on the relative sales price method.

(d) Accounts receivable

Accounts receivable are recorded at the invoiced or to be invoiced amount and do not bear interest. Amounts collected on trade accounts receivable are included in net cash provided by operating activities in the consolidated statements of cash flows. The Company maintains an allowance for doubtful accounts for estimated losses inherent in its accounts receivable portfolio. In establishing the required allowance, management considers historical losses adjusted to take into account current market conditions and clients' financial condition, the amount of receivables

2. Summary of significant accounting policies (Continued)

in dispute, and the current receivables' aging and current payment patterns. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company does not have any off-balance-sheet credit exposure related to its clients.

(e) Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances and all highly liquid investments purchased with an original maturity of three months or less.

(f) Short-term investments

All liquid investments with an original maturity greater than 90 days but less than one year are considered to be short-term investments. Marketable short-term investments are classified and accounted for as available-for-sale investments. Available-for-sale investments are reported at fair value with changes in unrealized gains and losses recorded as a separate component of other comprehensive income (loss) until realized. Realized gains and losses on investments are determined based on the specific identification method and are included in "Other income (expense), net." The Company does not hold these investments for speculative or trading purposes.

(g) Property, plant and equipment, net

Property, plant and equipment are stated at cost less accumulated depreciation and amortization. Expenditures for replacements and improvements are capitalized, whereas the costs of maintenance and repairs are charged to earnings as incurred. The Company depreciates and amortizes all property, plant and equipment using the straight-line method over the following estimated economic useful lives of the assets:

	Years
Buildings	40
Furniture and fixtures	4
Computer equipment and servers	4
Plant, machinery and equipment	4
Software	4-7
Leasehold improvements	Lesser of lease period or 10 years
Vehicles	3-4

The Company capitalizes certain computer software and software development costs incurred in connection with developing or obtaining computer software for internal use when both the preliminary project stage is completed and it is probable that the software will be used as intended. Capitalized software costs include only (i) external direct costs of materials and services utilized in developing or obtaining computer software, (ii) compensation and related benefits for employees who are directly associated with the software project, and (iii) interest costs incurred while developing internal-use computer software.

Capitalized software costs are included in property, plant and equipment on the Company's balance sheet and amortized on a straight-line basis when placed into service over the estimated useful lives of the software.

Advances paid towards the acquisition of property, plant and equipment outstanding as of each balance sheet date and the cost of property, plant and equipment not put to use before such date are disclosed under "Capital work in progress."

(h) Research and development expense

Development costs incurred for software to be sold, if any, are expensed as incurred as research and development costs until technological feasibility has been established for the product. Technological feasibility is established upon completion of a detailed design program or, in its absence, completion of a working model.

2. Summary of significant accounting policies (Continued)

Thereafter, all software production costs will be capitalized and amortized over their useful lives and reported at the lower of unamortized cost and net realizable value.

(i) Business combinations, goodwill and other intangible assets

The Company accounts for its business combinations using the acquisition method of accounting in accordance with ASC 805, Business Combinations, by recognizing the identifiable tangible and intangible assets acquired and liabilities assumed, and any non-controlling interest in the acquired business, measured at their acquisition date fair values. Contingent consideration is included within the acquisition cost and is recognized at its fair value on the acquisition date. A liability resulting from contingent consideration is remeasured to fair value as of each reporting date until the contingency is resolved. Changes in fair value are recognized in earnings. All assets and liabilities of the acquired businesses, including goodwill, are assigned to reporting units. Acquisition-related costs are expensed as incurred under Selling, General and Administrative Expenses.

Goodwill represents the cost of acquired businesses in excess of the fair value of identifiable tangible and intangible net assets purchased. Goodwill is not amortized but is tested for impairment at least on an annual basis on December 31, based on a number of factors, including operating results, business plans and future cash flows. The Company performs an assessment of qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Based on the assessment of events or circumstances, the Company performs a quantitative assessment of goodwill impairment if it determines that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, based on the quantitative impairment analysis, the carrying value of the goodwill of a reporting unit exceeds the fair value of such goodwill, an impairment loss is recognized in an amount equal to the excess. In addition, the Company performs a qualitative assessment of goodwill impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. See Note 10 for information and related disclosures.

Intangible assets acquired individually or with a group of other assets or in a business combination are carried at cost less accumulated amortization based on their estimated useful lives as follows:

Customer-related intangible assets	1-14 years
Marketing-related intangible assets	1-10 years
Other intangible assets	3-9 years

Intangible assets are amortized over their estimated useful lives using a method of amortization that reflects the pattern in which the economic benefits of the intangible assets are consumed or otherwise realized.

In business combinations, where the fair value of identifiable tangible and intangible net assets purchased exceeds the cost of the acquired business, the Company recognizes the resulting gain under “Other operating (income) expense, net” in the Consolidated Statements of Income.

(j) Impairment of long-lived assets

Long-lived assets, including certain intangible assets, to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Such assets are required to be tested for impairment if the carrying amount of the assets is higher than the future undiscounted net cash flows expected to be generated from the assets. The impairment amount to be recognized is measured as the amount by which the carrying value of the assets exceeds their fair value. The Company determines fair value by using a discounted cash flow approach.

(k) Foreign currency

The Company’s consolidated financial statements are reported in U.S. dollars, the Company’s functional currency. The functional currency for the Company’s subsidiaries organized in Europe, other than the United Kingdom, the Czech Republic and one subsidiary in Poland, is the euro, and the functional currencies of the

2. Summary of significant accounting policies (Continued)

Company's subsidiaries organized in Brazil, China, Colombia, Guatemala, India, Israel, Japan, Morocco, South Africa, the Philippines, the United Kingdom, Poland, the Czech Republic, Hong Kong, Singapore, Australia, Canada and United Arab Emirates are their respective local currencies. The functional currency of all other Company subsidiaries is the U.S. dollar. The translation of the functional currencies of the Company's subsidiaries into U.S. dollars is performed for balance sheet accounts using the exchange rates in effect as of the balance sheet date and for revenues and expense accounts using a monthly average exchange rate prevailing during the respective period. The gains or losses resulting from such translation are reported as currency translation adjustments under other comprehensive income (loss), net, under accumulated other comprehensive income (loss) as a separate component of equity.

Monetary assets and liabilities of each subsidiary denominated in currencies other than the subsidiary's functional currency are translated into their respective functional currency at the rates of exchange prevailing on the balance sheet date. Transactions of each subsidiary in currencies other than the subsidiary's functional currency are translated into the respective functional currencies at the average monthly exchange rate prevailing during the period of the transaction. The gains or losses resulting from foreign currency transactions are included in the consolidated statements of income.

(l) Derivative instruments and hedging activities

In the normal course of business, the Company uses derivative financial instruments to manage fluctuations in foreign currency exchange rates. The Company purchases forward foreign exchange contracts to mitigate the risk of changes in foreign exchange rates on intercompany transactions and forecasted transactions denominated in foreign currencies and interest rate swaps to mitigate interest rate fluctuation risk on its indebtedness.

The Company recognizes derivative instruments and hedging activities as either assets or liabilities in its consolidated balance sheets and measures them at fair value. Gains and losses resulting from changes in fair value are accounted for depending on the use of the derivative and whether it is designated and qualifies for hedge accounting. Changes in the fair values of derivatives designated as cash flow hedges are deferred and recorded as a component of other comprehensive income (loss) reported under accumulated other comprehensive income (loss) until the hedged transactions occur and are then recognized in the consolidated statements of income along with the underlying hedged item and disclosed as part of "Total net revenues," "Cost of revenue," "Selling, general and administrative expenses," and "Interest expense," as applicable. Changes in the fair value of derivatives not designated as hedging instruments, and the ineffective portion of derivatives designated as cash flow hedges are recognized in the consolidated statements of income and are included in foreign exchange gains (losses), net, and other income (expense), net, respectively.

With respect to derivatives designated as hedges, the Company formally documents all relationships between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions. The Company also formally assesses, both at the inception of the hedge and on a quarterly basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item. If it is determined that a derivative or portion thereof is not highly effective as a hedge, or if a derivative ceases to be a highly effective hedge, the Company will prospectively discontinue hedge accounting with respect to that derivative.

In all situations in which hedge accounting is discontinued and the derivative is retained, the Company continues to carry the derivative at its fair value on the balance sheet and recognizes any subsequent change in its fair value in the consolidated statements of income. When it is probable that a forecasted transaction will not occur, the Company discontinues hedge accounting and recognizes immediately, in foreign exchange gains (losses), net in the consolidated statements of income, the gains and losses attributable to such derivative that were accumulated in other comprehensive income (loss).

(m) Income taxes

The Company accounts for income taxes using the asset and liability method of accounting for income taxes. Under this method, income tax expense is recognized for the amount of taxes payable or refundable for the current

2. Summary of significant accounting policies (Continued)

year. In addition, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their tax bases and all operating loss and tax credit carry forwards, if any. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates or tax status is recognized in the statement of income in the period that includes the enactment date or the filing or approval date of the tax status change. Deferred tax assets are reduced by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company applies a two-step approach for recognizing and measuring the benefit of tax positions. The first step is to evaluate the tax position for recognition by determining, based on the technical merits, that the position will more likely than not be sustained upon examination. The second step is to measure the tax benefit as the largest amount of the tax benefit that is greater than 50 percent likely of being realized upon settlement. The Company includes interest and penalties related to unrecognized tax benefits within income tax expense.

(n) Employee benefit plans

Contributions to defined contribution plans are charged to consolidated statements of income in the period in which services are rendered by the covered employees. Current service costs for defined benefit plans are accrued in the period to which they relate. The liability in respect of defined benefit plans is calculated annually by the Company using the projected unit credit method. Prior service cost, if any, resulting from an amendment to a plan is recognized and amortized over the remaining period of service of the covered employees. The Company recognizes its liabilities for compensated absences dependent on whether the obligation is attributable to employee services already rendered, relates to rights that vest or accumulate and payment is probable and estimable.

The Company records annual amounts relating to its defined benefit plans based on calculations that incorporate various actuarial and other assumptions, including discount rates, mortality, assumed rates of return, compensation increases and turnover rates. The Company reviews its assumptions on an annual basis and makes modifications to the assumptions based on current rates and trends when it is appropriate to do so. The effect of modifications to those assumptions is recorded in other comprehensive income (loss) and amortized to net periodic cost over future periods using the corridor method. The Company believes that the assumptions utilized in recording its obligations under its plans are reasonable based on its experience and market conditions.

(o) Stock-based compensation

The Company recognizes and measures compensation expense for all stock-based awards based on the grant date fair value. For option awards, grant date fair value is determined under the option-pricing model (Black-Scholes-Merton) and for awards other than option awards, grant date fair value is determined on the basis of the fair market value of a Company common share on the date of grant of such awards. The Company recognizes compensation expense for stock-based awards net of estimated forfeitures. Stock-based compensation recognized in the consolidated statements of income for the years ended December 31, 2014, 2015 and 2016 is based on awards ultimately expected to vest. As a result, the expense has been reduced for estimated forfeitures. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from such estimates.

(p) Financial instruments and concentration of credit risk

Financial instruments that potentially subject the Company to concentration of credit risk are reflected principally in cash and cash equivalents, derivative financial instruments and accounts receivable. The Company places its cash and cash equivalents and derivative financial instruments with corporations and banks with high investment grade ratings, limits the amount of credit exposure with any one corporation or bank and conducts ongoing evaluations of the creditworthiness of the corporations and banks with which it does business. To reduce its credit risk on accounts receivable, the Company conducts ongoing credit evaluations of its clients. GE accounted

2. Summary of significant accounting policies (Continued)

for 18% and 15% of the Company's receivables as of December 31, 2015 and 2016, respectively. GE accounted for 20%, 19% and 16% of the Company's revenues in the years ended December 31, 2014, 2015 and 2016, respectively.

(q) Earnings (loss) per share

Basic earnings per share is computed using the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the period. For the purposes of calculating diluted earnings per share, the treasury stock method is used for stock-based awards except where the results would be anti-dilutive.

(r) Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Legal costs incurred in connection with such liabilities are expensed as incurred.

(s) Recently adopted accounting pronouncements

The authoritative bodies release standards and guidance which are assessed by management for impact on the company's consolidated financial statements.

The following recently released accounting standard has been adopted by the Company:

In March 2016, the FASB issued ASU 2016-09, Compensation - Stock Compensation (Topic 718): Improvement to Employee Share-Based Payment Accounting. The new standard contains several amendments that will simplify the accounting for employee share-based payment transactions, including the accounting for income taxes, forfeitures, statutory tax withholding requirements, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The changes in the new standard eliminate the requirement for excess tax benefits to be recognized in additional paid-in capital and tax deficiencies recognized either in income tax expense or in additional paid-in capital. The Company elected to early adopt ASU 2016-09 on January 1, 2016 which will be applied using a modified retrospective approach. The treatment of forfeitures has not changed as we are electing to continue our current process of estimating the number of forfeitures. With the early adoption of ASU 2016-09, we have elected to present the cash flow statement on a prospective transition method and no prior periods have been adjusted.

The following recently released accounting standards have been adopted by the Company and did not have a material impact on the Company's consolidated results of operations, cash flows, financial position or disclosures:

Effective January 1, 2016, the Company has adopted FASB ASU 2015-01 (Topic 225): Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items ("ASU 2015-01"). Such items are defined as transactions or events that are both unusual in nature and infrequent in occurrence, and, currently, are required to be presented separately in the income statement, net of income tax, after income from continuing operations. The changes eliminate the concept of an extraordinary item and, therefore, the presentation of such items will no longer be required. Notwithstanding this change, the Company will still be required to present and disclose a transaction or event that is both unusual in nature and infrequent in occurrence in the notes to the financial statements.

Effective January 1, 2016, the Company has adopted FASB ASU 2015-05 (Topic 350), Customer's Accounting for Fees Paid in a Cloud Computing Arrangement ("ASU 2015-05"), which provides explicit guidance to evaluate the accounting for fees paid by a customer in a cloud computing arrangement. The new guidance clarifies that if a cloud computing arrangement includes a software license, the customer should account for the license consistent with its accounting for other software licenses. If the arrangement does not include a software license, the customer should account for the arrangement as a service contract.

2. Summary of significant accounting policies (Continued)

Effective January 1, 2016, the Company has adopted FASB ASU 2015-16 (Topic 805), Business Combinations (“ASU 2015-16”), which eliminates the requirement for an acquirer in a business combination to account for measurement-period adjustments retrospectively. The guidance requires that the acquirer shall recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined.

Effective January 1, 2016, the Company has adopted FASB ASU 2015-02. In February 2015, the FASB issued ASU No. 2015-02, Amendment to the Consolidation Analysis, which specifies changes to the analysis that an entity must perform to determine whether it should consolidate certain types of legal entities. These changes (i) modify the evaluation of whether limited partnerships and similar legal entities are variable interest entities or voting interest entities, (ii) eliminate the presumption that a general partner should consolidate a limited partnership, (iii) affect the consolidation analysis of reporting entities that are involved with variable interest entities, particularly those that have fee arrangements and related party relationships, and (iv) provide a scope exception from consolidation guidance for reporting entities with interests in legal entities that are required to comply with or operate in accordance with requirements that are similar to those in Rule 2a-7 of the Investment Company Act of 1940 for registered money market funds.

3. Business acquisitions

A. Certain acquisitions

(a) PNMSoft Ltd.

On August 4, 2016, the Company acquired 100% of the outstanding equity interest in PNMSoft Limited (“PNM”), a company incorporated under the laws of Israel. The total purchase consideration paid by the Company to acquire PNM is $35,341. This amount includes the estimated fair value of contingent earn-out consideration, cash consideration of $28,128, net of cash acquired of $2,853, and an adjustment for working capital, transaction expenses and net debt. During the quarter ended December 31, 2016, the Company recorded a measurement period adjustment that resulted in a $155 decrease in the purchase consideration upon the recognition of an additional reserve for doubtful receivables with a value of $136 and a non-current liability with a value of $19. This adjustment also resulted in the creation of a deferred tax asset amounting to $25 with a corresponding impact on goodwill. These measurement period adjustments did not have a significant impact on the Company’s consolidated statements of income, balance sheets or cash flows. The purchase agreement between the Company and the sellers of PNM provides for contingent earn-out consideration ranging from $0 to $9,000, payable by the Company to the sellers of PNM based on future performance relative to the thresholds specified in the earn-out calculation. This acquisition enhances the Company’s digital capabilities by adding dynamic workflow solutions and implementation services.

In connection with this acquisition, the Company recorded $1,700 in customer-related intangibles, $1,630 in marketing-related intangibles and $5,110 in other intangible assets, which have a weighted average amortization period of two years. Goodwill arising from the acquisition amounted to $25,101, which has been allocated to the Company’s India reporting unit and is not deductible for tax purposes. The goodwill represents primarily the capabilities, operating synergies and other benefits expected to result from combining the acquired operations with those of the Company.

Acquisition-related costs of $1,273 have been included in selling, general and administrative expenses as incurred. In connection with the transaction, the Company acquired assets with a value of $7,110, assumed liabilities amounting to $4,366 and recognized a net deferred tax liability of $944. The results of operations of the acquired business and the fair value of the acquired assets and assumed liabilities are included in the Company’s consolidated financial statements with effect from the date of the acquisition.

3. Business acquisitions (Continued)

(b) Endeavour Software Technologies Private Limited

On April 13, 2016, the Company acquired 100% of the outstanding equity interest in Endeavour Software Technologies Private Limited ("Endeavour"), a private limited company incorporated under the laws of India. The preliminary estimated total consideration paid by the Company for the acquisition of Endeavour is $14,443, subject to adjustment for closing date working capital and net debt. This amount includes the estimated fair value of contingent earn-out consideration, cash consideration of $10,028, net of cash acquired of $2,345, and a preliminary adjustment for working capital and net debt. Of this amount, $95 is payable by the Company to one of the sellers. The purchase agreement between the Company and the sellers of Endeavour also provides for contingent earn-out consideration ranging from $0 to $3,500, payable by the Company to the sellers based on future performance relative to the thresholds specified in the earn-out calculation. This acquisition enhances the Company's digital capabilities by adding end-to-end mobility services.

In connection with the transaction, the Company recorded $800 in customer-related intangibles, $900 in marketing-related intangibles and $950 in other intangible assets, which have a weighted average amortization period of three years. Goodwill arising from the acquisition amounted to $8,870, which has been allocated to the Company's India reporting unit and is not deductible for tax purposes. The goodwill represents primarily the capabilities in end-to-end mobility services, operating synergies and other benefits expected to result from combining the acquired operations with those of the Company.

Acquisition-related costs of $338 have been included in selling, general and administrative expenses as incurred. In connection with the transaction, the Company acquired certain assets with a value of $5,691, assumed certain liabilities amounting to $1,853 and recognized a new deferred tax liability of $915. The results of operations of the acquired business and the fair value of the acquired assets and assumed liabilities are included in the Company's consolidated financial statements with effect from the date of the acquisition.

(c) Strategic Sourcing Excellence Limited

On January 8, 2016, the Company acquired 51% of the outstanding equity interest in Strategic Sourcing Excellence LLC ("SSE"), a Delaware limited liability company. The total consideration paid by the Company to the selling equityholders for the acquired interest in SSE is $14,541. This amount includes the fair value of earn-out consideration, cash consideration of $2,550, and an adjustment for working capital, transaction expenses and indebtedness. During the quarter ended December 31, 2016, the Company recorded a measurement period adjustment that resulted in a $51 increase in the purchase consideration and the recognition of $69 in current assets and $16 in non-current assets, with a corresponding impact on goodwill of $34. These measurement period adjustments did not have a significant impact on the Company's consolidated statements of income, balance sheets or cash flows in any period. The equity purchase agreement between the Company and the selling equityholders of SSE also provides for contingent earn-out consideration of up to $20,000, payable by the Company to the selling equityholders based on future performance relative to the thresholds specified in the earn-out calculation. Up to $9,800 of the total potential earn-out consideration, representing the selling equityholders' 49% interest in SSE, is payable only if either the put or call option, each as described below, is exercised.

The equity purchase agreement grants the Company a call option to purchase the remaining 49% equity interest in SSE, which option the Company has the right to exercise between January 1, 2018 and January 31, 2018. If the Company does not exercise its call option during such period, the selling equityholders have the right to exercise a put option between March 1, 2018 and April 30, 2018 to require the Company to purchase their 49% interest in SSE at a price ranging from $2,450 to $2,950. This acquisition strengthens the Company's sourcing and procurement consulting domain expertise.

Acquisition-related costs of $164 have been included in selling, general and administrative expenses as incurred. Through this transaction, the Company acquired assets with a value of $412 and assumed liabilities amounting to $617. The results of operations of the acquired business, the fair value of the acquired assets and assumed liabilities, and redeemable non-controlling interest are included in the Company's Consolidated Financial Statements with effect from the date of the acquisition.

(In thousands, except per share data and share count)

3. Business acquisitions (Continued)

In connection with the transaction, the Company recorded $300 in customer-related intangible assets with an amortization period of five years. Goodwill arising from the acquisition amounted to $14,445, which has been allocated to the Company's India reporting unit and is deductible for tax purposes. The goodwill represents future economic benefits the Company expects to derive from its expanded presence in the sourcing and procurement consulting domains, operating synergies and other anticipated benefits of combining the acquired operations with those of the Company.

(d) Acquisition of delivery center in Japan

On November 4, 2014, the Company acquired from Hitachi Management Partner, Corp. a finance-and-accounting service delivery center in Japan. In connection with the acquisition, the Company entered into a five-year business process outsourcing agreement with Hitachi Ltd. The purchase consideration for the acquisition is set forth below:

Cash consideration after adjustment for pension underfunding and closing net assets value	$	10,539
Fair value of contingent earn-out consideration (ranging from $0 to $15,750)		11,198
Total estimated purchase consideration	**$**	**21,737**

The contingent earn-out consideration for this acquisition is based on additional work contracted by the delivery center for the period from November 4, 2014 to November 4, 2021. The total consideration paid by the Company at the closing of the transaction was $7,108, net of cash acquired of $3,491. With this acquisition, the Company has expanded its presence in Japan and strengthened its finance-and-accounting service offering.

During the quarter ended December 31, 2015, the Company recorded a measurement period adjustment that resulted in a $96 increase in pension assets and the recognition of a current asset with a value of $147 with a corresponding impact on goodwill. The measurement period adjustments did not have a significant impact on the Company's consolidated statements of income, balance sheets or cash flows in any period and were accordingly recorded during the period ended December 31, 2015.

In connection with the transaction, the Company recorded $7,522 in customer-related intangible assets, which have a weighted average amortization period of seven years and against which a deferred tax liability of $2,496 was recorded. Goodwill arising from the acquisition, including measurement period adjustments, amounted to $16,791, which has been allocated to the Company's China reporting unit and is non-deductible for tax purposes as the Company has not recorded any tax benefit for amortization. The goodwill primarily represents the cost savings, operating synergies and other benefits expected to result from combining the acquired operations with those of the Company. In connection with the transaction, the Company also assumed net liabilities amounting to $80, including measurement period adjustments. The results of operations of the delivery center and the fair value of its assets and liabilities are included in the Company's consolidated financial statements with effect from November 4, 2014, the date of the acquisition.

Acquisition-related costs of $796 have been included in selling, general and administrative expenses as incurred.

(In thousands, except per share data and share count)

3. Business acquisitions (Continued)

(e) Pharmalink Consulting Limited and Pharmalink Consulting Inc.

On May 29, 2014, the Company acquired 100% of the outstanding equity interest in each of Pharmalink Consulting Limited, a company incorporated under the laws of England and Wales, and Pharmalink Consulting Inc., a California corporation (collectively referred to as "Pharmalink"). The purchase consideration for the acquisition is set forth below:

Cash consideration after adjustment for net debt and working capital	$	126,069
Fair value of contingent earn-out consideration (ranging from $0 to $27,405)	$	12,730
Total estimated purchase consideration	**$**	**138,799**

The contingent earn-out consideration was based on gross profits and order bookings of sustainable outsourcing contracts for the period from June 1, 2014 to June 30, 2016. The total consideration paid at closing for the Company's acquisition of Pharmalink was $123,701, net of cash acquired of $2,200. Pharmalink is a provider of regulatory affairs services to the life sciences industry. With this acquisition, the Company added regulatory consulting, outsourcing and operations capabilities for clients in the life sciences industry. The goodwill represents future economic benefits the Company expects to derive from its expanded presence in the regulatory affairs services industry, cost savings, operating synergies and other anticipated benefits of combining the acquired operations with those of the Company.

During the quarter ended December 31, 2014, the Company recorded a measurement period adjustment that resulted in a non-current liability of $585 and a corresponding indemnification asset with no impact on goodwill. During the quarter ended June 30, 2015, the Company recorded a measurement period adjustment that resulted in a $168 increase in the purchase consideration, with a corresponding increase in goodwill. These measurement period adjustments did not have a significant impact on the Company's consolidated statements of income, balance sheets or cash flows in any period and were accordingly recorded during the quarters ended December 31, 2014 and June 30, 2015, respectively.

The following table summarizes the allocation of the estimated purchase price based on the fair value of the assets acquired and the liabilities assumed as of the date of acquisition, including measurement period adjustments:

Purchase price	**$**	**138,799**
Acquisition-related costs included in selling, general and administrative expenses as incurred		1,977
Recognized amounts of identifiable assets acquired and liabilities assumed		
Net assets acquired		7,174
Intangible assets		29,923
Deferred tax asset (liability), net		(8,419)
Total identifiable net assets acquired	**$**	**28,678**
Goodwill		110,121
Total	**$**	**138,799**

Goodwill has been allocated to the Company's India reporting unit and is not deductible for tax purposes. The intangible assets consist of customer-related and marketing-related intangible assets with a weighted average amortization period of six years.

The results of operations of Pharmalink and the fair value of its assets and liabilities are included in the Company's consolidated financial statements with effect from May 29, 2014, the date of the acquisition.

(In thousands, except per share data and share count)

3. Business acquisitions (Continued)

B. Divestiture

(a) Atyati Technologies Private Limited

In September 2016, the Company completed the sale of its cloud-hosted technology platform for the Indian rural banking sector (the "Business"), which the Company acquired in 2012. Net sale proceeds from the sale of the Business were $17,155, net of selling expenses of $427 and cash divested of $854. During the year ended December 31, 2016, the Business recorded net revenues of $14,958 and a net profit of $64.

The Company recorded a gain of $5,214 in its consolidated statement of income in connection with the sale of the Business, calculated as follows:

Net sale proceeds	**$**	**17,155**
Net assets of the business, including intangible assets, allocated goodwill and the translation impact thereof		11,941
Gain on divestiture included in other income (expense), net	**$**	**5,214**

4. Cash and cash equivalents

	As of December 31,	
	2015	**2016**
Cash and other bank balances	$ 450,907	$ 422,623
Total	$ 450,907	$ 422,623

5. Accounts receivable, net of reserve for doubtful receivables

The following table provides details of the Company's reserve for doubtful receivables:

	Year ended December 31,		
	2014	**2015**	**2016**
Opening Balance as of January 1	$ 16,560	$ 15,192	$ 11,530
Additions due to acquisitions	178	—	—
Additions charged to cost and expense	3107	2,449	7,282
Deductions/effect of exchange rate fluctuations	(4,653)	(6,111)	(3,293)
Closing Balance	$ 15,192	$ 11,530	$ 15,519

Accounts receivable were $601,667 and $630,784, and reserves for doubtful receivables were $11,530 and $15,519, resulting in net accounts receivable balances of $590,137 and $615,265 as of December 31, 2015 and 2016, respectively. In addition, accounts receivable due after one year of $8,348 and $3,272 as of December 31, 2015 and 2016, respectively, are included under other assets in the consolidated balance sheets.

Accounts receivable from related parties were $1,980and $2,490 as of December 31, 2015 and 2016, respectively. There are no reserves for doubtful receivables for amounts due from related parties.

(In thousands, except per share data and share count)

6. Fair Value Measurements

The Company measures certain financial assets and liabilities, including derivative instruments, at fair value on a recurring basis. The fair value measurements of these derivative instruments were determined using the following inputs as of December 31, 2015 and 2016:

	As of December 31, 2015			
		Fair Value Measurements at Reporting Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets				
Derivative instruments (Notes a,c)	$ 30,380	$ —	$ 30,380	$ —
Total	$ 30,380	$ —	$ 30,380	$ —
Liabilities				
Earn-out consideration (Notes b,d)	$ 22,820	$ —	$ —	$ 22,820
Derivative instruments (Notes b,c)	$ 59,620	$ —	$ 59,620	$ —
Total	$ 82,440	$ —	$ 59,620	$ 22,820

	As of December 31, 2016			
		Fair Value Measurements at Reporting Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets				
Derivative instruments (Notes a,c)	$ 55,386	$ —	$ 55,386	$ —
Total	$ 55,386	$ —	$ 55,386	$ —
Liabilities				
Earn-out consideration (Notes b,d)	$ 22,435	$ —	$ —	$ 22,435
Derivative instruments (Notes b,c)	17,353	—	17,353	—
Total	$ 39,788	$ —	$ 17,353	$ 22,435
Redeemable non-controlling interest (Note e)	$ 4,520	$ —	$ —	$ 4,520

(a) Included in prepaid expenses and other current assets and other assets in the consolidated balance sheets.

(b) Included in accrued expenses and other current liabilities and other liabilities in the consolidated balance sheets.

(c) The Company values its derivative instruments based on market observable inputs, including both forward and spot prices for the relevant currencies and interest rate indices for relevant interest rates. The quotes are taken from an independent market database.

(d) The fair value of earn-out consideration, calculated as the present value of expected future payments to be made to the sellers of acquired businesses, was derived by estimating the future financial performance of the acquired businesses using the earn-out formula and performance targets specified in each purchase agreement and adjusting the result to reflect the Company's estimate of the likelihood of achievement of such targets. Given the significance of the unobservable inputs, the valuations are classified in level 3 of the fair value hierarchy.

(e) The Company's estimate of the fair value of redeemable non-controlling interest as of December 31, 2016 is based on unobservable inputs considering the assumptions that market participants would make in pricing the obligation. Given the significance of the unobservable inputs, the valuation was classified in level 3 of the fair value hierarchy. Refer to Note 3—Business Acquisitions.

(In thousands, except per share data and share count)

6. Fair Value Measurements (Continued)

The following table provides a roll-forward of the fair value of earn-out consideration categorized as level 3 in the fair value hierarchy for the years ended December 31, 2015 and 2016:

	As of December 31	
	2015	2016
Opening Balance	$ 33,990	$ 22,820
Earn-out consideration payable in connection with acquisitions	—	14,550
Payments made on earn-out consideration	(126)	(1,611)
Change in fair value and others	(11,046)	(13,324)
Ending balance	$ 22,820	$ 22,435

7. Derivative financial instruments

The Company is exposed to the risk of rate fluctuations on foreign currency assets and liabilities and on foreign currency denominated forecasted cash flows. The Company has established risk management policies, including the use of derivative financial instruments to hedge foreign currency assets and liabilities and foreign currency denominated forecasted cash flows and interest rate risks. These derivative financial instruments are largely deliverable and non-deliverable forward foreign exchange contracts and interest rate swaps. The Company enters into these contracts with counterparties that are banks or other financial institutions, and the Company considers the risk of non-performance by such counterparties not to be material. The forward foreign exchange contracts and interest rate swaps mature over periods of up to 60 months and the forecasted transactions are expected to occur during the same periods.

The following table presents the aggregate notional principal amounts of outstanding derivative financial instruments together with the related balance sheet exposure:

	Notional principal amounts (note a)		Balance sheet exposure asset (liability) (note b)	
	As of December 31, 2015	As of December 31, 2016	As of December 31, 2015	As of December 31, 2016
Foreign exchange forward contracts denominated in:				
United States dollars (sell) Indian rupees (buy)	$ 1,139,400	$ 1,108,400	$ (48,197)	$ 6,669
United States dollars (sell) Mexican peso (buy)	8,520	9,120	(1,163)	(187)
United States dollars (sell) Philippines peso (buy)	58,500	70,050	(1,387)	(1,036)
Euro (sell) United States dollars (buy)	146,719	138,613	9,109	9,180
Euro (sell) Romanian leu (buy)	39,027	29,805	567	(152)
Japanese yen (sell) Chinese renminbi (buy)	62,740	77,267	(1,379)	(742)
Pound sterling (sell) United States dollars (buy)	118,438	104,142	7,496	14,228
Australian dollars (sell) United States dollars (buy)	106,544	114,412	5,714	2,328
Interest rate swaps (floating to fixed)	—	456,810	—	7,746
			(29,240)	38,034

(a) Notional amounts are key elements of derivative financial instrument agreements but do not represent the amount exchanged by counterparties and do not measure the Company's exposure to credit or market risks. However, the amounts exchanged are based on the notional amounts and other provisions of the underlying derivative financial instrument agreements.

(b) Balance sheet exposure is denominated in U.S. dollars and denotes the mark-to-market impact of the derivative financial instruments on the reporting date.

FASB guidance on derivatives and hedging requires companies to recognize all derivative instruments as either assets or liabilities at fair value in the Balance Sheet. In accordance with the FASB guidance on derivatives and hedging, the Company designates foreign exchange forward contracts and interest rate swaps as cash flow

(In thousands, except per share data and share count)

7. Derivative financial instruments (Continued)

hedges. Foreign exchange forward contracts are entered into to cover the effects of future exchange rate variability on forecasted revenue and purchases of services, and interest rate swaps are entered into to cover interest rate fluctuation risk. In addition to this program, the Company uses derivative instruments that are not accounted for as hedges under the FASB guidance in order to hedge foreign exchange risks related to balance sheet items, such as receivables and intercompany borrowings, that are denominated in currencies other than the Company's underlying functional currency.

The fair value of the Company's derivative instruments and their location in the Company's financial statements are summarized in the table below:

	Cash flow hedges		Non-designated	
	As of December 31, 2015	As of December 31, 2016	As of December 31, 2015	As of December 31, 2016
Assets				
Prepaid expenses and other current assets	$ 17,400	$ 33,921	$ 884	$ 809
Other assets	$ 12,096	$ 20,657	$ —	$ —
Liabilities				
Accrued expenses and other current liabilities	$ 34,576	$ 4,540	$ 34	$ 237
Other liabilities	$ 25,010	$ 12,576	$ —	$ —

Cash flow hedges

For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain (loss) on the derivative instrument is reported as a component of other comprehensive income (loss) and reclassified into earnings in the same period or periods during which the hedged transaction is recognized in the consolidated statements of income. Gains (losses) on the derivatives, representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness, are recognized in earnings as incurred.

In connection with cash flow hedges, the gains (losses) recorded as a component of other comprehensive income (loss), or OCI, and the related tax effects are summarized below:

	Year ended December 31,								
	2014			2015			2016		
	Before-tax Amount	Tax (Expense) or Benefit	Net of tax Amount	Before-tax Amount	Tax (Expense) or Benefit	Net of tax Amount	Before-tax Amount	Tax (Expense) or Benefit	Net of tax Amount
Opening balance as of January 1	$ (205,952)	$ 72,612	$ (133,340)	$ (66,786)	$ 23,646	$ (43,140)	$ (30,090)	$ 9,830	$ (20,260)
Net gains (losses) reclassified into statement of income on completion of hedged transactions	(49,161)	17,498	(31,663)	(42,106)	15,346	(26,760)	(6,799)	409	(6,390)
Changes in fair value of effective portion of outstanding derivatives, net	90,005	(31,468)	58,537	(5,410)	1,530	(3,880)	60,752	(23,400)	37,352
Gain (loss) on cash flow hedging derivatives, net	139,166	(48,966)	90,200	36,696	(13,816)	22,880	67,551	(23,809)	43,742
Closing balance as of December 31	**$ (66,786)**	**$ 23,646**	**$ (43,140)**	**$ (30,090)**	**$ 9,830**	**$ (20,260)**	**$ 37,461**	**$ (13,979)**	**$ 23,482**

(In thousands, except per share data and share count)

7. Derivative financial instruments (Continued)

The gains or losses recognized in other comprehensive income (loss) and their effects on financial performance are summarized below:

Derivatives in Cash Flow Hedging Relationships	Amount of Gain (Loss) recognized in OCI on Derivatives (Effective Portion)			Location of Gain (Loss) reclassified from OCI into Statement of Income (Effective Portion)	Amount of Gain (Loss) reclassified from OCI into Statement of Income (Effective Portion)		
	Year ended December 31,				Year ended December 31,		
	2014	2015	2016		2014	2015	2016
Forward foreign exchange contracts	$ 90,005	$ (5,410)	$ 54,664	Revenue	$ (4,301)	$ 13,667	$ 12,859
Interest rate swaps	—	—	6,088	Cost of revenue	(35,539)	(44,634)	(14,223)
				Selling, general and administrative expenses	(9,321)	(11,139)	(3,765)
				Interest Expense	—	—	(1,670)
	$ 90,005	**$ (5,410)**	**$ 60,752**		**$ (49,161)**	**$ (42,106)**	**$ (6,799)**

Gain (loss) recognized in income on the ineffective portion of derivatives and the amount excluded from effectiveness testing is $0 as of December 31, 2014, 2015 and 2016.

Non-designated Hedges

Derivatives not designated as hedging instruments	Location of Gain (Loss) recognized in Statement of Income on Derivatives	Amount of Gain (Loss) recognized in Statement of Income on Derivatives		
		Year ended December 31,		
		2014	2015	2016
Forward foreign exchange contracts (Note a)	Foreign exchange gains (losses), net	$ 287	$ 6,566	$ 2,921
		$ 287	**$ 6,566**	**$ 2,921**

(a) These forward foreign exchange contracts were entered into to hedge fluctuations in foreign exchange rates for recognized balance sheet items, such as receivables and intercompany borrowings, and were not originally designated as hedges under FASB guidance on derivatives and hedging. Realized gains (losses) and changes in the fair value of these derivatives are recorded in foreign exchange gains (losses), net in the consolidated statements of income.

(In thousands, except per share data and share count)

8. Prepaid expenses and other current assets

Prepaid expenses and other current assets consist of the following:

	As of December 31,	
	2015	2016
Advance income and non-income taxes	$ 52,953	$ 50,676
Deferred transition costs	36,620	45,252
Derivative instruments	18,284	34,730
Prepaid expenses	12,565	22,222
Customer acquisition cost	6,687	11,126
Employee advances	3,878	6,880
Deposits	1,820	2,688
Advances to suppliers	8,028	10,059
Others	13,190	5,516
	$ 154,025	$ 189,149

9. Property, plant and equipment, net

Property, plant and equipment, net consist of the following:

	As of December 31,	
	2015	2016
Land	$ 9,873	$ 9,635
Buildings	47,718	44,487
Furniture and fixtures	33,356	37,421
Computer equipment and servers	172,086	187,119
Plant, machinery and equipment	79,599	84,677
Computer software	110,153	119,648
Leasehold improvements	86,997	92,313
Vehicles	6,009	6,753
Capital work in progress	10,727	25,398
Property, plant and equipment, gross	$ 556,518	$ 607,451
Less: Accumulated depreciation and amortization	(381,122)	(407,336)
Property, plant and equipment, net	$ 175,396	$ 200,115

Depreciation expense on property, plant and equipment for the years ended December 31, 2014, 2015 and 2016 was $44,029, $47,673 and $45,826, respectively. Software amortization for the years ended December 31, 2014, 2015 and 2016 amounted to $9,105, $9,114 and $9,471, respectively.

The depreciation and amortization expenses set forth above include the effect of the reclassification of foreign exchange (gains) losses related to the effective portion of foreign currency derivative contracts, amounting to $2,070, $2,501 and $744 for the years ended December 31, 2014, 2015 and 2016, respectively.

Property, plant and equipment, net include assets held under capital lease arrangements amounting to $2,797 and $3,183 as of December 31, 2015 and December 31, 2016, respectively. Depreciation expense in respect of these assets was $1,786, $1,594 and $1,564 for the years ended December 31, 2014, 2015 and 2016, respectively.

(In thousands, except per share data and share count)

10. Goodwill and intangible assets

The following table presents the changes in goodwill for the years ended December 31, 2015 and 2016:

	As of December 31, 2015	As of December 31, 2016
Opening balance	$ 1,057,214	$ 1,038,346
Goodwill relating to acquisitions consummated during the period	7,674	51,535
Goodwill relating to divestitures during the period	—	(2,226)
Impact of measurement period adjustments	(135)	(59)
Effect of exchange rate fluctuations	(26,407)	(18,188)
Closing balance	$ 1,038,346	$ 1,069,408

Goodwill has been allocated to the following reporting units, which represent different business units of the Company, as follows:

	As of December 31, 2015	As of December 31, 2016
India	$ 461,383	$ 493,084
China	59,250	58,139
Europe	38,242	36,584
Americas	46,583	48,713
IT services	432,888	432,888
	$ 1,038,346	$ 1,069,408

In the year ended December 31, 2016, in accordance with ASU 2011-08, the Company performed an assessment of qualitative factors to determine whether events or circumstances exist that may lead to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Based on such assessment, as at December 31, 2016, the Company concluded that it is not more likely than not that the fair values of all of the Company's reporting units are less than their carrying amounts other than its IT services reporting unit primarily due to decline in planned revenues. Accordingly, the Company performed quantitative assessment of goodwill impairment for its IT services reporting unit. Based on such quantitative assessment, the Company concluded that no impairment is warranted for the year ended December 31, 2016 and that the fair value of its IT services reporting unit substantially exceeded its carrying value as of December 31, 2016.

In the year ended December 31, 2015, in accordance with ASU 2011-08, the Company performed an assessment of qualitative factors to determine whether events or circumstances exist that may lead to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Based on its assessment, the Company concluded that it is not more likely than not that the fair value of any of the Company's reporting units is less than its carrying amount.

The total amount of the Company's goodwill deductible for tax purposes is $36,390 and $39,032 as of December 31, 2015 and 2016, respectively.

The Company's intangible assets acquired either individually or with a group of other assets or in a business combination are as follows:

	As of December 31, 2015			As of December 31, 2016		
	Gross carrying amount	Accumulated amortization & Impairment	Net	Gross carrying amount	Accumulated amortization & Impairment	Net
Customer-related intangible assets	$ 319,035	$ 247,463	$ 71,572	$ 310,277	$ 259,460	$ 50,817
Marketing-related intangible assets	42,749	27,021	15,728	42,587	29,277	13,310
Other intangible assets	29,729	18,427	11,301	33,266	25,344	7,922
	$ 391,513	$ 292,911	$ 98,601	$ 386,130	$ 314,081	$ 72,049

10. Goodwill and intangible assets (Continued)

(In thousands, except per share data and share count)

Amortization expenses for intangible assets disclosed in the consolidated statements of income under amortization of acquired intangible assets for the years ended December 31, 2014, 2015 and 2016 were $28,543, $28,513 and $27,183, respectively.

During the year ended 2016, the Company tested for recoverability an intangible software asset as a result of a downward revision to the forecasted cash flows with respect to the use of the asset and a customer-related intangible asset as a result of the termination of a client contract.

Based on the results of such testing, the Company determined that the carrying values of the intangible assets exceed their estimated undiscounted cash flows by $11,195 and recorded a charge to reduce the carrying values by this amount. The Company used a combination of the income and cost approaches to determine the fair values of these intangible assets for the purpose of calculating the resulting charge. This charge has been recorded in other operating (income) expenses, net in the consolidated statement of income.

During the year ended December 31, 2015, the Company tested an intangible software asset for recoverability as a result of a downward revision to the forecasted cash flows to be generated by the intangible asset. Based on the results of such testing, the Company determined that the carrying value of the intangible asset exceeded its fair value by $10,714 and recorded a charge to reduce the carrying value by this amount. The Company used the discounted cash flow, or income, approach to determine the fair value of the intangible asset for the purpose of calculating the resulting charge. This charge had been recorded in other operating (income) expenses, net in the consolidated statement of income.

The estimated amortization schedule for the Company's intangible assets for future periods is set out below:

For the year ending December 31:		
2017	$	24,397
2018		18,194
2019		13,084
2020		9,289
2021 and beyond		7,085
	$	72,049

11. Other assets

Other assets consist of the following:

	As of December 31,			
		2015		2016
Customer acquisition cost	$	13,458	$	30,996
Advance income and non-income taxes		50,123		60,203
Deferred transition costs		56,759		74,462
Deposits		24,107		29,853
Derivative instruments		12,096		20,657
Prepaid expenses		4,435		3,179
Accounts receivable due after one year		8,348		3,272
Others		10,679		19,706
	$	180,005	$	242,328

12. Leases

The Company has leased vehicles, furniture and fixtures, computer equipment and servers, and plants, machinery and equipment from various lessors under capital lease arrangements which are not material to the consolidated financial statements.

(In thousands, except per share data and share count)

The Company conducts its operations using facilities under non-cancellable operating lease agreements that expire at various dates. Future minimum lease payments under these agreements are as follows:

As of December 31:		
2017	$	52,612
2018		48,897
2019		43,886
2020		39,305
2021		35,354
2022 and beyond		115,921
Total minimum lease payments	$	335,975

Rental expenses in agreements with rent holidays and scheduled rent increases are recorded on a straight-line basis over the applicable lease term. Rent expenses under cancellable and non-cancellable operating leases were $57,178, $50,342 and $50,827 for the years ended December 31, 2014, 2015 and 2016, respectively.

The rental expenses set out above include the effect of the reclassification of foreign exchange (gains) losses related to the effective portion of foreign currency derivative contracts amounting to $1,823, $2,037 and $598 for the years ended December 31, 2014, 2015 and 2016, respectively.

13. Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consist of the following:

	As of December 31,			
		2015		2016
Accrued expenses	$	161,672	$	163,400
Accrued employee cost		158,054		179,360
Deferred transition revenue		44,974		50,552
Statutory liabilities		32,149		36,878
Retirement benefits		17,930		17,616
Derivative instruments		34,610		4,777
Advance from customers		19,815		21,969
Earn-out consideration		16,896		6,885
Other liabilities		12,210		15,461
Capital lease obligations		1,328		1,349
	$	499,638	$	498,247

14. Long-term debt

In June 2015, the Company refinanced its 2012 facility through a new credit facility comprised of an $800,000 term loan and a $350,000 revolving credit facility. Borrowings under the new facility bear interest at a rate equal to, at the election of the Company, either LIBOR plus a margin of 1.50% per annum or a base rate plus a margin of 0.50% per annum, in each case subject to adjustment based on the Company's debt ratings provided by Standard & Poor's Rating Services and Moody's Investors Service, Inc. Based on the Company's election and current credit rating, the applicable interest rate is equal to LIBOR plus 1.50% per annum. As a result of the June 2015 refinancing, the gross outstanding term loan under the previous facility, which amounted to $663,188 as of June 30, 2015, was extinguished, and the Company expensed $10,050, representing accelerated amortization of the existing unamortized debt issuance costs related to the prior facility. Additionally, the refinancing of the revolving facility resulted in the accelerated amortization of $65 relating to the existing unamortized debt issuance cost. The remaining unamortized costs for the revolving facility, together with the fees paid to the Company's lenders and third parties in connection with the new term loan and revolving facility, will be amortized over the term of the refinanced facility, which ends on June 30, 2020. For the year ended 2016, the Company was in compliance with the financial covenants.

(In thousands, except per share data and share count)

As of December 31, 2015 and December 31, 2016, the amount outstanding under the Company's term loan, net of debt amortization expense of $3,534 and $2,667, was $776,466 and $737,333, respectively. As of December 31, 2015, the term loan bore interest at a rate equal to LIBOR (subject to a floor of 0.75%) plus a margin of 1.50% per annum. As of December 31, 2016, the term loan bore interest at a rate equal to LIBOR plus a margin of 1.50% per annum. Indebtedness under the refinanced facility is unsecured. The amount outstanding on the term loan as of December 31, 2016 will be repaid through quarterly payments of $10,000, and the balance will be repaid upon the maturity of the term loan on June 30, 2020.

The maturity profile of the term loan, net of debt amortization expense, is as follows:

Year ended	Amount
2017	$ 39,181
2018	39,226
2019	39,272
2020	619,654
Total	$ 737,333

15. Short-term borrowings

The Company has the following borrowing facilities:

(a) Fund-based and non-fund-based credit facilities with banks, which are available for operational requirements in the form of overdrafts, letters of credit, guarantees and short-term loans. As of December 31, 2015 and December 31, 2016, the limits available were $15,781 and $15,382, respectively, of which $10,301 and $10,980 was utilized, constituting non-funded drawdown.

(In thousands, except per share data and share count)

15. Short-term borrowings (Continued)

(b) A fund-based and non-fund based revolving credit facility of $350,000, which the company obtained in June 2015 as described in note 14. This facility replaces the Company's $250,000 facility initially entered into in August 2012 and subsequently amended in June 2013. As of December 31, 2015 and December 31, 2016, a total of $22,947 and $160,978 respectively, was utilized, of which $21,500 and $160,000, respectively, constituted funded drawdown and $1,447 and $978, respectively, constituted non-funded drawdown. The revolving facility expires in June 2020. The funded drawdown amount bore interest at a rate equal to LIBOR plus a margin of 1.50% as of December 31, 2015. As of December 31, 2016, the revolving facility bore interest at a rate equal to LIBOR plus a margin of 1.50% per annum. The unutilized amount on the revolving facility bore a commitment fee of 0.25% and 0.25% as of December 31, 2015 and December 31, 2016, respectively. The credit agreement contains certain customary covenants, including a maximum leverage covenant and a minimum interest coverage ratio. During the year ended December 31, 2016, the Company was in compliance with the financial covenants.

(c) On January 27, 2015 and March 23, 2015, the Company obtained short-term loans in the amount of $672,500 and $737,500, respectively, from Morgan Stanley Senior Funding, Inc. in connection with certain internal reorganization transactions. These loans bore interest at a rate of 2.00% per annum and were fully repaid on January 30, 2015 and March 26, 2015, respectively. The Company recorded $1,045 in debt issuance expenses and $235 in interest with respect to the amounts borrowed under the short-term loans.

16. Other liabilities

Other liabilities consist of the following:

	As of December 31,	
	2015	2016
Accrued employee cost	$ 6,901	$ 3,976
Deferred transition revenue	66,737	72,560
Retirement benefits	29,689	39,020
Derivative instruments	25,010	12,576
Amount received from GE under indemnification arrangement, pending adjustment	3,549	3,159
Advance from customers	4,485	2,371
Earn-out consideration	5,924	15,550
Others	10,729	11,078
Capital lease obligations	2,204	2,500
	$ 155,228	$ 162,790

17. Employee benefit plans

The Company has employee benefit plans in the form of certain statutory and other schemes covering its employees.

Defined benefit plans

In accordance with Indian law, the Company provides a defined benefit retirement plan (the "Gratuity Plan") covering substantially all of its Indian employees. The Gratuity Plan provides a lump-sum payment to vested employees upon retirement or termination of employment in an amount based on each employee's salary and duration of employment with the Company. The Gratuity Plan benefit cost for the year is calculated on an actuarial basis. The Company contributes the required funding for all ascertained liabilities to the Gratuity Plan. Trustees administer contributions made to the trust, and contributions are invested in specific designated instruments as permitted by Indian law. The Company's overall investment strategy is to invest predominantly in fixed income funds managed by asset management companies. These funds further invest in debt securities such as money market instruments, government securities and public and private bonds. During the years ended December 31, 2014, 2015 and 2016, all of the plan assets were primarily invested in debt securities.

In addition, in accordance with Mexican law, the Company provides certain termination benefits (the "Mexican Plan") to all of its Mexican employees based on the age, duration of service and salary of each eligible employee. The full-year benefit cost of the Mexican Plan is calculated on an actuarial basis.

In addition, certain of the Company's subsidiaries organized or operating in the Philippines and Japan have sponsored defined benefit retirement programs (respectively, the "Philippines Plan" and the "Japan Plan"). The full-year benefit costs of the Japan Plan and the Philippines Plan are calculated on an actuarial basis. Company contributions in respect of these plans are made to insurer-managed funds or to a trust. The trust contributions are further invested in government bonds.

In addition, in accordance with Israeli law, the Company provides certain termination benefits (the "Israeli Plan") to all of its Israeli employees based on the age, duration of service and salary of each eligible employee. The full-year benefit cost of the Israeli Plan is calculated on an actuarial basis.

Current service costs for defined benefit plans are accrued in the year to which they relate on a monthly basis. Actuarial gains or losses, or prior service costs, if any, resulting from amendments to the plans are recognized and amortized over the remaining period of service of the employees or over the average remaining life expectancies for inactive employees if most of the plan obligations are payable to inactive employees.

(In thousands, except per share data and share count)

17. Employee benefit plans (Continued)

The following table sets forth the funded status of the Company's defined benefit plans and the amounts recognized in the Company's financial statements based on actuarial valuations carried out as of December 31, 2015 and 2016.

	As of December 31, 2015	As of December 31, 2016
Change in benefit obligation		
Projected benefit obligation at the beginning of the year	$ 36,445	$ 35,617
Service cost	5,578	5,661
Actuarial loss (gain)	(3,459)	6,749
Interest cost	2,629	2,585
Liabilities assumed on acquisition	—	693
Benefits paid	(3,846)	(4,967)
Effect of exchange rate changes	(1,730)	(1,055)
Projected benefit obligation at the end of the year	$ 35,617	$ 45,283
Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	$ 29,721	$ 28,549
Employer contributions	1,283	5,776
Actual gain on plan assets	2,465	1,777
Assets assumed on acquisition	—	170
Acturial gain/(loss)	—	—
Benefits paid	(3,763)	(4,897)
Effect of exchange rate changes	(1,157)	(504)
Fair value of plan assets at the end of the year	$ 28,549	$ 30,871

Amounts included in other comprehensive income (loss) as of December 31, 2015 and 2016 were as follows:

	As of December 31, 2015	As of December 31, 2016
Net actuarial loss	(3,051)	(8,979)
Deferred tax assets	874	2,759
Other comprehensive income (loss), net	(2,177)	(6,220)

Changes in other comprehensive income (loss) during the year ended December 31, 2016 were as follows:

	2016
Net actuarial loss	$ (7,141)
Amortization of net actuarial loss	(75)
Deferred income taxes	1,885
Effect of exchange rate changes	1,289
Other comprehensive income (loss), net	$ (4,042)

(In thousands, except per share data and share count)

17. Employee benefit plans (Continued)

Net defined benefit plan costs for the years ended December 31, 2014, 2015 and 2016 include the following components:

	Year ended December 31,		
	2014	2015	2016
Service costs	$ 4,721	$ 5,578	$ 5,661
Interest costs	2,410	2,629	2,585
Amortization of actuarial loss	419	330	(113)
Expected return on plan assets	(1,719)	(2,154)	(2,043)
Net defined benefit plan costs	$ 5,831	$ 6,383	$ 6,090

The amount in other comprehensive loss that is expected to be recognized as a component of net periodic benefit cost over the next fiscal year is $758.

The weighted average assumptions used to determine the benefit obligations of the Gratuity Plan as of December 31, 2015 and 2016 are presented below:

	As of December 31,	
	2015	2016
Discount rate	8.30% - 8.45%	7.10% - 7.5%
Rate of increase in compensation per annum	5.20%-11.00%	5.20%-11.00%

The weighted average assumptions used to determine the Gratuity Plan costs for the years ended December 31, 2014, 2015 and 2016 are presented below:

	Year ended December 31,		
	2014	2015	2016
Discount rate	9.50% - 9.55%	8.50% - 8.55%	8.30% - 8.45%
Rate of increase in compensation per annum	5.20% - 11.00%	5.20% - 11.00%	5.20% - 11.00%
Expected long-term rate of return on plan assets per annum	8.50%	8.50%	7.50%

The weighted average assumptions used to determine the benefit obligations of the Mexican Plan as of December 31, 2015 and 2016 are presented below:

	Year ended December 31,	
	2015	2016
Discount rate	6.50%	6.80%
Rate of increase in compensation per annum	5.50%	5.50%

The weighted average assumptions used to determine the costs of the Mexican Plan for the years ended December 31, 2014, 2015 and 2016 are presented below:

	Year ended December 31,		
	2014	2015	2016
Discount rate	6.50%	6.50%	6.50%
Rate of increase in compensation per annum	5.50%	5.50%	5.50%
Expected long-term rate of return on plan assets per annum	0.00%	0.00%	0.00%

(In thousands, except per share data and share count)

17. Employee benefit plans (Continued)

The weighted average assumptions used to determine the benefit obligation of the Japan Plan as of December 31, 2015 and 2016 are presented below:

	Year ended December 31,	
	2015	2016
Discount rate	0.24% - 1.30%	0.08% - 1.30%
Rate of increase in compensation per annum	0.00% - 3.55%	0.00% - 3.55%

The weighted average assumptions used to determine the costs of the Japan Plan for the years ended December 31, 2014, 2015 and 2016 are presented below:

	Year ended December 31,		
	2014	2015	2016
Discount rate	0.50% - 1.44%	0.20% - 1.30%	0.24% - 1.30%
Rate of increase in compensation per annum	0.00%	0.00% - 3.55%	0.00% - 3.55%
Expected long-term rate of return on plan assets per annum	2.69%	2.69% - 3.44%	0.00% - 3.77%

The expected returns on plan assets set forth above are based on the Company's expectation of the average long-term rate of return expected to prevail over the next 15 to 20 years on the types of investments prescribed by applicable statute.

The Company evaluates these assumptions based on projections of the Company's long-term growth and prevalent industry standards. Unrecognized actuarial loss is amortized over the average remaining service period of the active employees expected to receive benefits under the plan.

The fair values of the Company's plan assets as of December 31, 2015 and 2016 by asset category are as follows:

	As of December 31, 2016			
		Fair Value Measurements at Reporting Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Asset Category				
Cash	$ 4,809	$ 4,809	$ -	$ -
Fixed income securities (Note a)	23,659	3,001	20,658	-
Other securities (Note b)	2,403	2,191	212	-
Total	$ 30,871	$ 10,001	$ 20,870	$ -

(In thousands, except per share data and share count)

17. Employee benefit plans (Continued)

	As of December 31, 2015			
	Fair Value Measurements at Reporting Date Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Asset Category				
Cash	$ 2,460	$ 2,460	$ —	$ —
Fixed income securities (Note a)	23,190	3,520	19,670	—
Other securities (Note b)	2,899	1,234	1,665	—
Total	$ 28,549	$ 7,214	$ 21,335	$ —

(a) Includes investments in funds that invest 100% of their assets in fixed income securities such as money market instruments, government securities and public and private bonds.

(b) Includes investments in funds that invest primarily in fixed income securities and the remaining portion in equity securities.

The expected benefit plan payments set forth below reflect expected future service:

Year ending December 31,	
2017	$ 6,577
2018	$ 6,654
2019	$ 7,013
2020	$ 7,819
2021	$ 8,268
2022 - 2026	$ 38,886
	$ 75,217

The Company's expected benefit plan payments are based on the same assumptions that were used to measure the Company's benefit obligations as of December 31, 2016.

Defined contribution plans

During the years ended December 31, 2014, 2015 and 2016, the Company contributed the following amounts to defined contribution plans in various jurisdictions:

	Year ended December 31,		
	2014	2015	2016
India	$ 15,272	$ 15,915	$ 19,074
U.S.	5,565	8,148	10,379
U.K.	3,361	4,453	6,593
China	14,518	14,511	15,512
Other regions	4,355	4,690	4,684
Total	**$ 43,071**	**$ 47,717**	**$ 56,242**

18. Stock-based compensation

The Company has issued options under the Genpact Global Holdings 2005 Plan (the "2005 Plan"), the Genpact Global Holdings 2006 Plan (the "2006 Plan"), the Genpact Global Holdings 2007 Plan (the "2007 Plan") and the Genpact Limited 2007 Omnibus Incentive Compensation Plan (the "2007 Omnibus Plan") to eligible persons, including employees, directors and certain other persons associated with the Company.

18. Stock-based compensation (Continued)

With respect to options granted under the 2005, 2006 and 2007 Plans before the date of adoption of the 2007 Omnibus Plan, if an award granted under any such plan is forfeited or otherwise expires, terminates, or is cancelled without the delivery of shares, then the shares covered by the forfeited, expired, terminated, or cancelled award will be added to the number of shares otherwise available for grant under the respective plans.

Beginning on July 13, 2007, the date of adoption of the 2007 Omnibus Plan, shares underlying options forfeited, expired, terminated or cancelled under any of the plans are added to the number of shares otherwise available for grant under the 2007 Omnibus Plan. The 2007 Omnibus Plan was amended and restated on April 11, 2012 to increase the number of common shares authorized for issuance by 5,593,200 shares to 15,000,000 shares.

During the year ended December 31, 2012, the number of common shares authorized for issuance under the 2007 Omnibus Plan and the 2005 Plan was increased by 8,858,823 and 495,915 shares, respectively, as the result of a one-time adjustment to outstanding unvested share awards in connection with a special dividend payment.

A brief summary of each plan is provided below:

2005 Plan

Under the 2005 Plan, which was adopted on July 26, 2005, the Company is authorized to issue up to 12,706,665 options to eligible persons.

2006 Plan

Under the 2006 Plan, which was adopted on February 27, 2006, the Company is authorized to issue up to 4,942,369 options to eligible persons.

2007 Plan

Under the 2007 Plan, which was adopted on March 27, 2007, the Company is authorized to issue up to 16,733,250 options to eligible persons.

2007 Omnibus Plan

The Company adopted the 2007 Omnibus Plan on July 13, 2007 and amended and restated it on April 11, 2012. The 2007 Omnibus Plan provides for the grant of awards intended to qualify as incentive stock options, non-qualified stock options, share appreciation rights, restricted share awards, restricted share units, performance units, cash incentive awards and other equity-based or equity-related awards. Under the 2007 Omnibus Plan, the Company is authorized to grant awards for the issuance of up to a total of 23,858,823 common shares.

Stock-based compensation costs relating to the foregoing plans during the years ended December 31, 2014, 2015 and 2016, were $27,773, $24,684 and $24,686, respectively, and have been allocated to cost of revenue and selling, general, and administrative expenses.

Tax benefits recognized in relation to stock-based compensation charges, excluding excess benefits, during the years ended December 31, 2014, 2015 and 2016 were $6,366, $6,125 and $ 6,446, respectively.

Stock options

All options granted under the 2007 Omnibus Plan or any prior plans are exercisable into common shares of the Company, have a contractual period of ten years and vest over four to five years unless specified otherwise in the applicable award agreement. The Company recognizes compensation cost over the vesting period of the option. Compensation cost is determined at the date of grant by estimating the fair value of an option using the Black-Scholes option-pricing model.

(In thousands, except per share data and share count)

18. Stock-based compensation (Continued)

The following table shows the significant assumptions used in connection with the determination of the fair value of options granted in 2014, 2015 and 2016:

	2014	2015	2016
Dividend yield	—	—	—
Expected life (in months)	84	84	84
Risk-free rate of interest for expected life	2.18% - 2.29%	1.99%	1.42%-1.56%
Volatility	37.27% - 38.34%	34.97%	25.60%-27.22%

Volatility was calculated based on the historical volatility of the Company during a period equivalent to the estimated term of the option. The Company estimates the expected term of an option using the "simplified method," which is based on the average of its contractual vesting term. The risk-free interest rate that the Company uses in the option valuation model is based on U.S. Treasury bonds with a term similar to the expected term of the options. The Company has not paid any regular cash dividends in the last two fiscal years.

The Company has issued, and intends to continue to issue, new common shares upon stock option exercises and the vesting of share awards under its equity-based incentive compensation plans.

A summary of stock option activity during the years ended December 31, 2014, 2015 and 2016 is set out below:

	Year ended December 31, 2014			
	Shares arising out of options	Weighted average exercise price	Weighted average remaining contractual life (years)	Aggregate intrinsic value
Outstanding as of January 1, 2014	11,102,163	$ 12.40	5.2	$ —
Granted	520,000	17.54	—	—
Forfeited	(250,673)	19.20	—	—
Expired	(27,228)	12.32	—	—
Exercised (Note b)	(3,972,535)	7.00	—	47,399
Outstanding as of December 31, 2014	7,371,727	$ 15.44	5.9	$ 27,886
Vested as of December 31, 2014 and expected to vest thereafter (Note a)	7,073,004	$ 15.19	5.9	$ 27,755
Vested and exercisable as of December 31, 2014	3,542,821	$ 11.37	3.1	$ 26,781
Weighted average grant-date fair value of options granted during the period	$ 7.54			

(In thousands, except per share data and share count)

18. Stock-based compensation (Continued)

	Year ended December 31, 2015			
	Shares arising out of options	Weighted average exercise price	Weighted average remaining contractual life (years)	Aggregate intrinsic value
Outstanding as of January 1, 2015	7,371,727	$ 15.44	5.9	$ —
Granted	170,000	22.77	—	—
Forfeited	(125,000)	19.35	—	—
Expired	(1,277)	14.32	—	—
Exercised	(1,428,605)	9.49	—	22,122
Outstanding as of December 31, 2015	5,986,845	$ 16.99	5.8	$ 48,661
Vested as of December 31, 2015 and expected to vest thereafter (Note a)	5,754,969	$ 16.76	5.8	$ 47,325
Vested and exercisable as of December 31, 2015	2,183,846	$ 12.67	2.7	$ 26,892
Weighted average grant-date fair value of options granted during the period	$ 9.15			

	Year ended December 31, 2016			
	Shares arising out of options	Weighted average exercise price	Weighted average remaining contractual life (years)	Aggregate intrinsic value
Outstanding as of January 1, 2016	5,986,845	$ 16.99	5.8	$ —
Granted	860,000	26.80	—	—
Forfeited	(145,000)	17.77	—	—
Expired	—	—	—	—
Exercised	(994,155)	14.98	—	9,301
Outstanding as of December 31, 2016	5,707,690	$ 18.65	5.8	$ 34,641
Vested as of December 31, 2016 and expected to vest thereafter (Note a)	5,457,701	$ 18.42	5.8	$ 34,150
Vested and exercisable as of December 31, 2016	2,746,191	$ 15.62	4.0	$ 23,960
Weighted average grant-date fair value of options granted during the period	$ 8.50			

(a) Options expected to vest reflect an estimated forfeiture rate.

(b) 2,138,601 of these options were net settled upon exercise by issuing 1,485,826 shares (net of minimum statutory withholding taxes).

Cash received by the Company upon the exercise of stock options amounted to $16,051, $13,564 and $14,896. Cash tax benefits realized by the Company upon the exercise of stock options during the years ended December 31, 2014 and 2015 and cash tax benefits received by the Company upon the exercise of stock options during the year ended December 31, 2016 were $761, $6,982 and $1,548 (including excess tax benefits of $0, $6,560, $1,004), respectively.

As of December 31, 2016, the total remaining unrecognized stock-based compensation cost for options expected to vest amounted to $12,683, which will be recognized over the weighted average remaining requisite vesting period of 2.5 years.

(In thousands, except per share data and share count)

18. Stock-based compensation (Continued)

Restricted Share Units

The Company has granted restricted share units, or RSUs, under the 2007 Omnibus Plan. Each RSU represents the right to receive one common share. The fair value of each RSU is the market price of one common share of the Company on the date of grant. The RSUs granted to date have graded vesting schedules of three months to four years. The compensation expense is recognized on a straight-line basis over the vesting term.

A summary of RSUs granted during the years ended December 31, 2014, 2015 and 2016 is set out below:

	Year ended December 31, 2014	
	Number of Restricted Share Units	Weighted Average Grant Date Fair Value
Outstanding as of January 1, 2014	871,772	$ 13.96
Granted	227,248	16.58
Vested (Note b)	(511,513)	13.83
Forfeited	(99,089)	13.77
Outstanding as of Dec 31, 2014	488,418	$ 15.36
Expected to vest (Note a)	451,721	

	Year ended December 31, 2015	
	Number of Restricted Share Units	Weighted Average Grant Date Fair Value
Outstanding as of January 1, 2015	488,418	$ 15.36
Granted	53,546	20.88
Vested (Note c)	(351,338)	15.29
Forfeited	(33,236)	14.00
Outstanding as of December 31, 2015	157,390	$ 17.67
Expected to vest (Note a)	147,226	

	Year ended December 31, 2016	
	Number of Restricted Share Units	Weighted Average Grant Date Fair Value
Outstanding as of January 1, 2016	157,390	$ 17.67
Granted	95,553	25.49
Vested (Note d)	(133,903)	20.66
Forfeited	(1,135)	14.18
Outstanding as of December 31, 2016	117,905	$ 20.65
Expected to vest (Note a)	107,366	

(a) RSUs expected to vest reflect an estimated forfeiture rate.

(b) 418,821 of these RSUs were net settled upon vesting by issuing 285,706 shares (net of minimum statutory withholding taxes). 92,692 RSUs vested in the year ended December 31, 2014, 91,963 shares in respect of which were issued in 2016 after withholding shares to the extent of minimum statutory withholding taxes.

(c) Vested RSUs were net settled by issuing 199,949 shares (net of minimum statutory tax withholding). 53,546 RSUs vested in the year ended December 31, 2015, shares in respect of which will be issuable in 2017 after withholding shares to the extent of minimum statutory withholding taxes.

(d) Vested RSUs were net settled by issuing 29,719 shares (net of minimum statutory tax withholding). 86,517 RSUs vested in the year ended December 31, 2016, shares in respect of which will be issued in 2017 after withholding shares to the extent of minimum statutory withholding taxes.

(In thousands, except per share data and share count)

18. Stock-based compensation (Continued)

61,057 RSUs vested in the year ended December 31, 2013, in respect of which 59,827 shares were issued in January 2015 after withholding shares to the extent of minimum statutory withholding taxes.

48,819 RSUs vested in the year ended December 31, 2012. 2,059 common shares underlying 4,533 of such RSUS were issued in April 2013 after withholding shares to the extent of applicable minimum statutory withholding taxes. Shares underlying the remaining 44,286 of such RSUs were issued in January 2014 after withholding 681 shares to the extent of the minimum applicable statutory withholding taxes.

As of December 31, 2016, the total remaining unrecognized stock-based compensation cost related to RSUs amounted to $1,520, which will be recognized over the weighted average remaining requisite vesting period of 2.6 years.

Performance Units

The Company also grants stock awards in the form of Performance Units, or PUs, under the 2007 Omnibus Plan.

Each PU represents the right to receive one common share at a future date based on the Company’s performance against specified targets. PUs granted to date have vesting schedules of six months to three years. The fair value of each PU is the market price of one common share of the Company on the date of grant and assumes that performance targets will be achieved. PUs granted under the plan are subject to cliff vesting. The compensation expense for such awards is recognized on a straight-line basis over the vesting terms. During the performance period, the Company’s estimate of the number of shares to be issued is adjusted upward or downward based upon the probability of achievement of the performance targets. The ultimate number of shares issued and the related compensation cost recognized is based on a comparison of the final performance metrics to the specified targets.

A summary of PU activity during the years ended December 31, 2014, 2015 and 2016 is set out below:

	Year ended December 31, 2014		
	Number of Performance Units	Weighted Average Grant Date Fair Value	Maximum Shares Eligible to Receive
Outstanding as of January 1, 2014	3,913,733	$ 16.44	6,149,018
Granted	1,337,750	16.78	2,729,125
Vested (Note b)	(1,469,200)	14.50	(1,469,183)
Forfeited (Note d)	(2,629,463)	17.30	(2,664,980)
Adjustment due to achievement of higher-than-target performance (Note c)	139,930	12.04	
Adjustment due to achievement of lower-than-maximum performance (Note e)			(2,095,354)
Outstanding as of December 31, 2014	1,292,750	$ 16.78	2,648,626
Expected to vest (Note a)	1,153,277		

(In thousands, except per share data and share count)

18. Stock-based compensation (Continued)

	Year ended December 31, 2015		
	Number of Performance Units	Weighted Average Grant Date Fair Value	Maximum Shares Eligible to Receive
Outstanding as of January 1, 2015	1,292,750	$ 16.78	2,648,626
Granted	1,375,650	22.72	2,965,475
Vested (Note f)	(855)	16.78	(855)
Forfeited	(136,216)	17.82	(156,194)
Adjustment due to achievement of lower-than-target performance (Note g)	(32,007)	20.45	
Adjustment due to achievement of lower-than-maximum performance (Note h)			(2,957,730)
Outstanding as of December 31, 2015	2,499,322	$ 19.95	2,499,322
Expected to vest (Note a)	2,184,906		

	Year ended December 31, 2016		
	Number of Performance Units	Weighted Average Grant Date Fair Value	Maximum Shares Eligible to Receive
Outstanding as of January 1, 2016	2,499,322	$ 19.95	2,499,322
Granted	1,518,374	27.93	3,343,335
Vested	—	—	—
Forfeited	(252,842)	21.88	(325,817)
Adjustment upon final determination of level of performance goal achievement (Note i)	7,274	22.72	
Adjustment upon final determination of level of performance goal achievement (Note i)			7,274
Outstanding as of December 31, 2016	3,772,128	$ 23.04	5,524,114
Expected to vest (Note a)	2,226,489		

(a) PUs expected to vest are based on the probable achievement of the performance targets after considering an estimated forfeiture rate.

(b) Vested PUs as of December 31, 2014 include 775,904 shares issued in 2014 with respect to grants made in 2011 after withholding shares to the extent of the minimum statutory withholding taxes.

Vested PUs as of December 31, 2014 also include 1,329,270 shares underlying PUs granted in March 2012 based on the compensation committee's certification of the achievement of the performance goals for the performance period based on the Company's audited financial statements. Shares in respect of such PUs were issued in January 2015 (845,524 shares after withholding shares to the extent of the minimum statutory withholding taxes).

(c) Represents 139,930 additional shares issued in 2014 (included in note (b) above) for PUs granted in 2011.

(d) Includes 251,427 shares underlying PUs granted in May 2011, 1,244,507 shares underlying PUs granted in March 2013 and 630,000 shares underlying PUs granted in May 2013, all of which were forfeited due to non-fulfillment of the performance conditions as certified by the compensation committee based on the Company's audited financial statements.

18. Stock-based compensation (Continued)

(e) Represents a reduction of 333,002 and 39,285 of the maximum shares eligible to vest with respect to PUs granted in March 2011 and June 2011, respectively, as a result of the compensation committee's certification of the level of achievement of the performance conditions based on the Company's audited financial statements. Also includes a reduction of 616,568 shares for grants made in March 2013, 985,500 shares for grants made in May 2013 and 121,000 shares for grants made in May 2011, due to non-fulfillment of the performance conditions as certified by the compensation committee based on the Company's audited financial statements.

(f) Vested PUs were net settled upon vesting by issuing 590 shares (net of minimum statutory tax withholding).

(g) Represents a 5.2% to 6.7% reduction, depending on the targets under the PU award granted, in the number of target shares as a result of achievement of lower-than-target performance for the PUs granted in 2015, partially offset by a 0.8% to 6.6% increase in the number of target shares as a result of achievement of higher-than-target performance for the PUs granted in 2014.

(h) Represents the difference between the maximum number of shares achievable and the number of shares expected to vest under the PU awards granted in 2015 based on the level of achievement of the performance goals. Also includes the difference between the maximum number of shares achievable and the number of shares eligible to vest under the PU awards granted in 2014 based on the certified level of achievement of the performance goals.

(i) Represents an adjustment made in March 2016 to the number of shares underlying the PUs granted in 2015 upon certification of the level of achievement of the performance targets for such awards.

231,029 shares vested in the year ended December 31, 2012 in respect of PUs granted in August 2010. 138,035 shares (net of minimum statutory tax withholding) in respect of such PUs were issued in January 2014.

Outstanding PUs as of December 31, 2016 include 1,452,424 awards granted in 2016, the performance conditions of which are not expected to be fulfilled. The non-fulfillment of the performance conditions of these awards will be certified by the compensation committee following the final determination of the performance goals achieved for the performance period.

As of December 31, 2016, the total remaining unrecognized stock-based compensation cost related to PUs amounted to $8,947 which will be recognized over the weighted average remaining requisite vesting period of 1.0 year.

Employee Stock Purchase Plan (ESPP)

On May 1, 2008, the Company adopted the Genpact Limited U.S. Employee Stock Purchase Plan and the Genpact Limited International Employee Stock Purchase Plan (together, the "ESPP").

The ESPP allows eligible employees to purchase the Company's common shares through payroll deductions at 90% of the fair value of a Company common share on the last business day of each purchase interval. The dollar amount of common shares purchased under the ESPP must not exceed 15% of the participating employee's base salary, subject to a cap of $25 per employee per calendar year. The offering periods commence on the first business day in March, June, September and December of each year and end on the last business day in the subsequent May, August, November and February of each year. 4,200,000 common shares have been reserved for issuance in the aggregate over the term of the ESPP.

During the years ended December 31, 2014, 2015 and 2016, 151,461, 121,485 and 146,685 common shares, respectively, were issued under the ESPP.

The ESPP is considered compensatory under FASB guidance on Compensation-Stock Compensation.

The compensation expense for the employee stock purchase plan is recognized in accordance with FASB guidance on compensation-stock compensation. The compensation expense for the ESPP during the years ended December 31, 2014, 2015 and 2016 was $292, $292 and $428, respectively, and has been allocated to cost of revenue and selling, general, and administrative expenses.

19. Capital stock

The Company's authorized capital stock as of December 31, 2015 and 2016 consisted of 500 million common shares with a par value of $0.01 per share, and 250 million preferred shares with a par value of $0.01 per share. There were 211,472,312 and 198,794,052 common shares, and no preferred shares, issued and outstanding as of December 31, 2015 and 2016, respectively.

Holders of common shares are entitled to one vote per share. Upon the liquidation, dissolution or winding up of the Company, common shareholders are entitled to receive a ratable share of the available net assets of the Company after payment of all debts and other liabilities. The common shares have no preemptive, subscription, redemption or conversion rights.

The Company's board of directors by resolution can establish one or more series of preferred shares having such par value, designations, dividend rates, relative voting rights, conversion or exchange rights, redemption rights, liquidation rights and other relative participation, optional or other rights, qualifications, limitations or restrictions as may be fixed by the board of directors without shareholder approval. Such rights, preferences, powers and limitations as may be established could also have the effect of discouraging an attempt to obtain control of the Company. These preferred shares are of the type commonly known as "blank-check" preferred shares.

Under Bermuda law, the Company may declare and pay dividends from time to time unless there are reasonable grounds for believing that the Company is or would, after the payment, be unable to pay its liabilities as they become due or that the realizable value of its assets would thereby be less than the aggregate of its liabilities, its issued share capital, and its share premium accounts. Under the Company's bye-laws, each common share is entitled to dividends if, as and when dividends are declared by the Company's board of directors. There are no restrictions in Bermuda on the Company's ability to transfer funds (other than funds denominated in Bermuda dollars) in or out of Bermuda or to pay dividends to U.S. residents who are holders of common shares. The Company's ability to declare and pay cash dividends is restricted by its debt covenants.

Share Repurchases

In February 2015, the Company's board of directors (the "Board") authorized a program to repurchase up to $250,000 in value of the Company's common shares. On February 4, 2016, the Board approved up to an additional $250,000 in share repurchases under the program, on September 19, 2016 the Board approved up to an additional $250,000 in share repurchases, and on February 10, 2017 the Board approved up to an additional $500,000 in share repurchases, bringing the total authorization under the Company's existing program to $1,250,000. The Company's share repurchase program does not obligate it to acquire any specific number of shares. Under the program, shares may be purchased in privately negotiated and/or open market transactions, including under plans complying with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. During the years ended December 31, 2015 and December 31, 2016, the Company purchased 9,867,873 and 13,940,782 of its common shares, respectively, at a weighted average price of $23.00 and $24.76 per share, respectively, for an aggregate cash amount of $226,917 and $345,200, respectively. The purchased shares have been retired.

Any purchase by the Company of its common shares is accounted for when the transaction is settled. There were no unsettled share purchases as of December 31, 2015 and December 31, 2016. Shares purchased and retired are deducted to the extent of their par value from common stock and from retained earnings for the excess over par value. Direct costs incurred to acquire the shares are included in the total cost of the shares. For the year ended December 31, 2015 and December 31, 2016, $197 and $279, respectively, was deducted from retained earnings in direct costs related to share purchases.

(In thousands, except per share data and share count)

20. Earnings per share

The Company calculates earnings per share in accordance with FASB guidance on Earnings per Share. Basic and diluted earnings per common share give effect to the change in the number of common shares outstanding. The calculation of basic earnings per common share was determined by dividing net income available to common shareholders by the weighted average number of common shares outstanding. The potentially dilutive shares, consisting of outstanding options on common shares, restricted share units, common shares to be issued under the ESPP and performance units, have been included in the computation of diluted net earnings per share and number of weighted average shares outstanding, except where the result would be anti-dilutive.

The number of stock awards outstanding but not included in the computation of diluted earnings per common share because their effect was anti-dilutive is 3,758,000, 2,821,000 and 781,215 for the years ended December 31, 2014, 2015 and 2016, respectively.

	Year ended December 31, 2014	2015	2016
Net income available to Genpact Limited common shareholders	$ 192,002	$ 239,817	$ 269,684
Weighted average number of common shares used in computing basic earnings per common share	220,847,098	216,606,542	206,861,536
Dilutive effect of stock-based awards	4,321,567	2,538,502	3,264,487
Weighted average number of common shares used in computing dilutive earnings per common share	225,168,665	219,145,044	210,126,023
Earnings per common share attributable to Genpact Limited common shareholders			
Basic	$ 0.87	$ 1.11	$ 1.30
Diluted	$ 0.85	$ 1.09	$ 1.28

21. Cost of revenue

Cost of revenue consists of the following:

	Year ended December 31, 2014	2015	2016
Personnel expenses	$ 943,105	$ 1,013,209	$ 1,061,501
Operational expenses	390,441	432,535	446,922
Depreciation and amortization	44,542	47,803	46,284
	$ 1,378,088	$ 1,493,547	$ 1,554,707

22. Selling, general and administrative expenses

Selling, general and administrative expenses consist of the following:

	Year ended December 31, 2014	2015	2016
Personnel expenses	$ 419,299	$ 430,088	$ 469,956
Operational expenses	157,755	169,042	174,060
Depreciation and amortization	8,592	8,984	9,013
	$ 585,646	$ 608,114	$ 653,029

(In thousands, except per share data and share count)

23. Other operating (income) expense, net

	Year ended December 31, 2014	2015	2016
Other operating (income) expense	$ (3,163)	$ (2,515)	$ (1,266)
Impairment of intangible assets	—	10,714	11,195
Change in fair value of earn-out consideration, deferred consideration (relating to business acquisitions)	(3,707)	(11,521)	(14,869)
Other operating (income) expense, net	$ (6,870)	$ (3,322)	$ (4,940)

24. Interest income (expense), net

Interest income (expense), net consists of the following:

	Year ended December 31, 2014	2015	2016
Interest income	$ 4,405	$ 8,676	$ 7,247
Interest expense	(33,800)	(29,828)	(23,431)
Loss on extinguishment of debt	—	(10,115)	—
Interest income (expense), net	$ (29,395)	$ (31,267)	$ (16,184)

25. Income taxes

Income tax expense (benefit) for the years ended December 31, 2014, 2015 and 2016 is allocated as follows:

	Year ended December 31, 2014	2015	2016
Income from continuing operations	$ 57,419	$ 61,937	$ 62,098
Other Comprehensive Income:			
Unrealized gains (losses) on cash flow hedges	48,966	13,816	23,809
Retirement benefits	(413)	1,304	(1,885)
Additional paid-in capital:			
Excess tax benefit on stock-based compensation	—	$ (6,560)	—
Retained earnings:			
Deferred tax assets recognized on early adoption of ASU 2016-09	—	—	(24,912)

The components of income before income tax expense from continuing operations are as follows:

	Year ended December 31, 2014	2015	2016
Domestic (U.S.)	$ 19,614	$ 23,122	$ 44,110
Foreign (Non-U.S.)	229,976	278,632	285,535
Income before income taxes	$ 249,590	$ 301,754	$ 329,645

(In thousands, except per share data and share count)

25. Income taxes (Continued)

Income tax expense (benefit) attributable to income from continuing operations consists of:

	Year ended December 31, 2014	2015	2016
Current taxes :			
Domestic (U.S. federal taxes)	$ 3,768	$ 12,142	$ 78
Domestic (U.S. state taxes)	666	301	1,069
Foreign (Non-U.S.)	65,237	68,207	30,497
	$ 69,671	$ 80,650	$ 31,644
Deferred taxes :			
Domestic (U.S. federal taxes)	$ 2,761	$ (5,396)	$ 11,379
Domestic (U.S. state taxes)	(193)	344	(459)
Foreign (Non-U.S.)	(14,820)	(13,661)	19,534
	$ (12,252)	$ (18,713)	$ 30,454
Total income tax expense (benefit)	$ 57,419	$ 61,937	$ 62,098

Income tax expense (benefit) attributable to income from continuing operations differed from the amounts computed by applying the U.S. federal statutory income tax rate of 35% to income before income taxes, as a result of the following:

	Year ended December 31, 2014	2015	2016
Income before income tax expense	$ 249,590	$ 301,754	$ 329,645
Statutory tax rates	35%	35%	35%
Computed expected income tax expense	87,356	105,614	115,376
Increase (decrease) in income taxes resulting from:			
Foreign tax rate differential	(4,703)	(16,550)	(18,574)
Tax benefit from tax holiday	(35,868)	(38,039)	(32,893)
Non-deductible expenses	3,789	1,884	2,295
Effect of change in tax rates	176	1,436	353
Change in valuation allowance	(2,880)	(33)	(4,830)
Unrecognized tax benefits	1,423	6,272	(627)
Others	8,126	1,353	998
Reported income tax expense (benefit)	$ 57,419	$ 61,937	$ 62,098

A portion of the profits of the Company's operations is exempt from income tax in India. One of the Company's Indian subsidiaries has fourteen units eligible for a tax holiday as a special economic zone unit in respect of 100% of the export profits it generates for a period of 5 years from commencement, 50% of such profits for the next 5 years (year 6 to year 10 from commencement) and 50% of the profits for an additional period of 5 years (year 11 to year 15 from commencement), subject to the satisfaction of certain capital investment requirements. The tax holidays for the Company's existing special economic zone units will begin to expire on March 31, 2022 and will have fully expired on March 31, 2029, assuming the Company satisfies the capital investment requirements.

The effect of the Indian tax holiday on basic earnings per share was $0.16, $0.18 and $0.19, respectively, for the years ended December 31, 2014, 2015 and 2016. The effect of the tax holiday on diluted earnings per share was $0.16, $0.17 and $0.18, respectively, for the years ended December 31, 2014, 2015 and 2016.

(In thousands, except per share data and share count)

25. Income taxes (Continued)

The components of the Company's deferred tax balances as of December 31, 2015 and 2016 are as follows:

	As of December 31,	
	2015	2016
Deferred tax assets		
Net operating loss carryforwards	$ 48,626	$ 52,997
Accrued liabilities and other expenses	16,680	19,840
Provision for doubtful receivables	5,655	6,419
Property, plant and equipment	4,538	3,445
Unrealized losses on cash flow hedges, net	10,296	558
Share-based compensation	14,253	19,054
Retirement benefits	2,772	5,067
Deferred revenue	39,547	44,892
Tax credit carryforwards	52,993	34,509
Others	9,173	8,876
Gross deferred tax assets	**$ 204,533**	**$ 195,657**
Less: Valuation allowance	(20,091)	(14,746)
Total deferred tax assets	**$ 184,442**	**$ 180,911**
Deferred tax liabilities		
Intangible assets	$ 20,987	$ 13,519
Property, plant and equipment	3,406	2,745
Deferred cost	31,953	41,950
Investments in foreign subsidiaries not indefinitely reinvested	23,097	29,546
Unrealized gains on cash flow hedges, net	—	14,350
Others	7,697	11,073
Total deferred tax liabilities	**$ 87,140**	**$ 113,183**
Net deferred tax asset	**$ 97,302**	**$ 67,728**

	As of December 31,	
Classified as	2015	2016
Deferred tax assets		
Non-current	$ 99,395	$ 70,143
Deferred tax liabilities		
Non-current	$ 2,093	$ 2,415
	$ 97,302	**$ 67,728**

The change in the total valuation allowance for deferred tax assets as of December 31, 2014, 2015 and 2016 is as follows:

	Year ended December 31,		
	2014	2015	2016
Opening valuation allowance	$ 24,654	$ 21,094	$ 20,091
Reduction during the year	(8,662)	(3,499)	(7,299)
Addition during the year	5,102	2,496	1,954
Closing valuation allowance	$ 21,094	$ 20,091	$ 14,746

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets depends on the generation of future taxable income during the periods in which temporary differences are deductible.

25. Income taxes (Continued)

Management considers the scheduled reversal of deferred tax liabilities and projected taxable income in making this assessment. In order to fully realize a deferred tax asset, the Company must generate future taxable income prior to the expiration of the deferred tax asset under applicable law. Based on the level of historical taxable income and projections for future taxable income over the periods during which the Company's deferred tax assets are deductible, management believes that it is more likely than not that the Company will realize the benefits of these deductible differences, net of the existing valuation allowances at December 31, 2016. The amount of the Company's deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

In 2014, the Company determined that it was more likely than not that the deferred tax assets of a foreign subsidiary would be partially realized after considering all positive and negative evidence. Prior to 2014, because of significant negative evidence, including a history of losses, an uncertain revenue stream, and potential reorganization activity that could adversely affect the foreign subsidiary's future operations and profitability on a continuing basis in future years, the Company determined that it was more likely than not that the subsidiary's deferred tax assets would not be realized. However, as of December 31, 2014, such subsidiary had realized cumulative pre-tax income for the preceding three years and had forecasted future pre-tax income sufficient to realize a portion of its deferred tax assets. After consideration of the relative impact of all evidence, both negative and positive, and the weight accorded to each, the Company concluded that it was more likely than not that a portion of the subsidiary's deferred tax assets would be realized and that the applicable valuation allowance should be partially released up to $3,000.

(In thousands, except per share data and share count)

25. Income taxes (Continued)

In 2016, one of the Company's subsidiaries filed amended tax returns with respect to prior years, resulting in revised assessments, higher taxable income and the utilization of operating loss carryforwards. The use of operating loss carryforwards resulted in the complete reversal of the subsidiary's remaining valuation allowance of $3,377.

On January 1, 2016, the Company elected the early adoption of ASU 2016-09, which was applied using a modified retrospective approach. Accordingly, excess tax benefits relating to the exercise of stock options prior to December 31, 2015 amounting to $24,912 were recorded through retained earnings. For the year ended December 31, 2016, the Company has recognized net excess tax benefits of $1,004 in income tax expense attributable to continuing operations.

The Company recorded excess tax benefits of $0, $6,560, and $0 through additional paid-in capital during the years ended December 31, 2014, 2015 and 2016, respectively.

As of December 31, 2016, the Company's deferred tax assets related to net operating loss carryforwards amounted to $52,997. Net operating losses of subsidiaries in the United Kingdom, Hungary, Singapore, Malaysia, China, Australia, Brazil, Spain, Israel and Luxembourg amounted to $143,029 and can be carried forward for an indefinite period. The Company's remaining tax loss carryforwards expire as set forth in the table below:

	US - Federal	Europe	Others
Year ending December 31,			
2017	$ —	$ 3	$ —
2018	—	5	19
2019	—	5	67
2020	—	234	697
2021	—	2,335	2,790
2022	—	1,829	57
2023	—	4,576	1,133
2024	—	5,820	8,577
2025	—	3,485	2,379
2026	—	348	2,329
2027	—	—	—
2028	—	31	—
2029	—	-	—
2030	—	196	—
2031	14,607	188	—
2032	21	65	—
2033	4,538	83	—
2034	37	—	—
2035	30	—	—
2036	—	—	—
2037	—	—	1,097
	$ 19,233	**$ 19,203**	**$ 19,145**

As of December 31, 2016, the Company had additional deferred tax assets on U.S. state and local tax loss carryforwards amounting to $6,295 with varying expiration periods between 2017 and 2035.

As of December 31, 2016, the company had a total foreign tax credit of $31,490, which will expire as set forth in the table below:

(In thousands, except per share data and share count)

25. Income taxes (Continued)

Year ending December 31,		Amount
2022	$	893
2023		1,202
2024		15,552
2025		8,481
2026		5,362
	$	**31,490**

Undistributed earnings of the Company's foreign (non-Bermuda) subsidiaries amounted to $795,398 as of December 31, 2016. The Company plans to indefinitely reinvest such undistributed earnings, except for those earnings for which a deferred tax liability has already been accrued or which can be repatriated in a tax-free manner. Accordingly, with limited exceptions, the Company does not accrue any income, distribution or withholding taxes that would arise if such earnings were repatriated. Due to the Company's changing corporate structure, the various methods that are available to repatriate earnings, and uncertainty relative to the applicable taxes at the time of repatriation, it is not practicable to determine the amount of tax that would be imposed upon repatriation. If undistributed earnings are repatriated in the future, or are no longer deemed to be indefinitely reinvested, the company will accrue the applicable amount of taxes associated with such earnings at that time.

As of December 31, 2016, $412,533 of the Company's $422,623 in cash and cash equivalents was held by the Company's foreign (non-Bermuda) subsidiaries. $148,158 of this cash is held by foreign subsidiaries for which the Company expects to incur and has accrued a deferred tax liability on the repatriation of $35,902 of retained earnings. $92,254 of the Company's cash and cash equivalents is held by foreign subsidiaries in jurisdictions where no tax is expected to be imposed upon repatriation. The remaining $172,121 in cash and cash equivalents held by certain foreign subsidiaries of the Company is being permanently reinvested.

The following table summarizes activities related to our unrecognized tax benefits from January 1 to December 31 for each of 2014, 2015 and 2016:

	Year Ended December 31,					
	2014		2015		2016	
Opening Balance at January 1	$	21,832	$	22,718	$	26,357
Increase related to prior year tax positions, including recorded in acquisition accounting		2,472		2,000		370
Decrease related to prior year tax positions		(1,002)		—		(1,506)
Decrease related to divestiture of business		—		—		(345)
Decrease related to prior year tax position due to lapse of applicable statute of limitation		(753)		(820)		(2,122)
Increase related to current year tax positions, including recorded in acquisition accounting		442		3,544		3,225
Decrease related to settlements with tax authorities		—		—		(2,000)
Effect of exchange rate changes		(273)		(1,085)		(512)
Closing Balance at December 31	**$**	**22,718**	**$**	**26,357**	**$**	**23,467**

As of December 31, 2014, 2015 and 2016, the Company had unrecognized tax benefits amounting to $21,268, $24,935 and $22,469, respectively, which, if recognized, would impact the effective tax rate.

As of December 31, 2014, 2015 and 2016, the Company had accrued $3,417, $4,223 and $3,856, respectively, in interest relating to unrecognized tax benefits. During the years ended December 31, 2014, 2015 and 2016, the Company recognized $44, $1,152 and $(206), respectively, excluding exchange rate differences, in interest on unrecognized tax benefits. As of December 31, 2014, 2015 and 2016 the company had accrued $561, $958 and $977, respectively, for penalties.

(In thousands, except per share data and share count)

25. Income taxes (Continued)

In the next twelve months and for all tax years that remain open to examinations by U.S. federal and various state, local, and non-U.S. tax authorities, the Company estimates that it is reasonably possible that the total amount of its unrecognized tax benefits will vary. However, the Company does not expect significant changes within the next twelve months other than depending on the progress of tax matters or examinations with various tax authorities, which are difficult to predict.

With exceptions, the Company is no longer subject to U.S. federal, state and local or non-U.S. income tax audits by taxing authorities for years prior to 2013. The Company's subsidiaries in India and China are open to examination by relevant taxing authorities for tax years beginning on or after April 1, 2009, and January 1, 2007, respectively. The Company regularly reviews the likelihood of additional tax assessments and adjusts its reserves as additional information or events require.

26. Segment reporting

The Company manages various types of business process and information technology services in an integrated manner for clients in various industries and geographic locations. The Company's Chief Executive Officer, who has been identified as the Chief Operation Decision Maker (CODM), reviews financial information prepared on a consolidated basis, accompanied by disaggregated information about revenue and adjusted operating income by identified business units. The identified business units are organized for operational reasons and represent either services-based, customer-based, industry-based or geography-based units. There is significant overlap between the manner in which the business units are organized. Additionally, the composition and organization of the business units is fluid and the structure changes regularly in response to growth of the overall business, acquisitions and changes in the reporting structure, clients, services, industries served, and delivery centers.

Based on an overall evaluation of all facts and circumstances, and after combining operating segments with similar economic characteristics that comply with other aggregation criteria specified in the FASB guidance on segment reporting, the Company has determined that it operates as a single reportable segment.

Net revenues by service type are as follows:

	Year ended December 31,		
	2014	2015	2016
Business process outsourcing	$ 1,736,716	$ 1,933,095	$ 2,083,450
Information technology services	542,722	527,949	487,306
Total net revenues	$ 2,279,438	$ 2,461,044	$ 2,570,756

Revenues from clients based on the industry serviced are as follows:

	Year ended December 31,		
	2014	2015	2016
Banking, financial services and insurance	$ 940,345	$ 1,030,584	$ 1,055,704
Manufacturing, including pharmaceuticals and medical equipment manufacturing	796,872	878,570	958,779
Technology, healthcare and other services	542,221	551,890	556,273
Total net revenues	$ 2,279,438	$ 2,461,044	$ 2,570,756

(In thousands, except per share data and share count)

26. Segment reporting (Continued)

Net revenues from geographic areas based on the location of the Company's service delivery centers are as follows. A portion of net revenues attributable to India consists of net revenues for services performed by delivery centers in India or at clients' premises outside of India by business units or personnel normally based in India.

	Year ended December 31,		
	2014	2015	2016
India	$ 1,505,960	$ 1,687,699	$ 1,804,113
Asia, other than India	232,349	238,529	249,839
North and Latin America	302,515	304,879	282,434
Europe	238,614	229,937	234,370
Total net revenues	$ 2,279,438	$ 2,461,044	$ 2,570,756

Revenues from GE comprised 20%, 19% and 16% of the Company's consolidated total net revenues in 2014, 2015 and 2016, respectively. No other customer accounted for 10% or more of the Company's consolidated total net revenues during these periods.

Property, plant and equipment, net by geographic region are as follows:

	As of December 31,	
	2015	2016
India	$ 112,911	$ 116,417
Asia, other than India	11,700	13,549
North and Latin America	41,561	51,400
Europe	9,224	18,749
Total	$ 175,396	$ 200,115

27. Related party transactions

The Company has entered into related party transactions with its non-consolidating affiliates. The Company has also entered into related party transactions with a significant shareholder and its affiliates.

The Company's related party transactions can be categorized as follows:

Revenue from services

In the years ended December 31, 2014, 2015, and 2016, the Company recognized net revenues of $285, $326 and $335, respectively, from a client that is also a significant shareholder of the Company.

In the years ended December 31, 2014, 2015 and 2016, the Company recognized net revenues of $5,580, $7,826 and $8,077, respectively, from a client that is a non-consolidating affiliate of the Company. $1,955 and $2,411 of such revenue is receivable as of December 31, 2015 and 2016, respectively.

Cost of revenue from services

The Company purchases certain services from its non-consolidating affiliates, mainly relating to training and recruitment, the costs of which are included in cost of revenue. For the years ended December 31, 2014, 2015 and 2016, cost of revenue includes an amount of $2,126, $2,173 and $2,067, respectively, attributable to the cost of such services provided by the Company's non-consolidating affiliates.

Selling, general and administrative expenses

The Company purchases certain services from its non-consolidating affiliates, mainly relating to training and recruitment, the costs of which are included in selling, general and administrative expenses. For the years ended December 31, 2014, 2015 and 2016, selling, general and administrative expenses include an amount of $613, $384

27. Related party transactions (Continued)

and $291, respectively, attributable to the cost of such services provided by the Company's non-consolidating affiliates.

During the years ended December 31, 2015 and 2016, the Company engaged a significant shareholder of the Company to provide services to the Company at a cost of $421 and $58, respectively.

Investment in equity affiliates

During the years ended December 31, 2015 and 2016, the Company made investments of $17,013 and $5,884, respectively, in its non-consolidating affiliates. As of December 31, 2015 and 2016, $3,736 and $ 0, respectively, of such amounts were outstanding and have been included in accrued expenses and other current liabilities in the Company's consolidated balance sheet.

As of December 31, 2015 and 2016, the Company's investments in its non-consolidating affiliates amounted to $6,677 and $4,800, respectively.

Others

During the years ended December 31, 2015 and 2016, the Company also entered into transactions with one of its non-consolidating affiliates for certain cost reimbursements amounting to $2,077 and $1,162, respectively, of which $488 is receivable as of December 31, 2016.

During the year ended December 31, 2016, the company claimed a portion of an equity affiliate's net operating losses under consortium relief in the United Kingdom amounting to $3,291, which was outstanding and has been included in other liabilities in the company's consolidated balance sheet as of December 31, 2016.

28. Commitments and contingencies

Capital commitments

As of December 31, 2015 and 2016, the Company has committed to spend $8,237 and $5,185, respectively, under agreements to purchase property, plant and equipment. This amount is net of capital advances paid in respect of such purchases.

Bank guarantees

The Company has outstanding bank guarantees amounting to $11,748 and $11,958 as of December 31, 2015 and 2016, respectively. Bank guarantees are generally provided to government agencies and excise and customs authorities for the purposes of maintaining a bonded warehouse. These guarantees may be revoked by the government agencies if they suffer any losses or damages through the breach of any of the covenants contained in the agreements governing such guarantees.

Other commitments

The Company's business process delivery centers in India are 100% export-oriented units or Software Technology Parks of India ("STPI") units under the STPI guidelines issued by the Government of India. These units are exempt from customs, central excise duties, and levies on imported and indigenous capital goods, stores, and spares. The Company has undertaken to pay custom duties, service taxes, levies, and liquidated damages payable, if any, in respect of imported and indigenous capital goods, stores, and spares consumed duty free, in the event that certain terms and conditions are not fulfilled.

(In thousands, except per share data and share count)

29. Quarterly financial data (unaudited)

	Three months ended				Year ended
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	December 31, 2016
Total net revenues	$ 609,703	$ 630,523	$ 648,783	$ 681,747	$ 2,570,756
Gross profit	$ 236,855	$ 246,768	$ 256,351	$ 276,075	$ 1,016,049
Income from operations	$ 75,622	$ 79,940	$ 87,124	$ 98,092	$ 340,777
Income before equity method investment activity, net and income tax expense	$ 72,664	$ 81,818	$ 87,360	$ 95,502	$ 337,343
Net income	$ 58,276	$ 64,349	$ 68,045	$ 76,878	$ 267,547
Net income attributable to non-controlling interest/redeemable Non-controlling interest	$ 289	$ 882	$ 734	$ 232	$ 2,137
Net income attributable to Genpact Limited common shareholders	$ 58,565	$ 65,231	$ 68,779	$ 77,110	$ 269,684
Earnings per common share attributable to Genpact Limited common shareholders					
Basic	$ 0.28	$ 0.31	$ 0.33	$ 0.38	$ 1.30
Diluted	$ 0.27	$ 0.31	$ 0.33	$ 0.38	$ 1.28
Weighted average number of common shares used in computing earnings per common share attributable to Genpact Limited common shareholders					
Basic	210,780,165	210,178,050	206,146,007	200,341,922	206,861,536
Diluted	213,892,964	213,803,134	209,376,683	203,431,310	210,126,023

(In thousands, except per share data and share count)

29. Quarterly financial data (unaudited) (Continued)

	Three months ended				Year ended
	March 31, 2015	June 30, 2015	September 30, 2015	December 31, 2015	December 31, 2015
Total net revenues	$ 587,153	$ 609,532	$ 617,831	$ 646,528	$ 2,461,044
Gross profit	$ 229,677	$ 243,228	$ 242,001	$ 252,591	$ 967,497
Income from operations	$ 74,050	$ 89,353	$ 87,343	$ 83,446	$ 334,192
Income before equity method investment activity, net and income tax expense	$ 57,938	$ 80,245	$ 89,685	$ 84,686	$ 312,554
Net income	$ 44,653	$ 62,701	$ 68,050	$ 64,413	$ 239,817
Net income attributable to non-controlling interest	$ —	$ —	$ —	$ —	$ —
Net income attributable to Genpact Limited common shareholders	$ 44,653	$ 62,701	$ 68,050	$ 64,413	$ 239,817
Earnings per common share attributable to Genpact Limited common shareholders					
Basic	$ 0.20	$ 0.29	$ 0.32	$ 0.30	$ 1.11
Diluted	$ 0.20	$ 0.28	$ 0.31	$ 0.30	$ 1.09
Weighted average number of common shares used in computing earnings per common share attributable to Genpact Limited common shareholders					
Basic	219,892,695	218,525,149	215,311,322	212,697,001	216,606,542
Diluted	222,347,101	220,962,306	217,595,704	215,675,065	219,145,044

30. Subsequent Events

Share Repurchase

On February 10, 2017, the Company announced that its Board of Directors has approved a $500,000 increase to its existing $750,000 share repurchase program, bringing the total authorization under the Company's existing program to $1,250,000.

Pursuant to its share repurchase program, the Company repurchased 808,293 of its common shares between January 1, 2017 and March 1, 2017, at a weighted average price of $24.48 per share for an aggregate cash amount of $19,783.

Dividend

On February 10, 2017, the Company announced that its Board of Directors has approved a dividend program under which the Company intends to pay a regular quarterly cash dividend of $0.06 per share to holders of its common shares, representing a planned annual dividend of $0.24 per share. The initial dividend will be paid on or about March 28, 2017 to shareholders of record as of the close of business on March 10, 2017. The declaration of any future dividends is subject to the discretion of the Board of Directors.

Acquisition

On February 5, 2017, the Company entered into a definitive agreement to acquire the item processing business of Fiserv Solutions of Australia Pty Limited for estimated cash consideration of $32,150, subject to adjustment for working capital, value transfer and net debt. This acquisition will expand the Company's digital transformation and end-to-end capabilities for its clients in the financial services industry. The acquisition will also strengthen the Company's rapidly growing financial services portfolio and expand its Australia footprint.

SIGNATURES

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

GENPACT LIMITED

By: /s/ N.V. Tyagarajan
N.V. Tyagarajan
President and Chief Executive Officer

Date: March 1, 2017

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints each of Victor Guaglianone and Heather White, as his or her true and lawful attorney-in-fact and agent, with full powers of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission granting to said attorneys-in-fact and agents, and each of them, full power and authority to perform any other act on behalf of the undersigned required to be done in connection therewith.

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

Signature	Title	Date
/s/ N.V. tyagarajan N.V. Tyagarajan	President, Chief Executive Officer and Director (Principal Executive Officer)	March 1, 2017
/s/ Edward J. Fitzpatrick Edward J. Fitzpatrick	Chief Financial Officer (Principal Financial and Accounting Officer)	March 1, 2017
/s/ Robert G. Scott Robert G. Scott	Director	March 1, 2017
/s/ Amit Chandra Amit Chandra	Director	March 1, 2017
/s/ Laura Conigliaro Laura Conigliaro	Director	March 1, 2017
/s/ David Humphrey David Humphrey	Director	March 1, 2017
/s/ Carol Lindstrom Carol Lindstrom	Director	March 1, 2017
/s/ James C. Madden James C. Madden	Director	March 1, 2017
/s/ Alex Mandl Alex Mandl	Director	March 1, 2017
/s/ CeCelia Morken CeCelia Morken	Director	March 1, 2017
/s/ Mark Nunnelly Mark Nunnelly	Director	March 1, 2017
/s/ Hanspeter Spek Hanspeter Spek	Director	March 1, 2017

/s/ Mark Verdi Mark Verdi	Director	March 1, 2017

EXHIBIT INDEX

Exhibit Number	Description
3.1	Memorandum of Association of the Registrant (incorporated by reference to Exhibit 3.1 to Amendment No. 2 of the Registrant's Registration Statement on Form S-1 (File No. 333-142875) filed with the SEC on July 16, 2007).
3.3	Bye-laws of the Registrant (incorporated by reference to Exhibit 3.3 to Amendment No. 4 of the Registrant's Registration Statement on Form S-1 (File No. 333-142875) filed with the SEC on August 1, 2007).
4.1	Form of specimen certificate for the Registrant's common shares (incorporated by reference to Exhibit 4.1 to Amendment No. 4 of the Registrant's Registration Statement on Form S-1 (File No. 333-142875) filed with the SEC on August 1, 2007).
10.1†	Gecis Global Holdings 2005 Stock Option Plan (incorporated by reference to Exhibit 10.10 to the Registrant's Registration Statement on Form S-1 (File No. 333-142875) filed with the SEC on May 11, 2007).
10.2†	Genpact Global Holdings 2006 Stock Option Plan (incorporated by reference to Exhibit 10.11 to the Registrant's Registration Statement on Form S-1 (File No. 333-142875) filed with the SEC on May 11, 2007).
10.3†	Genpact Global Holdings 2007 Stock Option Plan (incorporated by reference to Exhibit 10.12 to the Registrant's Registration Statement on Form S-1 (File No. 333-142875) filed with the SEC on May 11, 2007).
10.4†	Form of Stock Option Agreement (incorporated by reference to Exhibit 10.13 to the Registrant's Registration Statement on Form S-1 (File No. 333-142875) filed with the SEC on May 11, 2007).
10.5	Reorganization Agreement dated as of July 13, 2007, by and among the Registrant, Genpact Global (Lux) S.à.r.l., Genpact Global Holdings SICAR S.à.r.l. and the shareholders listed on the signature pages thereto (incorporated by reference to Exhibit 10.17 to Amendment No. 2 of the Registrant's Registration Statement on Form S-1 (File No. 333-142875) filed with the SEC on July 16, 2007).
10.6	Assignment and Assumption Agreement dated as of July 13, 2007, among the Registrant, Genpact Global Holdings SICAR S.à.r.l. and Genpact International, LLC (incorporated by reference to Exhibit 10.19 to Amendment No. 2 of the Registrant's Registration Statement on Form S-1 (File No. 333-142875) filed with the SEC on July 16, 2007).
10.7†	Form of Director Indemnity Agreement (incorporated by reference to Exhibit 10.21 to Amendment No. 4 of the Registrant's Registration Statement on Form S-1(File No. 333-142875) filed with the SEC on August 1, 2007).
10.8†	U.S. Employee Stock Purchase Plan and International Employee Stock Purchase Plan (incorporated by reference to Exhibit A to the Registrant's Proxy Statement filed on Schedule 14A with the SEC on April 3, 2008).
10.9†	Form of RSU Award Agreement (incorporated by reference to Exhibit 10.32 to the Registrant's Annual Report on Form 10-K (File No. 001-33626) filed with the SEC on February 23, 2010).
10.10†	Form of Performance Share Award Agreement (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33626) filed with the SEC on March 15, 2010).
10.11†	Form of Performance Share Award Agreement (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33626) filed with the SEC on March 21, 2011).

Exhibit Number	Description
10.12†	Form of RSU Award Agreement, as amended (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K (File No. 001-33626) filed with the SEC on March 31, 2011).
10.13†	Form of Amended and Restated Genpact Limited 2007 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 1 to the Registrant’s Definitive Proxy Statement on Schedule 14A (File No. 001-33626) filed with the SEC on April 15, 2011).
10.14	Agreement and Plan of Merger dated April 5, 2011 among Genpact International, Inc., Hawk International Corporation, Headstrong Corporation, WCAS Hawk Corp. and the Registrant (incorporated by reference to Exhibit 10.1 to the Registrant’s Quarterly Report on Form 10-Q (File No. 001-33626) filed with the SEC on May 10, 2011).
10.15†	Employment Agreement by and between the Registrant and N.V. Tyagarajan, dated June 15, 2011 (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K (File No. 001-33626) filed with the SEC on June 17, 2011).
10.16†	Employment Agreement by and between Genpact LLC and Patrick Cogny, dated August 5, 2011 (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K (File No. 001-33626) filed with the SEC on August 10, 2011).
10.17†	Form of Performance Share Award Agreement (incorporated by reference to Exhibit 10.1 to the Registrant’s Quarterly Report on Form 10-Q (File No. 001-33626) filed with the SEC on May 10, 2012).
10.18†	Performance Share Award Agreement with N.V. Tyagarajan, dated March 6, 2012 (incorporated by reference to the Registrant’s Quarterly Report on Form 10-Q (File No. 001-33626) filed with the SEC on May 10, 2012).
10.19	Letter Agreement dated August 1, 2012 between the Registrant and South Asia Private Investments (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K (File No. 001-33626) filed with the SEC on August 3, 2012).
10.20	Letter Agreement dated August 1, 2012 by and among the Registrant and the shareholders listed on the signature pages thereto (incorporated by reference to Exhibit 10.2 to the Registrant’s Current Report on Form 8-K (File No. 001-33626) filed with the SEC on August 3, 2012).
10.21	Shareholder Agreement dated August 1, 2012 by and among the Registrant and South Asia Private Investments (incorporated by reference to Exhibit 10.3 to the Registrant’s Current Report on Form 8-K (File No. 001-33626) filed with the SEC on August 3, 2012).
10.22	First Amendment to the Genpact Limited 2007 Omnibus Incentive Compensation Plan (as Amended and Restated April 11, 2012), effective as of August 1, 2012 (incorporated by reference to Exhibit 10.4 to the Registrant’s Current Report on Form 8-K (File No. 001-33626) filed with the SEC on August 3, 2012).
10.23	First Amendment to the Genpact Limited International Employee Stock Purchase Plan and U.S. Employee Stock Purchase Plan, effective as of August 1, 2012 (incorporated by reference to Exhibit 10.5 to the Registrant’s Current Report on Form 8-K (File No. 001-33626) filed with the SEC on August 3, 2012).
10.24†	Letter Agreement by and between the Registrant and N.V. Tyagarajan, dated August 2, 2012 (incorporated by reference to Exhibit 10.6 to the Registrant’s Current Report on Form 8-K (File No. 001-33626) filed with the SEC on August 3, 2012).

Exhibit Number	Description
10.25	Amended and Restated Shareholder Agreement, dated as of October 25, 2012, by and among the Registrant, Glory Investments A Limited, Glory Investments B Limited, Glory Investments IV Limited, Glory Investments IV-B Limited, RGIP, LLC, Twickenham Investment Private Limited and Glory Investments TA IV Limited (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33626) filed with the SEC on October 25, 2012).
10.26†	Form of Director Indemnity Agreement (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-33626) filed with the SEC on August 9, 2013).
10.27†	Employment Agreement by and between the Registrant and Edward Fitzpatrick, dated June 26, 2014 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33626) filed with the SEC on July 2, 2014).
10.28†	Form of Share Option Agreement with Edward Fitzpatrick (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 001-33626) filed with the SEC on July 2, 2014).
10.29†	Form of RSU Award Agreement with Edward Fitzpatrick (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K (File No. 001-33626) filed with the SEC on July 2, 2014).
10.30†	Form of Director Indemnity Agreement (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-33626) filed with the SEC on August 8, 2014).
10.31	Credit Agreement, dated as of January 27, 2015, by and among the Registrant, Headstrong Consulting (Singapore) Pte. Ltd., Genpact Global Holdings (Bermuda) Limited and Morgan Stanley Senior Funding, Inc., as lender (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33626) filed with the SEC on January 30, 2015).
10.32	Expense Reimbursement Agreement, dated as of March 3, 2015, by and between the Registrant and Bain Capital Partners, LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33626) filed with the SEC on March 6, 2015).
10.33	Credit Agreement, dated as of March 23, 2015, by and among the Registrant, Headstrong Consulting (Singapore) Pte. Ltd., Genpact Global Holdings (Bermuda) Limited and Morgan Stanley Senior Funding, Inc., as lender (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33626) filed with the SEC on March 27, 2015).
10.34	Credit Agreement among Genpact International, Inc., Headstrong Corporation, Genpact Global Holdings (Bermuda) Limited, the Registrant, the lenders party thereto, Wells Fargo Bank, National Association, as administrative agent, swingline lender and issuing bank, and the other parties thereto, dated as of June 30, 2015 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33626) filed with the SEC on July 2, 2015).
10.35†	Amendment No. 1 to Employment Agreement by and among Genpact International, Inc., Genpact LLC and Patrick Cogny, dated as of December 15, 2015 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33626) filed with the SEC on December 18, 2015).
10.36*+	Master Services Agreement, dated as of December 22, 2016, by and between Genpact International, Inc. and General Electric International, Inc.
21.1*	Subsidiaries of the Registrant.
23.1*	Consent of KPMG.
24.1*	Powers of Attorney (included on the signature pages of this report).
31.1*	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit Number	Description
31.2*	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002.
32.2*	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document (1)
101.SCH	XBRL Taxonomy Extension Schema Document (1)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document (1)
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (1)
101.LAB	XBRL Taxonomy Extension Label Linkbase Document (1)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (1)

* Filed with this Annual Report on Form 10-K.

\+ Confidential treatment has been requested for portions of this exhibit. Confidential materials have been omitted and filed separately with the Securities and Exchange Commission.

† Indicates a management contract or compensatory plan, contract or arrangement in which any director or executive officer participates.

(1) Attached as Exhibit 101 to this report are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets as of December 31, 2015 and December 31, 2016, (ii) Consolidated Statements of Income for the years ended December 31, 2014, December 31, 2015 and December 31, 2016, (iii) Consolidated Statement of Comprehensive Income (Loss) for the years ended December 31, 2014, December 31, 2015 and December 31, 2016, (iv) Consolidated Statement of Equity for the years ended December 31, 2014, December 31, 2015 and Consolidated Statements of Equity and Redeemable Non-controlling Interest for the year ended December 31, 2016, (v) Consolidated Statements of Cash Flows for the years ended December 31, 2014, December 31, 2015 and December 31, 2016, and (vi) Notes to Consolidated Financial Statements.

Confidential Materials omitted and filed separately with the Securities and Exchange Commission. Double asterisks denote omissions.

Exhibit 10.36

MASTER SERVICES AGREEMENT (MSA)

(BPO, Professional IT and Engineering Services)

THIS MSA is made by and between the following parties (each individually referred to as a "**Party**" and jointly as "the **Parties**") and is effective as of: January 1, 2017 (the "**Effective Date**").

GENERAL ELECTRIC INTERNATIONAL, INC. ("GE")	**GENPACT INTERNATIONAL, INC ("SP")**
a Delaware corporation with the following principal business address: 41 Farnsworth St. Boston, MA 02210	A Delaware Corporation with the following principal business address: 42 Old Ridgebury Road First Floor Fairfield, CT 06431

GE Notice Information:	**SP Notice Information:**
GE Notice Contact: [**] **GE Notice Contact Phone:** [**] **GE Notice Contact Email:** [**] **Also send a written copy of any notices to:** **GE LEGAL – Contact/Address/Email:** [**]	**SP Notice Contact:** [**] **SP Contact Phone:** [**] **SP Contact Email:**[**] **Also send a written copy of any notices to:** **SP LEGAL – Contact/Address/Email:** [**]

The Parties agree that the information above shall be used for the purpose of making any required notices. Capitalized terms are as defined in **SCHEDULE MS1** and in applicable Schedules. All Schedules, SOWs, COs, and policies set forth herein are incorporated by reference into the MSA and are collectively known as the "**MSA**". Any references to Supplier shall mean SP. Any references to Supplier Personnel shall mean SP Personnel.

MANDATORY SCHEDULES (MS)

☒ **SCHEDULE MS1 -** General Terms and Conditions (GTC)
☒ **SCHEDULE MS2 -** GE Privacy and Data Protection Appendix (PDPP)
☒ **SCHEDULE MS3 -** Required SP and SP Personnel Insurance Coverage (INS)
☒ **SCHEDULE MS4** – Personnel Background Check Requirements (BC)
☒ **SCHEDULE MS5** – Batched Payments and Accelerated Payment Terms
☒ **SCHEDULE MS6** – Local Implementation Template (LI)
☒ **SCHEDULE MS7 -** Business Continuity Requirements (BCR)
☒ **SCHEDULE MS8** – Statement of Work Template (SOW)
☒ **SCHEDULE MS9** – Step-In Rights
☒ **SCHEDULE MS10** – Change Order Template (CO)

(Prior to the commencement of any BPO, Professional IT or Engineering services, the Parties shall negotiate in good faith with respect to the applicable function specific schedules and execute the same. Upon execution, the applicable function specific schedule shall be governed by and incorporated into this MSA).

ADDITIONAL FUNCTION SPECIFIC SCHEDULES (FS)

SCHEDULE FS1 –BPO Services
SCHEDULE FS2 –Professional IT Services
SCHEDULE FS3 –Engineering Services

IN WITNESS WHEREOF, the Parties have caused the MSA to be executed by their duly authorized representatives as of the Effective Date.

GENERAL ELECTRIC INTERNATIONAL, INC.	**GENPACT INTERNATIONAL, INC**
By:	By: /s/ Victor Guaglianone
Printed Name: James P. Otis	Printed Name: Victor Guaglianone
Title: GO-S IT Professional Services Leader	Title: SVP
Date: December 21, 2016	Date: 12/22/16

GENERAL TERMS AND CONDITIONS OF SERVICE
Schedule MS1

1. **DEFINITIONS**

a. **"Agreement"** means these General Terms and Conditions of Service.

b. **"Affiliate"** means any entity which directly or indirectly Controls, is Controlled by, or is under common Control of a Party to this agreement.

c. **"Circumvent"** means to directly or indirectly, including assisting any related or third party to (i) solicit, induce or influence or attempt to solicit, induce or influence any Contacts to terminate, reduce the extent of, discourage the development of or otherwise harm its, his or her relationship or contract with GE or any GE Affiliate, or (ii) in any fashion directing business or opportunities with a Contact away from GE or any GE Affiliate.

d. "**Confidential Information**" means any and all information, data and materials disclosed or provided by one Party to the other, in any medium, that the disclosing Party designates as confidential, whether by marking, orally, or by other means, at the time of or promptly after disclosure, or, if not so designated, that the receiving Party would reasonably be expected to assume is confidential due to its nature. Confidential Information shall include, without limitation, all information, data and materials disclosed to SP and SP Personnel in any SOW and in any other writing whether electronically, orally, visually and/or observed while on the premises of GE or any GE Affiliate, its customers and/or that which is developed as a result of performance of the Services. Confidential Information shall also include, without limitation, GE Data, GE Materials, and each Party's ideas, inventions, methods, designs, formulas, systems, improvements, prices, discounts, business affairs, products, product specifications, manufacturing processes, data and know-how, technical information of any kind whatsoever, trade secrets and other confidential, secret or proprietary matters, as well as Controlled Data, GE Restricted Data, Personal Data and Sensitive Personal Data as defined in the GE Privacy and Data Protection Appendix referenced in Section 11.g.

e. **"Contacts"** mean customers, contractors, vendors, consultants, programmers, manufacturers and inventors of a Party.

f. "**Control**" means the possession of the power (by voting, under a charter, by agreement or otherwise) to conduct the affairs of another entity or to direct or cause the direction of the management and the policies of another entity.

g. "**Deliverables**" means all data, reports, communications, materials, Work Product, deliverables, information, project status reports, innovations, inventions, software, code, documentation, artwork, images, videos, presentations, or discoveries (whether or not patentable, trademarkable or copyrightable), in any medium, conceived, reduced to practice, made or developed by SP solely or jointly with others or otherwise provided by SP, SP Personnel or on their behalf, by or to GE in connection with the Services.

h. **"Disabling Device"** means any software, hardware, device, technology or other means, the purpose or effect of which is to: (A) permit unauthorized access to, or to destroy, disrupt, disable, distort, or otherwise harm or impede in any manner, any (i) computer, software, firmware, hardware, system or network, or (ii) any application or function of any of the foregoing or the integrity, use or operation of any data processed thereby; or (B) prevent GE or any authorized user from accessing or using the Services as intended by this MSA, and includes any virus, timer, clock, counter, time lock, time bomb, Trojan horse, worm, file infector, boot sector infector or other limiting design, instruction or routine that could, if triggered, erase data or programming or cause the resources to become inoperable or otherwise incapable of being used in substantially the same manner for which such resources were intended to be used. The term "Disabling Device" shall not include any tool of SP or its third-party licensors that is disclosed to GE and that disables the access at the end of the subscription term as set forth in the agreed upon specifications of the applicable software.

i. **"Fees"** means the rates and prices payable to SP in consideration of the performance of the Services as specified in the applicable SOW or PO and subject to payment terms, including MS5 – Accelerated Payment Terms, discounts, pre-negotiated rates, rebates and set-off rights.

j. "**GE Data**" means any and all information, data, materials, works, expressions or other content of GE or a GE Affiliate that is provided to SP or produced or developed in connection with the Services, including any that (a) are uploaded, submitted, posted, transferred, transmitted or otherwise provided or made available by or on behalf of GE or any authorized user for processing by or through systems of SP or SP Personnel, (b) are collected, downloaded or otherwise received by SP or SP Personnel for GE or any authorized user pursuant to this MSA or at the written request or instruction of GE or such authorized user, or (c) meets the definition of GE Data, Controlled Data, GE Restricted Data, Personal Data and Sensitive Personal Data as set forth in the GE Privacy and Data Protection Appendix referenced in Section 11.g. All output, copies, reproductions, improvements, modifications, adaptations, translations and other derivative works of, based on, derived from or otherwise using any GE Data are themselves also GE Data.

k. **"GE Materials"** means all Materials related to GE, its Affiliates, customers and other suppliers and personal property that is furnished, disclosed or otherwise made available to SP, directly or indirectly, by or on behalf of GE pursuant to the Agreement and all Intellectual Property Rights therein.

l. **"Indemnitees"** means a Party and its Affiliates and each of their employees, shareholders, directors, officers, agents, representatives, successors and assigns.

m. "**Intellectual Property Rights"** means the entire right, title and interest under (i) all applicable worldwide intellectual property laws, including without limitation, patent, copyright and trademark laws, (ii) all other rights, privileges and priorities, including Related Rights; (iii) all rights to contest, protest, sue at law or in equity for any infringement, imitation, impairment, distortion, dilution or other unauthorized use or conduct in derogation of the Deliverables and Related Rights occurring at any time, including the right to receive all proceeds and damages therefrom; and (iv) any and all rights to obtain registrations, renewal of registrations or other legal protections pertaining to the Deliverables and Related Rights.

n. **"Losses"** means all actual and alleged damages, costs, expenses, fines, penalties, interest and legal/attorney fees, of whatever kind and nature claimed or incurred by a Party or a third-party, including, without limitation, those related to warranties, investigation, reworking, remediation, cover costs, royalty payments, litigation, alternative dispute resolution, appeals and/or settlement.

o. **"Materials"** means any materials, information, systems; software, code, tools and tooling, mechanisms; mask works; compositions of matter, processes, ideas, inventions, know-how, trade secrets, developments, discoveries and improvements, data, textual matter, forms, lists, photographs, illustrations, audio and/or video, compilations of data and other content, designs, specifications, schematics, work and process flows, plans, models, prototypes, methodologies, interfaces, "look and feel," packaging, research, analyses, reports, procedures, techniques, and identifiers such as domain, business and/or product names, marks, logos, URL's, user and account names, social media presences and the like.

p. **"MSA"** means this Agreement, Schedules, SOW(s), PO(s), CO(s), online materials and all documents and policies incorporated by reference.

q. **"Open Source Materials" or "OSM"** means Open Source Software (or Materials that meet the definition) as defined in the Product Cybersecurity Appendix (as amended) referenced in Section 11.g. of this Agreement.

r. **"Related Rights"** means common law rights, trade secret rights, design rights, industrial design rights, database rights, performer's rights, rights of approval, moral rights, trade dress rights, rights of publicity, rights of privacy, rights against defamation and libel and right under the laws of unfair competition.

s. **"Services"** means all services, Work Product and Deliverables provided by SP and SP Personnel to GE under the MSA.

t. **"SP Personnel"** means all individuals and entities providing any Services under this Agreement , including, without limitation, SP's subsidiaries, Affiliates, employees, agents, contractors, subcontractors and suppliers, as well anyone directly or indirectly employed by, retained by or acting on behalf of any of the foregoing.

u. **"SP Pre-Existing Intellectual Property"** means data, materials and information, as evidenced by SP's written records, that is: (i) developed or otherwise owned by SP prior to the Effective Date or commencement of Services under this MSA, whichever is earlier; or (ii) developed independently by SP outside the scope of this MSA and not based on GE Confidential Information, GE Data, GE Materials, Work Product or other data, materials and information in which GE owns Intellectual Property Rights.

v. **"Third Party Materials" or "3PM"** means Materials the rights to which are owned in whole or in part by one or more third-party individuals or entities (and not by either Party or its Affiliates).

w. Underlying License" means any and all terms which are legally applicable to the use, disclosure, modification, incorporation, distribution (or other exercise of Intellectual Property Rights) in OSM or 3PM.

x. **"Work Product"** means any Deliverables that are not Third Party Materials, Open Source Materials, or SP Pre-Existing Intellectual Property and that are created by SP or SP Personnel for GE under the MSA.

2. **PROVISION OF SERVICES.**

a. **Scope.** This Agreement sets forth the terms under which SP and SP Affiliates (each as applicable, "SP" and "Party") agree to provide GE and its Affiliates with agreed upon Services and

Deliverables. The scope of Services shall be agreed upon by the GE or its Affiliates (each as applicable, "GE" and "Party") in an applicable SOW using the template in Schedule MS8 – Statement of Work, or PO and any attachments thereto, stating, at a minimum: (i) project objectives and specifications; (ii) Services; (iii) Deliverables (including Work Product); (iv) acceptance criteria; (v) responsibilities of each Party; (vi) timelines and deadlines; (vii) SP Pre-Existing Intellectual Property to be incorporated into the Deliverables or otherwise provided to GE; and (viii) Fees. Each SOW and PO shall be a separate agreement governed by and subject to this MSA. GE is not obligated in any way to provide or to guarantee SP with any exclusivity or a specific amount of services or an opportunity to work on GE projects.

b. **Change Orders.** Neither Party shall materially deviate from the terms of an SOW except under the terms of a Change Order (CO) (Schedule MS10) mutually agreed to in writing by both Parties ("Change Request"). If the Parties fail to agree (despite diligent and good faith negotiations) on the outcome of a Change Request, SP shall (at GE's option) continue performing under the SOW without any changes, or cease performing under the SOW immediately upon receiving written notice of termination. Both Parties agree that all SOWs shall be governed by this MSA even if the applicable SOW has no clear reference to this MSA.

3. **TERM.**

The term of the MSA shall commence on the Effective Date and shall continue until the effective date of earlier termination or December 31, 2020, whichever is earlier. The term of the MSA may be extended in a written document signed by authorized representatives of both Parties. The initial term, together with any extension terms, shall be collectively referred to as the "Term." The terms of this MSA shall continue to apply to any outstanding SOW until the SOW is completed, or terminated as set forth herein.

4. **ACCEPTANCE OF SERVICES AND DELIVERABLES.**

If upon review of the Services, GE, in its commercially reasonable discretion, determines that any part of the Services does not conform to mutually agreed upon acceptance criteria set forth in the applicable SOW, then SP, at its cost and expense, shall cure the nonconformity within [**] days or other duration agreed upon by GE. Acceptance by GE shall not constitute a waiver of any rights and remedies that may be available to GE under the MSA, law or equity, including for a breach of applicable warranties.

5. **FEES AND EXPENSES.**

a. **General.** The Services shall be provided at the agreed upon Fees without increase during the term of the applicable SOW or PO. All agreed upon expenses and costs will be billed at actual net cost to GE without markup. GE shall not be billed or liable for any costs or expenses other than those stated, described and expressly authorized by GE in the applicable SOW. SP shall be solely responsible for the its costs of doing business, including, procuring any permits, licenses, equipment, software and other tools needed by SP in the ordinary course of business for the performance of the Services.

b. **Invoicing and Payment Terms.** GE has a strict "**NO PO - NO PAY** Policy." SP shall not commence performance of any Services under this MSA or applicable SOW until SP has received a PO from GE referencing this MSA and the applicable SOW. No GE financial obligation shall arise absent a PO. Any invoice without a valid PO will be rejected. Except as otherwise set forth in the applicable SOW or PO, SP shall invoice GE within [**] days of completion and delivery of the applicable Services and Deliverables. Invoices shall clearly indicate the Services, expenses and costs for which GE is being charged, and will provide adequate detail and itemization to allow GE to reconcile invoices with Services received. All authorized T&L expenses shall be separately itemized and supported by receipts. Any invoice that is received more than [**] days after the due date shall be deemed invalid and not payable by GE. Unless prohibited by applicable law, undisputed Fees, costs and expenses shall be payable by GE, as applicable: (i) within [**] days from the date a correct invoice is received and approved by GE; or (ii) per the Batched Payments and Accelerated Payment Terms in Schedule MS5, if SP is participating in one or both programs. GE shall have the right to set off amounts owed by SP to GE or a GE Affiliate against any amounts payable to SP under this MSA.

c. **Billing Dispute.** If GE disputes any fee, expense, or other charge, GE will provide SP with notice of such dispute within [**] days of receipt of the applicable invoice. Any properly submitted and correct invoice not disputed in accordance with this section shall be considered approved. GE and SP will use good faith efforts to resolve in an expedient manner. Each Party agrees to continue performing its obligations under this Agreement while any dispute is being resolved unless and until such obligations are terminated by the termination or expiration of this MSA. SP will provide GE with copies of all supporting documentation relating to the dispute within [**] days after GE has provided written notification to SP. Such amount (or such amount as may be ultimately determined to be correct) shall not be due until [**] days after the dispute is resolved but in no event earlier than the original invoice due date. Notwithstanding anything contained herein, GE shall have no obligation to pay a disputed amount until resolution of the dispute.

6. **CONFIDENTIALITY OBLIGATIONS.**

a. **Obligations.** Each Party agrees to not disclose or use the other Party's Confidential Information except as permitted in this MSA and applicable SOW. Any other disclosure or use shall require the prior written approval of an authorized representative of the other Party. Each Party will ensure that its personnel that need to access the Confidential Information under a SOW will abide by the confidentiality obligations herein and such access will be limited to Confidential Information necessary for such Personnel to provide Services. Each Party shall protect the other Party's Confidential Information against unauthorized use or disclosure using at least those measures that it takes to protect its own Confidential Information of a similar nature, but no less than a high degree of reasonable care. For certain engagement that are identified by GE in the applicable SOW as strategic, if GE requires that specifically identified SP Personnel who are subcontractors or suppliers of SP to execute additional documents to protect GE's Confidential Information, SP shall promptly execute and shall cause said SP Personnel to execute the same. Should SP already render or wish to render services to a third-party that directly or indirectly competes with GE, then SP shall establish appropriate firewalls and security measures to protect GE Confidential Information, GE Data and GE Materials. Upon GE's request, SP shall provide GE with a written description of its practices to protect, secure and isolate GE Confidential Information, GE Data and GE Materials and shall work in good faith to implement any additional measures as may be requested by GE. Neither Party will disclose the existence or terms of any part of the MSA without the other Party's prior written consent, provided however, GE may disclose the same in connection with divestitures and acquisitions as set forth in Section 30.

b. **Exceptions**. Confidential Information shall not include information that, using documentary evidence can be shown: (a) to have been rightfully in the receiving Party's possession from a source other than disclosing Party prior to the time of disclosure of said information by the disclosing Party (the "Time of Receipt"); (b) to have been in the public domain prior to the Time of Receipt; (c) to have become part of the public domain after the Time of Receipt by any means other than an unauthorized act or omission on the part of the receiving Party; (d) to be independently developed by the receiving Party prior to the Time of Receipt.

c. **Procedure in case of Disclosure.** In the event of any unauthorized use, disclosure or loss of any Confidential Information, the receiving Party shall promptly, at its own expense: (i) notify the disclosing Party in writing; (ii) take such actions as may be necessary or reasonably requested by the disclosing Party to minimize the violation or the damage resulting there from; and (iii) cooperate in all reasonable respects with the disclosing Party to minimize the violation and any damage resulting there from.

d. **Compelled Disclosures.** If, in the reasonable opinion of receiving Party's counsel, any of the Confidential Information is required to be disclosed pursuant to law, regulation, or court order, to the extent legally permissible, receiving Party will give disclosing Party prompt, written notice, in order to allow disclosing Party to take whatever action it deems necessary to protect its Confidential Information. In the event that no protective order or other remedy is obtained, or the disclosing Party waives compliance with the terms of this section, receiving Party will furnish only that portion of the Confidential Information which receiving Party is advised by counsel as being legally required and will notify disclosing Party in writing of the Confidential Information disclosed.

e. **Post-MSA Obligations.** Upon expiration or any termination of this Agreement, completion of SP's obligations under the MSA or each SOW or upon request of disclosing Party at any time, receiving Party shall return or destroy, as disclosing Party may direct, all documentation in any medium that contains or refers to the Confidential Information, and retain no copies; provided however, each Party may retain a single copy for the duration as reasonably required to meet its legal and compliance obligations. Upon GE's request, an authorized officer of SP shall provide written certification of SP's compliance with the foregoing obligations. Further, as applicable, for any hardware or equipment on which GE's Confidential Information was stored or processed, SP shall dispose of the hardware and equipment through a methodology consistent with best practices as defined by the National Institute of Standards Technology (NIST), including, without limitation, NIST Guidelines for Media Sanitization. The obligations of confidentiality and non-use with respect to any Confidential Information of GE shall survive in perpetuity.

f. **Third-Party Confidential Information.** SP will not disclose to GE or use in the performance of the Services, any information which is confidential or proprietary to a third party or the trade secret of a third party without first obtaining the written consent of such third party and GE.

7. **NON-CIRCUMVENTION.**

SP acknowledges that, during the performance of Services related to certain limited and strategic projects that are specifically identified as strategic to SP by GE, SP may be introduced to GE Contacts and may have an opportunity to develop a relationship with GE Contacts. SP agrees that during the Term and for a period of [**] years thereafter, whether terminated by SP or GE, SP will not enter into an arrangement that Circumvents GE with respect to any Contacts on a project that is identical or similar to the strategic project without the prior written consent of an authorized officer of GE .

8. **NON-HIRE.**

Except as otherwise set forth in the applicable Function Specific Schedule (FS), and subject to applicable laws, during the Term of this MSA and any SOW and for [**] months after its expiration or termination for any reason, the Parties shall not, without a written waiver by the other Party of its rights under this Section, hire for employment any employee of the other Party who: (a) is classified by the other Party as exempt from overtime eligibility under applicable wage and hour laws; and (b) has been directly involved in the Services under this MSA within the previous [**] months. It shall not be a breach of this MSA for a Party to solicit the employment of the other Party's employee if it does not result in a hire, or if hired prior to permission being obtained, the other Party does not object in writing within [**] days, or if an offer of employment is withdrawn and the other Party fully reinstates the employee.

9. **PRE-EXISTING INTELLECTUAL PROPERTY OF SP.**

GE will not acquire ownership of any SP Pre-existing Intellectual Property. SP shall not incorporate any SP Pre-existing Intellectual Property into the Deliverables without the prior written consent of GE and without specifically disclosing it in the applicable SOW. SP hereby grants to GE, a non-exclusive, irrevocable, transferable, royalty-free, worldwide license to use, modify and prepare derivative works of any SP Pre-existing Intellectual Property (including the right to sublicense or assign) to the extent that such license is required to enable GE to make use of the Services under the relevant SOW and so long as such SP Pre-existing Intellectual Property remains embedded in the Deliverables and is not exploited commercially independent of the Deliverables. To the extent any portion of the SP Pre-existing Intellectual Property is not SP's original work, SP hereby represents and warrants that SP has obtained permission from the original owner of such third party content to use all or a portion of such third party content, and that SP has the right to grant to GE such non-exclusive license in and to such third party content.

10. **OWNERSHIP.**

a. **GE Ownership.** GE shall be the sole and exclusive owner of all right, title and interest in the GE Data, GE Confidential Information and GE Materials and all Intellectual Property Rights therein. SP acknowledges that all trademarks, logos, service marks or trade names of GE and its Affiliates, whether or not registered, are valuable and have attained a high degree of goodwill throughout the world. SP agrees that it shall not, without prior written consent of GE (or the applicable GE Affiliate) in each instance; (a) use in advertising, publicity or otherwise, the name or logo of GE or any GE Affiliate, or of any officer or employee of GE or GE Affiliates, nor any trade name, trademark, logo or simulation thereof owned by GE or any GE Affiliate; or (b) represent directly or indirectly that any product or service provided by SP has been approved or endorsed by GE or any GE Affiliate. Nothing contained in this MSA grants SP any express or implied rights or licenses with respect to GE Data, GE Confidential Information or GE Materials other than for performance of SP's obligations under the applicable SOW.

b. **Third Party Materials, Open Source Materials.** Without first disclosing to GE in the SOW and receiving GE's prior written approval, SP shall not provide any Deliverable to GE which uses or incorporates Open Source Materials or Third Party Materials (or depends in any way upon OSM or 3PM) unless: (a) SP cooperates and complies with GE's security and proprietary rights assessments concerning OSM and 3PM; (b) SP validly holds and is in compliance with all Underlying Licenses necessary to use or incorporate the OSM or 3PM as specified in the SOW; and (c) SP agrees, upon GE's request, to allow GE (or an approved third party inspector paid for by SP) to examine any Deliverable for OSM or 3PM, and provides GE with any related necessary assistance. If any 3PM incorporated into a Deliverable is not commercially available as a separate product offering, SP agrees to obtain for GE an Underlying License conveying a non-exclusive, royalty-free, perpetual, irrevocable, worldwide, fully paid-up, sublicenseable (through all tiers) right which allows GE and its authorized designees to use the 3PM as incorporated, at no additional charge to GE. SP shall be responsible at its sole expense for remediating any technical or legal issues experienced by GE in connection with the use or incorporation of OSM or 3PM (including, but not limited to removing any OSM or 3PM incorporated without GE approval; re-performing Services or Deliverables; reimbursing GE for losses, costs and other direct damages related to the OSM or 3PM; and/or undertaking the fulfillment of obligations that might be imposed on GE by any applicable OSM or 3PM Underlying Licenses, or resolving conflicts among them). SP further agrees that the GE may perform a code scan of any software contained in any Work Product prior to acceptance to ensure that no Open Source Materials have been included in such Deliverable without the prior approval from GE in writing.

c. **GE Rights**. Subject to Third Party Materials, Open Source Materials and SP Pre-existing Intellectual Property license rights disclosed by SP and approved by GE in writing, all Work Product and all Intellectual Property Rights therein shall be the sole and exclusive property of GE. GE shall have the sole and exclusive right to use or not use the Services and Deliverables, and to use, reproduce, reuse, modify, crop, alter, edit or change the Work Product, as it sees fit and for any purpose. GE shall have the right to transfer or assign any and all rights hereunder to any third-party, in its sole discretion.

d. **Work Made for Hire.** At GE's written request, SP will execute, or cause to have executed, by SP Personnel, such documents and take such other actions, as GE deems necessary or appropriate, to obtain, record or enforce Intellectual Property Rights or assignments thereof in GE's name, as applicable, covering the Work Product. To the extent the Work Product is copyrightable (including, without limitation, computer programs, source code, object code and supporting documentation), it will be deemed a Work Made for Hire or alternatively a Specially Commissioned Work under the Copyright Act of 1976 and will become and remain the sole and exclusive property of GE and assignable by GE. If any Work Product may not be a Work Made for Hire, SP agrees to assign and does hereby assign or will cause to have assigned all right, title and interest, including, Intellectual Property Rights in such Work Product to GE. SP shall cause the SP Personnel to irrevocably waive, to the extent permitted by applicable law, any and all claims such SP Personnel may now or hereafter have in any jurisdiction to so-called "moral rights" or rights of droit moral with respect to the Services. If for any reason, SP is unable to or does not sign and/or deliver such documentation with respect to the Work Product within [**] days of GE's escalation to SP's General Counsel or other senior officer of SP, any officer of GE is hereby irrevocably appointed and authorized as attorney-in-fact for SP to sign and deliver such documentation, it being agreed that this authorization and appointment is a right coupled with an interest.

e. **Residual Knowledge.** Except to the extent where an SP is specifically retained to develop ideas, concepts, know-how or techniques as Work Product under the terms of the applicable SOW, each Party is free to use any generalized ideas, concepts, know-how, or techniques that are developed or provided by the other or jointly by both Parties during the Term, so long as it does not use the Confidential Information of the other Party. Subject to the restrictions set forth in the MSA, SP and GE are free to enter into similar agreements with third parties, and to develop and provide to such third parties materials or services that are the same as or similar to those provided under this MSA.

11. **REPRESENTATIONS, WARRANTIES AND COVENANTS OF SP.**

SP represents, warrants and covenants that each of SP and SP Personnel:

a. **General Warranty.** (i) Is duly organized, validly existing and in good standing as a corporation or other entity as represented herein under the laws and regulations of its jurisdiction of incorporation, organization or chartering; (ii) it has, and throughout the Term and any additional periods during which it does or is required to perform the Services will retain, the full right, power and authority to enter into this MSA and perform its obligations hereunder; (iii) the execution of this MSA by its representative whose signature is set forth at the end hereof has been duly authorized by all necessary corporate or organizational action and when executed and delivered to GE, this MSA will constitute the legal, valid and binding obligation of SP and SP Personnel, enforceable against them in accordance with its terms; and (iv) is not a Party to any contract or arrangement with any third party or subject to any threatened or actual administrative or legal claim or proceeding which prohibits, inhibits or adversely affects the performance of the Services or obligations under the MSA;

b. **Performance Warranty.** Shall perform and provide the Services:

(i) in material compliance with the MSA; provided, however, for business process outsourcing services, the warranty shall be as set forth in the applicable service levels, and with respect to all other services, such warranty shall be for a period of [**] days (or other agreed upon duration in the applicable SOW) from acceptance by GE as set forth in Section 4. The warranty in this subsection shall run to GE, its successors, assigns, and the users of Deliverables and Services covered by the SOW. If any Deliverables or Services are found to be defective during that warranty period then, in addition to other rights and remedies that GE may have by law, contract or at equity, GE at its option and sole discretion and at SP's expense may: (x.) reject and return such Deliverables or Services; (y.) require SP to remove, ship and reinstall/reperform nonconforming Deliverables and Services with Deliverables and/or Services that conform to all the requirements of the MSA and the applicable SOW (and SP shall do so in a timely manner); and/or (z.) take such actions as may be required to cure all defects and/or bring the Deliverables and Services into conformity with all the requirements of the MSA and the applicable SOW, in which event all costs and expenses including material, labor and handling costs and charges (inclusive of any required re-performance), incurred by GE shall be for SP's account. Any repaired or replaced part, or re-performed Services shall carry warranties on the same terms as set forth above, with the warranty period being the later of the original unexpired warranty or [**] months after repair or replacement. To the extent SP is not the manufacturer of any goods or components or Deliverables sold or transferred hereunder SP agrees to transfer to GE, or otherwise give the benefit to GE, of any warranties or indemnities that may be provided by the manufacturer of such goods and/or components and/or Deliverables and shall enforce the same for GE at SP's sole cost and expense;

(ii) (a) without violating, infringing or misappropriating any rights of third-parties, including without limitation, Intellectual Property Rights, proprietary, contractual or Related Rights; (b) with a guarantee that GE's use of the Services or Deliverables or the exercise of any rights and licenses provided hereunder shall not violate, infringe or misappropriate any rights of third-parties, including without limitation, Intellectual Property Rights, proprietary, contractual or Related Rights;

(iii) free from any security interest, lien or other encumbrance; and

(iv) free of any defects (latent or patent) in material, design or workmanship;

c. **Operational Warranty.** Shall devote the resources necessary to meet their obligations under the MSA, shall provide periodic status reports if requested by GE or per the applicable SOW, and all Services shall be performed in a timely, professional and workmanlike manner in conformity with the best industry standards applicable to the Services using personnel with the requisite skill, experience and qualifications.

d. **Recommendations.** Is a recognized expert in the field of Services who shall be responsible for its recommendations, including those related to the use of Third Party Materials and Open Source

Materials, products or services that are provided by SP as a requirement (without any other options) for the use of the Deliverables and Services;

e. **Originality.** Subject to Third Party Materials and SP Pre-existing Intellectual Property license rights approved by GE in writing, all Work Product shall be new and original;

f. **Compliance with Law.** Shall perform, deliver and maintain the Services, regardless of the location: (i) in accordance with all applicable laws, rules and regulations of any governmental authority, agency, securities exchange or other self-regulatory organization of which it is a member or by which its activities are governed or regulated; (ii) in accordance with any other applicable legal or other limitation or restriction; and (iii) in compliance with its charter and by-laws or other constituent documents, and not in contravention or breach of its obligations to or agreements with any third-party.

g. **Compliance with GE Policies.** Shall comply with, and shall replace any SP Personnel who fail to comply with, all applicable GE policies, procedures, licenses and governance matters including, without limitation, (i) GE's safety, security, drug use and drug testing policies; (ii) applicable licenses, policies, procedures, governance matters if SP or SP Personnel are provided access to GE or GE- contracted facilities, premises, systems, content, software or equipment; and (iii) The policies located at www.gesupplier.com/html/GEPolicies.htm, including, the GE Integrity Guide and as applicable, Supplier Travel and Expense Policy, GE Privacy and Data Protection Appendix (PDP), European Union Standard Data Privacy Clauses, Protected Health Information Agreement, Product Cybersecurity Appendix, GE Background Checking Guidelines and US Government Flowdown Provisions (if identified in the applicable SOW)/GE Power & Water Government Acquisition of Commercial Items Appendix (if identified in the applicable SOW). (To the extent SP is unable to comply with any material amendments thereto due to a substantial increase in SP's costs or obligations under the MSA, within fifteen (15) days of notice of said amendments, SP shall provide GE with written notification of its inability to do so and said notification shall specifically identify the amendments to which such inability applies. Without limitation, the Parties mutually acknowledge that failure to comply with this Section shall be deemed a material breach incapable of cure.);

h. **Background Checks.** Shall, to the extent permissible by applicable law, perform background checks using an authorized background checking agency as set out in Schedule MS4 -Personnel Background Check Requirements (BC) prior to (a) stationing any SP Personnel to perform Services at any GE location, facility or work site (for purpose of clarity, "stationing" shall not include periodic attendance or visits to such locations, facilities or work sites); (b) granting access to GE networks (such as having a GE issued single sign-on account) to SP Personnel to provide the Services; (c) assigning SP Personnel to duties that are directly related to the safe operation or security of a GE facility or piece of equipment and which, if not performed properly, could cause a serious environmental, health or safety hazard to employees or the general public; or (iv) assigning SP Personnel to a GE worksite that is designated in its entirety as "security sensitive," even though the work responsibilities, if performed in another context, would not be security sensitive; and after securing appropriate written authorization from its SP Personnel.

i. Taxes. Shall be responsible for all taxes applicable to its income from the Services, and for including any sales, use, value-added or similar taxes applicable to the Services as a line item on the pertinent invoice (identifying the type and amount thereof) as well as for tracking and paying the taxes collected from GE to the appropriate governmental authority;

j. Licenses and Assets for Performance. Shall, at no additional cost to GE, obtain and keep in full force and effect any assets, licenses, visas, certifications, permits, clearances or registrations necessary to provide the Services in the ordinary course of business;

k. **Third Party and Open Source Materials.** Shall not incorporate any Third Party Materials and Open Source Materials into the Services until all required clearances within GE have been obtained;

l. Litigation Support. Shall ensure that the Services are capable of audit trails and record hold requests and it can implement such trails and hold requests promptly and in a manner that will meet GE's litigation and regulatory obligations as they arise;

m. **Migration.** Have the knowledge, experience, technology and plans to sufficiently locate, isolate and extract GE Confidential Information and GE Materials, should GE desire bring the same back in-house or migrate to a different vendor;

n. **Disabling Devices.** Shall deliver and maintain the Services free from all Disabling Devices.

12. **INFRINGEMENT OF INTELLECTUAL PROPERTY**

If the Services become or in GE's opinion are likely to become the subject of an infringement or misappropriation claim, SP shall, at SP's sole cost and expense, in addition to its indemnification obligations, at GE's discretion, either (i) procure for GE the right to continue using the Services or SP Pre- existing Intellectual Property, (ii) replace or modify the Services or SP Pre-existing Intellectual Property in a manner acceptable to GE to make them non-infringing or without misappropriation, provided that any such replacement or modification shall not materially degrade the performance or quality of the affected Services or Pre-existing Intellectual Property, or disrupt GE's business operations; or (iii) refund all or part of the Fees and costs for the applicable Services.

13. **INDEMNIFICATION**

a. **SP Duty.** To the fullest extent permitted by law, SP shall, at its own expense, defend, indemnify, release, and hold the GE Indemnitees harmless against all Losses related to third-party claims, to the extent directly or indirectly, arising from, related to, or out of: (i.) any act or omission of SP or SP Personnel, constituting negligence, recklessness, or intentional or willful misconduct, (ii) breach of any term, representations, warranties or covenants of the MSA or any part thereof by SP or SP Personnel; (iii.) any assertion or allegation that the Services or use thereof by GE as intended or agreed upon by the Parties in the applicable SOW constitute violations, misappropriation or infringement of any Intellectual Property Rights; (iv.) injury to person (including death) or damage to property caused by SP or SP Personnel; and (v.) taxes or other liability related to the employment or engagement or the termination of employment or engagement of SP Personnel. SP shall extend the benefit to GE of all applicable third- party indemnities that are provided to SP in connection with the Services.

b. **GE Duty.** To the fullest extent permitted by law, GE shall, at its own expense, defend, indemnify, release, and hold SP Indemnitees harmless against all Losses related to third party claims to the extent arising from or related to (i.) any assertion or allegation that SP's use of any GE Confidential Information violates the Intellectual Property Rights of said third-party; (ii) injury to person (including death) or damage to property caused by a GE employee; and (iii) breach by GE of applicable laws.

c. **Exceptions to Intellectual Property Infringement.** The indemnifying Party shall not be responsible for a violation or infringement of Intellectual Property Rights of a third-party to the extent caused directly by: (i) an unauthorized modification or enhancement or misuse of the subject intellectual property by the indemnified party and such violation or infringement would not have arisen but for such modification, enhancement or misuse; (ii) failure by the indemnified party to use new or corrected versions of the subject intellectual property (provided and implemented at no additional cost to the indemnified party) after written notification to do so and the violation or infringement would not have occurred but for such failure; or (iii) the combination or integration of the subject intellectual property with products or information not furnished or otherwise authorized by the indemnifying property and the violation or infringement would not have occurred but for such combination or integration.

d. **Procedure.** The indemnified party shall have the right, but not the obligation, at its expense, to participate in the defense of any such claim through counsel of its own choosing. If the indemnifying Party and/or its retained counsel fail to promptly provide such defense, or, having commenced such defense, fail to diligently proceed with such defense, in the indemnified Party's discretion, the indemnified party shall have the right to assume the defense of any such matter through legal counsel of its own choosing. In such case, the indemnifying Party shall remain liable for all of the indemnified party's Losses incurred in conjunction therewith, including all legal fees and expenses the indemnified party incurs to enforce its indemnity rights. The indemnifying Party shall not enter into any settlement agreement or otherwise agree to the entry of any order or judgment that requires the indemnified Party to take any specific action, admit liability or pay any sum of money out of its own resources without the prior written approval of an authorized representative of the indemnified party.

14. **DISCLAIMER OF WARRANTIES AND LIMITATION OF LIABILITY**

a. **Disclaimer of Warranties.** NEITHER PARTY PROVIDES ANY WARRANTIES, EXPRESS OR IMPLIED, OTHER THAN THOSE SET FORTH IN THIS AGREEMENT.

b. **Disclaimer of Special Damages.** NEITHER PARTY SHALL BE LIABLE UNDER THE MSA TO THE OTHER PARTY OR ANY THIRD PARTY FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL OR PUNITIVE DAMAGES, WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE

c. **Limitation of Liability.** EACH PARTY'S LIABILITY TO THE OTHER PARTY RELATING TO THE SERVICES PROVIDED UNDER A SOW SHALL NOT EXCEED TWO (2) TIMES THE AMOUNT PAYABLE BY GE WITH RESPECT TO THAT APPLICABLE SOW.

d. **Exclusions.** The Disclaimer of Special Damages in Section 14(b) and Limitation of Liability in Section 14 (c) shall not apply to any Losses arising from or related to: (i) either Party' gross negligence, intentional misconduct, including fraud, or willful misconduct; (ii) either Party's obligation to indemnify the other Party per Section 13 or a breach of either Party's indemnification obligations or any infringement or misappropriation by SP or SP Personnel of any Intellectual Property Rights of GE or GE Affiliate; (iii) any intentional or willful breach of the MSA by SP or SP Personnel; (iv) any personal injury, bodily injury, death or property damage caused by SP or SP Personnel; (v) breach of confidentiality obligations by SP or SP Personnel; (vi) any taxes, filing fees, fines, penalties and related charges imposed on or alleged against GE due SP's or SP Personnel's acts or omissions in violation of this MSA; (vii) any warranties pertaining to product, equipment, Deliverables, Work Product or Services provided under the MSA; or (viii) any matters that cannot be limited due to applicable laws or regulations.

15. **Insurance.**

SP shall, and shall cause SP Personnel, to secure and maintain, in full force and effect throughout the Term and for a period of [**] years from the termination or expiration of the applicable SOW (whichever is longer), insurance coverage in types and amounts (at a minimum Commercial General Liability, Worker's Compensation, Commercial Automobile Liability, Errors and Omissions/Professional Liability) appropriate to the conduct of SP's business and sufficient to support SP's indemnification obligations hereunder, but no less than as required in SCHEDULE MS3 - Required SP and SP Personnel Insurance Coverage. In no event shall the coverage or limits of any insurance maintained by SP under this section or the lack or unavailability of any other insurance, limit or diminish in any way SP's obligations or liability to GE under this Agreement, law or equity. Any acceptance of insurance certificates by GE shall not limit or relieve SP of the duties and responsibilities assumed by SP under the MSA.

16. **Business Audit.**

a. **GE Right to Audit.** GE through its authorized employees, representatives, agents, and partners, upon giving notice to SP (as reasonable under the circumstances), will have the right to inspect and/or audit, at GE's discretion, all facilities, equipment, procedures, and practices employed by SP in conducting the Services and to examine and audit all records, files, notebooks, relevant operating procedures and processes, and data relating to the Services performed or provided, in order to assure and confirm SP's compliance with the MSA, including all applicable GE policies and applicable law. Any significant non-compliance issues identified during such inspection and/or audit will be communicated to SP. SP will provide a corrective action plan in writing to GE within [**] days (or mutually agreed upon longer period) of such communication, unless GE determines that a shorter period is necessary due to the nature of non-compliance. If, in the sole discretion of GE, the non-compliance is not remediable or resolution cannot be reached within a reasonable period of time following such request, GE, in its sole discretion, may terminate the MSA and/or any or all SOWs as a material breach of this Agreement. The foregoing rights shall be effective during the Term and for a period of [**] years following the expiration or termination of the MSA or an applicable SOW (whichever is later). Except where SP is alleged to be in breach of the MSA, including, without limitation, breach of security and confidentiality requirements or applicable law, the audit rights shall not be exercised more than [**] month period. Except to the extent reasonably necessary for GE to enforce its rights and remedies under the MSA, the audit shall be conducted in compliance with SP's reasonable security and confidentiality requirements.

b. **SP Responsibilities.** SP shall continuously monitor its facilities, equipment, SP Personnel and procedures and practices employed by SP in performing the Services, including, without limitation, the effectiveness of SP and SP Personnel's security (physical and IT). Additionally, SP shall be responsible for ensuring consistency of its operations, including proactive monitoring and mitigation of all vulnerabilities across all of its sites. Using an independent third-party reasonably acceptable to GE and at SP's sole cost and expense, SP shall conduct audits and risk and vulnerability assessments against the requirements of policies and procedures referenced in this MSA or made known to SP, no less frequently than every [**] months. The reports of such audits and assessments shall include, at a minimum, the scope of the audit and/or assessment and any vulnerabilities/issues/findings/concerns/recommendations in so far as they impact GE. SP shall provide to GE all reports of such periodic audits and assessments. Such reports will be treated as SP Confidential Information. SP shall remediate within [**] days any items rated as high, critical or severe (or similar rating indicating similar risk) in such reports and shall remediate all other issues within a commercially reasonable time. If, in the sole discretion of GE, the non-compliance is not remediable or resolution cannot be reached within a reasonable period of time, GE, in its sole discretion, may terminate the MSA and/or any or all SOWs as a material breach of this Agreement.

17. **Financial Audit Rights**

During the Term and for [**] years after (or the length of time as may be required by applicable law, ordinance or regulation, whichever period is longer), SP shall maintain complete and accurate books and records, in accordance with generally accepted accounting and document retention principles, regarding its business operations relevant to the calculation of Fees and SP and SP Personnel's compliance with this MSA. Upon GE's request, SP shall make such books and records, and appropriate SP Personnel, available during normal business hours for inspection and audit by GE or an independent accounting firm, provided that GE shall: (a) give SP prior notice (reasonable under the circumstances) of any audit; (b) undertake an audit no more than once per calendar year except for good cause shown; and (c) conduct or cause to be conducted such audit in a manner designed to minimize disruption of SP's normal business operations. GE may take copies and abstracts of materials audited [provided that such material is deemed Confidential Information of SP]. In case of any discrepancy, SP shall immediately, pay GE the amount of any overpayment revealed by the audit. Additionally, if an audit reveals an overbilling or over-reporting of [**] percent ([**]%) or more, then SP shall reimburse GE for the cost of the audit.

18. **Business Continuity Planning**

If GE, in its sole discretion, identifies SP as a critical supplier in an applicable SOW, SP shall, at no additional cost to GE, comply with the requirements of Schedule MS7- Business Continuity Planning.

19. **Export Controls.**

The Parties acknowledge that certain materials to be provided hereunder and certain transactions hereunder may be subject to export controls under the laws and regulations of the United States, EU member states, EU and other countries. Neither Party will export or re-export any such items, information, or any direct product thereof or undertake any transaction in violation of any such laws or regulations. SP agrees that all persons performing Services, or otherwise working with controlled United States technology, will be in compliance with the Export Administration Regulations (15 C.F.R. 730 et seq.) and that SP will obtain any required export license for SP Personnel prior to assigning such personnel to the Services.

20. **Local Implementation Agreement**

a. **LIA**. Where it appears necessary to accommodate specific regional or national circumstances, in particular to differences in local mandatory laws and regulations or to local business requirements of GE, a GE Affiliate or SP, the Parties may enter into a local implementation agreement ("LIA") for the purchase of Services in a particular country using the template form set out in Schedule MS6 -Local Implementation Agreement Template. Each such LIA shall: (i) form a separate agreement between the relevant parties to it governing the provision of Services to the GE Affiliate in or in respect of the relevant country or market; (ii) incorporate as if set out in full therein the then current version of this Agreement; (iii) set out any exceptions and/or additional terms and conditions in a LIA deemed appropriate by the relevant parties to such LIA in consideration of their respective organizational or operational needs and/or processes or to apply local mandatory laws; and (iv) be read such that references in this Agreement to "GE" shall be deemed to be references to the GE Affiliate contracting entity of such LIA.

b. **Requirements.** A LIA shall not take effect under this MSA unless each of the following requirements is met: (i) the LIA references this MSA as being a LIA placed under it; (ii) the LIA is signed by an authorized GE (or GE Affiliate, as applicable) signatory and by an authorized SP signatory; and (iii) at the date the LIA is signed by both applicable parties to the LIA, this MSA has not expired or been terminated. For governance reasons, each LIA shall have to be countersigned by a GE Global Commodity Leader.

c. **Exceptions.** Any exceptions expressly agreed upon in writing by a GE Affiliate and SP, pursuant to a particular LIA shall apply only for purposes of that LIA and only between the parties thereto, and shall not be deemed to in any way amend, modify, cancel, or waive the provisions of this MSA or any other LIA or SOW. To the extent the parties desire to amend or modify a particular term in a SOW, the parties shall specifically reference the applicable section of the SOW. Any such modification or amendment shall be limited to that particular SOW and only to such matter and section. In no event shall the applicable GE Affiliate and SP use the LIA to override substantive terms of this MSA unless required by local mandatory laws and regulations to be changed.

21. **Independent Contractor**

The relationship of the Parties under this MSA is that of independent contractors. Nothing contained in the MSA is intended or is to be construed so as to constitute the Parties as partners, joint venturers, or one Party as an agent or employee of the other Party. Neither Party has any express or implied right under this Agreement or any SOW to assume or create any obligation on behalf of or in the name of the other Party or to bind the other Party to any contract, agreement or undertaking with any third party, and no conduct of a Party will be deemed to infer such right. To the extent SP engages the services of any individual or entity to support the Services under any SOW, SP is responsible for compliance with all applicable employment or tax laws.

22. **Assignment and Subcontracting**

SP shall not assign the MSA or any part thereof to any third party without GE's prior written consent (which is in its sole discretion to grant or withhold). Any permitted assignment will not relieve SP of responsibility for the performance of any obligation. Additionally, SP shall not subcontract, delegate or outsource any right, duty or obligations under the MSA to any third party without GE's prior written consent (which is in GE's sole discretion to grant or withhold). If any such subcontracting, delegation or outsourcing is permitted, such consent by GE shall be limited to the specific project, time period, or other parameters, for or on which such consent was provided and GE shall have no direct responsibility for payment of any kind to such SP Personnel and no liability for amounts owing by SP to such SP Personnel. SP will remain jointly and severally responsible and liable for the acts or omissions of SP Personnel as if such acts or omission had been performed directly by SP. GE may freely assign this MSA to any GE Affiliate without the consent of SP.

23. **Notices.**

Any notices required or permitted under this Agreement will be in writing, will refer specifically to this Agreement, and will be sent by recognized national or international overnight courier, confirmed facsimile transmission (provided that duplicative copy is provided via confirmed electronic mail, registered mail or certified mail), confirmed electronic mail, or registered or certified mail, postage prepaid, return receipt requested, or delivered by hand to the address as set forth herein. A Party may change its contact information immediately upon written notice to the other Party in the manner provided in this Section.

24. **Termination**

a. **Termination for Convenience**. GE may terminate this MSA and/or any SOW (or any part thereof) for convenience by giving to SP thirty (30) days' written notice of its intention to terminate.

b. **Termination for Cause.** Either Party may terminate the MSA and/or any SOW (or any part thereof) for cause immediately by written notice to the other Party (the "**Defaulting Party**"), if the Defaulting Party: (a) materially breaches this Agreement, and such breach is incapable of cure, or with respect to a material breach capable of cure, the Defaulting Party does not cure such breach within [**] days or other agreed upon period after receipt of written notice of such breach provided the Defaulting Party has commenced cure in good faith; (b) becomes insolvent or has an encumbrancer take possession or a receiver or examiner appointed over any of its property or assets; (c) makes any voluntary arrangement with its creditors or becomes subject to an administration order; (d) goes into liquidation (except for the purposes of restructuring or other reorganization and in such manner that the company resulting from the reorganization effectively agrees to be bound by or to assume the obligations imposed on that other Party under this Agreement); (e) suffers any distress, execution or other process to be levied or enforced on any of its property and is not paid out withdrawn or discharged within 21 days; (f) ceases or threatens to cease to carry on business; or (g) suffers any material adverse change that impacts its ability to perform under the MSA. Additionally, GE may terminate the MSA and/or SOW immediately for cause if: (u) there is a change in Control of SP, including, without limitation, a change in Control involving any entity that directly or indirectly competes with GE and/or its Affiliates; provided however, SP shall provide written notice to GE in accordance with Section 23 of any change in Control within [**] days of effective date thereof and GE shall have one hundred and eighty (180) days from the receipt of the properly delivered notice to terminate the MSA and/or SOW as permitted under this Section; or (v) if SP or SP Personnel violate any applicable anti-corruption laws, rules, regulations and conventions.

c. **Survival.** Expiration or termination of the MSA and/or any SOW shall not relieve SP from the provisions which by their express terms of nature extend beyond expiration or termination, including but not limited to Sections 1, 4-19, 22, and 24-31 hereof, which shall remain binding upon the Parties until expressly released by the GE in writing. Upon termination, GE shall be entitled to receive all completed and uncompleted Deliverables which SP and SP Personnel have made or developed hereunder up to the termination date.

d. **Post-Terminatio n Obligations.** The provisions of the MSA shall continue to govern all outstanding, but non-terminated SOWs and during the Transition Period in Section 25. Except in case of Termination for Cause by GE involving breaches by SP or SP Personnel of Sections 6, 11.b., 11.f., 11.g., 11.j., and 11.m., upon expiration or termination of the MSA and/or SOW (or any part thereof), GE shall pay SP those undisputed and unpaid Fees due under the applicable SOW for Services provided to and accepted by GE prior to the effective date of termination. The foregoing shall be the sole and exclusive remedy of SP in connection with any termination or expiration. Unless otherwise set forth in the applicable termination notice, any termination of this MSA or applicable SOW by a GE Affiliate shall be effective only with respect to the terminating GE Affiliate and shall not affect any other GE Affiliate. Any advance payments made by GE or a GE Affiliate to SP which are in excess of amounts due to SP as of the effective date of termination or expiration shall be refunded to GE within thirty (30) days of said effective date of termination or expiration, together with all GE Materials in the possession or control of SP or SP Personnel.

25. **Transition Assistance.**

On GE's request at any time, or the termination or expiration of the MSA or an applicable SOW, SP shall, and shall cause SP Personnel to: (a) return GE Data in a platform-agnostic format; and (b) destroy or return, as instructed by GE, all remaining GE Confidential Information and GE Materials on the systems of SP and SP Personnel. In connection with any termination or expiration of the MSA and/or any SOW, for a period of [**] days (or mutually agreed upon longer period) from the effective date of termination or expiration, SP shall provide to GE, such information and transition assistance or that GE reasonably requests to allow the applicable Services to continue without interruption or adverse effect on GE and to facilitate the smooth and orderly transfer of those Services to GE or its designee, as applicable. In case of Termination for Cause by GE involving breaches by SP or SP Personnel of Sections 6, 11.b., 11.f., 11.g., 11.j., and 11.m., all such assistance shall be provided at SP's sole cost and expense. In all other cases, the Parties shall enter into an SOW with respect to such transition services, provided however, SP shall provide all transition services at the same rates, terms and conditions in effect at the time of termination or expiration. SP shall fully cooperate with GE and any replacement provider by promptly providing requested information and committing necessary resources to ensure that the quality of Services is maintained at levels set forth in the applicable SOW and to ensure a seamless transition of Services.

26. **Severability.**

If any provision, right or remedy provided for herein is held to be unenforceable or inoperative by a court of competent jurisdiction, the validity and enforceability of the remaining provisions will not be affected thereby.

27. **Waiver.**

No waiver will be implied from conduct or failure to enforce rights. No provisions of this Agreement or any Statement of Work will be deemed waived by either Party unless such waiver is in writing and signed by the authorized representative of the other Party. Waiver by a Party of any default by the other Party of any provision of this Agreement or SOW will not be deemed a waiver of any subsequent or other default.

28. **Order of Precedence**

To the extent any business terms and conditions of this MSA conflict with those of any SOW, this MSA will control unless the SOW expressly and specifically states an intent to supersede the MSA on a specific matter by specific reference to the applicable section in the MSA (but then only with respect to a particular SOW and with respect only to such matter and section). Notwithstanding the foregoing, the Parties agree that this Agreement shall supersede any conflicting, different or additional legal terms in a SOW, including, without limitation, indemnification, limitation of liability, confidentiality, and representations, warranties and covenants. To the extent, SP desires to modify any legal terms in this Agreement, SP shall request a written amendment to the MSA, which shall be agreed or withheld by GE, in its sole discretion. The pre-printed terms appearing on either Party's PO's and invoices shall be deemed without effect and superseded by this MSA. If any of either Party's systems require any user to "click through"online terms when accessing or using the Services, such terms shall be deemed without effect and superseded by this MSA.

29. **Additional Parties.**

SP agrees that the Services and Deliverables provided under this MSA (including any SOWs issued hereunder) may be used by GE for itself, and at no additional expense to GE, for the benefit of any GE Affiliate. Any GE Affiliate, worldwide, which uses the Services and/or Deliverables, whether the right to use passes directly to that entity or not, shall be entitled to all of the rights and interests of GE under this Agreement and may enforce this MSA in its own name. Each GE Affiliate shall be provided the benefit of this MSA and to any discounts, rebates or other advantageous financial arrangements provided to the other GE Affiliates and may enter into SOWs directly with SP. If a GE Affiliate enters into an SOW with SP under this MSA, then all references to GE and Party in this Agreement will be deemed to be reference to that GE Affiliate in its individual capacity. Each individual GE Affiliate will be solely responsible for its own obligations and performance under this MSA and SP will look solely to such GE Affiliate with respect to rights and remedies under this MSA. All obligations of each GE Affiliate under the MSA will be several and not joint; in no event will any GE Affiliate be liable for the obligations or performance of any other GE Affiliate. In the event an SOW is terminated at the request of GE, the Parties will mutually resolve any issues from such termination pursuant to Section 31.e. of the MSA.

30. **Divestitures and Acquisitions.**

Any GE Affiliate divested by GE as an ongoing concern or otherwise, for a period of [**] months following the effective date of divestiture, may continue to: (a) benefit under the terms of this MSA and/or applicable SOW, as well as, (b) issue SOWs under the MSA. Any entity or business acquired by GE or a GE Affiliate may utilize the terms of this MSA for any of their SOWs with SP. The Parties understand and agree that any entity that was divested by GE as of the Effective Date of this MSA shall have the right to continue to rely on and exercise all rights and remedies in the manner and for the duration set forth in the agreements between GE and SP that were in place prior to the Effective Date of this MSA, which shall continue in full force and effect for purposes thereof.

31. **Miscellaneous.**

a. **Additional Duties.** As GE may request, and/or as may be set forth in a SOW, SP will submit written reports on the progress of the Services. SP will not present or publish, or submit for publication, any work resulting from the Services without GE's prior written approval.

b. **Effect of SP or SP Personnel Bankruptcy.** All rights and licenses granted by SP under this MSA shall be deemed to be rights and licenses to "intellectual property," and the subject matter of this agreement, including the Services, is and shall be deemed to be "embodiment[s]" of "intellectua l property" for purposes of and as such terms are used in and interpreted under section 365(n) of the United States Bankruptcy Code (the "Code") (11 U.S.C. § 365(n) (2010)). GE shall have the right to exercise all rights and elections under the Code and all other applicable bankruptcy, insolvency and similar laws with respect to this Agreement (including all executory SSAs and SLAs). Without limiting the generality of the foregoing, if SP or its estate becomes subject to any bankruptcy or similar proceeding: (a) subject to GE's rights of election, all rights and licenses granted to GE under this Agreement will continue subject to the respective terms and conditions hereof and thereof, and will not be affected, even by SP's rejection of this Agreement; (b) GE shall be entitled to a complete duplicate of (or complete access to, as appropriate) all such intellectual property and embodiments of intellectual property, and the same, if not already in GE's possession, shall be promptly delivered to GE, unless SP elects to and does in fact continue to perform all of its obligations under this Agreement; and (c) if there is an escrow agreement between the Parties, the automatic stay under Section 362 of the Code (11 U.S.C. § 362 (2011)) shall not apply to any instructions from GE to the escrow agent relating to the escrow deposit materials; provided however, GE shall be responsible for fees charged by the escrow agent related to the maintenance of such escrow deposits.

c. **Integration.** This Agreement includes all attached exhibits and SOWs, all of which are herein incorporated by reference. This MSA contains the entire understanding of the Parties with respect to the subject matter hereof and supersedes all previous agreements and undertakings with respect thereto. This MSA may be modified only by written agreement signed by the Parties. Notwithstanding the foregoing, the Parties understand and agree that any existing European Union Standard Data Privacy Clauses executed by SP prior to the Effective Date shall continue in full force and effect during the Term until and unless SP executes a new set of said Clauses.

d. **Governing Law.** This MSA and each SOW will be construed, governed, and interpreted in accordance with the laws of the state of New York, excluding its conflicts of law provisions. The United Nations Convention on the International Sale of Goods shall not apply to this MSA.

e. **Dispute Resolution.**

i. Mediation and Arbitration. Except with respect to any request for preliminary injunctive relief or other interim or conservatory measures of protection or those circumstances described in subparagraph (ii) below, in the event of any dispute, controversy or claim arising out of or relating to this MSA, including any question regarding its existence, validity, interpretation, breach, violation or termination (a "Dispute"), the Parties shall first refer the Dispute to proceedings under The Mediation Rules of the International Chamber of Commerce. If the dispute has not been settled pursuant to said Rules of Mediation within [**] days following the filing of a Request for Mediation or within such other period that the Parties may agree in writing or which may be shortened due to the appointment of an emergency arbitrator, such dispute shall thereafter be finally resolved by arbitration under the Rules of Arbitration of the International Chamber of Commerce. The seat of arbitration shall be New York, New York. Where the claim amount is less than US $[**], the tribunal shall consist of a sole arbitrator. Where the claim amount is $[**] or greater, the tribunal shall consist of three arbitrators, with the claimant and the respondent each nominating a single arbitrator respectively, and the two party- nominated arbitrators within [**] days of the last of their appointments, appointing the third arbitrator, who shall be the chairman of the tribunal. The language of the arbitration shall be English. The prevailing Party shall be entitled to recover, in addition to its damages, its reasonable attorneys' fees and expenses, expert witness fees and expenses and its internal legal, administrative and management costs incurred in connection therewith. The Parties hereby waive any right to refer any question of law and any right of appeal on the law and/or merits to any court.

ii. Litigation. Notwithstanding the foregoing, GE is authorized to institute proceedings in the federal and state courts of the County of New York, State of New York, at any time, if commencement of litigation is deemed appropriate by GE (a) to avoid the expiration of a statute of limitations period, (b) to preserve a superior position with respect to other creditors; (c) because GE makes a good faith determination that a breach of the MSA (or actual or threatened violation of its rights) by SP or SP Personnel is imminent (or has already occurred), such that a temporary restraining order or other preliminary injunctive relief is necessary; or (d) with regard to the determination of intellectual property rights in connection with any of the Services or Deliverables. Litigation authorized under this section shall include the right to seek, in addition to damages, court costs and fees of attorneys and other professionals.

iii. Continuing Obligation. SP agrees to continue performing its obligations under this Agreement while any dispute is being resolved unless and until such obligations are terminated by the termination or expiration of this MSA or the applicable SOW.

f. **Injunctive Relief.** Each Party acknowledges that a breach of Sections 6-8, 10-19, 22 and 25 hereof may cause the other Party irreparable damages, for which an award of damages would not be adequate compensation and agrees that, in the event of such breach or threatened breach, the non- breaching Party will be entitled to seek equitable relief, including a restraining order, injunctive relief, specific performance and any other relief that may be available from any court. Such remedies shall not be deemed to be exclusive but shall be in addition to all other remedies available at law or in equity.

g. **Force Majeure.** The Parties hereto shall be excused from non-performance to the extent arising from any event beyond that Party's control which the affected Party could not have been prevented or avoided by the exercise of all due diligence including but not limited to, labor disturbance, war, terrorist action, fire, adverse weather, and national emergencies. The time for any performance required hereunder shall be extended by the delay incurred as a result of such act of force majeure, and each Party shall act with diligence to correct such force majeure. Except as otherwise set forth above, no Force Majeure event shall relieve SP of its other contractual obligations, including those related to disaster recovery, ownership, confidentiality, security, and indemnification. Notwithstanding anything to the contrary contained herein, such force majeure eventsdo not include any event that are within SP's reasonable control and that the SP could have prevented or avoided by the exercise of all due diligence, including, but not limited to (i) shutdowns, disruptions, malfunctions, labor disturbances, fire, accidents, breakdown of or damage to equipment or facilities other than as a result of or on a general and widespread bases that are not limited to SP; and (ii) the delay or failure of any SP Personnel to perform any obligation unless such delay or failure to perform is itself by reason of a force majeure event.

h. **Jurisdiction and Venue.** Any legal suit, action or proceeding for injunctive relief or to enforce an arbitration award shall be instituted exclusively in the federal courts of the United States or the courts of the State of New York in each case located in County of New York. Each Party irrevocably submits to the exclusive jurisdiction of and venue in such courts. Service of process, summons, notice or other document by mail to such Party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court.

i. Counterparts. This MSA and all SOWs issued thereunder may be executed in any number of counterparts by the Parties hereto and delivered in-person or by facsimile or email, each of which, when so executed and delivered, shall be deemed an original, but such counterparts shall constitute but one and the same Agreement or SOW, as the case may be. Facsimiles and scanned images of original signatures are considered valid as original signatures. This MSA and any applicable SOW may be executed using electronic signatures. In addition, images of the original of this Agreement and/or any SOW with original or electronic signatures may be stored electronically. The Parties intend that electronic copies or images reproduced from the electronically stored original of this MSA and/or any SOW shall be valid as an original.

[END OF DOCUMENT]

SCHEDULE MS2
GE Privacy and Data Protection Appendix

By executing the MSA, SP and SP Personnel agree to the GE Privacy and Data Protection Appendix located at http://www.gesupplier.com/html/GEPolicies.htm. This Appendix may change from time to time. Please check the Appendix periodically for updates.

SCHEDULE MS3

REQUIRED SP AND SP PERSONNEL INSURANCE COVERAGE (INS)

1.0. **Insurance Policy.**

1.1 **Carriers**. SP, and each subcontractor of SP performing under this MSA, shall obtain and keep in force for the benefit of SP the following insurance to be issued by insurance carriers with a minimum A.M. Best's rating of A-: VII, or S&P A, or better, or the equivalent in those jurisdictions that do not recognize such rating classification, and licensed to provide insurance in the jurisdiction in which work is to be performed, with minimum limits as set forth below:

1.1.1 **Worker's Compensation; Employer's Liability**. Statutory Workers' Compensation and or Employer's Liability as required by state or country law.

1.1.2. Commercial General Liability. Commercial General Liability (also referred to as civil or public liability insurance outside of the US) including, Product and Completed Operations Liability (maintained in effect for a period of at least [**] years after the date of final payment); including contractual liability and deletion of the Care, Custody, Control and Insured vs. Insured exclusions. The following minimum limits for Bodily/Personal Injury and Property Damage and be written on an occurrence basis: $[**] per occurrence, $[**] general aggregate, $[**] product completed operations.

1.1.3. Business Automobile Liability. Business Automobile Liability covering all vehicles (owned, non-owned, hired, etc.) used in connection with the Services, covering Bodily Injury and Property Damage with a minimum limit of $[**] combined single limit per accident.

1.1.4. Professional Errors and Omissions. Professional Errors and Omissions (also known as Professional Indemnity outside the USA) covering the activities of SP, with coverage limits of not less than [**] Dollars per claim or per occurrence/[**] Dollars aggregate ($[**]). Policy may be placed either on an "occurrence" basis or on a "claims made" basis, with full prior acts coverage for claims arising out of services rendered from the initial commencement of Services through the end of the MSA. Continuity of coverage must be maintained for, [**] years after the completion of the Services. If SP will have access to GE's IT systems or GE Data, coverage must also include loss of, mishandling of data containing private or confidential information of GE or others for which GE is responsible; and failure to prevent unauthorized access to, or use of, GE's systems or data.

1.1.5. Crime Insurance. If SP will have access to GE's funds or accounts, Crime Insurance (also known as Employee Dishonesty insurance/ Fidelity Bond) in an amount of not less than $[**] covering all SP Personnel and Subcontractors and including a Client's interest endorsement or Insuring Agreement specifying that coverage extends to GE's property in the event of any theft of GE money or property, or money or property of others for which GE is responsible. Verification that GE has been included as a Joint Loss payee under the policy must be provided upon request by GE.

1.1.6. **Property.** If the SP either has GE property in its care, custody or control or is reliant upon its property in connection with the provision of Services and/or Deliverables, Property insurance on an All- Risk, Replacement Cost basis. If property includes that of the GE, policy must name GE as Loss Payee, as its interests may appear.

1.1.7. **Environmental.** If the scope of Services involves the potential for an environmental release, Environmental Impairment (also known as Pollution) Liability with a limit of not less than $[**] per occurrence covering on-site and off-site bodily injury and property damage, including clean-up cost as a result of pollution conditions arising from the SP's operations, including completed operations. If coverage is provided on a claims-made form, the retroactive date must precede the effective date of this agreement and provide for continuity in cover for [**] after the completion of the Services.

1.1.8. The amount of coverage specified herein may be satisfied with combined limits together with umbrella/excess liability policies which follow form and drop down to apply as primary insurance in the event an underlying policy is exhausted.

2.0 **Additional Insureds.**

GE, GE Affiliates, and their respective directors, officers, agents and employees shall be named as additional insureds under the Commercial General Liability and Automobile Liability policies of insurance set forth in subsections 1.1.2 and 1.1.3, for any and all purposes arising out of or connected to the MSA. SP shall secure endorsements to this effect from all insurers of such policies.

3.0. **Insurance to be Primary.**

It is the intent of the Parties that all insurance purchased by SP in compliance with this MSA that provides Additional Insured status, will be primary to any other insurance owned, secured, or in place by GE, which insurance shall not be called upon by SP's insurer to contribute in any way. SP shall secure endorsements to this effect from all insurers of such policies.

4.0. **Verification of Coverage.**

Upon execution of this MSA, SP shall furnish GE with certificates of insurance reflecting the coverage required by this clause. For the duration of the MSA and any mutually agreed upon extended period of time, SP shall provide GE with Certificates of Insurance prior to each subsequent renewal of the evidenced insurance outlined above.

5.0. **Policy Change or Termination.**

SP shall ensure that the policies shall not be canceled, terminated or altered so that coverage is reduced below that which is required in this MSA without [**] days prior written notice to GE.

6.0. **Waiver of Right of Subrogation.**

SP hereby waives any right of recovery against GE and its insurers for any loss or damage that is covered by any insurance policy maintained or required to be maintained with respect to the Services. SP shall inform all its insurers of policies required by this MSA about this waiver of subrogation, and shall secure from the insurers amendments to the policies recognizing and providing for the waiver.

7.0. **Subcontractor's Insurance.**

SP shall be responsible to ensure that any and all subcontractors hired on behalf of SP or have procured Workers' Compensation Insurance, Commercial General Liability Insurance and Commercial Automobile Liability Insurance for losses arising out of the performance of their work in amounts as stated above. SP shall obtain a certificate of insurance from each subcontractor's insurance company, agent or broker authorized by that insurer to bind coverage on its behalf showing that the above insurance is in force. The certificate of Insurance shall include insurer, policy numbers, dates of expiration and limits of liability, and further providing that the insurance will not be canceled or changed until the expiration of at least [**] days after written notice of the cancellation or change has been mailed to and received by SP and GE.

8.0. **Separate Duty.**

In no event shall the coverage or limits of any insurance maintained by SP or SP Personnel under this section or the lack or unavailability of any other insurance, limit or diminish in any way SP's obligations or liability to GE under this Agreement, law or equity. Any acceptance of insurance certificates by GE shall not limit or relieve SP or SP Personnel of the duties and responsibilities assumed by SP under the MSA.

SCHEDULE MS4

Personnel Background Check Requirements (BC)

By executing the MSA, SP and SP Personnel agree to the **GE Background Checking Guidelines** loc a t e d at http://www.gesupplier.com/html/GEPolicies.htm. These requirements may change from time to time. Please check periodically for updates.

Schedule MS5

Batched Payments and Accelerated Payment Terms

(a) **Batched Payments.** Unless prohibited by law, GE or the applicable GE Affiliate may choose to group all invoices that have not been discounted and that have Net Dates ranging from the sixteenth day of one month to the fifteenth day of the next month, and initiate payment for all such invoices on the third day of the second month or if that day is not a business day, then on the next business day (the "**Monthly Batch Payment Date**"), with the result that some invoices will be paid earlier than their Net Dates and some invoices will be paid later than their Net Dates. Alternatively, unless prohibited by law, GE or the applicable GE Affiliate may choose to group and pay on a quarterly basis all invoices that have not been discounted as follows: (i) invoices with Net Dates ranging from the sixteenth day of February to the fifteenth day of May will be grouped and GE or the applicable GE Affiliate will initiate payment on the third day of April or if that day is not a business day, then on the next business day; (ii) invoices with Net Dates ranging from the sixteenth day of May to the fifteenth day of August will be grouped and Buyer will initiate payment on the third day of July or if that day is not a business day, then on the next business day; (iii) invoices with Net Dates ranging from the sixteenth day of August to the fifteenth day of November will be grouped and GE or the applicable GE Affiliate will initiate payment on the third day of October or if that day is not a business day, then on the next business day; and (iv) invoices with Net Dates ranging from the sixteenth day of November to the fifteenth day of February will be grouped and GE or the applicable GE Affiliate will initiate payment on the third day of January or if that day is not a business day, then on the next business day (each such payment date being referred to as the "**Quarterly Batch Payment Date**"), with the result that some invoices will be paid earlier than their Net Dates and some invoices will be paid later than their Net Dates.

(b) **Accelerated Payment Program.** The Accelerated Payment Program is administered by GE Capital US Holdings, Inc. ("GECC"). If SP is enrolled in the Accelerated Payment Program, the agreed upon early payment discount of the gross invoice price per the TPS Agreement (the "Daily Discount Rate") will be taken for each day payment is initiated before the Net Date. If the Net Date falls on a weekend or holiday, the Net Date will be moved to the next business day and an early payment discount will be taken for each day payment is initiated before that date. Alternatively, a flat early payment discount (the "Flat Discount") may be taken for initiating payment on a date certain prior to the Net Date (the "Flat Discount Date"). The Flat Discount will be calculated by applying the Daily Discount Rate to the number of days between the Flat Discount Date and the Net Date. If the Flat Discount Date falls on a weekend or a holiday, payment will be initiated on the next business day net of the Flat Discount. Each early payment discount will be rounded to the nearest one hundredth of a percent.

(c) **Indexing.** The Daily Discount Rate is based in part on the 3 Month Libor Rate (defined below) in effect on the last business day of the month preceding the day when the first early payment discount is taken to settle an invoice (the "Base Libor Rate"). If the 3 Month Libor Rate in effect on the last business day of any month (the "Current Libor Rate") differs from the Base Libor Rate, the Daily Discount Rate may be adjusted on the last business day of such month to reflect the difference between the Base Libor Rate and the Current Libor Rate. If the Daily Discount Rate is adjusted, the adjusted Daily Discount Rate will be applied to all invoices posted for payment after that date. The "3 Month Libor Rate" will be the three month Libor rate published in the "Money Rates" section of *The Wall Street Journal* as the "London interbank offered rate, or Libor three month" (or, if not so published, as published in another nationally recognized publication) on the last business day of each month.

(d) **<u>Title Transfer</u>.** If GE or the applicable GE Affiliate takes an early payment discount to settle an invoice, SP confirms that: (1) GE or the GE Affiliate has assigned its right, title and interest in the related Services to GECC and an interest in such Services will pass directly to GECC in accordance with the terms of this Agreement; (2) once an interest in such Services has passed to GECC, GECC will immediately and directly transfer such interest to GE or the GE Affiliate; and (3) all of SP's obligations under this Agreement, including SP's representations and warranties, will extend to and benefit GE or the GE Affiliate as if such interest passed directly to GE or the GE Affiliate.

SCHEDULE MS6
LOCAL IMPLEMENTATION AGREEMENT (LIA)

This Local Implementation Agreement ("LIA") for [INSERT COUNTRY] ("Country") is executed as of [INSERT EFFECTIVE DATE] by and between [INSERT SP], a legally registered company incorporated under the laws of [INSERT COUNTRY] and maintaining an office at [INSERT ADDRESS] ("SP"), and [INSERT NAME OF APPLICABLE GE AFFILIATE], a legally registered company incorporated under the laws of [INSERT COUNTRY] and maintaining an office at [INSERT ADDRESS] ("GE"). For purposes of this LIA, SP and GE may be referred collectively as "Local Parties" or individually as a "Local Party." In consideration of the mutual covenants and terms and conditions set out below, the Local Parties agree as follows:

1. **GENERAL TERMS.** This LIA incorporates the terms of the Purchase Agreement, with an effective date of [INSERT DATE], by and between [INSERT SP] and [INSERT GENERAL ELECTRIC COMPANY OR THE NAME OF THE APPLICABLE GE CONTRACTING ENTITY] (the "Agreement"), and all other attachments and documents incorporated by reference to this LIA (including all applicable Order Forms and SOWs). Capitalized terms used but not defined in this LIA shall have the meaning ascribed to them in the Agreement.

2. **TERM.** The initial term of this LIA shall commence on the Effective Date and shall continue until such date as this LIA may be terminated or expires in accordance with the terms of the Agreement.

3. **ADDITIONAL OR MODIFIED TERMS.** To override any terms or conditions of the Agreement, the Local Parties must expressly override the terms or conditions of the Agreement with reference to the specific section number(s) of the Agreement to be overridden by the LIA, in which case the conflicting provisions of the LIA shall prevail but only with respect to the LIA. The Local Parties agree to supplement and/or modify the Agreement as follows solely for purposes of this LIA (and corresponding Order Forms and SOWs to this LIA) to the extent necessary to comply with local law or with local custom, practices or commercial climate:

<<DRAFTING NOTE: Use this space to identify modifications to the Agreement for operational and legal purposes>>

4. **APPLICABLE LAW.** This LIA (and any non-contractual obligations arising out of or in connection with it) shall be construed and enforced in accordance with, and governed by, the substantive laws of [INSERT APPLICABLE COUNTRY LAW] (including but not limited to application of any real property or landlord and tenant law, and data protection regulations) ("Mandatory Law"), which Mandatory Law shall apply and prevail over the choice of the laws of the State of New York to the fullest extent required by Mandatory Law, without regard to the conflict of laws principles thereof, and all actions arising out of or relating to this LIA (whether arising out of or in connection with contractual or non-contractual obligations) must be brought in the courts of [INSERT APPLICABLE COUNTRY]. English language shall be the applicable language and translation of this LIA unless otherwise mutually agreed to by the Local Parties or required by Mandatory Law.

IN WITNESS WHEREOF, the Local Parties hereto have caused this LIA to be executed as of the Effective Date of this LIA.

[GE]

By: ______________________________

Print Name: __________________________

Title: ______________________________

Date: ______________________________

Address for notices: ____________________

____

____

____

Phone: _____________________________

Fax: _______________________________

Email: _____________________________

[SP]

By: ______________________________

Print Name: __________________________

Title: ______________________________

Date: ______________________________

Address for notices: ____________________

____

____

____

Phone: _____________________________

Fax: _______________________________

Email: _____________________________

SCHEDULE MS7
BUSINESS CONTINUITY PLANNING REQUIREMENTS

1. If GE, in its sole discretion, identifies SP as a critical supplier, SP will prepare, maintain and provide, at no additional cost to GE, a Business Continuity Plan ("**BCP**") satisfactory to GE and designed to ensure that SP can continue to provide the Services in accordance with this Agreement and each SOW therein in the event of a disaster or other BCP-triggering event (as such events are defined in the applicable BCP). SP's BCP will, at a minimum, provide for (a) the retention, rotation, and retrieval of data and files; (b) obtaining resources necessary for recovery, (c) appropriate continuity plans to maintain adequate levels of staffing required to provide the Services during a disruptive event; (d) procedures to activate an immediate, orderly response to emergency situations; (e) procedures to address potential disruptions to SP's supply chain; (f) a defined escalation process for notification of GE in the event of a BCP-triggering event; and (g) training for key SP Personnel who are responsible for monitoring and maintaining SP's continuity plans and records.

2. SP will maintain the BCP, update it no less than [**] per year and test it at least [**]. Upon GE request, SP will provide GE an executive summary of the plan updates, a summary of test results, and a report of corrective actions to be taken to remedy deficiencies identified as a result of the test, including timetables for new corrective actions and the status of corrective actions previously identified.

3. Upon request, with reasonable advance notice and conducted in such a manner not to unduly interfere with SP's operations, SP will give GE and its designated agents access to designated representative(s) with detailed functional knowledge of SP's BCP and relevant subject matter. Subject to confidentiality obligations under this Agreement, information requested by GE arising from such meetings will be provided to GE within [**] days or as otherwise mutually agreed.

4. SP shall maintain a written Security Plan consistent with the Customs-Trade Partnership Against Terrorism ("*C-TPAT*") program of U.S. Customs and Border Protection, the Authorized Economic Operator for Security program of the European Union ("*EU AEO*") and similar World Customs Organization SAFE Framework of Standards (collectively, "**SAFE Framework programs**") and implement appropriate procedures pursuant to such plan. Upon advance notice by GE to SP and during SP's normal business hours, SP shall make its facility available for inspection by GE's representative for the purpose of reviewing SP's compliance with applicable SAFE Framework programs and with SP's Security Plan. Each Party shall bear its own costs in relation to such inspection and review.

SCHEDULE MS8

STATEMENT OF WORK (SOW TEMPLATE)

***FOR EVERY SECTION: (1)** DELETE ALL OPTIONS WHICH ARE NOT APPLICABLE, AND THE GREEN OPTION TAGS. **(2)** FILL IN ALL YELLOW HIGHLIGHTED AREAS IN SECTION BODY TEXT AND CHOSEN OPTIONS. **(3)** DELETE ALL GRAY HELP BOXES (INCLUDING THIS ONE). **(4)** REMOVE ALL YELLOW HIGHLIGHTER FROM WHAT YOU ENTERED OR REPLACED. THERE SHOULD BE NO COLOR LEFT (EXCEPT TABLE HEADERS).*

This Statement of Work ("**SOW**") dated , 20__ ("**SOW Effective Date**"), is made by and between [GENERAL ELECTRIC AFFILIATE] [Insert correct legal name of GE Affiliate] ("**GE**") and [SP ENTITY] ("**SP**"), pursuant to the Master Services Agreement ("**MSA**") by and between General Electric International, Inc. and SP with an Effective Date of __________, 201_ , the terms of which are incorporated herein by reference. This SOW sets forth the details of the Services and/or Deliverables described herein. Capitalized terms not defined within this SOW shall have their defined meanings in the MSA. **This SOW shall not become binding on GE until GE issues a PO for the total fees payable hereunder. GE shall promptly notify SP upon issuance of the PO.**

☐ **Check here if SP is a critical supplier for GE (If yes, Schedule MS7 is applicable).**
☐ **Check here if GE has consented to be a testing site (alpha, beta or otherwise)**
☐ **Check here if this is a strategic engagement for GE that requires SP subcontractors and suppliers to enter into agreements directly with GE to protect GE's Confidential Information per Section 6 of the MSA and/or requires a non-circumvention requirement per Section 7 of the MSA.**

The Parties agree that the MSA shall supersede any conflicting, different or additional legal terms in this SOW, including, without limitation, indemnification, limitation of liability, confidentiality, and representations, warranties and covenants. To the extent, SP desires to modify any legal terms in the MSA, SP shall request a written amendment to the MSA, which shall be agreed or withheld by GE, in its sole discretion.

A. EXECUTIVE SUMMARY. *(Required)*

1. Project purpose. Enter a summary of the business objective of the project.
2. CTQ business requirements. Identify any and all critical-to-quality ("**CTQ**") business requirements.

B. SERVICES. *(Required)* SP shall perform the following Services under this SOW:

NOTE:** Services are **tasks** (maintaining, providing, supporting, producing, monitoring, designing, developing, installing, training, etc.) and should not be mistaken for the end products of Services, which are Deliverables. List all Services separately. **Make sure that all in-scope, material aspects of the Services are separately identified in the list below in clear and descriptive terms. Avoid shorthand and undefined acronyms.

Item	Services Task – Name and Description *(detail each Services task in a single box)*
B1	Task 1 – name and description
B2	Task 2 – name and description
B3	Task 3 – name and description

C. DELIVERABLES THAT ARE WORK PRODUCT i.e. GE owned Deliverables. *(Required)*

CHOOSE *Option 1 or Option 2.* ***DELETE*** *the other option text and all option tags.* ***NOTE:*** *Deliverables are* ***end products*** *(whether completed work product or deliverables, or interim work product or deliverables such as project plans and status reports). The MSA states that GE owns Deliverables that are Work Product. Deliverables may entirely consist of new Work Product.* ***Deliverables may also include SP Preexisting Intellectual Property*** *(Deliverables owned by Supplier),* ***Open Source Materials, Third Party Materials). You must specifically identify any of these that apply, for each Deliverable, i.e. Work Product, SP Preexisting Intellectual Property, Open Source Materials and Third Party Materials .***

<Option 1 NO DELIVERABLES (including Work Product)>There will be no Deliverables (including Work Product) under this SOW.

<Option 2 WORK PRODUCT>SP shall provide the following Work Product (Deliverables owned by GE) under this SOW:

Item	Work Product – Name and Description *(detail each Work Product in a single box)*
C1	Work Product 1 – name and description
C2	Work Product 2 – name and description
C3	Work Product 3 – name and description
C4	Work Product 4 – name and description

D. SP PREEXISTING INTELLECTUAL PROPERTY INCORPORATED INTO DELIVERABLES. *(Required)*

CHOOSE *Option 1, Option 2 or Option 3.* ***DELETE*** *the other option text and all option tags. For each item of incorporated SP Preexisting Intellectual Property in the list,* ***IDENTIFY all*** *Deliverables(s) the item affects.*

<Option 1 NO DELIVERABLES>Not applicable; there will be no Deliverables under this SOW.

<Option 2 NO SP PREEXISTING INTELLECTUAL PROPERTY>None of the Deliverables will contain incorporated SP Preexisting Intellectual Property.

<Option 3 LIST OF SP PREEXISTING INTELLECTUAL PROPERTY>This is a comprehensive list of SP

SP Preexisting Intellectual Property incorporated into the Deliverables and duly licensed to GE under Section 9 of the Agreement and this SOW, ownership of which is being retained by SP. (The Parties shall update this list over the life of the SOW as Deliverables are added or changed.)

Item	Name and Description of Incorporated SP Preexisting Intellectual Property	To Which Deliverable? *(Section C Item #)*
D1	SP Preexisting Intellectual Property 1 – name and description	Applies to Deliverable(s) #:
D2	SP Preexisting Intellectual Property – name and description	Applies to Deliverable(s) #:
D3	SP Preexisting Intellectual Property – name and description	Applies to Deliverable(s) #:

E. **OPEN SOURCE MATERIALS (OSM) / THIRD PARTY MATERIALS (3PM) INCORPORATED INTO DELIVERABLES.** *(Required)*

***CHOOSE** Option 1, Option 2 or Option 3. **DELETE** the other option text and all option tags. For each item listed as incorporated OSM or 3PM: **IDENTIFY** type (OSM or 3PM), **IDENTIFY ALL** Deliverable(s) it affects, and **IDENTIFY** the applicable OSS or Third Party Materials license name. (For 3PM items, **ATTACH** license terms and **IDENTIFY** third party licensor company name.)*

<Option 1 NO DELIVERABLES>Not applicable; there will be no Deliverables under this SOW.

<Option 2 NO OSM/3PM>None of the Deliverables will contain incorporated OSM or 3PM.

<Option 3 LIST OF OSM/3PM>This is a comprehensive list of OSM and/or 3PM incorporated into the Deliverables as referenced in Section 10.b. of the Agreement and duly licensed to GE under this SOW, together with identification of the underlying license terms applicable to each item. (The Parties shall update this list over the life of the SOW as Deliverables are added or changed.)

Item	**OSM / 3PM?**	**Item Short Name**	**Incorporated To Which Deliverable?** *(Section C Item #)*	**Name of Underlying License / Third Party** *(if 3PM, attach terms, and provide 3rd Party name)*
E1	*(enter)*	Item 1 Name	In Deliverable(s) #: ________	Underlying License Name / 3 Party Name
E2	*(enter)*	Item 2 Name	In Deliverable(s) #: ________	Underlying License Name / 3 Party Name
E3	*(enter)*	Item 3 Name	In Deliverable(s) #: ________	Underlying License Name / 3 Party Name

F. PERFORMANCE SCHEDULE / TERM OF SOW. *(Required)*

***CHOOSE** Option 1, Option 2 or Option 3. **DELETE** the other option text and all option tags. The options are listed in descending order of GE preference.*

<Option 1 MILESTONES>

Item	**Services Milestone / Deliverable #** *(use Section C Item #)*	**Completion / Delivery Date**
F1	**Milestone:** Milestone F1 Name & Description / Deliverable # _____	Enter Date
F2	**Milestone:** Milestone F2 Name & Description / Deliverable # _____	Enter Date
F3	**Milestone:** Milestone F3 Name & Description / Deliverable # _____	Enter Date

<Option 2 SINGLE COMPLETION DATE>All Services must be completed and accepted by GE by; __________ subject to GE's rights and remedies under the MSA.

<Option 3 SE T TERM>This SOW shall commence on the SOW Effective Date and, unless sooner terminated under the Agreement terms, shall remain in effect until.__________

G. FEES. *(Required)*

CHOOSE *Option 1 or Option 2.* ***DELETE*** *the other option text and all option tags. The options are listed in descending order of GE preference.*

<<u>Option 1</u> FIXED FEE PROJECTS>SP shall provide the Services and deliver the Deliverables on a **FIXED FEE** basis. GE shall have no obligation under this SOW for payment of fees in excess of $__________, unless a higher amount is authorized by GE in writing.

<<u>Option 2</u> T&M PROJECTS>SP shall provide the Services and Deliverables on a **TIME & MATERIALS** basis at the rates included in this Section. GE shall have no obligation under this SOW for payment of fees in excess of a total of $__________, unless a higher amount is authorized by GE in writing. In the event GE does not authorize a higher amount, SP is only required to provide Services equal to the number of hours that when multiplied by the applicable hourly rate would equal the total payment specified in this Section. [INCLUDE RATE SCHEDULE HERE]

Include Rebates and Pre-negotiated Rates

H. EXPENSES. *(Required)*

No Expenses Are Payable on Fixed Fee projects.

CHOOSE *Option 1 or Option 2.* ***DELETE*** *the other option text and all option tags. The options are listed in descending order of GE preference.*

<<u>Option 1</u> NO EXPENSES AUTHORIZED>All expenses associated with SP's performance of the Services and/or delivery of the Deliverables under this SOW are included in the SOW price.

<<u>Option 2</u> EXPENSES AUTHORIZED>GE shall reimburse SP for the expenses identified below associated with performing the Services and/or delivering the Deliverables under this SOW. All expenses approved for reimbursement must comply with the GE T&L Policy found at http://www.gesupplier.com/html/GEPolicies.htm. Expenses over the amount of $__________ must be pre-approved by GE to be reimbursable. Identify the expenses expected under this SOW to be reimbursed by GE (do not include any expenses associated with the project which will **not** be reimbursed by GE) If there are set amounts for reimbursable expenses describe those here.

I. **INVOICES.** *(Required)*

CHOOSE *Option 1A, Option 1B, Option 1C, or Option 2.* ***DELETE*** *the other option text and all option tags. The options are listed in descending order of GE preference.*

<<u>Option 1A</u> FIXED FEE MONTHLY PAYMENTS>SP shall invoice GE monthly in arrears for this SOW, according to the following schedule: [INCLUDE SCHEDULE]

<<u>Option 1B</u> FIXED FEE MILESTONE PAYMENTS>SP shall invoice GE for this SOW upon GE's acceptance of each milestone subject to GE's rights and remedies under the MSA, according to the schedule in Section F of this SOW and the following payment table: [INCLUDE TABLE OF MILESTONE PAYMENTS - MUST SYNC WITH SECTION F TABLE]

<<u>Option 1C</u> FIXED FEE SINGLE PAYMENT>SP shall invoice GE for this SOW upon the completion of **all** Services and delivery of **all** Deliverables, and GE shall pay all undisputed amounts in accordance with the MSA.

<<u>Option 2</u> T&M MONTHLY PAYMENTS>SP shall invoice GE for this SOW monthly in arrears; <u>provided</u> <u>however</u>, no invoices shall be submitted to GE, until GE's Project Manager has approved the time spent.

J. **PROJECT MANAGERS / KEY PERSONNEL OPTION.** *(Required)*

J1. Project Managers. The following are the designated Project Managers (“PMs”) for the Parties:

GE Project Manager		**SP Project Manager**	
GE PM:	[GE_CONTACT_TITLE]	**SP PM:**	[SUPP_CONTACT_TITLE]
GE PM Phone:	[GE_CONTACT_PHONE]	**SP PM Phone:**	[SUPP_CONTACT_PHONE]
GE PM Email:	[GE_CONTACT_EMAIL]	**SP PM Email:**	[SUPP_CONTACT_EMAIL]

J1-1. PM Duties. The PMs shall: (a) engage in all communications regarding the Services and/or Deliverables; (b) arrange and attend any necessary meetings; (c) supervise and manage SP’s performance of Services and/or transfer of Deliverables; (d) ensure that each Party’s responsibilities have been met on a timely basis; and (e) jointly approve any changes to the Services and/or Deliverables to be made in response to Change Orders. Either Party may change its designated PM at any time upon written notice to the other Party’s PM.

J1-2. Project Reporting. At any time during the term of the SOW, GE may request status reports from SP’s PM, and SP’s PM shall promptly provide: (a) a list of outstanding SOWs; (b) the status of any uncompleted Services and/or Deliverables; (c) amounts or hours billed (and/or accrued but unbilled) for any period, for any SOW or in total; and/or (d) information about SP’s performance under the SOW.

J2. Key Personnel Option.

CHOOSE *Option 1 or Option 2.* ***DELETE*** *the other option text and all option tags.*

<Option 1 NO KEY PERSONNEL>Not applicable; there are no SP Personnel whose services are specifically required for this SOW.

<Option 2 KEY PERSONNEL REQUIRED>The Parties have agreed that the services of the following SP Personnel are specifically required in the performance of this SOW (**“Key Personnel”**), and that any changes to Key Personnel must be mutually agreed between the Parties and documented on a Change Request Form and incorporated as a modification to this SOW. Enter the names of all individuals who are Key Personnel and identify their role.

NOTE: SP shall not reassign or transfer the Project Manager or other Key Personnel without GE's prior written approval, and in any event a reassignment or transfer shall be made upon written notice to GE of not less than thirty (30) days. If SP must replace any Project Manager or Key Personnel for reasons beyond its control (resignation or serious illness or disability), SP shall furnish GE as much advance notice as possible under the circumstances. In the event of a need for replacement of any Project Manager or Key Personnel, SP shall furnish GE with the credentials of any proposed replacement, as reasonably required by GE. No replacement shall be made without GE's prior consent.

K. **PREREQUISITES, ASSUMPTIONS AND RISKS.** *(Required)*

The following project prerequisites, assumptions, dependencies and/or risks may impact SP’s performance of Services or delivery of Deliverables under this SOW: Identify and explain any and all prerequisites, assumptions, dependencies and/or risks applicable to this SOW (particularly those which impact SP’s ability to perform any Services or provide any Deliverables).

L. **ACCEPTANCE CRITERIA.** *(Required)*

CHOOSE *Option 1 or Option 2.* ***DELETE*** *the other option text and all option tags. (If the Parties are including Section P, Option 1 or 2 may be necessary, as applicable.)*

<Option 1 SIMPLE TESTING AND ACCEPTANCE LOOP> Notwithstanding anything in the MSA to the contrary, GE shall have___________ days from the date of each delivery by SP under this SOW (i.e., initial

delivery, or any re-delivery after rejection and re-performance) to inspect and test each Deliverable and accept or reject it. GE's failure to reject a Deliverable within this timeframe shall be deemed an acceptance of the Deliverable. All other terms of the MSA regarding inspection, testing and acceptance of Deliverables remain unchanged.

<Option 2 SPECIFIC ACCEPTANCE CRITERIA>The Specified Acceptance Criteria for the Services and/or Deliverables under this SOW are as follows: Enter the Specified Acceptance Criteria and acceptance terms agreed to by the Parties here.

M. **SERVICE LEVELS.** *(Required)*

CHOOSE *Option 1 or Option 2.* ***DELETE*** *the other option text and all option tags. (If the Parties are including Section P, Option 2 or 3 may be necessary.)*

<Option 1 NO SLA>Not applicable; there are no specified performance service levels for the Services and/or Deliverables under this SOW.

<Option 2 SLA>The service levels set forth in the applicable performance service level schedules that shall apply to the Services and/or Deliverables under this SOW.

N. LOCATION. *(Required)* SP shall perform the Services at the following location or locations: Enter a single location, or the list of locations. If multiple locations will be involved list each and the Services performed at each.

O. ADDITIONAL OBLIGATIONS. None, unless listed here: List any additional obligations of the Parties not already captured in the SOW; if none delete this yellow section.

***DELETE the following Section P completely UNLESS** the Parties specifically negotiate to apply liquidated damages to SP's Services and/or Deliverables under this SOW. (Examples: GE receives a reduction in payments (or a refund or credit of amounts already paid), which could apply in cases such as SP's late delivery, failure to meet specified acceptance criteria or a certification (e.g. ISO 9000), failure to provide continuous uninterrupted Services for a length of time or meet certain peak demands, etc.).*

P.**LIQUIDATED DAMAGES. (*Required*)**

CHOOSE Option 1 or Option 2. DELETE the other option text and all option tags.

<Option 1 NO LIQUIDATED DAMAGES> Not applicable;

<Option 2 LIQUIDATED DAMAGES>

1. Liquidated Damages for Late Delivery. SP acknowledges that the above Performance Schedule above is critical and material to performance of this SOW and for the avoidance of substantial loss to GE, and that SP's unexcused failure to meet the Performance Schedule without GE's written consent may lead to the application of liquidated damages as specified in this Section. In the event that any performance is delayed beyond the Performance Schedule due to any causes not expressly excused by the terms of the MSA, SP shall pay to GE the following, as liquidated damages, and not as a penalty, a sum equal to Insert formula here – e.g. the following portion of the SOW total price for each full <choose week/day> of delay in delivery (up to a maximum of _______ % of the SOW total price): < _______% / $_______ > for the first_______ <choose weeks/days>, <_______ % / $_______ > for the following_______<choose weeks/days>, and <_______ % / $_______ > for all remaining <choose weeks/days> <choose percentage or flat amount; use flat amount if price is not definite when entering into SOW>.

2. Liquidated Damages for Failure to Perform. SP guarantees that the Services and/or Deliverables shall achieve the service levels in Section M (if any) and shall meet the Specified Acceptance Criteria in Section L (if any) and the MSA. If the Services and/or Deliverables fail to achieve the service levels and/or meet the acceptance criteria specified herein, SP shall be afforded a period by GE during which it can correct and adjust the Services and/or Deliverables (the **"Correction Period"**). If, when re-tested at the end of the Correction Period, the Services and/or Deliverables again fail to achieve the performance guarantees, SP shall pay to GE the following, as liquidated damages, and not as a penalty:
a sum equal to $_________.

3. No Waiver. The above liquidated damages are a genuine pre-estimate by the Parties of the losses which GE will suffer in the event of SP's delay or failure to perform and are not a penalty. The payment of liquidated damages under this Section shall not relieve SP from its obligations to diligently complete the Services and/or Deliverables or from any other obligations and liabilities under the MSA or this SOW, and shall not constitute a waiver of any term of the MSA or SOW, or of any right of GE at law or in equity.

Q. TRADE PAYABLE SERVICES. *(Required)*

***CHOOSE** Option 1 or Option 2. **DELETE** the other option text and all option tags.*
<Option 1 NO TRADE PAYABLE SERVICES> Not applicable;
<Option 2 TRADE PAYABLE SERVICES>The Parties have agreed that Trade Payable Services shall be applicable.

IN WITNESS WHEREOF, the Partie s hereto have caused this SOW to be executed by their respective authorized representatives on the dates ascribed below to be effective as of the Effective Date of this SOW.

[GENERAL ELECTRIC ENTITY]	**[SP ENTITY]**
By:	By:
Printed Name:	Printed Name:
Title:	Title:
Date:	Date:

SCHEDULE MS9

STEP-IN RIGHTS
(Outsourcing/BPO)

Without prejudice to GE's rights under the MSA and in law and equity, any GE or GE Affiliate Party to a SOW can first elect, by written notice to SP, to appoint a management team or a third party (subject to such third party entering into a confidentiality agreement with the SP on terms no less onerous than set out in this Agreement) to take over the Services or any part of the Services if:

a. SP or SP Personnel is in material breach of a SOW applicable to outsourcing/BPO related Services including any Schedules or appendices thereto), or of the MSA, or any other event occurs which is likely to have a material adverse effect on GE or a GE Affiliate;

b. a governmental body advises GE or GE Affiliate in writing to take a course of action, or otherwise confirms to SP that it requires that GE or GE Affiliate takes a course of action, with the effect that the exercise of GE or GE Affiliate's step in right under this Schedule is necessary to achieve that course of action;

c. a Force Majeure event or a disaster event occurs that affects SP's ability to perform any of its material obligations under the MSA, including where SP has been unable or unwilling to implement its business continuity plan; or

d. either Party has served a notice of termination in accordance with the terms and conditions of the SOW for any reason,

"Hereinafter the "Step In Right").

Subject to the rights and remedies set forth in the MSA and any that GE or GE Affiliate may have in law and equity, GE and GE Affiliate shall be liable to pay its own costs incurred as a result of the exercise of the Step In Right while GE or GE Affiliate or any third party is providing any element of the Services, but the GE or GE Affiliate shall not be obliged to pay the SP for that element of the Services in relation to which it has exercised the Step In Right.

The GE and GE Affiliate rights under this Schedule shall cease on the earlier of the cessation or resolution of the event giving rise to the Step In Right.

SCHEDULE MS10

CHANGE ORDER TEMPLATE

The Parties agree that the MSA supersedes any conflicting, different or additional **legal** terms in this CO, including, without limitation, indemnification, limitation of liability, confidentiality, and representations, warranties and covenants. To the extent, SP desires to modify any legal terms in the MSA, SP shall request a written amendment to the MSA, which shall be agreed or withheld by GE, in its sole discretion. This template is for a change order to an SOW only.

<table>
<tr><th colspan="6">CHANGE REQUEST / CHANGE ORDER</th></tr>
<tr><td colspan="6">This Change Request is subject to the terms of the Agreement and SOW between the Parties referenced below. Any term used but not defined in this Form shall have the meaning given to it in the Agreement (or SOW, if applicable). The Party receiving the Change Request shall provide a written response to the Change Request on this Form (“Change Response”). Each Change Request and its Change Response, if accepted by both Parties, shall be deemed a “Change Order” modifying the SOW. Change Orders are for changes to the Specifications. A Change Order may not be used to modify the terms of the Agreement between the Parties.</td></tr>
<tr><td colspan="2">MSA Effective Date:</td><td colspan="2">For SOW #:
SOW Effective Date:</td><td colspan="2">This is Change Request #:</td></tr>
<tr><td colspan="6">Requesting Party and Date.</td></tr>
<tr><td colspan="2">Requesting Party: [ ] GE [ ] SP Project Manager:</td><td colspan="2">Receiving Party: [__] GE [__] SP Project Manager:</td><td colspan="2">Date Submitted:</td></tr>
<tr><td colspan="6">Description of Change Request. (attach additional pages as required)</td></tr>
<tr><td colspan="2">Change to: (choose one)</td><td colspan="4">Description of Requested Change</td></tr>
<tr><td colspan="2">☐ Development Material
☐ Deliverable
☐ Services Task
☐ Key Personnel</td><td colspan="4"></td></tr>
<tr><td colspan="6">Impact Analysis. SP must fill out this section (whether making a Change Request to GE, or making a Change Response to a GE Change Request) (attach additional pages as required</td></tr>
<tr><td colspan="2">Resource Impact:</td><td colspan="4"></td></tr>
<tr><td colspan="2">Cost Impact:</td><td colspan="4"></td></tr>
<tr><td colspan="2">Timing Impact:</td><td colspan="4"></td></tr>
<tr><td colspan="2">Date Response Delivered:</td><td colspan="4"></td></tr>
<tr><td colspan="6">Change Response. The Party receiving the Request hereby accepts or rejects the Change Request.</td></tr>
<tr><td colspan="6">Receiving Party (check here and initial below) [_] GE [__] SP:</td></tr>
<tr><td colspan="6">______Accepts the Change Request and desires to proceed with the change requested.</td></tr>
<tr><td colspan="6">______Rejects the Change Request and does not desire to proceed with the change requested and hereby terminates the request.
Reason (optional):</td></tr>
<tr><td colspan="6">Change Order. Upon signing the Change Request shall be deemed a Change Order, and: (a) shall become a part of the SOW to which it relates, as if initially entered into as part of the SOW, and (b) shall be incorporated into and governed by the terms of the MSA and SOW</td></tr>
<tr><td colspan="6">Change Order Effective Date: . If no date specified, effective as of the date last signed below.</td></tr>
<tr><td colspan="3">GENERAL ELECTRIC INTERNATIONAL, INC.</td><td colspan="3">[SP_LEGAL_NAME]</td></tr>
<tr><td colspan="3">By:</td><td colspan="3">By:</td></tr>
<tr><td colspan="3">Printed Name:</td><td colspan="3">Printed Name:</td></tr>
<tr><td colspan="3">Title:</td><td colspan="3">Title:</td></tr>
<tr><td colspan="3">Date:</td><td colspan="3">Date:</td></tr>
</table>

PROFESSIONAL IT SERVICES

Schedule FS2

This Schedule FS2 is entered into as of January 1, 2017 (“**Schedule Effective Date**”) by and between Genpact International, Inc (“**SP**”) with a principal place of business located at 42 Old Ridgebury Road, First Floor, Fairfield, CT 06431 and General Electric International, Inc., a Delaware corporation (“**GE**”) with a principal place of business located at 41 Farnsworth St., Boston, MA 02210. GE and SP are each referred to as “Party” and collectively as “Parties.”

WHEREAS, GE and SP are Parties to a certain Master Services Agreement dated January 1, 2017 (“**MSA**”);

WHEREAS, the Parties desire to append this Schedule FS2 to the MSA;

NOW, THEREFORE, in consideration of the good and valuable promises and premises set forth in the MSA and this Schedule FS2, the Parties agree as follows:

1. Interpretation.

This Schedule FS2 complements and supplements the MSA. As of the Schedule Effective Date, the MSA shall be construed to include this Schedule FS2. All provisions in the MSA not conflicting with this Schedule FS2 are hereby specifically affirmed. Capitalized terms not defined in this Schedule FS2 shall have the meanings ascribed to them in the MSA.

2. Interpretation.

The expectations and requirements in this Section shall apply generally to all Services and/or Deliverables provided by SP to GE during the Term unless GE and SP expressly agree otherwise in writing in an SOW (and then for purposes of that SOW only).

(a) Non-Third Party Application Development. It is GE’s strategy to utilize GE Predix Platform/Operating System for all Non-Third Party Application Development. As such SP will be required to adhere to this by presenting all proposals (RFP’s), Designs and Implementations for Non-Third Party Application Development with Predix based solutions.

(b) Predix Certification. Any Predix Solutions designed, developed or worked on by SP, must be done by Predix Certified personnel only. If SP is unable to comply with this Schedule, prior to the commencement of applicable Services, SP shall provide written notice to GE of such non-compliance. GE shall have the right, but not the obligation, to make exceptions on a case-by-case basis; provided any granted exception shall be limited to the SOW for which said exception was granted. GE shall have no obligation to pay for any non-compliant Services performed by SP for which an exception was not granted.

IN WITNESS WHEREOF, the Parties have caused the Schedule FS2 to be executed by their duly authorized representatives as of the Schedule Effective Date.

GENERAL ELECTRIC INTERNATIONAL, INC.
By: /s/ James P. Otis
Printed Name: James P Otis
Title: GO-S IT Professional Services Leader
Date: December 14, 2016

GENPACT INTERNATIONAL, INC
By: /s/ Victor Guaglianone
Printed Name: Victor Guaglianone
Title: SVP
Date: 12/22/16

Exhibit 21.1

Subsidiaries of the Registrant:

Name:	Jurisdiction of Incorporation:
Genpact Australia Pty Ltd…………………………………………………..	Australia
Headstrong (Australia) Pty Ltd.	Australia
Genpact Global (Bermuda) Limited	Bermuda
Genpact Global Holdings (Bermuda) Limited	Bermuda
Genpact Brasil Gestão de Processos Operacionais Ltda.	Brazil
Headstrong Canada Ltd.	Canada
Genpact (Dalian) Co. Ltd.	China
Genpact (Dalian) Information & Technology Service Co., Ltd.	China
Genpact (Foshan) Information & Technology Service Co., Ltd.	China
Genpact (Qingdao) Information & Technology Service Co., Ltd.	China
Genpact (Suzhou) Information & Technology Service Co., Ltd.	China
Genpact Colombia S.A.S.	Colombia
Genpact Czech s.r.o.	Czech Republic
Genpact Administraciones-Guatemala, S.A.	Guatemala
Servicios Internacionales de Atencion Al Cliente, S.A.	Guatemala
Headstrong GmbH	Germany
Headstrong (Hong Kong) Ltd.	Hong Kong
Genpact Hungary Kft	Hungary
Genpact Hungary Process Szolgaltató Kft.	Hungary
Axis Risk Consulting Services Pvt. Ltd.	India
Endeavour Software Technologies Private Limited	India
Genpact India Private Limited	India
Genpact Mobility Services (I) Pvt. Ltd.	India
Headstrong Services India Pvt. Ltd.	India
Genpact Ireland Private Limited…………………………………………………….	Ireland
PNMSoft Ltd…	Israel
Genpact Consulting KK	Japan
Genpact Japan Business Services KK	Japan
Genpact Japan KK	Japan
Genpact Japan Services Co., Ltd.	Japan
Genpact Kenya Limited	Kenya
Genpact Luxembourg S.à r.l.	Luxembourg
Genpact Investment Luxembourg S.à r.l.	Luxembourg

Name:	Jurisdiction of Incorporation:
Genpact Malaysia Sdn Bhd	Malaysia
Genpact China Investments	Mauritius
Genpact India Holdings	Mauritius
Genpact Mauritius	Mauritius
EDM S. de R.L. de C.V.	Mexico
Genpact Morocco S.à r.l.	Morocco
Genpact Morocco Training S.à r.l.	Morocco
Genpact A B.V.	Netherlands
Genpact B B.V.	Netherlands
Genpact C B.V.	Netherlands
Genpact Consulting Services B.V.	Netherlands
Genpact D B.V.	Netherlands
Genpact E B.V.	Netherlands
Genpact Netherlands B.V.	Netherlands
Genpact NL B.V	Netherlands
Genpact Resourcing Services B.V.	Netherlands
Genpact V.O.F.	Netherlands
Genpact Peru S.A.	Peru
Headstrong Philippines, Inc.	Philippines
Genpact PL sp. z o.o.	Poland
Genpact Poland sp. z o.o.	Poland
Genpact Services Poland sp. z o.o.	Poland
PNMSoft Portugal SOC Unipessoal, Lda.	Portugal
Genpact Romania SRL	Romania
Genpact Singapore Pte. Ltd.	Singapore
Genpact Consulting (Singapore) Pte. Ltd.	Singapore
Genpact Slovakia s.r.o.	Slovakia
Genpact South Africa (Proprietary) Limited	South Africa
Genpact Strategy Consultants S.L.	Spain
Headstrong Thailand Ltd.	Thailand
Genpact (UK) Ltd.	United Kingdom
Genpact Regulatory Affairs UK Limited	United Kingdom
Genpact WM UK Limited	United Kingdom
Headstrong (UK) Ltd.	United Kingdom
Headstrong Worldwide Ltd.	United Kingdom
Pharmalink Consulting Limited	United Kingdom
Pharmalink Consulting Operations Ltd.	United Kingdom
PNMSoft UK Limited	United Kingdom
Strategic Sourcing Excellence Limited	United Kingdom
Akritiv Technologies, Inc.	United States
Endeavour Software Technologies Inc.	United States
Genpact (Mexico) I LLC	United States
Genpact (Mexico) II LLC	United States
Genpact CL, Inc.	United States

Name:	Jurisdiction of Incorporation:
Genpact Insurance Administration Services Inc.	United States
Genpact International, Inc.	United States
Genpact LH LLC	United States
Genpact LLC	United States
Genpact Mortgage Services, Inc.	United States
Genpact Onsite Services, Inc.	United States
Genpact Registered Agent, Inc.	United States
Genpact Services LLC	United States
Genpact Solutions, Inc.	United States
Genpact US LLC	United States
Genpact WB LLC	United States
Headstrong Business Services, Inc.	United States
Headstrong Corporation	United States
Headstrong Inc.	United States
Headstrong Public Sector, Inc.	United States
Headstrong Services LLC	United States
High Performance Partners, LLC	United States
Jawood Business Process Solutions, LLC…………………………	United States
LeaseDimensions, Inc………………………………………………………..	United States
OpenWealth Services, LLC	United States
Pharmalink Consulting Inc.	United States
PNMSoft USA Inc.Inc...	United States
Strategic Sourcing Excellence LLC	United States
Techspan Holdings, Inc.	United States
TS Mergerco, Inc.	United States

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Genpact Limited:

We consent to the incorporation by reference in the registration statements (No. 333-210729) on Form S-3, (No. 333-184296) on Form S-8, (No. 333-153113) on Form S-8 and (No. 333-145152) on Form S-8/A of Genpact Limited of our reports dated March 1, 2017, with respect to the consolidated balance sheets of Genpact Limited as of December 31, 2015 and 2016, and the related consolidated statements of income, comprehensive income (loss), equity and cash flows for each of the years in the three-year period ended December 31, 2016, and the effectiveness of internal control over financial reporting as of December 31, 2016, which reports appear in the December 31, 2016 annual report on Form 10-K of Genpact Limited.

Our report dated March 1, 2017, on the effectiveness of internal control over financial reporting as of December 31, 2016, contains an explanatory paragraph that states that Genpact Limited acquired PNMSoft Limited, Endeavour Software Technologies Private Limited and Strategic Sourcing Excellence Limited, and management excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2016, PNMSoft Limited's, Endeavour Software Technologies Private Limited's and Strategic Sourcing Excellence Limited's internal control over financial reporting associated with total assets of $74,133 thousands (of which $56,139 thousands represent goodwill and intangible assets included within the scope of the assessment) and total revenues of $17,459 thousands included in the consolidated financial statements of the Company as of and for the year ended December 31, 2016. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of PNMSoft Limited, Endeavour Software Technologies Private Limited and Strategic Sourcing Excellence Limited.

/s/ KPMG
Gurgaon, India
March 1, 2017

Exhibit 31.1

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, N.V. Tyagarajan, certify that:

1. I have reviewed this Annual Report on Form 10-K of Genpact Limited for the period ended December 31, 2016, as filed with the Securities and Exchange Commission on the date hereof;

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

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

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

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

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

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

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

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

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

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

Date: March 1, 2017

/s/ N.V. TYAGARAJAN

N.V. Tyagarajan
Chief Executive Officer

Exhibit 31.2

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Edward J. Fitzpatrick, certify that:

1. I have reviewed this Annual Report on Form 10-K of Genpact Limited for the period ended December 31, 2016, as filed with the Securities and Exchange Commission on the date hereof;

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

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

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

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

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

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

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

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

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

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

Date: March 1, 2017

/s/ EDWARD J. FITZPATRICK

Edward J. Fitzpatrick

Chief Financial Officer

Exhibit 32.1

Certification of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Genpact Limited (the "Company") on Form 10-K for the period ended December 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, N.V. Tyagarajan, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 1, 2017

/s/ N.V. TYAGARAJAN

N.V. Tyagarajan
Chief Executive Officer
Genpact Limited

Exhibit 32.2

Certification of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Genpact Limited (the "Company") on Form 10-K for the period ended December 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Edward J. Fitzpatrick, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 1, 2017

/s/ EDWARD J. FITZPATRICK

Edward J. Fitzpatrick
Chief Financial Officer
Genpact Limited