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

## Form 10-Q

**(Mark One)**

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the Quarterly Period ended March 31, 2022**
**Or**

☐ **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) 298-3300**
**(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 | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common shares, par value $0.01 per share | G | New York Stock Exchange |

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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

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

| | | | |
|---|---|---|---|
| Large accelerated filer | ☒ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ |
| Emerging growth company | ☐ | | |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

As of May 5, 2022, there were 185,148,923 common shares, par value $0.01 per share, of the registrant issued and outstanding.

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**PART I - FINANCIAL INFORMATION**

**Item 1. Unaudited Consolidated Financial Statements**

**GENPACT LIMITED AND ITS SUBSIDIARIES**
**Consolidated Balance Sheets**
**(Unaudited)**
**(In thousands, except per share data and share count)**

| | Notes | As of December 31, 2021 | As of March 31, 2022 |
|---|---|---|---|
| **Assets** | | | |
| *Current assets* | | | |
| Cash and cash equivalents | | $ 899,458 | $ 861,760 |
| Accounts receivable, net of allowance for credit losses of $24,329 and $21,938 as of December 31, 2021 and March 31, 2022, respectively | 4 | 887,742 | 971,361 |
| Prepaid expenses and other current assets | 7 | 134,441 | 151,613 |
| **Total current assets** | | **$ 1,921,641** | **$ 1,984,734** |
| Property, plant and equipment, net | 8 | 215,089 | 202,707 |
| Operating lease right-of-use assets | | 270,603 | 253,568 |
| Deferred tax assets | 22 | 106,322 | 99,079 |
| Intangible assets, net | 9 | 169,635 | 154,149 |
| Goodwill | 9 | 1,731,027 | 1,722,012 |
| Contract cost assets | 19 | 238,794 | 234,772 |
| Other assets, net of allowance for credit losses of $3,711 and $3,272 as of December 31, 2021 and March 31, 2022, respectively | | 322,158 | 320,250 |
| **Total assets** | | **$ 4,975,269** | **$ 4,971,271** |
| **Liabilities and equity** | | | |
| *Current liabilities* | | | |
| Short-term borrowings | 10 | $ — | $ 250,000 |
| Current portion of long-term debt | 11 | 383,433 | 383,569 |
| Accounts payable | | 24,984 | 21,098 |
| Income taxes payable | 22 | 47,353 | 53,212 |
| Accrued expenses and other current liabilities | 12 | 791,440 | 615,918 |
| Operating leases liability | | 61,591 | 59,497 |
| **Total current liabilities** | | **$ 1,308,801** | **$ 1,383,294** |
| Long-term debt, less current portion | 11 | 1,272,476 | 1,264,372 |
| Operating leases liability | | 247,707 | 229,776 |
| Deferred tax liabilities | 22 | 3,942 | 3,613 |
| Other liabilities | 13 | 245,210 | 242,822 |
| **Total liabilities** | | **$ 3,078,136** | **$ 3,123,877** |
| **Shareholders' equity** | | | |
| Preferred shares, $0.01 par value, 250,000,000 authorized, none issued | | — | — |
| Common shares, $0.01 par value, 500,000,000 authorized, 185,336,357 and 185,072,415 issued and outstanding as of December 31, 2021 and March 31, 2022, respectively | | 1,847 | 1,845 |
| Additional paid-in capital | | 1,717,165 | 1,693,854 |
| Retained earnings | | 732,474 | 729,503 |
| Accumulated other comprehensive income (loss) | | (554,353) | (577,808) |
| **Total equity** | | **$ 1,897,133** | **$ 1,847,394** |
| Commitments and contingencies | 23 | | |
| **Total liabilities and equity** | | **$ 4,975,269** | **$ 4,971,271** |

See accompanying notes to the Consolidated Financial Statements.

**GENPACT LIMITED AND ITS SUBSIDIARIES**
**Consolidated Statements of Income**
**(Unaudited)**
**(In thousands, except per share data and share count)**

| | Notes | Three months ended March 31, 2021 | 2022 |
|---|---|---|---|
| Net revenues | 19 | $ 946,071 | $ 1,068,443 |
| Cost of revenue | | 600,928 | 685,962 |
| **Gross profit** | | **$ 345,143** | **$ 382,481** |
| *Operating expenses:* | | | |
| Selling, general and administrative expenses | | 200,732 | 237,296 |
| Amortization of acquired intangible assets | 9 | 16,176 | 11,306 |
| Other operating (income) expense, net | 20 | 353 | 3 |
| **Income from operations** | | **$ 127,882** | **$ 133,876** |
| Foreign exchange gains (losses), net | | 3,293 | 4,303 |
| Interest income (expense), net | 21 | (12,342) | (12,088) |
| Other income (expense), net | | 1,392 | (409) |
| **Income before income tax expense** | | **$ 120,225** | **$ 125,682** |
| Income tax expense | 22 | 28,952 | 29,503 |
| **Net income** | | **$ 91,273** | **$ 96,179** |
| Earnings per common share | 17 | | |
| Basic | | $ 0.48 | $ 0.52 |
| Diluted | | $ 0.47 | $ 0.51 |
| Weighted average number of common shares used in computing earnings per common share | 17 | | |
| Basic | | 188,650,112 | 185,637,776 |
| Diluted | | 193,213,258 | 189,558,404 |

See accompanying notes to the Consolidated Financial Statements.

**GENPACT LIMITED AND ITS SUBSIDIARIES**
**Consolidated Statements of Comprehensive Income (Loss)**
**(Unaudited)**
**(In thousands)**

| | Three months ended March 31, | |
|---|---|---|
| | **2021** | **2022** |
| Net income (loss) | $ 91,273 | $ 96,179 |
| Other comprehensive income: | | |
| Currency translation adjustments | (18,644) | (27,429) |
| Net income (loss) on cash flow hedging derivatives, net of taxes (Note 6) | 2,081 | 2,873 |
| Retirement benefits, net of taxes | 584 | 1,101 |
| Other comprehensive income (loss) | (15,979) | (23,455) |
| Comprehensive income (loss) | **$ 75,294** | **$ 72,724** |

See accompanying notes to the Consolidated Financial Statements.

**GENPACT LIMITED AND ITS SUBSIDIARIES**
**Consolidated Statements of Equity**
**For the three months ended March 31, 2021**
**(Unaudited)**
**(In thousands, except share count)**

| | Common shares | | | | | |
|---|---|---|---|---|---|---|
| | No. of Shares | Amount | Additional Paid-in Capital | Retained Earnings | Accumulated Other Comprehensive Income (Loss) | Total Equity |
| **Balance as of January 1, 2021** | **189,045,661** | **$ 1,885** | **$ 1,636,026** | **$ 741,658** | **$ (545,340)** | **$ 1,834,229** |
| Issuance of common shares on exercise of options (Note 15) | 158,000 | 2 | 3,785 | — | — | 3,787 |
| Issuance of common shares under the employee stock purchase plan (Note 15) | 77,165 | 1 | 2,808 | — | — | 2,809 |
| Net settlement on vesting of restricted share units (Note 15) | 91,039 | 1 | (1,303) | — | — | (1,302) |
| Net settlement on vesting of performance units (Note 15) | 1,102,440 | 11 | (28,301) | — | — | (28,290) |
| Stock repurchased and retired (Note 16) | (3,297,966) | (33) | — | (134,119) | — | (134,152) |
| Expenses related to stock purchase (Note 16) | — | — | — | (66) | — | (66) |
| Stock-based compensation expense (Note 15) | — | — | 17,430 | — | — | 17,430 |
| Comprehensive income (loss): | | | | | | |
| Net income (loss) | — | — | — | 91,273 | — | 91,273 |
| Other comprehensive income (loss) | — | — | — | — | (15,979) | (15,979) |
| Dividend ($0.1075 per common share, Note 16) | — | — | — | (20,115) | — | (20,115) |
| **Balance as of March 31, 2021** | **187,176,339** | **$ 1,867** | **$ 1,630,445** | **$ 678,631** | **$ (561,319)** | **$ 1,749,624** |

See accompanying notes to the Consolidated Financial Statements.

**GENPACT LIMITED AND ITS SUBSIDIARIES**
**Consolidated Statements of Equity**
**For the three months ended March 31, 2022**
**(Unaudited)**
**(In thousands, except share count)**

| | Common shares | | | | | |
|---|---|---|---|---|---|---|
| | No. of Shares | Amount | Additional Paid-in Capital | Retained Earnings | Accumulated Other Comprehensive Income (Loss) | Total Equity |
| **Balance as of January 1, 2022** | **185,336,357** | **$ 1,847** | **$ 1,717,165** | **$ 732,474** | **$ (554,353)** | **$ 1,897,133** |
| Issuance of common shares on exercise of options (Note 15) | — | — | — | — | — | — |
| Issuance of common shares under the employee stock purchase plan (Note 15) | 87,646 | 1 | 3,299 | — | — | 3,300 |
| Net settlement on vesting of restricted share units (Note 15) | 54,942 | 1 | (1) | — | — | — |
| Net settlement on vesting of performance units (Note 15) | 1,224,003 | 12 | (41,859) | — | — | (41,847) |
| Stock repurchased and retired (Note 16) | (1,630,533) | (16) | — | (75,983) | — | (75,999) |
| Expenses related to stock purchase (Note 16) | — | — | — | (33) | — | (33) |
| Stock-based compensation expense (Note 15) | — | — | 15,250 | — | — | 15,250 |
| Comprehensive income (loss): | | | | | | |
| Net income (loss) | — | — | — | 96,179 | — | 96,179 |
| Other comprehensive income (loss) | — | — | — | — | (23,455) | (23,455) |
| Dividend ($0.1250 per common share, Note 16) | — | — | — | (23,134) | — | (23,134) |
| **Balance as of March 31, 2022** | **185,072,415** | **$ 1,845** | **$ 1,693,854** | **$ 729,503** | **$ (577,808)** | **$ 1,847,394** |

See accompanying notes to the Consolidated Financial Statements.

**GENPACT LIMITED AND ITS SUBSIDIARIES**
**Consolidated Statements of Cash Flows**
**(Unaudited)**
**(In thousands)**

| | Three months ended March 31, | |
|---|---|---|
| | **2021** | **2022** |
| **Operating activities** | | |
| Net income | $ 91,273 | $ 96,179 |
| *Adjustments to reconcile net income to net cash (used for)/ provided by operating activities:* | | |
| Depreciation and amortization | 28,953 | 24,847 |
| Amortization of debt issuance costs | 557 | 690 |
| Amortization of acquired intangible assets | 16,176 | 11,306 |
| Write-down of intangible assets and property, plant and equipment | 836 | — |
| Allowance for credit losses | 727 | (463) |
| Unrealized gain on revaluation of foreign currency asset/liability | (3,127) | (4,599) |
| Stock-based compensation expense | 17,430 | 15,250 |
| Deferred tax expense | 31 | 4,914 |
| Others, net | 201 | 19 |
| Change in operating assets and liabilities: | | |
| Increase in accounts receivable | (6,385) | (83,548) |
| (Increase) decrease in prepaid expenses, other current assets, contract cost assets, operating lease right-of-use assets and other assets | 14,526 | (4,120) |
| Increase (decrease) in accounts payable | 7,700 | (2,010) |
| Decrease in accrued expenses, other current liabilities, operating leases liabilities and other liabilities | (106,727) | (179,186) |
| Increase in income taxes payable | 14,985 | 6,440 |
| **Net cash (used for)/ provided by operating activities** | **$ 77,156** | **$ (114,281)** |
| **Investing activities** | | |
| Purchase of property, plant and equipment | (12,010) | (16,744) |
| Payment for internally generated intangible assets (including intangibles under development) | (1,897) | (1,065) |
| Proceeds from sale of property, plant and equipment | 681 | 43 |
| Payment for business acquisitions, net of cash acquired | (5,309) | — |
| **Net cash (used for) investing activities** | **$ (18,535)** | **$ (17,766)** |
| **Financing activities** | | |
| Repayment of finance lease obligations | (3,037) | (2,292) |
| Payment of debt issuance costs | (1,893) | — |
| Proceeds from long-term debt | 350,000 | — |
| Repayment of long-term debt | (8,500) | (8,500) |
| Proceeds from short-term borrowings | — | 250,000 |
| Repayment of short-term borrowings | (250,000) | — |
| Proceeds from issuance of common shares under stock-based compensation plans | 6,596 | 3,300 |
| Payment for net settlement of stock-based awards | (28,721) | (41,889) |
| Dividend paid | (20,115) | (23,134) |
| Payment for stock repurchased and retired (including expenses related to stock repurchase) | (134,218) | (76,032) |
| **Net cash (used for)/ provided by financing activities** | **$ (89,888)** | **$ 101,453** |
| Effect of exchange rate changes | (5,171) | (7,104) |
| Net decrease in cash and cash equivalents | (31,267) | (30,594) |
| Cash and cash equivalents at the beginning of the period | 680,440 | 899,458 |
| **Cash and cash equivalents at the end of the period** | **$ 644,002** | **$ 861,760** |
| **Supplementary information** | | |
| Cash paid during the period for interest | $ 4,086 | $ 1,893 |
| Cash paid during the period for income taxes, net of refund | $ 21,988 | $ 28,580 |

See accompanying notes to the Consolidated Financial Statements.

## 1. Organization

The Company is a global professional services firm that drives digitally-led innovation and runs digitally-enabled intelligent operations for its clients, guided by its experience running thousands of processes for hundreds of Fortune Global 500 clients. The Company has over 115,300 employees serving clients in key industry verticals from more than 30 countries.

## 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") and the rules and regulations of the Securities and Exchange Commission (the "SEC") for reporting on Form 10-Q. Accordingly, they do not include certain information and note disclosures required by generally accepted accounting principles for annual financial reporting and should be read in conjunction with the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021. 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.

*(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. Significant items subject to such estimates and assumptions include the useful lives of property, plant and equipment, intangible assets and goodwill, revenue recognition, allowance for credit losses, valuation allowances for deferred tax assets, the valuation of derivative financial instruments, the measurement of lease liabilities and right-of-use ("ROU") assets, measurements of stock-based compensation, assets and obligations related to employee benefits, the nature and timing of the satisfaction of performance obligations, the standalone selling price of performance obligations, variable consideration, other obligations for revenue recognition, income tax uncertainties and other contingencies. Management believes that the estimates used in the preparation of the consolidated financial statements are reasonable, and management has made assumptions about the possible effects of the ongoing COVID-19 pandemic on critical and significant accounting estimates. Although these estimates and assumptions 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) Business combinations, goodwill and other intangible assets*

The Company accounts for its business combinations using the acquisition method of accounting in accordance with Accounting Standard Codification ("ASC") Topic 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 re-measured 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.

**2. Summary of significant accounting policies (Continued)**

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 9 for information and related disclosures.

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

| | | | |
|---|---|---|---|
| Customer-related intangible assets | 1 | - | 9 years |
| Marketing-related intangible assets | 1 | - | 8 years |
| Technology-related intangible assets | 2 | - | 10 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.

The Company also capitalizes certain software and technology-related development costs incurred in connection with developing or obtaining software or technology for sale/lease to customers when the initial design phase is completed and commercial and technological feasibility has been established. Any development cost incurred before technological feasibility is established is expensed as incurred as research and development costs. Technological feasibility is established upon completion of a detailed design program or, in its absence, completion of a working model. Capitalized software and technology costs include only (i) external direct costs of materials and services utilized in developing or obtaining software and technology and (ii) compensation and related benefits for employees who are directly associated with the project.

Costs incurred in connection with developing or obtaining software or technology for sale/lease to customers which are under development and not put to use are disclosed under “intangible assets under development.” Advances paid towards the acquisition of intangible assets outstanding as of each balance sheet date are disclosed under “intangible assets under development.”

Capitalized software and technology costs are included in intangible assets under technology-related intangible assets on the Company’s balance sheet and are amortized on a straight-line basis when placed into service over the estimated useful lives of the software and technology.

The Company evaluates the remaining useful life of intangible assets that are being amortized at each reporting period wherever events and circumstances warrant a revision to the remaining period of amortization, and the remaining carrying amount of the intangible asset is amortized prospectively over that revised remaining useful life.

**2. Summary of significant accounting policies (Continued)**

*(d) 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 customers. The General Electric Company ("GE") accounted for 8% and 9% of the Company's receivables as of December 31, 2021 and March 31, 2022, respectively. GE accounted for 10% and 9% of the Company's revenues for the three months ended March 31, 2021 and 2022, respectively.

*(e) 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 current expected credit losses inherent in its accounts receivable portfolio. In establishing the required allowance, management considers historical losses which are adjusted to current market conditions and a reasonable and supportable forecast. 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 customers.

*(f) Revenue Recognition*

The Company derives its revenue primarily from business process management services, including analytics, consulting and related digital solutions and information technology services, which are provided primarily on a time-and-material, transaction or fixed-price basis. The Company recognizes revenue upon the transfer of control of promised services to its customers in an amount that reflects the consideration the Company expects to receive in exchange for those services. 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 customization of applications, maintenance and support services. Revenues from these contracts are recognized ratably over the term of the agreement. The Company accrues for revenue and unbilled receivables for services rendered between the last billing date and the balance sheet date.

The Company's contracts with its customers also include incentive payments received for discrete benefits delivered or promised to be delivered to the customer or service level agreements that could result in credits or refunds to the customer. Revenues relating to such arrangements are accounted for as variable consideration when the amount of revenue to be recognized can be estimated to the extent that it is probable that a significant reversal of any incremental revenue will not occur.

The Company records deferred revenue attributable to certain process transition activities where such activities do not represent separate performance obligations. Revenues relating to such transition activities are classified under contract liabilities and subsequently recognized ratably over the period in which the related services are performed. Costs relating to such transition activities are fulfillment costs which are directly related to the contract and result in the generation or enhancement of resources. Such costs are expected to be recoverable under the contract and are therefore classified as contract cost assets and recognized ratably over the estimated expected period of benefit under cost of revenue.

**2. Summary of significant accounting policies (Continued)**

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

Revenue for performance obligations that are satisfied over time is recognized in accordance with the methods prescribed for measuring progress. The input (cost expended) method has been used to measure progress towards completion as there is a direct relationship between input and the satisfaction of a performance obligation. 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 enters into multiple-element revenue arrangements in which a customer may purchase a combination of products or services. The Company determines whether each product or service promised to a customer is capable of being distinct, and is distinct in the context of the contract. If not, the promised products or services are combined and accounted for as a single performance obligation. In the event of a multiple-element revenue arrangement, the Company allocates the arrangement consideration to separately identifiable performance obligations based on their relative stand-alone selling prices.

Certain contracts may include offerings such as sale of licenses, which may be perpetual or subscription-based. Revenue from distinct perpetual licenses is recognized upfront at the point in time when the software is made available to the customer. Revenue from distinct, non-cancellable, subscription-based licenses is recognized at the point in time it is transferred to the customer. Revenue from any associated maintenance or ongoing support services is recognized ratably over the term of the contract. For a combined software license/services performance obligation, revenue is recognized over the period that the services are performed.

All incremental and direct costs incurred for acquiring contracts, such as certain sales commissions, are classified as contract cost assets. Such costs are amortized over the expected period of benefit and recorded under selling, general and administrative expenses.

Other upfront fees paid to customers are classified as contract assets. Such fees are amortized over the expected period of benefit and recorded as an adjustment to the transaction price and deducted from revenue.

Timing of revenue recognition may differ from the timing of invoicing. If a payment is received in respect of services prior to the delivery of services, the payment is recognized as an advance from the customer and classified as a contract liability. Contract assets and contract liabilities relating to the same customer contract are offset against each other and presented on a net basis in the consolidated financial statements.

**Significant judgements**

The Company often enters into contracts with its customers that include promises to transfer multiple products and services to the customer. Determining whether products and services are considered distinct performance obligations that should be accounted for separately rather than together may require significant judgement.

Judgement is also required to determine the standalone selling price for each distinct performance obligation. In instances where the standalone selling price is not directly observable, it is determined using information that may include market conditions and other observable inputs.

Customer contracts sometimes include incentive payments received for discrete benefits delivered to the customer or service level agreements that could result in credits or refunds to the customer. Such amounts are estimated at contract inception and are adjusted at the end of each reporting period as additional information becomes available only to the extent that it is probable that a significant reversal of any incremental revenue will not occur.

**2. Summary of significant accounting policies (Continued)**

*(g) Leases*

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. The Company's assessment is based on whether: (1) the contract involves the use of a distinct identified asset, (2) the Company obtains the right to substantially all the economic benefit from the use of the asset throughout the term of the contract, and (3) the Company has the right to direct the use of the asset. At the inception of a lease, the consideration in the contract is allocated to each lease component based on its relative standalone price to determine the lease payments.

Leases are classified as either finance leases or operating leases. A lease is classified as a finance lease if any one of the following criteria are met: (1) the lease transfers ownership of the asset by the end of the lease term, (2) the lease contains an option to purchase the asset that is reasonably certain to be exercised, (3) the lease term is for a major part of the remaining useful life of the asset or (4) the present value of the lease payments equals or exceeds substantially all of the fair value of the asset. A lease is classified as an operating lease if it does not meet any one of the above criteria.

For all leases at the lease commencement date, a ROU asset and a lease liability are recognized. The lease liability represents the present value of the lease payments under the lease. Lease liabilities are initially measured at the present value of the lease payments not yet paid, discounted using the discount rate for the lease at the lease commencement. The lease liabilities are subsequently measured on an amortized cost basis. The lease liability is adjusted to reflect interest on the liability and the lease payments made during the period. Interest on the lease liability is determined as the amount that results in a constant periodic discount rate on the remaining balance of the liability.

The ROU asset represents the right to use the leased asset for the lease term. The ROU asset for each lease initially includes the amount of the initial measurement of the lease liability adjusted for any lease payments made to the lessor at or before the commencement date, accrued lease liabilities and any lease incentives received or any initial direct costs incurred by the Company.

The ROU asset of finance leases is subsequently measured at cost, less accumulated amortization and any accumulated impairment losses. The ROU asset of operating leases is subsequently measured from the carrying amount of the lease liability at the end of each reporting period, and is equal to the carrying amount of lease liabilities adjusted for (1) unamortized initial direct costs, (2) prepaid/(accrued) lease payments and (3) the unamortized balance of lease incentives received.

The carrying value of ROU assets is reviewed for impairment, similar to long-lived assets, whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

The Company has elected to not separate lease and non-lease components for all of its leases and to use the recognition exemptions for lease contracts that, at commencement date, have a lease term of 12 months or less and do not contain a purchase option ("short-term leases").

**Significant judgements**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. Under certain of its leases, the Company has a renewal and termination option to lease assets for additional terms between one and ten years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. The Company considers all relevant factors that create an economic incentive for it to exercise the renewal or termination option. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within the Company's control and affects its ability to exercise (or not to exercise) the option to renew or terminate.

**2. Summary of significant accounting policies (Continued)**

The Company has applied an incremental borrowing rate for the purpose of computing lease liabilities based on the remaining lease term and the rates prevailing in the jurisdictions where leases were executed.

*(h)* Cost of revenue

Cost of revenue primarily consists of salaries and benefits (including stock-based compensation), recruitment, training and related costs of employees who are directly responsible for the performance of services for customers, their supervisors and certain support personnel who may be dedicated to a particular client or a set of processes. It also includes operational expenses, which consist of facilities maintenance expenses, travel and living expenses, rent, IT expenses, and consulting and certain other expenses. Consulting charges represent the cost of consultants and contract resources with specialized skills who are directly responsible for the performance of services for clients and travel and other billable costs related to the Company's clients. It also includes depreciation of property, plant and equipment, and amortization of intangible and ROU assets which are directly related to providing services that generate revenue.

*(i)* Selling, general and administrative expenses

Selling, general and administrative ("SG&A") expenses consist of expenses relating to salaries and benefits (including stock-based compensation) as well as costs related to recruitment, training and retention of senior management and other support personnel in enabling functions such as human resources, finance, legal, marketing, sales and sales support, and other support personnel. The operational costs component of SG&A expenses also includes travel and living costs for such personnel. SG&A expenses also include acquisition-related costs, legal and professional fees (which represent the costs of third party legal, tax, accounting and other advisors), investment in research and development, digital technology, advanced automation and robotics, and an allowance for credit losses. It also includes depreciation of property, plant and equipment, and amortization of intangibles and ROU assets other than those included in cost of revenue.

*(j) Credit losses*

An allowance for credit losses is recognized for all debt instruments other than those held at fair value through profit or loss. The Company pools its accounts receivable (other than deferred billings) based on similar risk characteristics in estimating expected credit losses. Credit losses for accounts receivable are based on the roll-rate method, and the Company recognizes a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix based on historical credit loss experience, adjusted for forward-looking factors and the economic environment. The Company believes the most relevant forward-looking factors are economic environment, gross domestic product, inflation rates and unemployment rates for each of the countries in which the Company or its customers operate, and accordingly the Company adjusts historical loss rates based on expected changes in these factors. At every reporting date, observed historical default rates are updated to reflect changes in the Company's forward-looking estimates.

Credit losses for other financial assets and deferred billings are based on the discounted cash flow ("DCF") method. Under the DCF method, the allowance for credit losses reflects the difference between the contractual cash flows due in accordance with the contract and the present value of the cash flows expected to be collected. The expected cash flows are discounted at the effective interest rate of the financial asset. Such allowances are based on the credit losses expected to arise over the life of the asset which includes consideration of prepayments based on the Company's expectation as of the balance sheet date.

A financial asset is written off when it is deemed uncollectible and there is no reasonable expectation of recovering the contractual cash flows. Expected recoveries of amounts previously written off, not to exceed the aggregate amounts previously written off, are included in determining the allowance at each reporting period.

Credit losses are presented as a credit loss expense within "Selling, general and administrative expenses." Subsequent recoveries of amounts previously written off are credited against the same line item.

**2. Summary of significant accounting policies (Continued)**

*(k) Reclassification*

Certain reclassifications have been made in the consolidated financial statements of prior periods to conform to the classification used in the current period. The impact of such reclassifications on the consolidated financial statements is not material.

*(l) 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 by 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.

*(m) Recently issued 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 not yet been adopted by the Company:

In November 2021, the FASB issued ASU No. 2021-10, "Government Assistance." This ASU improves financial reporting by requiring disclosures that increase the transparency of transactions with governments. The ASU is effective for the Company for annual periods, beginning December 15, 2021. Early adoption is permitted. The Company is in the process of assessing the impact of this ASU on its consolidated results of operations, cash flows, financial position and disclosures.

**3. Business acquisitions**

(a) Hoodoo Digital, LLC

On December 31, 2021, the Company acquired 100% of the outstanding equity/limited liability company interests in Hoodoo Digital, LLC, a Utah limited liability company, for total purchase consideration of $66,722. This amount represents cash consideration of $64,439, net of cash acquired of $2,283. The total purchase consideration paid by the Company to the sellers on the closing date was $67,695, resulting in a recoverable of $973 as of March 31, 2022. The Company is evaluating adjustments related to certain income and other taxes, which, when determined, may result in the recognition of additional assets or liabilities as of the acquisition date. The measurement period will not exceed one year from the acquisition date. This acquisition furthers the Company's strategy to fuse experience and process innovation to help clients drive end-to-end digital transformation. Hoodoo Digital's expertise with Adobe Experience Manager and other Adobe applications expands the Company's existing capabilities to provide clients with an end-to-end solution that integrates digital content, e-commerce, data analytics, and marketing operations.

In connection with this acquisition, the Company recorded $16,200 in customer-related intangibles and $2,400 in marketing-related intangibles which have a weighted average amortization period of five years. Goodwill arising from the acquisition amounting to $44,346 has been allocated using a relative fair value allocation method to each of the Company's reporting segments as follows: to the Banking, Capital Markets and Insurance ("BCMI") segment in the amount of $4,179, to the Consumer Goods, Retail, Life Sciences and Healthcare ("CGRLH") segment in the amount of $7,053 and to the High Tech, Manufacturing and Services ("HMS") segment in the amount of $33,114.

Goodwill arising from this acquisition is deductible for income tax purposes. The goodwill represents primarily the acquired capabilities and other benefits expected to result from combining the acquired operations with the Company's existing operations.

**3. Business acquisitions (Continued)**

Acquisition-related costs of $1,177 have been included in selling, general and administrative expenses as incurred. In connection with the acquisition, the Company also acquired certain assets with a value of $5,629 and assumed certain liabilities amounting to $1,852. The agreement with the sellers provides a full indemnity to the Company for all pre-closing income and non-income tax liabilities up to a maximum of the purchase consideration, including interest and penalties thereon. The Company would not be financially or materially affected by any liabilities that may arise from such exposures.

Accordingly, the Company recognized an indemnification asset of $278 based on the information that was available at the date of the acquisition, which is included in the assets taken over by the Company. 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.

(b) Enquero Inc

On December 31, 2020, the Company acquired 100% of the outstanding equity interests in Enquero Inc, a California corporation, and certain affiliated entities in India, the Netherlands and Canada (collectively referred to as "Enquero") for total purchase consideration of $148,797. This amount represents cash consideration of $137,166, net of cash acquired of $11,631. The total purchase consideration paid by the Company to the sellers on the closing date was $141,938. No portion of the purchase consideration is outstanding as of March 31, 2022. This acquisition increased the scale and depth of the Company's data and analytics capabilities and enhanced the Company's ability to accelerate the digital transformation journeys of its clients through cloud technologies and advanced data analytics.

In connection with this acquisition, the Company recorded $49,000 in customer-related intangibles, $9,500 in marketing-related intangibles and $1,400 in technology-related intangibles, which have a weighted average amortization period of four years. Goodwill arising from the acquisition amounting to $87,874 has been allocated using a relative fair value allocation method to each of the Company's reporting segments as follows: to the BCMI segment in the amount of $2,594, to the CGRLH segment in the amount of $22,548 and to the HMS segment in the amount of $62,732. The goodwill arising from this acquisition is not deductible for income tax purposes. The goodwill represents primarily the acquired capabilities and other benefits expected to result from combining the acquired operations with the Company's existing operations.

Acquisition-related costs of $1,590 have been included in selling, general and administrative expenses as incurred. In connection with the transaction, the Company also acquired certain assets with a value of $32,879, assumed certain liabilities amounting to $17,232 and recognized a net deferred tax liability of $14,343. The agreement with the sellers provides a full indemnity to the Company for all pre-closing income and non-income tax liabilities up to a maximum of the purchase consideration, including interest and penalties thereon. The Company would not be financially or materially affected by any liabilities that may arise from such exposures.

Accordingly, the Company recognized an indemnification asset of $5,968 based on the information that was available at the date of the acquisition, which is included in the assets taken over by the Company. 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) SomethingDigital.Com LLC

On October 5, 2020, the Company acquired 100% of the outstanding equity/limited liability company interests in SomethingDigital.Com LLC, a New York limited liability company, for total purchase consideration of $57,451. This amount represents cash consideration of $56,073, net of cash acquired of $1,378. The total purchase consideration paid by the Company to the sellers on the closing date was $57,704, resulting in a recoverable of $253. No portion of the purchase consideration is outstanding as of March 31, 2022.

**3. Business acquisitions (Continued)**

This acquisition supported the Company's strategy to integrate experience and process innovation to help clients on their digital transformation journeys and expanded on the Company's existing experience capabilities to support end-to-end digital commerce solutions, both business-to-business and business-to-consumer. Additionally, this acquisition expanded the Company's capabilities into Magento Commerce, which powers Adobe Commerce Cloud, and Shopify Plus, a cloud-based e-commerce platform for high volume merchants.

In connection with this acquisition, the Company recorded $11,900 in customer-related intangibles and $3,500 in marketing-related intangibles which have a weighted average amortization period of four years. Goodwill arising from the acquisition amounting to $36,926 has been allocated using a relative fair value allocation method to two of the Company's reporting segments as follows: to the CGRLH segment in the amount of $30,373 and to the HMS segment in the amount of $6,553. Of the total goodwill arising from this acquisition, $35,084 is deductible for income tax purposes.

The goodwill represents primarily the acquired capabilities and other benefits expected to result from combining the acquired operations with those of the Company's existing operations.

Acquisition-related costs of $1,060 have been included in selling, general and administrative expenses as incurred. In connection with the transaction, the Company also acquired certain assets with a value of $9,538, assumed certain liabilities amounting to $4,494 and recognized a net deferred tax asset of $81. 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.

(d) Rightpoint Consulting, LLC

On November 12, 2019, the Company acquired 100% of the outstanding equity/limited liability company interests in Rightpoint Consulting, LLC, an Illinois limited liability company, and certain affiliated entities in the United States and India (collectively referred to as "Rightpoint") for total purchase consideration of $270,669. This amount includes cash consideration of $268,170, net of cash acquired of $2,499. The total purchase consideration paid by the Company to the sellers on the closing date was $248,470, resulting in a payable of $22,199. $5,406 of the total purchase consideration remains payable as of March 31, 2022. This acquisition expanded the Company's capabilities in improving customer experience.

The securities purchase agreement between the Company and the selling equity holders of Rightpoint provided certain of the selling equity holders the option to elect to either (a) receive 100% consideration in cash at the closing date for their limited liability company interests and vested options or (b) "roll over" and retain 25% of their Rightpoint limited liability company interests and vested options for a three-year rollover period and receive cash consideration at closing for the remaining 75% of their Rightpoint limited liability company interests and vested options. Certain selling equity holders elected to receive deferred, variable earn-out consideration with an estimated value of $21,500 over the rollover period of three years.

The amount of deferred earn-out consideration ultimately payable by the Company to the selling equity holders of Rightpoint will be based on the future revenue multiple of the acquired business. Additionally, under the purchase agreement the selling equity holders are obligated to sell their rollover interests to the Company. Accordingly, the Company has obtained control over 100% of the outstanding equity/limited liability company interests of Rightpoint as of November 12, 2019. See Note 5, "Fair value measurements," for additional details.

In connection with this acquisition, the Company recorded $46,000 in customer-related intangibles and $29,000 in marketing-related intangibles which have a weighted average amortization period of five years. Goodwill arising from the acquisition amounting to $177,181 has been allocated using a relative fair value allocation method to each of the Company's reporting segments as follows: to the BCMI segment in the amount of $16,983, to the CGRLH segment in the amount of $42,993 and to the HMS segment in the amount of $117,205. Of the total goodwill arising from this acquisition, $91,929 is deductible for income tax purposes. The goodwill represents primarily the acquired capabilities and other benefits expected to result from combining the acquired operations with those of the Company.

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

### 3. Business acquisitions (Continued)

Acquisition-related costs of $7,385 have been included in selling, general and administrative expenses as incurred. In connection with the transaction, the Company also acquired certain assets with a value of $39,140, assumed certain liabilities amounting to $22,295 and recognized a net deferred tax liability of $1,643. 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.

### 4. Accounts receivable, net of allowance for credit losses

The following table provides details of the Company's allowance for credit losses on accounts receivable:

| | Year ended December 31, 2021 | Three months ended March 31, 2022 |
|---|---|---|
| Opening balance as of January 1 | $ 27,707 | $ 24,329 |
| Additions due to acquisitions | — | — |
| Additions charged/reversal released to cost and expense | 910 | (24) |
| Deductions/effect of exchange rate fluctuations | (4,288) | (2,367) |
| Closing balance | $ 24,329 | $ 21,938 |

Accounts receivable were $912,071 and $993,299, and allowances for credit losses were $24,329 and $21,938, resulting in net accounts receivable balances of $887,742 and $971,361 as of December 31, 2021 and March 31, 2022, respectively.

In addition, deferred billings were $48,071 and $48,613 and allowances for credit losses on deferred billings were $3,711 and $3,272, resulting in net deferred billings balances of $44,360 and $45,341 as of December 31, 2021 and March 31, 2022, respectively.

During the three months ended March 31, 2021 and 2022 the Company recorded a release of $541 and $439, respectively, to cost and expense on account of credit losses on deferred billings. Deferred billings, net of related allowances for credit losses, are included under "other assets" in the Company's consolidated balance sheet as of December 31, 2021 and March 31, 2022.

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

**5. 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 financial assets and liabilities were determined using the following inputs as of December 31, 2021 and March 31, 2022:

| | As of December 31, 2021 | | | |
|---|---|---|---|---|
| | 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 (Note a, c) | $ 34,070 | $ — | $ 34,070 | $ — |
| Deferred compensation plan assets (Note a, e) | 38,584 | — | — | 38,584 |
| **Total** | **$ 72,654** | **$ —** | **$ 34,070** | **$ 38,584** |
| **Liabilities** | | | | |
| Earn-out consideration (Note b, d) | $ 5,406 | $ — | $ — | $ 5,406 |
| Derivative instruments (Note b, c) | 15,254 | — | 15,254 | — |
| Deferred compensation plan liability (Note b, f) | 38,007 | — | — | 38,007 |
| **Total** | **$ 58,667** | **$ —** | **$ 15,254** | **$ 43,413** |

| | As of March 31, 2022 | | | |
|---|---|---|---|---|
| | 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 (Note a, c) | $ 31,857 | $ — | $ 31,857 | $ — |
| Deferred compensation plan assets (Note a, e) | 43,320 | — | — | 43,320 |
| **Total** | **$ 75,177** | **$ —** | **$ 31,857** | **$ 43,320** |
| **Liabilities** | | | | |
| Earn-out consideration (Note b, d) | $ 5,406 | $ — | $ — | $ 5,406 |
| Derivative instruments (Note b, c) | 13,189 | — | 13,189 | — |
| Deferred compensation plan liability (Note b, f) | 42,554 | — | — | 42,554 |
| **Total** | **$ 61,149** | **$ —** | **$ 13,189** | **$ 47,960** |

(a) Derivative assets are included in “prepaid expenses and other current assets” and “other assets.” Deferred compensation plan assets are included in “other assets” in the consolidated balance sheets.

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

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

**5. Fair value measurements (Continued)**

(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) Deferred compensation plan assets consist of life insurance policies held under a Rabbi Trust. Assets held in the Rabbi Trust are valued based on the cash surrender value of the insurance contract, which is determined based on the fair value of the underlying assets included in the insurance portfolio and are therefore classified within level 3 of the fair value hierarchy.

(f) The fair value of the deferred compensation plan liability is derived based on the fair value of the underlying assets in the insurance policies and is therefore classified within level 3 of the fair value hierarchy.

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 three months ended March 31, 2021 and 2022:

| | Three months ended March 31, | |
|---|---|---|
| | **2021** | **2022** |
| **Opening balance** | **$ 8,272** | **$ 5,406** |
| **Closing balance** | **$ 8,272** | **$ 5,406** |

The following table provides a roll-forward of the fair value of deferred compensation plan assets categorized as level 3 in the fair value hierarchy for the three months ended March 31, 2021 and 2022:

| | Three months ended March 31, | |
|---|---|---|
| | **2021** | **2022** |
| **Opening balance** | **$ 26,832** | **$ 38,584** |
| Additions (net of redemption) | 5,014 | 7,088 |
| Change in fair value of deferred compensation plan assets (Note a) | 861 | (2,352) |
| **Closing balance** | **$ 32,707** | **$ 43,320** |

(a) Changes in the fair value of plan assets are reported in "other income (expense), net" in the consolidated statements of income.

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

**5. Fair value measurements (Continued)**

The following table provides a roll-forward of the fair value of deferred compensation liabilities categorized as level 3 in the fair value hierarchy for the three months ended March 31, 2021 and 2022:

| | Three months ended March 31, | |
|---|---|---|
| | **2021** | **2022** |
| **Opening balance** | **$ 26,390** | **$ 38,007** |
| Additions (net of redemption) | 5,014 | 6,913 |
| Change in fair value of deferred compensation plan liabilities (Note a) | 803 | (2,366) |
| **Closing balance** | **$ 32,207** | **$ 42,554** |

(a) Changes in the fair value of deferred compensation plan liabilities are reported in "selling, general and administrative expenses" in the consolidated statements of income.

**6. Derivative financial instruments**

The Company is exposed to the risk of rate fluctuations on its foreign currency assets and liabilities and on foreign currency denominated forecasted cash flows and interest rates. The Company has established risk management policies, including the use of derivative financial instruments to hedge foreign currency assets and liabilities, foreign currency denominated forecasted cash flows and interest rate risk. These derivative financial instruments are largely deliverable, non-deliverable forward foreign exchange contracts, treasury rate locks 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 during a period of up to 45 months and the forecasted transactions are expected to occur during the same period.

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, 2021 | As of March 31, 2022 | As of December 31, 2021 | As of March 31, 2022 |
| Foreign exchange forward contracts denominated in: | | | | |
| United States Dollars (sell) Indian Rupees (buy) | $ 1,348,600 | $ 1,498,700 | $ 26,247 | $ 17,014 |
| United States Dollars (sell) Mexican Peso (buy) | 23,750 | 20,500 | 140 | 1,022 |
| United States Dollars (sell) Philippines Peso (buy) | 75,600 | 73,200 | (2,215) | (2,744) |
| Euro (sell) United States Dollars (buy) | 120,994 | 123,884 | 2,634 | 3,368 |
| Singapore Dollars (buy) United States Dollars (sell) | 3,655 | 3,655 | 65 | 48 |
| Euro (sell) Romanian Leu (buy) | 47,506 | 45,214 | (233) | (79) |
| Japanese Yen (sell) Chinese Renminbi (buy) | 10,440 | 7,400 | 202 | 656 |
| United States Dollars (sell) Chinese Renminbi (buy) | 45,000 | 33,750 | 120 | 492 |
| Pound Sterling (sell) United States Dollars (buy) | 49,031 | 40,738 | 545 | 1,285 |
| United States Dollars (sell) Hungarian Font (buy) | 39,000 | 33,500 | (2,174) | (1,484) |
| Hungarian Font (Sell) Euro (buy) | 2,828 | 2,791 | (17) | 67 |
| Australian Dollars (sell) Indian Rupees (buy) | 97,053 | 87,736 | 1,234 | (1,969) |
| Interest rate swaps (floating to fixed) | 460,135 | 453,163 | (7,732) | 992 |
| | | | $ 18,816 | $ 18,668 |

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

**6. Derivative financial instruments (Continued)**

(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, foreign exchange, interest rate or market risks. However, the amounts exchanged are based on the notional amounts and other provisions of the underlying derivative financial instrument agreements. Notional amounts are denominated in U.S. dollars.

(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, interest rate swaps and treasury rate locks as cash flow hedges. Foreign exchange forward contracts are entered into to cover the effects of future exchange rate variability on forecasted revenues and purchases of services, and interest rate swaps and treasury rate locks 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, 2021 | As of March 31, 2022 | As of December 31, 2021 | As of March 31, 2022 |
| **Assets** | | | | |
| Prepaid expenses and other current assets | $ 16,064 | $ 17,022 | $ 3,130 | $ 867 |
| Other assets | $ 14,876 | $ 13,968 | $ — | $ — |
| **Liabilities** | | | | |
| Accrued expenses and other current liabilities | $ 11,408 | $ 9,105 | $ 1,090 | $ 2,606 |
| Other liabilities | $ 2,756 | $ 1,478 | $ — | $ — |

*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.

The Company executed a treasury rate lock agreement for $350,000 in connection with future interest payments to be made on its senior notes issued by Genpact Luxembourg S.à r.l. ("Genpact Luxembourg") and Genpact USA, Inc. ("Genpact USA"), both wholly-owned subsidiaries of the Company, in March 2021 (the "2021 Senior Notes"), and the treasury rate lock was designated as a cash flow hedge. The treasury rate lock agreement was terminated on March 23, 2021 and a deferred gain was recorded in accumulated other comprehensive income and is being amortized to interest expense over the life of the 2021 Senior Notes. The remaining gain to be amortized related to the treasury rate lock agreement as of March 31, 2022 was $652.

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

### 6. Derivative financial instruments (Continued)

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

| | Three months ended March 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2021 | | | 2022 | | |
| | Before tax Amount | Tax (Expense) or Benefit | Net of tax Amount | Before tax Amount | Tax (Expense) or Benefit | Net of tax Amount |
| Opening balance | $ (10,921) | $ 1,861 | $ (9,060) | $ 17,468 | $ (3,404) | $ 14,064 |
| Net gains (losses) reclassified into statement of income on completion of hedged transactions | 2,074 | (466) | 1,608 | 648 | (151) | 497 |
| Changes in fair value of effective portion of outstanding derivatives, net | 4,922 | (1,233) | 3,689 | 4,239 | (869) | 3,370 |
| Gain (loss) on cash flow hedging derivatives, net | 2,848 | (767) | 2,081 | 3,591 | (718) | 2,873 |
| Closing balance | $ (8,073) | $ 1,094 | $ (6,979) | $ 21,059 | $ (4,122) | $ 16,937 |

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

| | Amount of Gain (Loss) recognized in OCI on Derivatives (Effective Portion) | | | Amount of Gain (Loss) reclassified from OCI into Statement of Income (Effective Portion) | |
|---|---|---|---|---|---|
| | Three months ended March 31, | | | Three months ended March 31, | |
| Derivatives in Cash Flow Hedging Relationships | 2021 | 2022 | Location of Gain (Loss) reclassified from OCI into Statement of Income (Effective Portion) | 2021 | 2022 |
| Forward foreign exchange contracts | $ 3,083 | $ (2,592) | Revenue | $ (145) | $ 296 |
| Interest rate swaps | 1,023 | 6,831 | Cost of revenue | 3,312 | 1,654 |
| Treasury rate lock | 816 | — | Selling, general and administrative expenses | 901 | 551 |
| | | | Interest expense | (1,994) | (1,853) |
| | $ 4,922 | $ 4,239 | | $ 2,074 | $ 648 |

There were no gains (losses) recognized in the statement of income on the ineffective portion of derivatives and excluded from effectiveness testing for the three months ended March 31, 2021 and 2022, respectively.

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

### 6. Derivative financial instruments (Continued)

*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 — Three months ended March 31, 2021 | 2022 |
|---|---|---|---|
| Forward foreign exchange contracts (Note a) | Foreign exchange gains (losses), net | $ 1,611 | $ (3,522) |
| | | **$ 1,611** | **$ (3,522)** |

(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 connection with the COVID-19 pandemic, the Company has reevaluated its hedging arrangements. The Company has considered the effect of changes, if any, in both counterparty credit risk and the Company's own non-performance risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company believes that its hedges continue to be effective after taking into account the expected impact of the COVID-19 pandemic on the Company's hedged transactions.

### 7. Prepaid expenses and other current assets

Prepaid expenses and other current assets consist of the following:

| | As of December 31, 2021 | As of March 31, 2022 |
|---|---|---|
| Advance income and non-income taxes | $ 28,075 | $ 43,065 |
| Contract asset (Note 19) | 8,506 | 10,396 |
| Prepaid expenses | 38,528 | 45,713 |
| Derivative instruments | 19,194 | 17,889 |
| Employee advances | 2,797 | 3,060 |
| Deposits | 5,839 | 4,910 |
| Advances to suppliers | 804 | 717 |
| Others | 30,698 | 25,863 |
| | $ 134,441 | $ 151,613 |

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

**8. Property, plant and equipment, net**

The following table provides the gross and net amount of property, plant and equipment:

| | As of December 31, 2021 | As of March 31, 2022 |
|---|---|---|
| Property, plant and equipment, gross | $ 818,452 | $ 812,103 |
| Less: Accumulated depreciation and amortization | (603,363) | (609,396) |
| Property, plant and equipment, net | $ 215,089 | $ 202,707 |

Depreciation expense on property, plant and equipment for the three months ended March 31, 2021 and 2022 was $17,128 and $14,530, respectively. Computer software amortization for the three months ended March 31, 2021 and 2022 was $1,460 and $1,317, respectively. The Company recorded a write-down to certain property, plant and equipment during the three months ended March 31, 2021, as described in Note 9.

**9. Goodwill and intangible assets**

The following table presents the changes in goodwill for the year ended December 31, 2021 and three months ended March 31, 2022:

| | For the year ended December 31, 2021 | For the three months ended March 31, 2022 |
|---|---|---|
| **Opening balance** | **1,695,688** | **1,731,027** |
| Goodwill relating to acquisitions consummated during the period | 44,216 | — |
| Impact of measurement period adjustments | 1,205 | 130 |
| Effect of exchange rate fluctuations | (10,082) | (9,145) |
| **Closing balance** | **1,731,027** | **1,722,012** |

The following table presents the changes in goodwill by reporting unit for the year ended December 31, 2021:

| | BCMI | CGRLH | HMS | Total |
|---|---|---|---|---|
| **Opening balance** | **420,172** | **607,574** | **667,942** | **1,695,688** |
| Goodwill relating to acquisitions consummated during the period | 4,167 | 7,032 | 33,017 | 44,216 |
| Impact of measurement period adjustments | 35 | 309 | 861 | 1,205 |
| Effect of exchange rate fluctuations | (3,117) | (3,795) | (3,170) | (10,082) |
| **Closing balance** | **421,257** | **611,120** | **698,650** | **1,731,027** |

The following table presents the changes in goodwill by reporting unit for the three months ended March 31, 2022:

| | BCMI | CGRLH | HMS | Total |
|---|---|---|---|---|
| **Opening balance** | **421,257** | **611,120** | **698,650** | **1,731,027** |
| Goodwill relating to acquisitions consummated during the period | — | — | — | — |
| Impact of measurement period adjustments | 12 | 21 | 97 | 130 |
| Effect of exchange rate fluctuations | (2,923) | (3,443) | (2,779) | (9,145) |
| **Closing balance** | **418,346** | **607,698** | **695,968** | **1,722,012** |

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

**9. Goodwill and intangible assets (Continued)**

The total amount of goodwill deductible for tax purposes was $326,795 and $319,698 as of December 31, 2021 and March 31, 2022, respectively.

The Company's intangible assets are as follows:

| | As of December 31, 2021 | | | As of March 31, 2022 | | |
|---|---|---|---|---|---|---|
| | Gross carrying amount | Accumulated amortization & Impairment | Net | Gross carrying amount | Accumulated amortization & Impairment | Net |
| Customer-related intangible assets | $ 489,974 | $ 394,688 | $ 95,286 | $ 487,978 | $ 401,194 | $ 86,784 |
| Marketing-related intangible assets | 98,870 | 76,663 | 22,207 | 98,677 | 78,361 | 20,316 |
| Technology-related intangible assets | 171,772 | 119,630 | 52,142 | 172,749 | 125,700 | 47,049 |
| | **$ 760,616** | **$ 590,981** | **$ 169,635** | **$ 759,404** | **$ 605,255** | **$ 154,149** |

Amortization expenses for intangible assets acquired as part of a business combination and disclosed in the consolidated statements of income under amortization of acquired intangible assets for the three months ended March 31, 2021 and 2022 were $16,176 and $11,306, respectively.

Amortization expenses for internally-developed and other intangible assets disclosed in the consolidated statements of income under cost of revenue and selling, general and administrative expenses for the three months ended March 31, 2021 and 2022 were $6,044 and $5,276, respectively.

During the three months ended March 31, 2021 and 2022, the Company tested for recoverability certain customer-related and technology-related intangible assets, including those under development, and certain property, plant and equipment, as a result of changes in market trends and the Company's investment strategy, including the Company's decisions to cease certain service offerings. Based on the results of this testing, the Company determined that the carrying values of the assets tested were not recoverable, and the Company recorded complete write-downs of the carrying values of these assets amounting to $837 and $0 for the three months ended March 31, 2021 and 2022, respectively. These write-downs have been recorded in "other operating (income) expense, net" in the consolidated statement of income.

The summary below represents the impairment charge recorded for various categories of assets during the three months ended March 31, 2021 and March 31, 2022:

| | Three months ended March 31, | |
|---|---|---|
| | 2021 | 2022 |
| Technology related intangibles | $ 205 | $ — |
| **Total intangibles** | $ 205 | **$ —** |
| Property, plant and equipment | $ 632 | $ — |
| **Total property, plant and equipment** | **$ 632** | **$ —** |
| **Grand total** | **$ 837** | **$ —** |

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

## 10. 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, 2021 and March 31, 2022, the limits available were $24,727 and $24,320, respectively, of which $5,848 and $5,795, respectively, was utilized, constituting non-funded drawdown.

b. A fund-based and non-fund based revolving credit facility of $500,000, which the Company obtained through an amendment of its existing credit agreement on August 9, 2018. The amended credit facility expires on August 8, 2023. The funded drawdown amount under the Company's revolving facilities bore interest at a rate equal to LIBOR plus a margin of 1.375% as of December 31, 2021 and March 31, 2022. The unutilized amount on the revolving facilities bore a commitment fee of 0.20% as of December 31, 2021 and March 31, 2022. As of December 31, 2021 and March 31, 2022, a total of $2,017 and $252,017, respectively, was utilized, of which $0 and $250,000, respectively, constituted funded drawdown and $2,017 and $2,017, respectively, constituted non-funded drawdown. The Company's amended credit agreement contains certain customary covenants, including a maximum leverage covenant and a minimum interest coverage ratio. During the period ended December 31, 2021 and March 31, 2022, the Company was in compliance with the financial covenants of the credit agreement.

## 11. Long-term debt

Borrowings under the Company's credit facility, which was amended in August 2018, bear interest at a rate equal to, at the election of the Company, either LIBOR plus an applicable margin equal to 1.375% per annum or a base rate plus an applicable margin equal to 0.375% 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 1.375% per annum. The amended credit agreement restricts certain payments, including dividend payments, if there is an event of default under the amended credit agreement or if the Company is not, or after making the payment would not be, in compliance with certain financial covenants contained in the amended credit agreement. These covenants require the Company to maintain a net debt to EBITDA leverage ratio of below 3x and an interest coverage ratio of more than 3x. During the year ended March 31, 2022, the Company was in compliance with the terms of the credit agreement, including all of the financial covenants therein. The Company's retained earnings are not subject to any restrictions on availability to make dividend payments to shareholders, subject to compliance with the financial covenants described above that are contained in the amended credit agreement.

As of December 31, 2021 and March 31, 2022, the amount outstanding under the term loan under the amended credit agreement, net of debt amortization expense of $687 and $577, was $560,313 and $551,923, respectively. As of December 31, 2021 and March 31, 2022, the term loan bore interest at a rate equal to LIBOR plus a margin of 1.375% per annum.

Indebtedness under the amended credit facility is unsecured. The amount outstanding on the term loan as of March 31, 2022 requires quarterly payments of $8,500, and the balance of the loan is due and payable upon the maturity of the term loan on August 8, 2023.

The maturity profile of the term loan outstanding as of March 31, 2022, net of debt amortization expense, is as follows:

| **Year ended** | **Amount** |
|---|---|
| 2022 | 33,571 |
| 2023 | 518,352 |
| Total | $ 551,923 |

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

**11. Long-term debt (Continued)**

Genpact Luxembourg S.à r.l., a wholly-owned subsidiary of the Company, issued $350,000 aggregate principal amount of 3.70% senior notes in March 2017 (the “2017 Senior Notes”), and $400,000 aggregate principal amount of 3.375% senior notes in November 2019 (the “2019 Senior Notes”). The 2017 Senior Notes and 2019 Senior Notes are fully guaranteed by the Company. The total debt issuance cost of $2,642 and $2,937 incurred in connection with the 2017 Senior Notes and 2019 Senior Notes offerings, respectively, are being amortized over the lives of the respective notes as an additional interest expense. As of December 31, 2021 and March 31, 2022, the amount outstanding under the 2017 Senior Notes, net of debt amortization expense of $131 and $1, respectively, was $349,869 and $349,999, respectively, which was payable on April 1, 2022. As of December 31, 2021 and March 31, 2022, the amount outstanding under the 2019 Senior Notes, net of debt amortization expense of $1,702 and $1,558, was $398,298 and $398,442, respectively, which is payable on December 1, 2024.

In March 2021, Genpact Luxembourg S.à r.l. and Genpact USA, Inc., both wholly-owned subsidiaries of the Company, co-issued $350,000 aggregate principal amount of 1.750% senior notes (the “2021 Senior Notes,” and together with the 2017 Senior Notes and the 2019 Senior Notes, the “Senior Notes”). The 2021 Senior Notes are fully guaranteed by the Company. The total debt issuance cost of $3,032 incurred in connection with the 2021 Senior Notes is being amortized over the life of the 2021 Senior Notes as additional interest expense. As of December 31, 2021 and March 31, 2022, the amount outstanding under the 2021 Senior Notes, net of debt amortization expense of $2,571 and $2,423, respectively, was $347,249 and $347,577, respectively, which is payable on April 10, 2026.

The Company pays interest on (i) the 2017 Senior Notes semi-annually in arrears on April 1 and October 1 of each year, (ii) the 2019 Senior Notes semi-annually in arrears on June 1 and December 1 of each year, and (iii) the 2021 Senior Notes semi-annually in arrears on April 10 and October 10 of each year, ending on the maturity dates of April 1, 2022, December 1, 2024 and April 10, 2026, respectively. The Company, at its option, may redeem the Senior Notes at any time in whole or in part, at a redemption price equal to (i) 100% of the principal amount of the notes redeemed, together with accrued and unpaid interest on the redeemed amount, and (ii) if the notes are redeemed prior to, in the case of the 2017 Senior Notes, March 1, 2022, in the case of the 2019 Senior Notes, November 1, 2024, and in the case of the 2021 Senior Notes, March 10, 2026, a specified “make-whole” premium. The Senior Notes are subject to certain customary covenants, including limitations on the ability of the Company and certain of its subsidiaries to incur debt secured by liens, engage in certain sale and leaseback transactions and consolidate, merge, convey or transfer their assets substantially as an entirety. During the period ended March 31, 2022, the Company and its applicable subsidiaries were in compliance with the covenants. Upon certain change of control transactions, the applicable issuer or issuers will be required to make an offer to repurchase the Senior Notes at a price equal to 101% of the aggregate principal amount of the Senior Notes, plus accrued and unpaid interest. The interest rate payable on the Senior Notes is subject to adjustment if the credit rating of the Senior Notes is downgraded, up to a maximum increase of 2.0%.

A summary of the Company’s long-term debt is as follows:

| | As of December 31, 2021 | As of March 31, 2022 |
|---|---|---|
| Credit facility, net of amortization expenses | $ 560,313 | $ 551,923 |
| 3.70% 2017 Senior Notes, net of debt amortization expenses | 349,869 | 349,999 |
| 3.375% 2019 Senior Notes, net of debt amortization expenses | 398,298 | 398,442 |
| 1.750% 2021 Senior Notes, net of debt amortization expenses | 347,429 | 347,577 |
| **Total** | **$ 1,655,909** | **$ 1,647,941** |
| Current portion | 383,433 | 383,569 |
| Non-current portion | 1,272,476 | 1,264,372 |
| **Total** | **$ 1,655,909** | **$ 1,647,941** |

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

## 12. Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consist of the following:

| | As of December 31, 2021 | As of March 31, 2022 |
|---|---|---|
| Accrued expenses | $ 162,054 | $ 127,481 |
| Accrued employee cost | 307,777 | 140,838 |
| Earn-out consideration | 2,501 | 2,501 |
| Statutory liabilities | 67,948 | 84,787 |
| Retirement benefits | 1,746 | 2,145 |
| Compensated absences | 26,596 | 28,162 |
| Derivative instruments | 12,498 | 11,711 |
| Contract liabilities (Note 19) | 160,602 | 160,735 |
| Finance leases liability | 18,549 | 18,371 |
| Other liabilities | 31,169 | 39,187 |
| | $ 791,440 | $ 615,918 |

## 13. Other liabilities

Other liabilities consist of the following:

| | As of December 31, 2021 | As of March 31, 2022 |
|---|---|---|
| Accrued employee cost | $ 15,790 | $ 16,062 |
| Earn-out consideration | 2,905 | 2,905 |
| Retirement benefits | 11,993 | 11,565 |
| Compensated absences | 52,023 | 54,119 |
| Derivative instruments | 2,756 | 1,478 |
| Contract liabilities (Note 19) | 80,222 | 74,410 |
| Finance leases liability | 16,297 | 14,560 |
| Others | 63,224 | 67,723 |
| | $ 245,210 | $ 242,822 |

## 14. Employee benefit plans

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

### Defined benefit plans

In accordance with Indian law, the Company maintains a defined benefit retirement plan covering substantially all of its Indian employees. In accordance with Mexican law, the Company provides termination benefits to all of its Mexican employees. In addition, certain of the Company's subsidiaries in the Philippines, Israel and Japan sponsor defined benefit retirement programs.

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

**14. Employee benefit plans (Continued)**

Net defined benefit plan costs for the three months ended March 31, 2021 and 2022 include the following components:

| | Three months ended March 31, | |
|---|---|---|
| | 2021 | 2022 |
| Service costs | $ 3,581 | $ 3,683 |
| Interest costs | 1,394 | 1,478 |
| Amortization of actuarial loss | 593 | 339 |
| Expected return on plan assets | (1,584) | (1,536) |
| Net defined benefit plan costs | **$ 3,984** | **$ 3,964** |

**Defined contribution plans**

During the three months ended March 31, 2021 and 2022, the Company contributed the following amounts to defined contribution plans in various jurisdictions:

| | Three months ended March 31, | |
|---|---|---|
| | 2021 | 2022 |
| India | $ 8,604 | $ 10,740 |
| U.S. | 5,424 | 6,415 |
| U.K. | 4,006 | 6,137 |
| China | 6,068 | 6,793 |
| Other regions | 3,487 | 4,775 |
| **Total** | **$ 27,589** | **$ 34,860** |

**Deferred compensation plan**

On July 1, 2018, Genpact LLC, a wholly-owned subsidiary of the Company, adopted an executive deferred compensation plan (the "Plan"). The Plan provides a select group of U.S.-based members of Company management with the opportunity to defer from 1% to 80% of their base salary and from 1% to 100% of their qualifying bonus compensation (or such other minimums or maximums as determined by the Plan administrator from time to time) pursuant to the terms of the Plan. Participant deferrals are 100% vested at all times. The Plan also allows for discretionary supplemental employer contributions by the Company, in its sole discretion, which will be subject to a two-year vesting schedule (50% vesting on the one-year anniversary of approval of the contribution and 50% vesting on the second year anniversary of approval of the contribution) or such other vesting schedule as determined by the Company. However, no such contribution has been made by the Company to date.

The Plan also provides an option for participants to elect to receive deferred compensation and earnings thereon on either fixed date(s) no earlier than 2 years following the applicable Plan year (or end of the applicable performance period for performance-based bonus compensation) or following a separation from service, in each case either in a lump sum or in annual installments over a term of up to 15 years. Participants can elect to change or re-defer their rights to receive the deferred compensation until the 10th anniversary following their separation from service, subject to fulfillment of certain conditions. Each Plan participant's compensation deferrals are credited or debited with notional investment gains and losses equal to the performance of selected hypothetical investment funds offered under the Plan and elected by the participant.

**14. Employee benefit plans (Continued)**

The Company has investments in funds held in Company-owned life insurance policies which are held in a Rabbi Trust that are classified as trading securities. Management determines the appropriate classification of the securities at the time they are acquired and evaluates the appropriateness of such classifications at each balance sheet date. The securities are classified as trading securities because they are held for resale in anticipation of short-term fluctuations in market prices. The trading securities are stated at fair value.

The liability for the deferred compensation plan was $38,007 and $42,554 as of December 31, 2021 and March 31, 2022, respectively, and is included in "accrued expenses and other current liabilities" and "other liabilities" in the consolidated balance sheets.

In connection with the administration of the Plan, the Company has purchased company-owned life insurance policies insuring the lives of certain employees. The cash surrender value of these policies was $38,584 and $43,320 as of December 31, 2021 and March 31, 2022, respectively. The cash surrender value of these insurance policies is included in "other assets" in the consolidated balance sheets.

During the three months ended March 31, 2021 and 2022, the change in the fair value of Plan assets was $861 and $(2,352), respectively, which is included in "other income (expense), net," in the consolidated statements of income. During the three months ended March 31, 2021 and 2022, the change in the fair value of deferred compensation liabilities was $803 and $(2,366), respectively, which is included in "selling, general and administrative expenses."

**15. Stock-based compensation**

The Company has issued options under the Genpact Limited 2007 Omnibus Incentive Compensation Plan (the "2007 Omnibus Plan") and the Genpact Limited 2017 Omnibus Incentive Compensation Plan (the "2017 Omnibus Plan") to eligible persons, including employees, directors and certain other persons associated with the Company.

Under the 2007 Omnibus Plan, shares underlying options forfeited, expired, terminated or cancelled under any of the Company's predecessor plans were 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. Further, during the year ended December 31, 2012, the number of common shares authorized for issuance under the 2007 Omnibus Plan was increased by 8,858,823 shares as a result of a one-time adjustment to outstanding unvested share awards in connection with a special dividend payment.

On May 9, 2017, the Company's shareholders approved the adoption of the 2017 Omnibus Plan, pursuant to which 15,000,000 Company common shares are available for issuance. The 2017 Omnibus Plan was amended and restated on April 5, 2019 to increase the number of common shares authorized for issuance by 8,000,000 shares to 23,000,000 shares. No grants may be made under the 2007 Omnibus Plan after the date of adoption of the 2017 Omnibus Plan. Grants that were outstanding under the 2007 Omnibus Plan as of the date of Company's adoption of the 2017 Omnibus Plan remain subject to the terms of the 2007 Omnibus Plan.

Stock-based compensation costs relating to the foregoing plans during the three months ended March 31, 2021 and March 31, 2022 were $17,084 and $14,759, respectively. These costs have been allocated to "cost of revenue" and "selling, general and administrative expenses."

**Stock options**

All options granted under the 2007 and 2017 Omnibus Plans are exercisable into common shares of the Company, have a contractual period of ten years and vest over three 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)**

**15. Stock-based compensation (Continued)**

The following table shows the significant assumptions used in determining the fair value of options granted in the three months ended March 31, 2021 and March 31, 2022. The Company granted options covering 771,196 common shares in the three months ended March 31, 2021.

| | Three months ended March 31, 2021 | Three months ended March 31, 2022 |
|---|---|---|
| Dividend yield | 0.97 % — 1.08% | 0.96 % |
| Expected life (in months) | 84 | 84 |
| Risk-free rate of interest | 1.21 % — 1.37% | 1.71 % |
| Volatility | 26.05 % — 26.07% | 26.29 % |

A summary of stock option activity during the three months ended March 31, 2022 is set out below:

| | Three Months Ended March 31, 2022 | | | |
|---|---|---|---|---|
| | Shares arising out of options | Weighted average exercise price | Weighted average remaining contractual life (years) | Aggregate intrinsic value |
| Outstanding as of January 1, 2022 | 8,008,296 | 31.30 | 6.1 | — |
| Granted | 475,695 | 52.12 | — | — |
| Forfeited | — | — | — | — |
| Expired | — | — | — | — |
| Exercised | — | — | — | — |
| Outstanding as of March 31, 2022 | 8,483,991 | 32.47 | 6.0 | 101,337 |
| Vested as of March 31, 2022 and expected to vest thereafter (Note a) | 7,835,943 | 31.57 | 6.0 | 99,487 |
| Vested and exercisable as of March 31, 2022 | 3,876,735 | 24.79 | 3.8 | 72,557 |
| Weighted average grant date fair value of grants during the period | 14.19 | | | |

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

As of March 31, 2022, the total remaining unrecognized stock-based compensation cost for options expected to vest amounted to $26,621, which will be recognized over the weighted average remaining requisite vesting period of 3.3 years.

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

**15. Stock-based compensation (Continued)**

**Restricted share units**

The Company has granted restricted share units ("RSUs") under the 2007 and 2017 Omnibus Plans. 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 the 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 RSU activity during the three months ended March 31, 2022 is set out below:

| | Three Months Ended March 31, 2022 | |
|---|---|---|
| | Number of Restricted Share Units | Weighted Average Grant Date Fair Value |
| Outstanding as of January 1, 2022 | 759,507 | 42.29 |
| Granted | 125,786 | 47.70 |
| Vested | — | — |
| Forfeited | (2,601) | 41.95 |
| Outstanding as of March 31, 2022 | 882,692 | 43.06 |
| Expected to vest (Note a) | 761,720 | |

(a) The number of RSUs expected to vest reflects the application of an estimated forfeiture rate.

49,513 RSUs vested in the year ended December 31, 2020, in respect of which 49,446 shares were issued during the three months ended March 31, 2022 after withholding shares to the extent required to satisfy minimum statutory withholding obligations.

7,863 RSUs vested in the year ended December 31, 2021, in respect of which 5,496 shares were issued during the three months ended March 31, 2022 after withholding shares to the extent required to satisfy minimum statutory withholding obligations.

As of March 31, 2022, the total remaining unrecognized stock-based compensation cost related to RSUs amounted to $19,723, which will be recognized over the weighted average remaining requisite vesting period of 2.5 years.

**Performance units**

The Company also grants stock awards in the form of performance units ("PUs") and has granted PUs under both the 2007 and 2017 Omnibus Plans.

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 plans 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.

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

**15. Stock-based compensation (Continued)**

A summary of PU activity during the three months ended March 31, 2022 is set out below:

| | Three months ended March 31, 2022 | | |
|---|---|---|---|
| | Number of Performance Units | Weighted Average Grant Date Fair Value | Maximum Shares Eligible to Receive |
| Outstanding as of January 1, 2022 | 4,583,155 | 39.40 | 4,583,155 |
| Granted | 1,544,311 | 44.51 | 3,088,622 |
| Vested (Note a) | (2,026,900) | 34.66 | (2,026,900) |
| Forfeited | (33,962) | 43.68 | (33,962) |
| Adjustment upon final determination of level of performance goal achievement (Note b) | 28,325 | 44.01 | 28,325 |
| Outstanding as of March 31, 2022 | 4,094,929 | 43.67 | 5,639,240 |
| Expected to vest (Note c) | 3,013,544 | | |

(a) 2,026,900 PUs that vested during the period were net settled upon vesting by issuing 1,224,003 shares (net of minimum statutory tax withholding).

(b) Represents an adjustment made in March 2022 to the number of shares subject to the PUs granted in 2021 upon certification of the level of achievement of the performance targets underlying such awards.

(c) The number of PUs expected to vest reflects the application of an estimated forfeiture rate.

As of March 31, 2022, the total remaining unrecognized stock-based compensation cost related to PUs amounted to $82,467, which will be recognized over the weighted average remaining requisite vesting period of 2.2 years.

**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”). In April 2018, these plans were amended and restated, and their terms were extended to August 31, 2028.

The ESPP allows eligible employees to purchase the Company’s common shares through payroll deductions at 90% of the closing price of the Company’s common shares on the last business day of each purchase interval. The dollar amount of common shares purchased under the ESPP may not exceed 15% of the participating employee’s base salary, subject to a cap of $25 per employee per calendar year. With effect from September 1, 2009, 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 of the subsequent May, August, November and February. 4,200,000 common shares have been reserved for issuance in the aggregate over the term of the ESPP.

During the three months ended March 31, 2021 and 2022, 77,165 and 87,646 common shares, respectively, were issued under the ESPP.

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

The compensation expense for the ESPP is recognized in accordance with the FASB guidance on Compensation-Stock Compensation. The compensation expense for the ESPP during the three months ended March 31, 2021 and 2022 was $346 and $491, respectively, and has been allocated to cost of revenue and selling, general and administrative expense.

## 16. Capital stock

### Share repurchases

The Board of Directors of the Company (the “Board”) has authorized repurchases of up to $1,750,000 under the Company’s existing share repurchase program. 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 three months ended March 31, 2021 and 2022, the Company repurchased 3,297,966 and 1,630,533 of its common shares, respectively, on the open market at a weighted average price of $40.68 and $46.61 per share, respectively, for an aggregate cash amount of $134,152 and $75,999, respectively. All repurchased shares have been retired.

The Company records repurchases of its common shares on the settlement date of each transaction. 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 purchased. For the three months ended March 31, 2021 and 2022, retained earnings were reduced by the direct costs related to share repurchases of $66 and $33, respectively.

$262,911 remained available for share repurchases under the Company’s existing share repurchase program as of March 31, 2022. This repurchase program does not obligate the Company to acquire any specific number of shares and does not specify an expiration date.

### Dividend

On February 9, 2021, the Company announced that its Board had approved a 10% increase in its quarterly cash dividend to $0.1075 per share, up from $0.0975 per share in 2020, representing an annual dividend of $0.43 per common share, up from $0.39 per share in 2020, payable to holders of the Company’s common shares. On March 19, 2021, the Company paid a dividend of $0.1075 per share, amounting to $20,115 in the aggregate, to shareholders of record as of March 10, 2021.

On February 10, 2022, the Company announced that its Board had approved a 16% increase in its quarterly cash dividend to $0.125 per share, up from $0.1075 per share in 2021, representing a planned annual dividend of $0.50 per common share, up from $0.43 per share in 2021, payable to holders of the Company’s common shares. On March 23, 2022, the Company paid a dividend of $0.125 per share, amounting to $23,134 in the aggregate, to shareholders of record as of March 10, 2022.

## 17. 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 Company common shares outstanding. The calculation of basic earnings per common share is determined by dividing net income available to common shareholders by the weighted average number of common shares outstanding during the respective periods. 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 the number of weighted average shares outstanding, except where the result would be anti-dilutive.

The number of shares subject to stock awards outstanding but not included in the computation of diluted earnings per common share because their effect was anti-dilutive is 1,575,294 and 2,738,799 for the three months ended March 31, 2021 and 2022, respectively.

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

### 17. Earnings per share (Continued)

| | Three months ended March 31, 2021 | Three months ended March 31, 2022 |
|---|---|---|
| **Net income** | $ 91,273 | $ 96,179 |
| Weighted average number of common shares used in computing basic earnings per common share | 188,650,112 | 185,637,776 |
| Dilutive effect of stock-based awards | 4,563,146 | 3,920,628 |
| Weighted average number of common shares used in computing dilutive earnings per common share | 193,213,258 | 189,558,404 |
| Earnings per common share | | |
| Basic | $ 0.48 | $ 0.52 |
| Diluted | $ 0.47 | $ 0.51 |

### 18. Segment reporting

The Company manages various types of business process and transformation services in an integrated manner for clients in various industries and geographic locations. The Company's operating segments are significant strategic business units that align its products and services with how it manages its business, approaches key markets and interacts with its clients.

The Company's reportable segments are as follows: (1) Banking, Capital Markets and Insurance ("BCMI"); (2) Consumer Goods, Retail, Life Sciences and Healthcare ("CGRLH"); and (3) High Tech, Manufacturing and Services ("HMS").

The Company's Chief Executive Officer, who has been identified as the Chief Operating Decision Maker ("CODM"), reviews operating segment revenue, which is a GAAP measure, and operating segment adjusted income from operations, which is a non-GAAP measure. The Company does not allocate and therefore the CODM does not evaluate stock based compensation expenses, amortization and impairment of acquired intangible assets, foreign exchange gain/(losses), interest income/(expense), acquisition related expenses, other income/(expense), or income taxes by segment. The Company's operating assets and liabilities pertain to multiple segments. The Company manages assets and liabilities on a total company basis, not by operating segment, and therefore asset and liabilities information and capital expenditures by operating segment are not presented to the CODM and are not reviewed by the CODM.

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

**18. Segment reporting (Continued)**

Revenues and adjusted income from operations for each of the Company's segments for the three months ended March 31, 2021 were as follows:

| | Reportable segments | | | | | |
|---|---|---|---|---|---|---|
| | **BCMI** | **CGRLH** | **HMS** | **Total Reportable segment** | **Others#** | **Total** |
| Revenues, net | 242,312 | 340,035 | 356,927 | 939,274 | 6,797 | 946,071 |
| Adjusted income from operations | 32,367 | 57,816 | 67,618 | 157,801 | 4,855 | 162,656 |
| Stock-based compensation | | | | | | (17,430) |
| Amortization and impairment of acquired intangible assets (other than included above) | | | | | | (15,952) |
| Foreign exchange gains (losses), net | | | | | | 3,293 |
| Interest income (expense), net | | | | | | (12,342) |
| Income tax expense | | | | | | (28,952) |
| Net income | | | | | | 91,273 |

*#Revenues, net for "Others" primarily represents the impact of foreign exchange fluctuations, which is not allocated to the Company's segments for management's internal reporting purposes. Adjusted income from operations for "Others" primarily represents the impact of over-absorption of overhead and foreign exchange fluctuations, which are not allocated to the Company's segments for management's internal reporting purposes.*

Revenues and adjusted income from operations for each of the Company's segments for the three months ended March 31, 2022 were as follows:

| | Reportable segments | | | | | |
|---|---|---|---|---|---|---|
| | **BCMI** | **CGRLH** | **HMS** | **Total Reportable segment** | **Others*** | **Total** |
| Revenues, net | 276,161 | 404,180 | 394,947 | 1,075,288 | (6,845) | 1,068,443 |
| Adjusted income from operations | 25,084 | 53,306 | 68,142 | 146,532 | 13,487 | 160,019 |
| Stock-based compensation | | | | | | (15,250) |
| Amortization and impairment of acquired intangible assets (other than included above) | | | | | | (11,302) |
| Foreign exchange gains (losses), net | | | | | | 4,303 |
| Interest income (expense), net | | | | | | (12,088) |
| Income tax expense | | | | | | (29,503) |
| Net income | | | | | | 96,179 |

**Revenues, net for "Others" primarily represents the impact of foreign exchange fluctuations, which is not allocated to the Company's segments for management's internal reporting purposes. Adjusted income from operations for "Others" primarily represents the impact of over-absorption of overhead, unallocated allowance for credit losses and foreign exchange fluctuations, which are not allocated to the Company's segments for management's internal reporting purposes.*

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

**19. Net revenues**

**Disaggregation of revenue**

In the following table, the Company's revenue is disaggregated by customer classification:

| | Three months ended March 31, 2021 | Three months ended March 31, 2022 |
|---|---|---|
| Global Clients | $ 853,057 | $ 973,291 |
| GE | 93,014 | 95,152 |
| **Total net revenues** | **$ 946,071** | **$ 1,068,443** |

All revenue from GE is included in revenue from the HMS segment, and the remainder of revenue from the HMS segment consists of revenue from Global Clients. All of the segment revenue from both the BCMI and CGRLH segments consists of revenue from Global Clients. Refer to Note 18 for details on net revenues attributable to each of the Company's segments.

The Company has evaluated the impact of the COVID-19 pandemic on the Company's net revenues for the three months ended March 31, 2021 and 2022, respectively, to ensure that revenue is recognized after considering all impacts to the extent currently known. Impacts observed include constraints on the Company's ability to render services, whether due to full or partial shutdowns of the Company's facilities or travel restrictions, penalties relating to breaches of service level agreements, and contract terminations or contract performance delays initiated by clients. The Company's net revenues for the three months ended March 31, 2021 were lower than expected before the onset of the pandemic, primarily due to delays in obtaining client approvals to shift to a virtual, work-from-home operating environment, whether as a result of regulatory constraints or due to privacy or security concerns. The COVID-19 pandemic did not have a significant impact on the Company's net revenues for the three months ended March 31, 2022.

Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

**Contract balances**

Accounts receivable include amounts for services that the Company has performed but for which payment has not been received. The Company typically follows a 30-day billing cycle and, as such, at any point in time may have accrued up to 30 days of revenues that have not been billed. The Company has determined that in instances where the timing of revenue recognition differs from the timing of invoicing, the related contracts generally do not include a significant financing component. Refer to Note 4 for details on the Company's accounts receivable and allowance for credit losses.

The following table shows the details of the Company's contract balances:

| | As of December 31, 2021 | As of March 31, 2022 |
|---|---|---|
| Contract assets (Note a) | $ 13,741 | $ 16,052 |
| Contract liabilities (Note b) | | |
| Deferred transition revenue | $ 155,077 | $ 153,198 |
| Advance from customers | $ 85,747 | $ 81,947 |

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

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

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

**19. Net revenues (Continued)**

Contract assets represent the contract acquisition fees or other upfront fees paid to a customer. Such costs are amortized over the expected period of benefit and recorded as an adjustment to the transaction price and deducted from revenue. The Company's assessment did not indicate any significant impairment losses on its contract assets for the periods presented.

Contract liabilities include that portion of revenue for which payments have been received in advance from customers. The Company also defers revenues attributable to certain process transition activities for which costs have been capitalized by the Company as contract fulfillment costs. Consideration received from customers, if any, relating to such transition activities is also included as part of contract liabilities. The contract liabilities are included within "Accrued expenses and other current liabilities" and "Other liabilities" in the unaudited consolidated balance sheets. The revenues are recognized as (or when) the performance obligation is fulfilled under the contract with the customer.

Changes in the Company's contract asset and liability balances during the three months ended March 31, 2021 and 2022 were a result of normal business activity and not materially impacted by any other factors.

Revenue recognized during the three months ended March 31, 2021 and 2022 that was included in the Company's contract liabilities balance at the beginning of the period was $58,892 and $46,625, respectively.

The following table includes estimated revenue expected to be recognized in the future related to remaining performance obligations as of March 31, 2022:

| Particulars | Total | Less than 1 year | 1-3 years | 3-5 years | After 5 years |
|---|---|---|---|---|---|
| Transaction price allocated to remaining performance obligations | $ 235,145 | $ 160,739 | $ 59,605 | $ 13,073 | $ 1,728 |

The following table provides details of the Company's contract cost assets:

| | Three months ended March 31, | | | |
|---|---|---|---|---|
| | 2021 | | 2022 | |
| Particulars | Sales incentive programs | Transition activities | Sales incentive programs | Transition activities |
| Opening balance | $ 33,390 | $ 192,507 | $ 32,296 | $ 206,498 |
| Closing balance | 30,813 | 202,191 | 30,833 | 203,939 |
| Amortization | 4,796 | 17,145 | 6,340 | 20,538 |

**20. Other operating (income) expense, net**

| | Three months ended March 31, | |
|---|---|---|
| | 2021 | 2022 |
| Write-down of intangible assets and property, plant and equipment | $ 837 | $ — |
| Other operating income | (484) | 3 |
| **Other operating (income) expense, net** | **$ 353** | **$ 3** |

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

### 21. Interest income (expense), net

| | Three months ended March 31, 2021 | Three months ended March 31, 2022 |
|---|---|---|
| Interest income | $ 1,171 | $ 1,918 |
| Interest expense | (13,513) | (14,006) |
| **Interest income (expense), net** | **$ (12,342)** | **$ (12,088)** |

### 22. Income taxes

The Company determines its tax provision for interim periods using an estimate of its annual effective tax rate adjusted for discrete items, if any, that are taken into account in the relevant period. Each quarter, the Company updates its estimate of the annual effective tax rate, and if its estimated tax rate changes, the Company makes a cumulative adjustment.

The following table summarizes activities related to the Company's unrecognized tax benefits for uncertain tax positions for the three months ended March 31, 2022:

| | Three months ended March 31, 2022 |
|---|---|
| **Opening balance at January 1** | $ 25,651 |
| Decrease related to prior year tax positions | (1,717) |
| Effect of exchange rate changes | (257) |
| **Closing balance at March 31** | **$ 23,677** |

As of December 31, 2021 and March 31, 2022, the Company had unrecognized tax benefits amounting to 25,651 and $23,677, respectively, which, if recognized, would impact the Company's effective tax rate.

As of December 31, 2021 and March 31, 2022, the Company had accrued $2,842 and $2,888, respectively, in interest and $628 and $624, respectively, for penalties relating to unrecognized tax benefits.

During the year ended December 31, 2021 and the three months ended March 31, 2022, the Company recognized approximately $(13,851) and $96, respectively, in interest related to income taxes.

### 23. Commitments and contingencies

*Capital commitments*

As of December 31, 2021 and March 31, 2022, the Company has committed to spend $13,317 and $12,734, respectively, under agreements to purchase property, plant and equipment. This amount is net of capital advances paid in respect of these purchases.

*Bank guarantees*

The Company has outstanding bank guarantees and letters of credit amounting to $7,865 and $7,812 as of December 31, 2021 and March 31, 2022, respectively. Bank guarantees are generally provided to government agencies and excise and customs authorities for the purpose of maintaining a bonded warehouse. These guarantees may be revoked if the government agencies suffer any losses or damages through the breach of any of the covenants contained in the agreements governing such guarantees.

**23. Commitments and contingencies (Continued)**

*Other commitments*

Certain units of the Company's Indian subsidiaries are established as Software Technology Parks of India units or Special Economic Zone ("SEZ") units under the relevant regulations issued by the Government of India. These units are exempt from customs and other duties on imported and indigenous capital goods, stores and spares. SEZ units are also exempt from the Goods and Services Tax ("GST") that was introduced in India in 2017. The Company has undertaken to pay taxes and duties, if any, in respect of capital goods, stores, spares and services consumed duty-free, in the event that certain terms and conditions are not fulfilled.

*Contingency*

(a) In February 2019, there was a judicial pronouncement in India with respect to defined contribution benefit payments interpreting certain statutory defined contribution obligations of employees and employers. It is not currently clear whether the interpretation set out in the pronouncement has retrospective application. If applied retrospectively, the interpretation would result in an increase in contributions payable by the Company for past periods for certain of its India-based employees. There are numerous interpretative challenges concerning the retrospective application of the judgment. Due to such challenges and a lack of interpretive guidance, and based on legal advice the Company has obtained on the matter, it is currently impracticable to reliably estimate the timing and amount of any payments the Company may be required to make. Accordingly, the Company plans to obtain further clarity and will evaluate the amount of a potential provision, if any.

(b) The Indian taxing authorities ("ITA") have initiated proceedings to examine the availability of a tax exemption claimed by the Company in respect of exports of services and related refunds under the Indian Goods and Services ("GST") tax regime and the previous service tax regime. In the second quarter of 2020, the ITA began to challenge or reject the Company's Indian GST and service tax refunds in certain Indian states. In total, refunds of $27,884 have been denied or challenged by the ITA and additional refunds may be denied. The Company is pursuing appeals of the denied refunds before relevant appellate authorities. The Company had requested these refunds pursuant to the tax exemption available for exports under the previous service tax regime as well as the current GST regime in respect of services performed by the Company in India for affiliates and clients outside of India. In denying the refunds, the ITA have taken the position that the services provided are local services, which interpretation, if correct, would make the service tax and GST exemption on exports unavailable to the Company in respect of such services. Additional potentially material challenges and assessments may result from ongoing proceedings related to service tax recovery. The Company believes that the denial of the refunds claimed pursuant to the service tax and GST exemption is incorrect and that the risk that the liability will materialize is remote. The Government of India has recently issued an administrative circular which supports the Company's position, and the Company believes that the appellate authorities will reverse the previous orders denying refunds owed to the Company. Accordingly, no reserve has been provided as of March 31, 2022.

(c) An affiliate of the Company in India received an assessment order in 2016 seeking to assess tax amounting to $108,282 (including interest to the date of the order) on certain transactions that occurred in 2013. This amount excludes penalty or interest accrued since the date of the order. The Income Tax Appellate Tribunal of India (the "Tribunal") has accepted the legal arguments raised by the Company on appeal and the assessment order has been cancelled. Taxes paid under protest have been refunded along with interest to the Company. The Indian tax authorities may appeal the order of the Tribunal before a higher court. Based on its evaluation of the facts underlying the transaction and legal advice received on the matter, the Company believes that it is more likely than not that this transaction would not be subject to tax liability in India. Accordingly, no reserve has been provided as of March 31, 2022.

(d) In September 2020, the Indian Parliament approved the Code on Social Security, 2020 (the "Code"), which will impact the Company's contributions to its defined contribution and defined benefit plans for employees based in India. The date the changes will take effect is not yet known and the rules for quantifying the financial impact have not yet been published. The Company will evaluate the impact of the Code on the Company in its financial statements for the period in which the Code becomes effective and the related rules are published.

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

*The following discussion and analysis is meant to provide material information relevant to an assessment of the financial condition and results of operations of our company, including an evaluation of the amounts and uncertainties of cash flows from operations and from outside sources, so as to allow investors to better view our company from management's perspective. The following discussion should be read in conjunction with our consolidated financial statements and the related notes that appear elsewhere in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2021 and with the information under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2021. In addition to historical information, this discussion includes forward-looking statements and information that involves risks, uncertainties and assumptions, including but not limited to those listed below and under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021.*

**Special Note Regarding Forward-Looking Statements**

We have made statements in this Quarterly Report on Form 10-Q (the "Quarterly Report") in, among other sections, Part I, Item 2—"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 in Part I, Item 1A—"Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021. For a discussion of risks of which we are aware in relation to the COVID-19 pandemic, see "Our business and results of operations have been adversely impacted and may in the future be adversely impacted by the COVID-19 pandemic" under Part I, Item 1A—"Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021. Many of the risks, uncertainties and other factors identified below have been, and may continue to be, amplified by the COVID-19 pandemic.

Forward-looking statements we may make 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;
- our rate of employee attrition;
- 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, including the withdrawal of the United Kingdom, or the U.K., from the European Union, or the EU, commonly known as Brexit, and uncertainty about the future relationship between the U.K. and the EU, and heightened economic and political uncertainty within and among other EU member states;
- expected spending on business process outsourcing, information technology and digital transformation services by clients;
- foreign currency exchange rates;
- our ability to convert bookings to revenue;
- our effective tax rate; and
- competition in our industry.

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

- the invasion of Ukraine by Russia and the related sanctions and other measures being implemented or imposed in response thereto, or any potential expansion or escalation of the conflict or its economic disruption beyond its current scope;
- wage increases in countries where we have operations;
- our ability to hire and retain enough qualified employees to support our operations;
- general inflationary pressures and our ability to share increased costs with our clients;
- our ability to effectively price our services and maintain pricing and employee utilization rates;
- the impact of the COVID-19 pandemic on our business, results of operations and financial condition;
- our ability to develop and successfully execute our business strategies;
- our ability to comply with data protection laws and regulations and to maintain the security and confidentiality of personal and other sensitive data of our clients, employees or others;
- telecommunications or technology disruptions or breaches, natural or other disasters, or medical epidemics or pandemics, including the COVID-19 pandemic;
- our dependence on favorable policies and tax laws that may be changed or amended in a manner adverse to us or be unavailable to us in the future, including as a result of tax policy changes in India, and our ability to effectively execute our tax planning strategies;
- 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 ability to successfully consummate or integrate strategic acquisitions;
- our ability to attract and retain clients and to develop and maintain client relationships on attractive terms;
- our ability to service our defined contribution and benefit plan payment obligations;
- clarification as to the possible retrospective application of a judicial pronouncement in India regarding our defined contribution and benefit plan payment obligations;
- our relationship with the General Electric Company, or GE, and our ability to maintain relationships with former GE businesses;
- financing terms, including, but not limited to, changes in the London Interbank Offered Rate, or LIBOR, including the pending global phase-out of LIBOR, the development of alternative rates, including the Secured Overnight Financing Rate, and changes to our credit ratings;
- our ability to meet our corporate funding needs, pay dividends and service debt, including our ability to comply with the restrictions that apply to our indebtedness that may limit our business activities and investment opportunities;
- our ability to grow our business and effectively manage growth and international operations while maintaining effective internal controls;
- restrictions on visas for our employees traveling to North America and Europe;
- fluctuations in currency exchange rates between the currencies in which we transact business;
- our ability to retain senior management;

- the selling cycle for our client relationships;
- legislation in the United States or elsewhere that adversely affects demand for business process outsourcing, information technology and digital transformation services offshore;
- increasing competition in our industry;
- our ability to protect our intellectual property and the intellectual property of 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 acquisitions; 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 Form 10-K, Form 10-Q and Form 8-K reports to the Securities and Exchange Commission (the "SEC").

**Continued impact of COVID-19 on our business and results of operations**

The COVID-19 pandemic continues to impact the global economy and the markets in which we operate. In the three months ended March 31, 2022, the pandemic had a modest negative impact on our results and may continue to have an impact on us in future periods. This section provides a brief overview of how we are responding to known and anticipated impacts of the COVID-19 pandemic on our business, financial condition, and results of operations.

While many of our employees globally continue to work from home, we have reopened our offices, in some instances on a limited and voluntary basis, where circumstances have enabled us to do so. In these circumstances we have implemented additional health and safety measures consistent with government recommendations and/or requirements to help ensure employee safety. These measures include health screening, social distancing, contact tracing, enhanced cleaning procedures, and testing and vaccination requirements.

Governments continue to ease COVID-19 restrictions in many places, which in some cases has contributed to a resurgence of COVID-19 cases and the spread of COVID-19 variants and subvariants. The availability of vaccines (and vaccine boosters) continues to increase around the world, albeit with slower than anticipated rollouts and challenges in certain countries.

Our Global Leadership Council continues to coordinate and oversee our actions in response to the COVID-19 pandemic, including business continuity planning, monitoring our revenue and profitability, developing transformation service offerings to address new and developing client needs, and evaluating and adapting our human resource policies.

As the COVID-19 pandemic evolves, we will continue to assess its impact on the Company and respond accordingly. The ultimate impact of COVID-19 on our business and the industry in which we operate remains unknown and unpredictable. Our past results may not be indicative of our future performance, and our financial results in future periods, including but not limited to net revenues, income from operations, income from operations margin, net income and earnings per share, may differ materially from historical trends. The extent of the impact of the COVID-19 pandemic on our business will depend on a number of factors, including but not limited to the duration and severity of the pandemic; future variants or subvariants of the COVID-19 virus and the severity of such variants or subvariants; rates of vaccination and the availability and effectiveness of vaccines, including booster shots, and treatments for COVID-19 globally; the macroeconomic impact of the spread of the virus; and related government stimulus measures. We are currently unable to predict the full impact that the COVID-19 pandemic will have on our results from operations, financial condition, liquidity and cash flows due to numerous uncertainties, including the duration and severity of the pandemic and containment measures and the related macroeconomic impacts. For example, to the extent the pandemic continues to disrupt economic activity globally, we, like other businesses, will not be immune from its effects, and our business, results of operations and financial condition may be adversely affected, possibly materially, by prolonged decreases in spending on the types of services we provide, deterioration of our clients' credit, or reduced economic activities. In addition, some of our expenses are less variable in nature and do not closely correlate with revenues, which may lead to a decrease in our profitability.

**Impact of Russia's Military Action in Ukraine on our Business**

In February 2022, Russian forces launched significant military action against Ukraine, which has resulted in conflict and disruptions in the region. In response to this action taken by Russia, the United States, the United Kingdom and the European Union governments, among others, have imposed various sanctions and export-control measures, including comprehensive financial sanctions, targeted at Russia or designated individuals and entities with business interests and/or government connections to Russia or those involved in Russian military activities. Governments have also enhanced export controls and trade sanctions targeting Russia's import of goods. In the event these geopolitical tensions fail to improve or deteriorate, additional governmental sanctions and measures may be enacted.

It is not possible to predict the broader consequences of the conflict, including related geopolitical tensions. The invasion and retaliatory actions taken by the United States and other countries in respect thereof, as well as any counter measures or retaliatory actions by Russia in response, have in certain cases caused and are likely to continue to cause supply chain disruption and inflation, regional instability, geopolitical shifts and could materially adversely affect global trade, currency exchange rates, regional economies and the global economy. While we do not have any operations in Russia or Ukraine, it is difficult to anticipate the impact of any of the foregoing on our business, and the conflict and actions taken in response to the conflict could increase our costs, disrupt our supply chain, impair our ability to raise additional capital when needed on acceptable terms, if at all, or otherwise adversely affect our business, financial condition and results of operations. To date, we do not believe Russia's military action in Ukraine and governmental actions in response thereto have had a material impact on our business, financial position or operations. We continue to monitor the situation closely.

For additional information about the risks we face in relation to the COVID-19 pandemic and Russia's invasion of Ukraine, see Part I, Item 1A—"Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021.

**Overview**

We are a global professional services firm that makes business transformation real. We drive digital-led innovation and run digitally-enabled intelligent operations for our clients, guided by our experience running thousands of processes for hundreds of Fortune Global 500 clients. We have over 115,300 employees serving clients in key industry verticals from more than 30 countries. Our registered office is located at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda.

In the quarter ended March 31, 2022, we recorded net revenues of $1,068.4 million, of which $973.3 million, or 91.1%, was from clients other than GE, which we refer to as Global Clients, with the remaining $95.2 million, or 8.9%, from GE.

**Certain Acquisitions**

On December 31, 2021, we acquired 100% of the outstanding equity/limited liability company interests in Hoodoo Digital, LLC, a Utah limited liability company, for total purchase consideration of $66.7 million. This amount represents cash consideration of $64.4 million, net of cash acquired of $2.3 million. This acquisition furthers our strategy to fuse experience and process innovation to help clients drive end-to-end digital transformation. Hoodoo's expertise with Adobe Experience Manager and other Adobe applications complements our existing end-to-end client solution that seamlessly integrates digital content, e-commerce, data analytics, and marketing operations. Goodwill arising from the acquisition amounting to $44.3 million has been allocated among our three reporting units as follows: Banking, Capital Markets and Insurance ("BCMI") in the amount of $4.2 million, Consumer Goods, Retail, Life Sciences and Healthcare ("CGRLH") in the amount of $7.1 million and High Tech, Manufacturing and Services ("HMS") in the amount of $33.1 million, using a relative fair value allocation method. Goodwill arising from this acquisition is deductible for income tax purposes and represents primarily the acquired capabilities and other benefits expected to result from combining the acquired operations with our existing operations

On December 31, 2020, we acquired 100% of the outstanding equity interests in Enquero Inc, a California corporation, and certain affiliated entities in India, the Netherlands and Canada (collectively referred to as "Enquero") for total purchase consideration of $148.8 million. This amount represents cash consideration of $137.2 million, net of cash acquired of $11.6 million. This acquisition increased the scale and depth of our data and analytics capabilities, enhancing our ability to accelerate the digital transformation journeys of our clients through cloud technologies and advanced data analytics. Goodwill arising from the acquisition amounting to $87.9 million has been allocated among our three reporting units as follows: BCMI in the amount of $2.6 million, CGRLH in the amount of $22.5 million and HMS in the amount of $62.7 million, using a relative fair value allocation method. Goodwill arising from this acquisition is not deductible for income tax purposes and represents primarily the acquired capabilities and other benefits expected to result from combining the acquired operations with our existing operations.

On October 5, 2020, we acquired 100% of the outstanding equity/limited liability company interests in SomethingDigital.Com LLC, a New York limited liability company, for total purchase consideration of $57.5 million. This amount represents cash consideration of $56.1 million, net of cash acquired of $1.4 million. This acquisition supported our strategy to integrate experience and process innovation to help clients on their digital transformation journeys and expanded on our existing experience capabilities to support end-to-end digital commerce solutions, both business-to-business and business-to-consumer. Additionally, this acquisition expanded our capabilities into Magento Commerce, which powers Adobe Commerce Cloud, and Shopify Plus, a cloud-based-ecommerce platform for high-volume merchants. Goodwill arising from the acquisition amounting to $36.9 million has been allocated among two of our reporting units as follows: CGRLH in the amount of $30.4 million and HMS in the amount of $6.6 million, using a relative fair value allocation method. Of the total goodwill arising from this acquisition, $35.1 million is deductible for income tax purposes. The goodwill represents primarily the acquired capabilities and other benefits expected to result from combining the acquired operations with our existing operations.

On November 12, 2019, we acquired 100% of the outstanding equity/limited liability company interests in Rightpoint Consulting, LLC, an Illinois limited liability company, and certain affiliated entities in the United States and India (collectively referred to as "Rightpoint") for total purchase consideration of $270.7 million. This amount includes cash consideration of $268.2 million, net of cash acquired of $2.5 million. This acquisition expanded our capabilities in improving customer experience and strengthens our reputation as a thought leader in this space. The securities purchase agreement provided certain of the selling equity holders the option to elect to either (a) receive 100% consideration in cash at the closing date for their limited liability company interests and vested options or (b) "roll over" and retain 25% of their Rightpoint limited liability company interests and vested options and receive consideration in cash at closing for the remaining 75% of their Rightpoint limited liability company interests and vested options. Certain selling equity holders elected to receive deferred, variable earnout consideration with an estimated value of $21.5 million over the three-year rollover period, which is included in the purchase consideration. The amount of deferred consideration ultimately payable to the rollover sellers will be based on the future revenue multiple of the acquired business. Goodwill arising from the acquisition amounting to $177.2 million has been allocated among our three reporting units as follows: BCMI in the amount of $17.0 million, CGRLH in the amount of $43.0 million and HMS in the amount of $117.2 million, using a relative fair value allocation method. Of the total goodwill arising from this acquisition, $91.9 million is deductible for income tax purposes. The goodwill primarily represents the acquired capabilities and other benefits expected to result from combining the acquired operations with our existing operations.

**Critical Accounting Policies and Estimates**

For a description of our critical accounting policies and estimates, see Note 2—"Summary of significant accounting policies" under Part I, Item 1—"Unaudited Consolidated Financial Statements" above, as well as Part II, Item 7—"Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates" and Note 2—"Summary of significant accounting policies" under Part IV, Item 15—"Exhibits and Financial Statement Schedules" in our Annual Report on Form 10-K for the year ended December 31, 2021. These have been no material changes to our critical accounting policies and estimates during the three months ended March 31, 2022 from those described in our Annual Report on Form 10-K for the year ended December 31, 2021

Due to rounding, the numbers presented in the tables included in this "Item 2—Management's Discussion and Analysis of Financial Condition and Results of Operations" may not add up precisely to the totals provided.

**Results of Operations**

The following table sets forth certain data from our consolidated statements of income for the three months ended March 31, 2021 and 2022.

| | Three months ended March 31, | | Percentage Change Increase/(Decrease) |
|---|---|---|---|
| | 2021 | 2022 | Three months ended March 31, 2022 vs. 2021 |
| | (dollars in millions) | | |
| Net revenues—Global Clients | $ 853.1 | $ 973.3 | 14.1 % |
| Net revenues—GE | 93.0 | 95.2 | 2.3 % |
| **Total net revenues** | **946.1** | **1,068.4** | **12.9 %** |
| Cost of revenue | 600.9 | 686.0 | 14.2 % |
| **Gross profit** | **345.1** | **382.5** | **10.8 %** |
| **Gross profit margin** | **36.5 %** | **35.8 %** | |
| Operating expenses | | | |
| Selling, general and administrative expenses | 200.7 | 237.3 | 18.2 % |
| Amortization of acquired intangible assets | 16.2 | 11.3 | (30.1)% |
| Other operating (income) expense, net | 0.4 | 0.0 | (99.2)% |
| **Income from operations** | **127.9** | **133.9** | **4.7 %** |
| **Income from operations as a percentage of net revenues** | **13.5 %** | **12.5 %** | |
| Foreign exchange gains (losses), net | 3.3 | 4.3 | 30.7 % |
| Interest income (expense), net | (12.3) | (12.1) | (2.1)% |
| Other income (expense), net | 1.4 | (0.4) | (129.4)% |
| **Income before income tax expense** | **120.2** | **125.7** | **4.5 %** |
| Income tax expense | 29.0 | 29.5 | 1.9 % |
| **Net income** | **$ 91.3** | **$ 96.2** | **5.4 %** |
| **Net income as a percentage of net revenues** | **9.6 %** | **9.0 %** | |

***Three Months Ended March 31, 2022 Compared to the Three Months Ended March 31, 2021***

*Net revenues.* Our net revenues were $1,068.4 million in the first quarter of 2022, up 122.4 million, or 12.9%, from $946.1 million in the first quarter of 2021. The growth in our net revenues was driven by better-than-expected performance in both Global Clients and GE.

Adjusted for foreign exchange, primarily the impact of changes in the value of the Australian dollar, euro, U.K. pound sterling and Japanese yen against the U.S. dollar, our net revenues grew 14% in the first quarter of 2022 compared to the first quarter of 2021 on a constant currency[1] basis. We provide information about our revenue growth on a constant currency[1] 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[1] basis are calculated by restating current-period activity using the prior fiscal period's foreign currency exchange rates and adjusted for hedging gains/losses.

Our average headcount increased by 16.9% to approximately 113,500 in the first quarter of 2022 from approximately 97,100 in the first quarter of 2021.

[1] Revenue growth on a constant currency basis is a non-GAAP measure and is calculated by restating current-period activity using the prior fiscal period's foreign currency exchange rates adjusted for hedging gains/losses in such period.

| | Three months ended March 31, | | Percentage Change Increase/(Decrease) |
|---|---|---|---|
| | 2021 | 2022 | 2022 vs. 2021 |
| | (dollars in millions) | | |
| Net revenues – Global Clients | $ 853.1 | $ 973.3 | 14.1 % |
| Net revenues – GE | $ 93.0 | $ 95.2 | 2.3 % |
| **Total net revenues** | **$ 946.1** | **$ 1,068.4** | **12.9 %** |

Net revenues from Global Clients in the first quarter of 2022 were $973.3 million, up $120.2 million, or 14.1%, from $853.1 million in the first quarter of 2021. This increase was largely driven by continued strong demand for transformation services and service ramp-ups related to recently signed intelligent operations engagements, as well as revenue from Hoodoo Digital, LLC, which we acquired in the fourth quarter of 2021. As a percentage of total net revenues, net revenues from Global Clients increased from 90.2% in the first quarter of 2021 to 91.1% in the first quarter of 2022.

Net revenues from GE in the first quarter of 2022 were $95.2 million, up $2.2 million, or 2.3%, from $93.0 million in the first quarter of 2021, primarily related to short cycle project work in the first quarter of 2022 compared to the first quarter of 2021.

Revenues by segment were as follows:

| | Three months ended March 31, | | Percentage Change Increase/(Decrease) |
|---|---|---|---|
| | 2021 | 2022 | 2022 vs. 2021 |
| | (dollars in millions) | | |
| BCMI | $ 242.3 | $ 276.2 | 14.0 % |
| CGRLH | 340.0 | 404.2 | 18.9 % |
| HMS | 356.9 | 394.9 | 10.7 % |
| Others | 6.8 | (6.8) | (200.7)% |
| **Total net revenues** | **$ 946.1** | **$ 1,068.4** | **12.9 %** |

Net revenues from our BCMI segment increased by 14.0% in the first quarter of 2022 compared to the first quarter of 2021, primarily driven by an increase in revenues from both our transformation services and intelligent operations engagements in our insurance vertical, and an increase in transformation services revenue in our banking and capital markets vertical. Net revenues from our CGRLH segment increased by 18.9% in the first quarter of 2022 compared to the first quarter of 2021, driven by an increase in both our transformation services and intelligent operations engagements. Net revenues from our HMS segment increased by 10.7% in the first quarter of 2022 compared to the first quarter of 2021, primarily driven by an increase in both our transformation services and intelligent operations engagements for Global Clients, including revenue from Hoodoo Digital, LLC, which we acquired in the fourth quarter of 2021, as well as an increase in net revenues from GE, primarily related to short-cycle project work in the first quarter of 2022 compared to the first quarter of 2021. Net revenues from "Others" in the table above primarily represents the impact of foreign exchange fluctuations, which is not allocated to our segments for management's internal reporting purposes. For additional information, see Note 18—"Segment reporting" under Part I, Item 1—"Unaudited Consolidated Financial Statements" above.

*Cost of revenue.* Cost of revenue was $686.0 million in the first quarter of 2022, up $85.1 million, or 14.2%, from $600.9 million in the first quarter of 2021. The increase in cost of revenue in the first quarter of 2022 compared to the first quarter of 2021 was primarily due to an increase in our operational headcount to support revenue growth, including in the number of onshore personnel related to large deals and transformation services delivery and from our acquisition of Hoodoo Digital, LLC in the fourth quarter of 2021, as well as wage inflation. This increase was partially offset by a decrease in depreciation and amortization, infrastructure and communication expenses in the first quarter of 2022 compared to the first quarter of 2021.

*Gross margin.* Our gross margin decreased from 36.5% in the first quarter of 2021 to 35.8% in the first quarter of 2022, primarily driven by investments related to deal ramp-ups and to support new deal activity, as well as higher personnel expenses, which were due in part to wage increases during the first quarter of 2022 compared to the first quarter of 2021.

*Selling, general and administrative expenses (SG&A).* SG&A expenses as a percentage of total net revenues increased from 21.2% in the first quarter of 2021 to 22.2% in the first quarter of 2022. SG&A expenses were $237.3 million in the first quarter of 2022, up $36.6 million, or 18.2%, from the first quarter of 2021. This increase was primarily due to investments to support increased revenues, including staffing, research and development related to cloud-based offerings and other prioritized service lines that were increased in the second half of 2021, higher marketing expenses and facility maintenance expenses, and wage inflation in the first quarter of 2022 compared to the first quarter of 2021. This increased investment activity was partially offset by lower stock-based compensation expense in the first quarter of 2022 compared to the first quarter of 2021.

*Amortization of acquired intangibles.* Amortization of acquired intangibles was $11.3 million in the first quarter of 2022, down $4.9 million, or 30.1%, from the first quarter of 2021. This decrease was primarily due to the completion of useful lives of intangibles acquired in prior periods, partially offset by amortization expense related to Hoodoo Digital, LLC, which we acquired in the fourth quarter of 2021.

*Other operating (income) expense, net.* Other operating expense (net of income) was $3 thousand in the first quarter of 2022 compared to $353 thousand in the first quarter of 2021. The decrease in other operating expense was due to an asset impairment charge relating to technology-related intangible assets and certain property, plant and equipment in the first quarter of 2021, while no corresponding charges were recorded in the first quarter of 2022.

*Income from operations.* As a result of the foregoing factors, income from operations as a percentage of total net revenues decreased from 13.5% in the first quarter of 2021 to 12.5% in the first quarter of 2022. Income from operations increased by $6.0 million from $127.9 million in the first quarter of 2021 to $133.9 million in the first quarter of 2022, primarily driven by higher revenues.

*Foreign exchange gains (losses), net.* We recorded a net foreign exchange gain of $4.3 million in the first quarter of 2022 compared to $3.3 million in the first quarter of 2021. The gains in the first quarters of 2022 and 2021 were primarily due to the depreciation of the Indian rupee against the U.S. dollar during each period.

*Interest income (expense), net.* Our interest expense (net of interest income) was $12.1 million in the first quarter of 2022, down $0.2 million from $12.3 million in the first quarter of 2021, primarily due to a $0.7 million increase in interest income in India, offset by a $0.5 million increase in interest expense. The increase in interest expense was largely due to interest expense related to our $350 million aggregate principal amount of 1.750% senior notes issued in March 2021, partially offset by a lower outstanding balance under our term loan, including a lower drawdown balance on our revolving credit facility in the first quarter of 2022 compared to the first quarter of 2021, which we discuss in the section titled “Liquidity and Capital Resources—Financial Condition” below. The weighted average rate of interest on our debt, including the net impact of interest rate swaps, decreased from 3.0% in the first quarter of 2021 to 2.9% in the first quarter of 2022.

*Other income (expense), net.* Our other expense (net of income) was $0.4 million in the first quarter of 2022 compared to other income (net of expense) of $1.4 million in the first quarter of 2021. The decrease in other income was largely attributable to lower gains on the fair value of assets held in our deferred compensation plan in the first quarter of 2022 compared to the first quarter of 2021.

*Income tax expense.* Our income tax expense was $29.5 million in the first quarter of 2022, up from $29.0 million in the first quarter of 2021, due to higher pre-tax income, representing an effective tax rate (“ETR”) of 23.5%, down from 24.1% in the first quarter of 2021. The decrease in our ETR was primarily due to a lower ETR in certain jurisdictions in the first quarter of 2022 compared to the first quarter of 2021.

*Net income.* As a result of the foregoing factors, net income as a percentage of total net revenues was 9.0% in the first quarter of 2022, down from 9.6% in the first quarter of 2021. Net income increased from $91.3 million in the first quarter of 2021 to $96.2 million in the first quarter of 2022.

*Adjusted income from operations.* Adjusted income from operations (“AOI”) decreased by $2.7 million from $162.7 million in the first quarter of 2021 to $160.0 million in the first quarter of 2022. Our AOI margin decreased from 17.2% in the first quarter of 2021 to 15.0% in the first quarter of 2022 primarily driven by higher sales and marketing expenses, higher investments in research and development related to cloud-based offerings and other prioritized service lines that were increased in the second half of 2021 and higher travel costs in the first quarter of 2022 compared to the first quarter of 2021.

AOI is a non-GAAP measure and is not based on any comprehensive set of accounting rules or principles and should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and may be different from non-GAAP financial measures used by other companies. We believe that presenting AOI together with our reported results can provide useful supplemental information to our investors and management regarding financial and business trends relating to our financial condition and results of operations. A limitation of using AOI versus net income calculated in accordance with GAAP is that AOI excludes certain recurring costs and certain other charges, namely stock-based compensation and amortization of acquired intangibles. We compensate for this limitation by providing specific information on the GAAP amounts excluded from AOI.

We calculate AOI as net income, excluding (i) stock-based compensation, (ii) amortization and impairment of acquired intangible assets, (iii) acquisition-related expenses excluded in the period in which an acquisition is consummated, (iv) foreign exchange (gains)/losses, (v) interest (income) expense, and (vi) income tax expense, as we believe that our results after taking into account these adjustments more accurately reflect our ongoing operations. For additional information, see Note 18—"Segment reporting" under Part I, Item 1—"Unaudited Consolidated Financial Statements" above.

The following table shows the reconciliation of AOI to net income, the most directly comparable GAAP measure, for the three months ended March 31, 2021 and 2022:

| | Three months ended March 31, | |
|---|---|---|
| | 2021 | 2022 |
| | (dollars in millions) | |
| **Net income** | $ 91.3 | $ 96.2 |
| Foreign exchange (gains) losses, net | (3.3) | (4.3) |
| Interest (income) expense, net | 12.3 | 12.1 |
| Income tax expense | 29.0 | 29.5 |
| Stock-based compensation | 17.4 | 15.3 |
| Amortization and impairment of acquired intangible assets | 16.0 | 11.3 |
| **Adjusted income from operations** | **$ 162.7** | **$ 160.0** |

The following table sets forth our AOI by segment for the three months ended March 31, 2021 and 2022:

| | Three months ended March 31, | | Percentage Change Increase/(Decrease) |
|---|---|---|---|
| | 2021 | 2022 | 2022 vs. 2021 |
| | (dollars in millions) | | |
| BCMI | $ 32.4 | $ 25.1 | (22.5)% |
| CGRLH | 57.8 | 53.3 | (7.8)% |
| HMS | 67.6 | 68.1 | 0.8 % |
| Others | 4.9 | 13.5 | 177.8 % |

AOI of our BCMI segment decreased to $25.1 million in the first quarter of 2022 from $32.4 million in the first quarter of 2021, primarily due to higher sales and marketing expenses, increased transition costs related to recently signed client engagements and the impact of wage inflation, partially offset by higher revenues from our insurance vertical, led by growth in both our transformation services and intelligent operations engagements. AOI of our CGRLH segment decreased to $53.3 million in the first quarter of 2022 from $57.8 million in the first quarter of 2021, largely due to higher investments to support new deal activity and the impact of wage inflation. AOI of our HMS segment increased to $68.1 million in the first quarter of 2022 from $67.6 million in the first quarter of 2021, primarily driven by higher revenues from transformation services, including revenue from Hoodoo Digital, LLC, which we acquired in the fourth quarter of

2021. AOI for "Others" in the table above primarily represents the impact of foreign exchange fluctuations, adjustment of allowances for credit losses and over- or under-absorption of overheads, none of which is allocated to any individual segment for management's internal reporting purposes. See Note 18—"Segment reporting" under Part I, Item 1— "Unaudited Consolidated Financial Statements" above.

**Liquidity and Capital Resources**

***Overview***

Information about our financial position as of December 31, 2021 and March 31, 2022 is presented below:

| | As of December 31, 2021 | As of March 31, 2022 | Percentage Change Increase/(Decrease) |
|---|---|---|---|
| | (dollars in millions) | | 2022 vs. 2021 |
| Cash and cash equivalents | $ 899.5 | $ 861.8 | (4.2)% |
| Short-term borrowings | — | 250.0 | NM* |
| Long-term debt due within one year | 383.4 | 383.6 | 0.0 % |
| Long-term debt other than the current portion | 1,272.5 | 1,264.4 | (0.6)% |
| Genpact Limited total shareholders' equity | $ 1,897.1 | $ 1,847.4 | (2.6)% |

*Not Meaningful

***Financial Condition***

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

On February 9, 2021, our board of directors approved a 10% increase in our quarterly cash dividend to $0.1075 per share, up from $0.0975 per share in 2020, representing an annual dividend of $0.43 per common share, up from $0.39 per share in 2020, payable to holders of our common shares. On March 19, 2021, we paid a dividend of $0.1075 per share, amounting to $20.1 million in the aggregate, to shareholders of record as of March 10, 2021.

On February 10, 2022, our board of directors approved a 16% increase in our quarterly cash dividend to $0.125 per share, up from $0.1075 per share in 2021, representing a planned annual dividend of $0.50 per common share, up from $0.43 per share in 2021, payable to holders of our common shares. On March 23, 2022, we paid a dividend of $0.125 per share, amounting to $23.1 million in the aggregate, to shareholders of record as of March 10, 2022.

As of March 31, 2022, $855.3 million of our $861.8 million in cash and cash equivalents was held by our foreign (non-Bermuda) subsidiaries. $3.4 million of this cash was held by foreign subsidiaries for which we expect to incur and have accrued a deferred tax liability on the repatriation of $9.6 million of retained earnings. $851.9 million of the cash and cash equivalents is held by foreign subsidiaries in jurisdictions where no tax is expected to be imposed upon repatriation of retained earnings or is being indefinitely reinvested.

The total authorization under our existing share repurchase program is $1,750.0 million, of which $262.9 million remained available as of March 31, 2022. Since our share repurchase program was initially authorized in 2015, we have repurchased 49,017,610 of our common shares at an average price of $30.34 per share, for an aggregate purchase price of $1,487.1 million.

During the three months ended March 31, 2022, we repurchased 1,630,533 of our common shares on the open market at a weighted average price of $46.61 per share for an aggregate cash amount of $76.0 million. During the three months ended March 31, 2021, we repurchased 3,297,966 of our common shares on the open market at a weighted average price of $40.68 per share for an aggregate cash amount of $134.2 million. All repurchased shares have been retired.

For additional information, see Note 16—"Capital stock" under Part I, Item 1—"Unaudited Consolidated Financial Statements" above.

We expect that for the next twelve months and for the foreseeable 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. However, there is no assurance that the impacts of the COVID-19 pandemic we have experienced to date, and any future impact we may experience, will not have an adverse effect on our cash flows. In addition, we may raise additional funds through public or private debt or equity financing. 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 existing operations to support our growth, financing acquisitions and enhancing capabilities, including building certain digital solutions.

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

| | **Three Months Ended March 31,** | | **Percentage Change Increase/(Decrease)** |
|---|---|---|---|
| | **2021** | **2022** | **2022 vs. 2021** |
| | **(dollars in millions)** | | |
| Net cash provided by/ (used for): | | | |
| Operating activities | $ 77.2 | $ (114.3) | (248.1) % |
| Investing activities | (18.5) | (17.8) | 4.1 % |
| Financing activities | (89.9) | 101.5 | 212.9 % |
| **Net increase in cash and cash equivalents** | **$ (31.3)** | **$ (30.6)** | **2.2 %** |

*Cash flows used for operating activities.* Net cash used for operating activities was $114.3 million in the three months ended March 31, 2022, compared to net cash provided by operating activities of $77.2 million in the three months ended March 31, 2021. This change was primarily due to (i) a $186.5 million increase in operating assets and liabilities driven by increased investment in accounts receivable, higher tax payments, and higher employee and vendor related payments in the three months ended March 31, 2022 compared to the three months ended March 31, 2021 and (ii) a $9.8 million decrease in non-cash expenses, primarily due to lower depreciation and amortization expenses and lower stock-based compensation expense in the three months ended March 31, 2022 compared to the three months ended March 31, 2021, partially offset by an increase in deferred tax expense. The change was offset by a $4.9 million increase in net income in the three months ended March 31, 2022 compared to the three months ended March 31, 2021.

*Cash flows used for investing activities.* Our net cash used for investing activities was $17.8 million in the three months ended March 31, 2022 compared to $18.5 million in the three months ended March 31, 2021. The reduction in cash used for investing activities was primarily due to a $5.3 million decrease in payments for business acquisitions in the three months ended March 31, 2022 compared to the three months ended March 31, 2021. This was offset by a $4.5 million increase in payments (net of sales proceeds and issuance cost) for the purchase of property, plant and equipment and acquired/internally generated intangible assets in the three months ended March 31, 2022 compared to the three months ended March 31, 2021.

*Cash flows provided by financing activities.* Our net cash provided by financing activities was $101.5 million in the three months ended March 31, 2022 compared to net cash used for financing activities of $89.9 million in the three months ended March 31, 2021. This change was primarily due to higher proceeds from borrowings (net of repayment) amounting to $241.5 million in the three months ended March 31, 2022 compared to $89.6 million in the three months ended March 31, 2021, and payments for share repurchases (including expenses related to repurchases) amounting to $76.0 million in the three months ended March 31, 2022 compared to $134.2 million in the three months ended March 31, 2021. The change was partially offset by (i) an increase in payments in connection with the net settlement of common shares under our stock-based compensation plans, amounting to $41.9 million in the three months ended March 31, 2022 compared to $28.7 million in the three months ended March 31, 2021, (ii) a $3.3 million reduction in proceeds from the issuance of common shares under our stock-based compensation plans in the three months ended March 31, 2022 compared to the three months ended March 31, 2021, and (iii) a $3.0 million increase in dividend payments in the three months ended March 31, 2022 compared to three months ended March 31, 2021.

***Financing Arrangements***

As of December 31, 2021 and March 31, 2022, our outstanding term loan, net of debt amortization expense of $0.7 million and $0.6 million, respectively, was $560.3 million and $551.9 million, respectively. 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, 2021 and March 31, 2022, the limits available under such facilities were $24.7 million and $24.3 million, respectively, of which $5.8 million and $5.8 million, respectively, was utilized, constituting non-funded drawdown. As of December 31, 2021 and March 31, 2022, a total of $2.0 million and $252.0 million, respectively, of our revolving credit facility was utilized, of which $0 million and $250.0 million, respectively, constituted funded drawdown and $2.0 million and $2.0 million, respectively, constituted non-funded drawdown.

Genpact Luxembourg S.à r.l. ("Genpact Luxembourg"), a wholly-owned subsidiary of the Company, issued $350 million aggregate principal amount of 3.70% senior notes in March 2017 (the "2017 Senior Notes") and $400 million aggregate principal amount of 3.375% senior notes in November 2019 (the "2019 Senior Notes"). The 2017 Senior Notes and the 2019 Senior Notes are fully guaranteed by the Company and Genpact USA, Inc. The total debt issuance cost of $2.6 million and $2.9 million incurred in connection with the 2017 Senior Notes and 2019 Senior Notes offerings, respectively, are being amortized over the respective lives of the notes as additional interest expense. As of December 31, 2021 and March 31, 2022, the amount outstanding under the 2017 Senior Notes, net of debt amortization expense of $0.1 million and $0 million, respectively, was $349.9 million and $350.0 million, respectively, which was payable on April 1, 2022. As of December 31, 2021 and March 31, 2022, the amount outstanding under the 2019 Senior Notes, net of debt amortization expense of $1.7 million and $1.6 million, was $398.3 million and $398.4 million, respectively, which is payable on December 1, 2024.

In March 2021, Genpact Luxembourg and Genpact USA, Inc., both wholly-owned subsidiaries of the Company, co-issued $350 million aggregate principal amount of 1.750% senior notes (the "2021 Senior Notes"), resulting in cash proceeds of approximately $348.1 million, net of an underwriting commission of $1.4 million and a discount of $0.5 million. Other debt issuance costs incurred in connection with the offering of the 2021 Senior Notes amounted to $1.1 million. The 2021 Senior Notes are fully guaranteed by the Company. The total debt issuance cost of $3.0 million incurred in connection with the 2021 Senior Notes offerings is being amortized over the lives of the notes as additional interest expense. As of December 31, 2021 and March 31, 2022, the amount outstanding under the 2021 Senior Notes, net of debt amortization expense of $2.6 million and $2.4 million, respectively, was $347.2 million and $347.6 million, respectively, which is payable on April 10, 2026.

We pay interest on (i) the 2017 Senior Notes semi-annually in arrears on April 1 and October 1 of each year, (ii) the 2019 Senior Notes semi-annually in arrears on June 1 and December 1 of each year, and (iii) the 2021 Senior Notes semi-annually in arrears on April 10 and October 10 of each year, ending on the maturity dates of April 1, 2022, December 1, 2024 and April 10, 2026, respectively.

For additional information, see Notes 10 and 11—"Short-term borrowings" and "Long-term debt" under Part I, Item 1—"Unaudited Consolidated Financial Statements" above.

***Off-Balance Sheet Arrangements***

Our off-balance sheet arrangements consist of foreign exchange contracts. For additional information, see Part I, 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" in our Annual Report on Form 10-K for the year ended December 31, 2021, and Note 6— "Derivative financial instruments" under Part I, Item 1—"Unaudited Consolidated Financial Statements" above.

**Other Liquidity and Capital Resources Information**

As of December 31, 2021 and March 31, 2022, we have purchase commitments, net of capital advances, of $13.3 million and $12.7 million, respectively, to be paid in respect of such purchases over the next year. For additional information, see Note 23—"Commitments and contingencies" under Part I, Item 1—"Unaudited Consolidated Financial Statements" above and Part II, Item 7—"Management's Discussion and Analysis of Financial Condition and Results of Operations"—"Other Liquidity and Capital Resources Information" in our Annual Report on Form 10-K for the year ended December 31, 2021.

As of December 31, 2021 and March 31, 2022, we have operating and finance lease commitments of $420.6 million and $393.0 million, respectively, to be paid over the lease terms. For additional information, see Part II, Item 7

—"Management's Discussion and Analysis of Financial Condition and Results of Operations"—"Other Liquidity and Capital Resources Information" in our Annual Report on Form 10-K for the year ended December 31, 2021.

**Supplemental Guarantor Financial Information**

As discussed in Note 11, "Long-term debt," under Part I, Item 1—"Unaudited Consolidated Financial Statements" above, Genpact Luxembourg, a wholly-owned subsidiary of the Company, issued the 2017 Senior Notes and the 2019 Senior Notes, and Genpact Luxembourg and Genpact USA, Inc. ("Genpact USA"), a wholly-owned subsidiary of the Company, co-issued the 2021 Senior Notes. As of March 31, 2022, the outstanding balance for each of the 2017 Senior Notes, the 2019 Senior Notes and the 2021 Senior Notes was $350.0 million, $398.4 million and $347.3 million, respectively. Each series of Senior Notes is fully and unconditionally guaranteed by the Company. The 2017 Senior Notes and the 2019 Senior Notes are also fully and unconditionally guaranteed by Genpact USA. Our other subsidiaries do not guarantee the Senior Notes (such subsidiaries are referred to as the "non-Guarantors").

The Company (with respect to all series of Senior Notes) and Genpact USA (with respect to the 2017 Senior Notes and the 2019 Senior Notes) have fully and unconditionally guaranteed (i) that the payment of the principal, premium, if any, and interest on the Senior Notes shall be promptly paid in full when due, whether at stated maturity of the Senior Notes, by acceleration, redemption or otherwise, and that the payment of interest on the overdue principal and interest on the Senior Notes, if any, if lawful, and all other obligations of the applicable issuer or issuers of the Senior Notes, respectively, to the holders of the Senior Notes or the trustee under the Senior Notes shall be promptly paid in full or performed, and (ii) in case of any extension of time of payment or renewal of any Senior Notes or any of such other obligations, that the same shall be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. With respect to the 2017 Senior Notes and the 2019 Senior Notes, failing payment by Genpact Luxembourg when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Company and Genpact USA shall be obligated to pay the same immediately. With respect to the 2021 Senior Notes, failing payment by Genpact Luxembourg or Genpact USA when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Company shall be obligated to pay the same immediately. The Company and Genpact USA have agreed that the guarantees described above are guarantees of payment of the Senior Notes and not guarantees of collection.

The following tables present summarized financial information for Genpact Luxembourg, Genpact USA and the Company (collectively, the "Debt Issuers and Guarantors") on a combined basis after elimination of (i) intercompany transactions and balances among the Debt Issuers and Guarantors and (ii) equity in earnings from and investments in the non-Guarantors.

| **Summarized Statements of Income** | **Year ended December 31, 2021** | **Three months ended March 31, 2022** |
|---|---|---|
| | **(dollars in millions)** | |
| Net revenues | $ 214.2 | $ 46.7 |
| Gross profit | 214.2 | 46.7 |
| Net income | 102.7 | 16.6 |

*Below is a summary of transactions with non-Guarantors included in the summarized statement of income above:*

| | **Year ended December 31, 2021** | **Three months ended March 31, 2022** |
|---|---|---|
| | **(dollars in millions)** | |
| Royalty income | $ 4.4 | $ — |
| Revenue from services | 209.8 | 46.7 |
| Interest income (expense), net | 33.0 | 5.9 |
| Other cost, net | 17.7 | 4.4 |
| Gain on sale of intellectual property | — | — |

| Summarized Balance Sheets | As of December 31, 2021 | As of March 31, 2022 |
|---|---|---|
| | (dollars in millions) | |
| **Assets** | | |
| Current assets | $ 2,257.8 | $ 2,663.9 |
| Non-current assets | 457.5 | 375.0 |
| | | |
| **Liabilities** | | |
| Current liabilities | $ 3,758.5 | $ 4,196.9 |
| Non-current liabilities | 1,777.6 | 1,767.5 |

*Below is a summary of the balances with non-Guarantors included in the summarized balance sheets above:*

| | As of December 31, 2021 | As of March 31, 2022 |
|---|---|---|
| | (dollars in millions) | |
| **Assets** | | |
| Current assets | $ 211.3 | 201.4 |
| Accounts receivable, net | 1,535.5 | $ 1,539.1 |
| Loans receivable | 410.1 | 440.4 |
| Others | — | 0.0 |
| | | |
| **Non-current assets** | | |
| Investment in debentures/bonds | $ 296.1 | $ 211.1 |
| Loans receivable | — | — |
| Others | 31.5 | 37.9 |
| | | |
| **Liabilities** | | |
| **Current liabilities** | | |
| Loans payable | $ 2,431.2 | $ 2,655.8 |
| Others | 914.0 | 864.6 |
| | | |
| **Non-Current liabilities** | | |
| Loans payable | $ 500.0 | $ 500.0 |

The Senior Notes and the related guarantees rank pari passu in right of payment with all senior and unsecured debt of the Debt Issuers and Guarantors and rank senior in right of payment to all of the Debt Issuers' and Guarantors' future subordinated debt. The Senior Notes are effectively subordinated to all of the Debt Issuers' and Guarantors' existing and future secured debt to the extent of the value of the assets securing such debt. The Senior Notes are structurally subordinated to all of the existing and future debt and other liabilities of the non-Guarantors, including the liabilities of certain subsidiaries pursuant to our senior credit facility. The non-Guarantors are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due under the Senior Notes or to make the funds available to pay those amounts, whether by dividend, distribution, loan or other payment. Any right that the Debt Issuers and Guarantors have, to receive any assets of any of the non-Guarantors upon the insolvency, liquidation, reorganization, dissolution or other winding-up of any non-Guarantor, all of that non-Guarantor's creditors (including trade creditors) would be entitled to payment in full out of that non-Guarantor's assets before the holders of the Senior Notes would be entitled to any payment. Claims of holders of the Senior Notes are structurally subordinated to the liabilities of certain non-Guarantors pursuant to their liabilities under our senior credit facility.

***Recent Accounting Pronouncements***

For a description of recent accounting pronouncements, see Note 2(m)—“Recently issued accounting pronouncements” under Item 1—“Unaudited Consolidated 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 our Annual Report on Form 10-K for the year ended December 31, 2021.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

We are exposed to interest rate risk arising from changes in interest rates on the floating rate indebtedness under our term loan and revolving credit facility and the Senior Notes. Borrowings under our term loan and revolving credit facility bear interest at floating rates based on LIBOR, but in no event less than the floor rate of 0.0% plus an applicable margin. The interest rate on our Senior Notes is subject to adjustment based on the ratings assigned to our debt by Moody's Investors Service, Inc. and Standard & Poor's Rating Services, Inc. from time to time. A decline in such ratings could result in an increase of up to 2% in the rate of interest on the Senior Notes. Accordingly, fluctuations in market interest rates or a decline in ratings may increase or decrease our interest expense which would, 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 March 31, 2022, we were party to interest rate swaps covering a total notional amount of $453 million. Under these swap agreements, the rate that we pay to banks in exchange for LIBOR ranges between 0.38% and 2.65%.

We executed a treasury rate lock agreement covering $350 million in connection with future interest payments to be made on our 2021 Senior Notes, and the treasury rate lock agreement was designated as a cash flow hedge. The treasury rate lock agreement was terminated on March 23, 2021, and a deferred gain was recorded in accumulated other comprehensive income and is being amortized to interest expense over the life of the 2021 Senior Notes. The remaining gain to be amortized related to the treasury rate lock agreement as of March 31, 2022 was $0.7 million.

For a discussion of our market risk associated with foreign currency risk, interest rate risk and credit risk, see Part II, Item 7A—"Quantitative and Qualitative Disclosures about Market Risk" in our Annual Report on Form 10-K for the year ended December 31, 2021.

**Item 4. Controls and Procedures**

***Evaluation of Disclosure Controls and Procedures***

Disclosure controls and procedures are the Company's controls and other procedures 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 (the "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.

***Changes in Internal Control over Financial Reporting***

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 March 31, 2022 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## PART II – OTHER INFORMATION

### Item 1. 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 1A. Risk Factors

We have disclosed under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021 the risk factors that materially affect our business, financial condition or results of operations. You should carefully consider the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2021 and the other information that appears elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2021 and in this Quarterly Report on Form 10-Q. You should be aware that these risk factors and other information may not describe every risk facing our Company. Additional risks and uncertainties not currently known to us may also materially adversely affect our business, financial condition and/or results of operations.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

***Unregistered Sales of Equity Securities***

None.

***Use of Proceeds***

None.

***Purchase of Equity Securities by the Issuer and Affiliated Purchasers***

Share repurchase activity during the three months ended March 31, 2022 was as follows:

| Period | Total Number of Shares Purchased | Weighted Average Price Paid per Share ($) | Total Number of Shares Purchased as Part of Publicly Announced Plan or Program | Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan or Program ($) |
|---|---|---|---|---|
| January 1-January 31, 2022 | 533,947 | 52.44 | 533,947 | 310,910,848 |
| February 1-February 28, 2022 | 1,096,586 | 43.77 | 1,096,586 | 262,911,319 |
| March 1-March 31, 2022 | — | — | — | 262,911,319 |
| **Total** | **1,630,533** | **46.61** | **1,630,533** | |

Since February 2017, our Board of Directors has authorized repurchases of up to $1.75 billion under our existing share repurchase program. 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 retired. For additional information, see Note 16—"Capital stock" under Part I, Item 1— "Unaudited Consolidated Financial Statements" above.

**Item 6. Exhibits**

| 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). |
| 3.2 | 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). |
| 10.1*† | Form of 2022 Performance Share Award Agreement for executive officers under the Genpact Limited 2017 Omnibus Incentive Compensation Plan. |
| 22.1 | List of Issuers and Guarantor Subsidiaries (incorporated by reference to Exhibit 22.1 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-33626) filed with the SEC on May 10, 2021). |
| 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. |
| 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* | Inline XBRL Instance Document — the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. |
| 101.SCH* | Inline XBRL Taxonomy Extension Schema Document |
| 101.CAL* | Inline XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF* | Inline XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB* | Inline XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE* | Inline XBRL Taxonomy Extension Presentation Linkbase Document |
| 104* | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101) |

* Filed or furnished with this Quarterly Report on Form 10-Q.

† Indicates a management contract or compensatory plan, contract or arrangement in which any director or executive officer participates.

**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.

Date: May 10, 2022

GENPACT LIMITED

| | |
|---|---|
| By: | /s/ N.V. Tyagarajan |
| | **N.V. Tyagarajan** |
| | **Chief Executive Officer** |
| By: | /s/ Michael Weiner |
| | **Michael Weiner** |
| | **Chief Financial Officer** |

**GENPACT LIMITED**
**2017 OMNIBUS INCENTIVE COMPENSATION PLAN**

**PERFORMANCE SHARE AWARD AGREEMENT**

THIS PERFORMANCE SHARE AWARD AGREEMENT (the "Agreement"), dated as of ________________(the "Award Date"), is made by and between Genpact Limited, an exempted limited company organized under the laws of Bermuda (the "Company") and __________________ ("Participant"). To the extent not defined herein, all capitalized terms in this Agreement shall have the meanings assigned to them in the Genpact Limited 2017 Omnibus Incentive Compensation Plan (the "Plan").

**R E C I T A L S:**

WHEREAS, the Company has adopted the Plan for the purpose of promoting the interests of the Company and its shareholders by attracting and retaining exceptional directors, officers, employees and consultants and enabling such individuals to participate in the long-term growth and financial success of the Company.

WHEREAS, the Compensation Committee (the "Committee") has determined that it is in the best interests of the Company and its shareholders to grant to Participant a performance share award under the Plan as provided for herein.

NOW, THEREFORE, for and in consideration of the premises and covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, for themselves, their successors and assigns, hereby agree as follows:

1. Grant of Performance Shares Award. The Company hereby awards to Participant, as of the Award Date, a performance share award (the "Award") under the Plan entitling Participant to receive a number of Shares based on the extent, if any, to which the applicable vesting criteria are satisfied. The initial number of Shares that shall be used to determine Participant's rights pursuant to this Award is (the "Target Performance Shares"). The number of Target Performance Shares shall be used solely to calculate the maximum number of Shares that may be issued to Participant under this Agreement ("Actual Performance Shares"). Both the number of Target Performance Shares and Actual Performance Shares shall be subject to adjustment as set forth in the Plan. The number of Shares issuable under the Award may be subject to reduction as set forth in Section 3.

2. Vesting Requirements. The Shares subject to the Award shall initially be unvested and shall vest only in accordance with the vesting provisions of this Section 2 or the special vesting acceleration provisions of Section 4. The Shares in which Participant shall vest under this Section 2 shall be determined pursuant to a two-step process: (i) first there shall be calculated the maximum number of Shares in which Participant can vest based upon the level at which the Performance Goals specified in Appendix A of this Agreement (the "Performance Goals") for the performance period commencing on January 1, 2022 and ending on December 31, 2022 (the "Performance Period") are actually attained and (ii) then the number of the Actual Performance Shares resulting from the clause (i) calculation in which Participant shall actually vest shall be determined on the basis of Participant's completion of the applicable service vesting provisions set forth below. Accordingly, the vesting of the Shares shall be calculated as follows:

(a) *Performance Vesting*. The number of Actual Performance Shares to which Participant may become entitled under this Agreement shall be calculated following the end of the Performance Period and shall be based on the level at which the Performance Goals for the Performance Period are determined to have been attained. The number of Actual Performance Shares to which Participant may become entitled at the end of the Performance Period shall be calculated by multiplying the designated number of Target Performance Shares by a performance percentage ranging from 0% to 200%. The actual performance percentage to be used for such purpose shall be determined in accordance with the methodology set forth in Appendix A and shall be tied to the attained level of Company performance for the Performance Period described in Appendix A. In no event may the number of Actual Performance Shares exceed two hundred percent (200%) of the Target Performance Shares.

(b) *Service Vesting*: The Actual Performance Shares so determined represent the maximum number of Shares in which Participant can vest hereunder. The actual number of Shares in which Participant shall vest shall be determined as follows:

(i) If Participant remains in continued employment or service with the Company or an Affiliate from the Award Date through January 10, 2025 (the "Service Period"), on January 10, 2025 Participant shall vest in 100% of the Actual Performance Shares.

(ii) In the event of Participant's termination of continued employment or service with the Company or an Affiliate that occurs during the Service Period by reason of death or Disability, Participant shall be entitled to receive a number of Shares determined by multiplying (A) the number of Actual Performance Shares (if any) to which Participant would be entitled based on the actual level at which the Performance Goals are achieved by (B) a fraction, the numerator of which is the number of months of employment or service in the Service Period prior to the termination (rounded up to the closest whole month, but not to exceed thirty-six (36)) and the denominator of which is thirty-six (36).

(iii) Should Participant cease continued employment or service with the Company or an Affiliate for any other reason prior to the end of the Service Period, the Award shall be immediately canceled and Participant shall thereupon cease to have any right or entitlement to receive any Shares under the Award.

(iv) For purposes of this Agreement, Participant's date of termination of employment shall mean the date on which Participant ceases active employment, and shall not be extended by any notice period, whether mandated or implied under local law during which Participant is not actually employed or providing services (e.g., garden leave or similar leave) or during or for which Participant receives pay in lieu of notice or severance pay. Notwithstanding the foregoing, to the greatest extent permitted by applicable law, the Award shall not vest during any notice period, regardless of whether Participant continues active employment during such period, and the Award shall be canceled on the date notice of termination is provided by Participant or the Company. The Company shall have the sole discretion to determine when Participant is no longer actively employed for purposes of this Agreement without reference to any other agreement, written or oral, including Participant's contract of employment, if applicable.

3. Performance Goals.

(a) *Committee Determination*. Following the end of the Performance Period, the Committee shall determine whether and the extent to which the Performance Goals have been achieved for the Performance Period and shall determine the number of Actual Performance Shares, if any, issuable to Participant with respect to the level of achievement of the Performance Goals based on completion of the service vesting requirement. The Committee's determinations with respect to the achievement of the Performance Goals shall be based on the Company's audited financial statements, subject to any adjustments made by the Committee in accordance with Section 3(b) below. If the threshold levels for the Performance Goals are not achieved, the

Award shall be canceled and Participant shall thereupon cease to have any right or entitlement to receive any Shares under the Award.

(b) *Committee Discretion to Reduce or Eliminate Award*. Notwithstanding satisfaction, achievement or completion of the Performance Goals (or any adjustments thereto as provided below), the number of Shares issuable hereunder may be reduced or eliminated by the Committee on the basis of such further considerations as the Committee in its sole discretion shall determine.

(c) *Modification of Performance Goals*. The Committee shall have the right to adjust or modify the calculation of the Performance Goals as permitted under the Plan.

4. Change of Control: In the event a Change of Control occurs during the Service Period, the number of Shares issuable under this Award and the date of issuance of the Shares shall be determined as follows notwithstanding any provisions of this Agreement or the Plan to the contrary:

(a) In the event the Change of Control occurs prior to completion of the Performance Period and Participant remains in continued employment or service with the Company or an Affiliate through the effective date of that Change of Control, then this Award shall be converted into a right to receive the number of Target Performance Shares without any measurement of Performance Goal attainment to date, subject to the provisions of Sections 4(c) and 4(d) below.

(b) If the Change of Control occurs on or after completion of the Performance Period but prior to completion of the Service Period and Participant remains in continued employment or service with the Company or an Affiliate through the effective date of that Change of Control, this Award shall entitle Participant to receive the number of Actual Performance Shares based on the level of attainment of the Performance Goals, subject to the provisions of Sections 4(c) and 4(d) below.

(c) If this Award is assumed, continued or substituted in connection with the Change of Control in accordance with the Plan, then provided Participant remains in continued employment or service with the Company or an Affiliate through the completion of the Service Period, the Shares issuable under this Award (as determined in accordance with the applicable provisions of Sections 4(a) and 4(b)) or other consideration payable in connection with such assumption, continuation or substitution, shall be issued on January 10, 2025 or as soon as practicable thereafter but in no event later than the applicable short-term deferral period under applicable tax rules. If Participant's continued employment or service terminates prior to completion of the Service Period, then except as otherwise provided in Sections 4(f) and 4(g), the Award shall be immediately canceled upon such termination and Participant shall thereupon cease to have any right or entitlement to receive any Shares or other consideration under the Award.

(d) If this Award is not assumed, continued or substituted in connection with the Change of Control in accordance with the Plan, then the Shares issuable under this Award (as determined pursuant to Sections 4(a) or 4(b)) or other consideration payable with respect to such Shares in consummation of the Change of Control shall be issued on the effective date of the Change of Control or as soon as administratively practicable thereafter, but in no event more than fifteen (15) business days after such effective date.

(e) Following a Change of Control, Participant shall not have any right to receive any Shares under this Award in excess of the number of Shares determined under this Section 4.

(f) In the event of Participant's termination of continued employment or service with the Company or an Affiliate that occurs during the Service Period by reason of death or Disability, Participant shall be entitled to receive a number of Shares determined by multiplying (A) the number of Shares (if any) to which Participant would be entitled in accordance with the applicable provisions of Sections 4(a) and 4(b) had Participant's employment or service not terminated by (B) a fraction, the numerator of which is the number of months of service in the Service Period prior to the termination (rounded up to the closest whole month, but not to exceed thirty-six (36)) and the denominator of which is thirty-six (36). To the extent not issued at the time of the Change of Control, such Shares (or other consideration issuable under this Award) shall be issued immediately upon such termination or as soon as practicable thereafter, but not later than the fifteenth (15th) day of the third (3rd) calendar month following the year of such termination.

(g) Notwithstanding anything to the contrary, in the event of Participant's Involuntary Termination that occurs during the Service Period and within twenty-four (24) months following a Change of Control in connection with which this Award is assumed, continued or substituted, Participant shall immediately vest in the Shares (as determined in accordance with the applicable provisions of Sections 4(a) and 4(b) above) or other consideration payable in connection with such assumption, continuation or substitution issuable under this Award and such Shares or other consideration shall be issued immediately upon such Involuntary Termination or as soon as practicable thereafter, but in no event more than fifteen (15) business days after such Involuntary Termination.

(h) Each issuance of Shares shall be subject to the Company's collection of any Applicable Taxes.

(i) For purposes of this Agreement, the following definitions shall apply:

(i) "Involuntary Termination" shall mean the termination of Participant's continued employment or service with the Company or an Affiliate which occurs by reason of such individual's involuntary dismissal or discharge by the Company (or Affiliate) for reasons other than Cause.

(ii) "Cause" shall mean "Cause" as defined in any employment or consulting agreement between Participant and the Company or an Affiliate in effect at the time of termination or, in the absence of such an employment or consulting agreement: (A) any conviction by a court of, or entry of a pleading of guilty or *nolo contendere* by Participant with respect to, a felony or any lesser crime involving moral turpitude or a material element of which is fraud or dishonesty; (B) Participant's willful dishonesty of a substantial nature towards the Company and any of its Affiliates; (C) Participant's use of alcohol or drugs which materially interferes with the performance of his duties to the Company and/or its Affiliates or which materially compromises the integrity and reputation of Participant or the Company and/or its Affiliates; or (D) Participant's material, knowing and intentional failure to comply with material applicable laws with respect to the execution of the Company's and its Affiliates' business operations.

5. Issuance of Shares; Withholding.

(a) Except as otherwise provided under Section 4, the Company shall issue the Shares to which Participant becomes entitled as soon as practicable following completion of the Service Period but in no event later than the fifteenth (15th) day of the third (3rd) calendar month following the end of the Service Period, subject to the Company's collection of any Applicable Taxes; provided, however, that any Shares to which Participant becomes entitled under Section 2(b)(ii) shall be issued no later than the fifteenth (15th) day of the third (3rd) calendar month following the year of Participant's termination.

(b) Any Applicable Taxes required to be withheld with respect to the issuance of the Shares under this Agreement shall be paid through an automatic Share withholding procedure pursuant to which the Company will withhold, at the time of such issuance, a portion of the Shares with a Fair Market Value (measured as of the issuance date) equal to the amount of those taxes.

(c) In no event will any fractional shares be issued.

(d) The holder of this Award shall not have any shareholder rights, including voting or dividend rights, with respect to the Shares subject to the Award until Participant becomes the record holder of those Shares following their actual issuance after the satisfaction of the Applicable Taxes.

6. Restrictive Covenants and Forfeiture.

(a) In consideration for the grant of the Award, Participant agrees to comply with the restrictive covenants set forth in Section 6(d) below (the "Restrictive Covenants").

(b) Participant acknowledges and agrees that any breach by Participant of the Restrictive Covenants will result in irreparable injury to the Company or its Affiliates, as the case may be, for which money damages could not adequately compensate such entity. Therefore, the Company or any of its Affiliates shall have the right (in addition to any other rights and remedies which it may have at law or in equity and in addition to the forfeiture requirements set forth in Section 6(c) below) to, as permitted by applicable law, seek to enforce this Section 6 and any of its provisions by injunction, specific performance, or other equitable relief, without bond and without prejudice to any other rights and remedies that the Company or any of its Affiliates may have for a breach, or threatened breach, of the Restrictive Covenants. Participant agrees that in any action in which the Company or any of its Affiliates seeks injunction, specific performance, or other equitable relief, Participant will not assert or contend that any of the provisions of this Section 6 are unreasonable or otherwise unenforceable. Participant consents to the sole and exclusive jurisdiction and venue in the federal and state courts located in New York City and waives any objection to the laying of venue of any such proceeding in any such court. Participant also irrevocably and unconditionally consents to the service of any process, pleadings, notices, or other papers.

(c) Participant acknowledges and agrees that, to the extent permitted by applicable law, in the event Participant breaches the Restrictive Covenants contained in this Section 6:

(i) The Company shall have the right to terminate this Award (and Participant shall thereupon cease to have any right or entitlement to receive any Shares under this Award) to the extent outstanding, and

(ii) The Company may in its discretion cancel any Shares issued hereunder that vested within twelve (12) months of Participant's breach of the Restrictive Covenants contained in this Section 6; provided, that if Participant has disposed of any such Shares received hereunder, then the Company may require Participant to pay to the Company, in cash, the fair market value of such Shares as of the date of disposition.

(d) Based on the understanding that Participant will be given access to valuable clients and confidential and proprietary information, Participant agrees that while an employee of the Company (or an Affiliate) and for a period of one (1) year from cessation of employment, Participant will not directly or indirectly:

(i) enter, engage in, participate in, or assist, either as an individual on his or her own or as a partner, joint venturer, employee, agent, consultant, officer, trustee, director, owner, part-owner, shareholder, or in any other capacity, in the primary country(ies) in which Participant performed services, directly or indirectly, any other business organization whose activities or products are competitive with any Company activity, product or service that Participant engaged in, participated in, or had confidential information about during Participant's last 12 months of employment with the Company; provided that if Participant is subject to separate non-competition restrictive covenants in an employment agreement or offer letter with the Company, then the non-competition covenants in this subsection (i) shall not apply to Participant, and the non-competition covenants set forth in Participant's employment agreement or offer letter will continue to apply to Participant;

(ii) either alone or in association with others, solicit, divert or take away, or attempt to divert or take away, the business or patronage of any of the actual or prospective clients, customers, accounts or business partners of the Company (or any Affiliate) with whom Participant had direct interaction with during Participant's employment with the Company (or any Affiliate); and

(iii) on Participant's own behalf or in the service or on behalf of others, solicit, recruit or attempt to persuade any person to terminate such person's employment with the Company or an Affiliate, whether or not such person is a full-time employee or whether or not such employment is pursuant to a written agreement or is at-will.

(e) In the event of Participant's breach or anticipatory breach of this Section 6, or Participant's claim in a declaratory judgment action that all or part of the covenants contained in this Section 6 are unenforceable, Participant and the Company agree that in addition to any other rights or remedies available to the Company under law, the Company shall be entitled to recover from Participant all reasonable sums and costs, including attorneys' fees, incurred by the Company to defend or enforce Section 6.

(f) The restrictive periods set forth in this Section 6 shall not expire and shall be tolled during any period in which Participant is in violation of the restrictive covenants contained in this Section 6, and therefore such restrictive periods shall be extended for a period equal to the duration(s) of Participant's violation.

Recognizing that the limitations in this Agreement permit Participant to continue Participant's chosen career in the same geographic area without any interruption while protecting the Company's legitimate business interests in its client and employee relationships, Participant agrees that the above restrictions are reasonable including the short length of time, the limitation as to identified clients and employees, and the specific area of business in which competition is limited as to those clients. Participant agrees that these limitations are reasonable given the highly competitive nature of the Company's business and are required for the Company's protection based upon numerous factors including the knowledge and information to which Participant will have access during Participant's employment with the Company. Participant's agreement to observe the restrictions set forth in this agreement is material consideration for Participant's employment with the Company as well as eligibility to receive grants in the Plan. Participant represents that his/her experience and capabilities are such that the restrictions contained in Section 6 above will not prevent Participant from obtaining employment or otherwise earning a living at the same general level of economic benefit as earned with the Company. Participant further agrees that, should a court determine that any provision, term or condition set forth in this Section 6 is invalid, the court may alter or modify any such provision, term or condition in a manner so as to protect the Company's legitimate business interests. For the avoidance of doubt, the Restrictive Covenants in this Section 6 are in addition to, and not in lieu of, and do not amend, modify, or supersede, any non-competition, non-solicitation, confidentiality, or similar restrictive covenants that run in favor of the Company or its Affiliates and by which Participant is bound.

Nothing in this Agreement shall preclude Participant from making passive investments of not more than one percent (1%) of a class of securities of any business enterprise registered under the Securities Exchange Act of 1934, as amended.

7. Limited Transferability. Prior to actual receipt of the Shares which vest and become issuable hereunder, Participant may not transfer any interest in the Award or the underlying Shares. Any Shares which vest hereunder but which otherwise remain unissued at the time of Participant's death may be transferred pursuant to the provisions of Participant's will or the laws of inheritance or to Participant's designated beneficiary or beneficiaries of this Award. Participant may make such a beneficiary designation at any time by filing the appropriate form with the Committee or its designee.

8. Clawback. The Company shall have the right to terminate this Award (and Participant shall thereupon cease to have any right or entitlement to receive any Shares under this Award) to the extent outstanding and to cancel any Shares issued hereunder in the event of any of the following:

(i) If a Participant resident in the United States or India has breached any restrictive covenant (whether non-solicitation, non-competition, non-disparagement or confidentiality) under any agreement between Participant and the Company or an Affiliate during employment or during one (1) year period following termination of Participant's employment or service with the Company or an Affiliate;

(ii) If the Company is required to prepare an accounting restatement for any part of the Performance Period due to material noncompliance with financial reporting requirements under the federal securities laws which the Committee determines is the result of fraud, negligence, or intentional or gross misconduct by Participant;

(iii) In the circumstances and manner provided in any clawback or compensation recovery policy that may be adopted or implemented by the Company and in effect from time to time on or after the Award Date; and/or

(iv) If the Committee determines that Participant committed an act or omission while an employee or other service provider of the Company (or Affiliate) that was not discovered by the Company (or any Affiliate) until after the termination of Participant's employment or service that would, if Participant were an active employee or other service provider of the Company (or Affiliate) at the time such act or omission is discovered, be reason for termination of Participant's employment or service for Cause.

For purposes of this Section 8, clause (i) above shall only apply to Shares that have not yet vested or that vested within twelve (12) months of the date of such breach.

The Company's rights to cancel the Award and any Shares issued hereunder pursuant to this Section 8 shall be in addition to the Company's rights under Section 6 of this Agreement.

9. Sections 409A and 457A.

(a) It is the intention of the parties that the provisions of this Agreement shall, to the maximum extent permissible, comply with the requirements of the short-term deferral exceptions of Section 409A of the Code and the Treasury Regulations issued thereunder and Section 457A of the Code and any guidance with respect to Code Section 457A, including but not limited to Notice 2009-8. Accordingly, to the extent there is any ambiguity as to whether one or more provisions of this Agreement would otherwise contravene the requirements or limitations of Code Section 409A or of Code Section 457A applicable to such short-term deferral exceptions, then those provisions shall be interpreted and applied in a manner that does not result in a violation of the requirements or limitations of Code Section 409A and the Treasury Regulations thereunder and Code Section 457A and any guidance with respect to Code Section 457A, including but not limited to Notice 2009-8, that apply to such exceptions.

(b) Notwithstanding any provision to the contrary in this Agreement, to the extent this Award may be deemed to create a deferred compensation arrangement under Code Section 409A, then Shares or other amounts which become issuable or distributable under this Agreement by reason of Participant's cessation of continued employment or service shall actually be issued or distributed to Participant prior to the ***earlier*** of (i) the first day of the seventh (7th) month following the date of Participant's Separation from Service (as determined under Code Section 409A and Treasury Regulations thereunder) or (ii) the date of Participant's death, if Participant is deemed at the time of such Separation from Service to be a specified employee under Section 1.409A-1(i) of the Treasury Regulations issued under Code Section 409A, as determined by the Committee in accordance with consistent and uniform standards applied to all other Code Section 409A arrangements of the Company, and such delayed commencement is otherwise required in order to avoid a prohibited distribution under Code Section 409A(a)(2). The deferred Shares or other distributable amount shall be issued or distributed in a lump sum on the first day of the seventh (7th) month following the date of Participant's Separation from Service or, if earlier, the first day of the month immediately following the date the Company receives proof of Participant's death.

10. Compliance with Laws and Regulations. The issuance of Shares pursuant to the Award shall be subject to compliance by the Company and Participant with all applicable laws, rules and regulations and to such approvals by any regulatory or governmental agency as may be required. The Committee, in its sole discretion, may postpone the issuance or delivery of Shares as the Committee may consider appropriate and may require Participant to make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of Shares in order to be in compliance with applicable laws, rules and regulations.

11. Successors and Assigns. Except to the extent otherwise provided in this Agreement, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and Participant and Participant's assigns, beneficiaries, executors, administrators, heirs and successors.

12. Notices. All notices, demands and other communications provided for or permitted hereunder shall be made in writing and shall be by registered or certified first-class mail, return receipt requested, telecopier, courier service or personal delivery:

if to the Company:

Genpact Limited
Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Attn: Secretary

with a copy to:

Genpact LLC
1155 Avenue of the Americas, 4th Floor
New York, NY 10036
Attn: Legal Department

if to Participant, at Participant's last known address on file with the Company.

All such notices, demands and other communications shall be deemed to have been duly given when delivered by hand, if personally delivered; when delivered by courier, if delivered by commercial courier service; five (5) business days after being deposited in the mail, postage prepaid, if mailed; and when receipt is mechanically acknowledged, if telecopied.

13. Construction. This Agreement and the Award evidenced hereby are made and granted pursuant to the Plan and are in all respects limited by and subject to the terms of the Plan. All decisions of the Committee with respect to any question or issue arising under the Plan or this Agreement shall be conclusive and binding on all persons having an interest in the Award.

14. Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Texas without regard to principles of conflicts of law thereof, or principles of conflicts of laws of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of Texas. Each Participant and the Company hereby waive, to the fullest extent permitted by applicable law, any right either of them may have to a trial by jury in respect to any litigation directly or indirectly arising out of, under or in connection with this Agreement or the Plan.

15. Employment at Will. Nothing in this Agreement or in the Plan shall confer upon Participant any right to remain in employment or service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Affiliate employing or retaining Participant) or of Participant, which rights are hereby expressly reserved by each, to terminate Participant's employment or service at any time for any reason, with or without cause, subject to compliance with applicable law and the terms of any employment agreement between Participant and the Company (or any Affiliate employing or retaining Participant).

16. Electronic Delivery. The Company may deliver any documents related to the Award, the Plan or future awards that may be granted under the Plan by electronic means. Such means of electronic delivery include, but do not necessarily include, the delivery of a link to a Company intranet or the internet site of a third party involved in administering the Plan, the delivery of the documents via e-mail or such other means of electronic delivery specified by the Company. Participant hereby acknowledges that Participant has read this provision and consents to the electronic delivery of the documents. Participant acknowledges that Participant may receive from the Company a paper copy of any documents delivered electronically at no cost to Participant by contacting the Company in writing or by telephone. Participant further acknowledges that Participant will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, Participant understands that Participant must provide the Company with a paper copy of any documents if the attempted electronic delivery of such documents fails.

17. Additional Terms for Non-U.S. Participants. Notwithstanding anything to the contrary herein, Participants residing and/or working outside the United States shall be subject to

the Additional Terms and Conditions for Non-U.S. Participants attached hereto as Addendum A and to any Country-Specific Terms and Conditions attached hereto as Addendum B. If Participant is a citizen or resident of a country (or is considered as such for local law purposes) other than the one in which Participant is currently residing or working or if Participant relocates to one of the countries included in the Country-Specific Terms and Conditions after the grant of the Award, the special terms and conditions for such country will apply to Participant to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Terms and Conditions for Non-U.S. Participants and the Country-Specific Terms and Conditions constitute part of this Agreement and are incorporated herein by reference.

18. Imposition of Other Requirements. The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the Award and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

19. Participant Acceptance. Participant must accept the terms and conditions of this Agreement electronically no later than __________ by clicking the "Accept" (or similar wording) button on the award acceptance screen of your Plan account at www.ETRADE.com and following any other instructions you are prompted to follow in your Plan account. If Participant does not accept the terms as instructed, this Agreement will automatically, without further action of the Company or the Committee, terminate and the Award will be forfeited at midnight on ____________. Acceptance of this Agreement constitutes Participant's consent to any action taken under the Plan and this Agreement and Participant's agreement to be bound by the terms and conditions of this Agreement including the Restrictive Covenants. In no event shall any Shares be issued (or other securities or property distributed) under this Agreement in the absence of timely acceptance.

[Remainder of page intentionally left blank]

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the date first written above.

**GENPACT LIMITED**

Signature: __

Title: _____

**PARTICIPANT**

Signature: __

**ADDENDUM A TO THE PERFORMANCE SHARE AWARD AGREEMENT**

**TERMS AND CONDITIONS FOR NON-U.S. PARTICIPANTS**

This Addendum includes additional terms and conditions that govern the Performance Share Award granted to Participant if Participant works or resides outside the United States.

Capitalized terms used but not defined herein are defined in the Plan or the Agreement and have the meanings set forth therein.

1. No Acquired Right. Participant acknowledges and agrees that:

(a) The Plan is established voluntarily by the Company, the grant of awards under the Plan is made at the discretion of the Committee and the Plan may be modified, amended, suspended or terminated by the Company at any time. All decisions with respect to future awards, if any, will be at the sole discretion of the Committee.

(b) This Award (and any similar awards the Company may in the future grant to Participant, even if such awards are made repeatedly or regularly, and regardless of their amount), and Shares acquired under the Plan (A) are wholly discretionary and occasional, are not a term or condition of employment and do not form part of a contract of employment, or any other working arrangement, between Participant and the Company or any Affiliate; (B) do not create any contractual entitlement to receive future awards or benefits in lieu thereof; and (C) do not form part of salary or remuneration for purposes of determining pension payments or any other purposes, including without limitation termination indemnities, severance, resignation, payment in lieu of notice, redundancy, end of service payments, bonuses, long-term service awards, pension or retirement benefits, welfare benefits or similar payments, except as otherwise required by the applicable law of any governmental entity to whose jurisdiction the award is subject.

(c) This Award and the Shares acquired under the Plan are not intended to replace any pension rights or compensation.

(d) Participant is voluntarily participating in the Plan.

(e) In the event that Participant's employer is not the Company, the grant of this Award and any similar awards the Company may grant in the future to Participant will not be interpreted to form an employment contract or relationship with the Company and, furthermore, the grant of this Award and any similar awards the Company may grant in the future to Participant will not be interpreted to form an employment contract with Participant's employer or any Affiliate.

(f) The future value of the underlying Shares is unknown and cannot be predicted with certainty. Neither the Company nor any Affiliate shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Award or the Shares.

(g) Participant shall have no rights, claim or entitlement to compensation or damages as a result of Participant's cessation of employment for any reason whatsoever, whether or not later found to be invalid or in breach of contract or local labor law, insofar as these rights, claim or entitlement arise or may arise from Participant's ceasing to have rights under this Award as a result of such cessation or loss or diminution in value of the Award or any of the Shares issuable under this Award as a result of such cessation, and Participant irrevocably releases his or her employer, the Company and its Affiliates, as applicable, from any such rights, entitlement or claim that may arise. If, notwithstanding the foregoing, any such right or claim is found by a court of competent jurisdiction to have arisen, then, by signing this Agreement, Participant shall be deemed to have irrevocably waived his or her entitlement to pursue such rights or claim.

2. Data Protection (Jurisdictions other than European Union/European Economic Area/United Kingdom).

(a) **In order to facilitate Participant's participation in the Plan and the administration of the Award, it will be necessary for contractual and legal purposes for the Company (or its Affiliates or payroll administrators) to collect, hold and process certain personal information and sensitive personal information about Participant (including, without limitation, Participant's name, home address, telephone number, date of birth, nationality, social insurance or other identification number and job title and details of the Award and other awards granted, canceled, exercised, vested, unvested or outstanding and Shares held by Participant). Participant consents explicitly, willingly, and unambiguously to the Company (or its Affiliates or payroll administrators) collecting, holding and processing Participant's personal data and transferring this data (in electronic or other form) by and among, as applicable, Participant's employer, the Company and its Affiliates and other third parties (collectively, the "Data Recipients") insofar as is reasonably necessary to implement, administer and manage the Plan and the Award. Participant authorizes the Data Recipients to receive, possess, use, retain and transfer the data for the purposes of implementing, administering and managing the Plan and the Award. Participant understands that the data will be transferred to E*TRADE, or such other broker or third party as may be selected by the Company in the future which is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the Data Recipients may be located in the United States or elsewhere, and that the recipient's country may have a lower standard of data privacy laws and protections than Participant's country.**

(b) **The Data Recipients will treat Participant's personal data as private and confidential and will not disclose such data for purposes other than the management and administration of the Plan and the Award and will take reasonable measures to keep Participant's personal data private, confidential, accurate and current. Participant understands that the data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan.**

(c) **Participant understands that Participant may, at any time, make a request to view his or her personal data, require any necessary corrections to it or withdraw the consents herein in writing by contacting the Company and that these rights are subject to legal restrictions but acknowledges that without the use of such data it may not be practicable for the Company to administer Participant's involvement in the Plan in a timely fashion or at all and this may be detrimental to Participant and may result in the possible exclusion of Participant from continued participation with respect to this Award or any future awards under the Plan.**

3. Data Protection (European Union/European Economic Area/United Kingdom).

(a) **In order to facilitate Participant's participation in the Plan and the administration of the Award, it will be necessary for contractual, legitimate interest and legal purposes for the Company (or its Affiliates or payroll administrators) to collect, hold and process certain personal data and, where required for legal purposes with the Participant's freely given consent, any special category personal data about Participant. Such personal data includes, without limitation, Participant's name, home address, telephone number, date of birth, nationality, social insurance or other identification**

**number and job title and details of the Award and other awards granted, canceled, exercised, vested, unvested or outstanding and Shares held by Participant. Participant hereby acknowledges and agrees to the Company (or its Affiliates or payroll administrators) collecting, holding and processing Participant's personal data and transferring this data (in electronic or other form) by and among, as applicable, Participant's employer, the Company and its Affiliates and other third parties (collectively, the "Data Recipients") insofar as is reasonably necessary to implement, administer and manage the Plan and the Award. Participant understands that the Data Recipients will receive, possess, use, retain and transfer the data for the purposes of implementing, administering and managing the Plan and the Award. Participant understands that the data will be transferred to E*TRADE, or such other broker or third party as may be selected by the Company in the future which is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the Data Recipients may be located in the United States or elsewhere, and that the Data Recipient's country may have a different or lower standard of data privacy laws and protections than Participant's country.**

(b) **The Data Recipients will treat Participant's personal data as private and confidential and will not disclose such data for purposes other than the management and administration of the Plan and the Award and will take reasonable measures to keep Participant's personal data private, confidential, accurate and current. Participant understands that the data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan and for legal requirements thereafter. Participant shall notify the Company of any changes to his or her personal data.**

(c) **Participant understands that Participant may, at any time, exercise the rights granted to Participant by the Data Protection Laws and other applicable data protection laws including the right to make a request to access or be provided with a copy of his or her personal data, request additional information about the storage and processing of the data, request that the personal data is restricted or otherwise object to its processing by the Company, require any necessary corrections to it or withdraw any consents provided by Participant in writing by contacting the Company and that these rights are subject to legal restrictions. Participant acknowledges that without the Company's use of such data it may not be practicable for the Company to administer Participant's involvement in the Plan in a timely fashion or at all and this may be detrimental to Participant and may result in the possible exclusion of Participant from continued participation with respect to this Award or any future awards under the Plan. Participant is referred to the privacy notice provided by the employing affiliate for further information about the processing of his or her personal data and rights under applicable data protection laws.**

(d) **For the purpose of this Section 3, "Data Protection Laws" means any law, enactment, regulation or order concerning the processing of personal data including the Data Protection Act 2018, the General Data Protection Regulation (Regulation (EU) 2016/679) (the "GDPR"), the GDPR as it forms part of retained EU law (as defined in the European Union (Withdrawal) Act 2018), the Privacy and Electronic Communications Regulations (EC Directive) Regulations 2003 ("PECR"), and any subordinate legislation or statutory codes of practice implemented in connection with the DPA, GDPR, PECR and any law that is intended to supplement, amend or replace the foregoing together with any other applicable law in any jurisdiction that regulates the collection, protection or processing of personal data as may come into effect from time to time.**

4. <u>Withholding; Responsibility for Taxes</u>. This provision supplements Section 5(b) of the Agreement.

For tax purposes, Participant is deemed to have been issued the full number of Shares to which Participant is entitled to under the Award notwithstanding that a number of Shares are withheld for purposes of paying Applicable Taxes. To the extent that the number of Shares withheld to pay Applicable Taxes is not sufficient to cover the obligation for Applicable Taxes, Participant authorizes the Company and/or the Affiliate employing or retaining Participant, or their respective agents, at their discretion, to satisfy the obligations with respect to all Applicable Taxes by withholding from any wages or other cash compensation paid to Participant and/or Affiliate. Participant acknowledges that regardless of any action the Company (or any Affiliate employing or retaining Participant) takes with respect to any or all Applicable Taxes, the ultimate liability for all Applicable Taxes legally due by Participant is and remains Participant's responsibility and that the Company (and its Affiliates) (i) make no representations or undertakings regarding the treatment of any Applicable Taxes in connection with any aspect of the Award, including the grant, vesting or settlement of the Award, and the subsequent sale of any Shares acquired at settlement; and (ii) do not commit to structure the terms of the grant or any aspect of the Award to reduce or eliminate Participant's liability for Applicable Taxes. Further, if Participant is subject to taxation in more than one jurisdiction between the Award Date and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company and/or Participant's employer (or former employer, as applicable) may be required to withhold or account for Applicable Taxes in more than one jurisdiction.

**ADDENDUM B TO THE PERFORMANCE SHARE AWARD AGREEMENT**

**COUNTRY-SPECIFIC TERMS AND CONDITIONS**

These Country-Specific Terms and Conditions include additional terms and conditions that govern the Performance Share Award granted to Participant under the Plan if Participant resides or works in one of the countries listed below. Capitalized terms used but not defined in these Country-Specific Terms and Conditions are defined in the Plan or the Agreement and have the meanings set forth therein.

**AUSTRALIA**

**Offer Document**. The Award is granted pursuant to the Offer Document attached hereto.

**Data Privacy**. The following supplements Section 2 of Addendum A to the Agreement:

(a) Participant understands that recipients of the data described in Section 2 of Addendum A to the Agreement (the "Data") may be located in the United States.

(b) Participant understands that, by consenting to the disclosure of the Data to recipients located overseas, Australian Privacy Principle ("APP") 8.1 will not apply to the disclosure and as a result Participant's employer will not be accountable under the Privacy Act 1988 (Cth) and Participant may not be able to seek redress under the Privacy Act 1988 (Cth) in respect of this Data.

(c) Participant acknowledges that the privacy policy of Participant's employer contains information about how Participant may access the Data about Participant that it holds and seek the correction of such Data. It also contains information about how Participant may complain about a breach of the APPs and how Participant's employer will deal with such a complaint.

**CANADA**

Section 2(b)(iv) of the Agreement is amended and restated in its entirety to read as follows:

"For purposes of this Agreement, Participant's date of termination shall mean the date on which Participant ceases active employment, which term "active employment" shall include any period for which Participant is deemed to be actively employed for purposes of applicable employment standards legislation, and shall exclude any other period of non-working notice of termination or any period for pay in lieu of notice, severance pay or any other monies in relation to the cessation of employment that are paid or otherwise required by applicable law, regardless of whether the termination is with or without cause or with or without notice. For clarity, except as may be required by applicable employment standards legislation, the Award shall not be considered in determining Participant's entitlement to termination pay, severance pay, pay in lieu of notice or other monies in relation to the cessation of employment, whether pursuant to common law, contract or otherwise. The Company shall have the sole discretion to determine when Participant is no longer in active service for purposes of this Agreement, without reference to any other agreement, written or oral, including Participant's contract of employment."

**Award Payable Only in Shares**. Notwithstanding any discretion in the Plan or anything to the contrary in this Agreement, the grant of the Award does not provide Participant any right to receive a cash payment and the Award may be settled only in Shares.

**Prospectus Exemption**. For the purposes of compliance with National Instrument 45-106 - Prospectus Exemptions (and in Québec, Regulation 45-106 respecting Prospectus exemptions, collectively, "45-106"), the prospectus requirement does not apply to a distribution by an issuer in a security of its own issue with an employee, executive officer, director or consultant of the issuer or a related entity of the issuer, provided the distribution is voluntary.

**Resale Restrictions**. Shares acquired under the Plan may be subject to certain restrictions on resale imposed by Canadian provincial securities laws. Notwithstanding any other provision of the Plan to the contrary, any transfer or resale of any Shares acquired by Participant pursuant to the Plan must be in accordance with the resale rules under (a) Ontario Securities Commission Rule 72-503 Distributions Outside Canada if Participant is a resident in the Province of Ontario, or (b) National Instrument 45-102 - Resale of Securities (and in Québec, Regulation 45-102 respecting Resale of securities, collectively “45-102”) if Participant is a resident in the Provinces of British Columbia or Québec.

In Ontario, the prospectus requirement does not apply to the first trade of Shares issued in connection with the Award provided the conditions set forth in section 2.8 of 72-503 are satisfied. In British Columbia and Québec, the prospectus requirement does not apply to the first trade of Shares issued in connection with the Award provided the conditions set forth in section 2.14 of 45-102 are satisfied.

Participant should consult his or her advisor prior to any resale of Shares**.**

**Additional Provisions Applicable to Participants Resident in Quebec.**

**Data Protection**. The following provision supplements the Data Protection section of Addendum A: Participant hereby authorizes the Company and the Company’s representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. Participant further authorizes the Company and the Board or Committee, to disclose and discuss the Plan with their advisors. Participant further authorizes the Company to record such information and to keep such information in Participant’s employee file.

**Language Consent**. The parties acknowledge that it is their express wish that this Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaries intentées, directement ou indirectement, relativement à la présente convention.

**CHINA**

**Immediate Sale of Shares**. Notwithstanding anything to the contrary in the Agreement or the Plan, in accordance with the requirements of the State Administration of Foreign Exchange (“SAFE”), the Shares issued following vesting of the Award must be sold immediately through the Company’s designated broker. Participant’s acceptance of the Award shall constitute Participant’s authorization to the brokerage firm to effect such sale. Such sale may be effected through block sales over a period of one or more trading days following the issuance of the Shares. Neither the brokerage firm nor the Company will guarantee the sale price for any such sale and Participant shall be solely responsible for fluctuations in the value of the Shares until sale. This Agreement shall be deemed to be a 10b5-1 plan under the Exchange Act. The net proceeds realized upon the sale of the Shares will be repatriated to China and such net proceeds (less any Applicable Taxes required to have been withheld in connection with the Award) shall be paid to Participant in local currency. Participant shall have no access to the sales proceeds until such distribution. The remittance, conversion and payment of the net proceeds shall be made in accordance with the procedures adopted by the Company in order to comply with SAFE regulations and accordingly, are subject to change from time to time.

**FRANCE**

**Language Consent**. The parties acknowledge that it is their express wish that this Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaries intentées, directement ou indirectement, relativement à ou suite à la présente convention.

**HONG KONG**

**Securities Law Notification**. Participant acknowledges and understands that the offer of the Award and any Shares to be issued under the Plan are not a public offering of securities under Hong Kong law and are available only to employees of the Company and its Affiliates.

Furthermore, Participant acknowledges that the contents of the Agreement, the Plan and other related and incidental communication materials (the "Documents") have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong, and the Documents have not been reviewed by any regulatory authority in Hong Kong. Participant understands that the Documents are intended only for the personal use of each participant and may not be distributed to any other person. Furthermore, Participant acknowledges that Participant is advised to exercise caution in relation to his or her participation in the Plan. If Participant is in any doubt as to the contents of the Prospectus, the Agreement or the Plan, Participant shall obtain independent professional advice.

**INDIA**

**Exchange Control Notification**. Proceeds from the sale of Shares must be remitted to India within a designated period in accordance with applicable exchange control and other requirements. Participant should consult Participant's advisor with respect to such requirements.

**ISRAEL**

**Additional Terms and Conditions**. The Award is granted pursuant to the Genpact Appendix – Israel Taxpayers to the 2017 Omnibus Incentive Plan (the "Israel Appendix") and is subject to the terms and conditions stated in the Israel Appendix, the Plan and the Agreement, including this Addendum B. By accepting the Award, Participant acknowledges and agrees to be bound by the terms of the Israel Appendix. The Israel Appendix is incorporated herein by reference and references to the Plan shall include the Israel Appendix.

The Award is intended to qualify for the tax treatment as a 102 Capital Gains Track Grant under Section 102 of the Israeli Income Tax Ordinance (New Version) 1961 ("Section 102"). Participant hereby acknowledges and agrees as follows:

(a) Participant understands the provisions of Section 102 and the applicable tax track of this grant.

(b) Participant agrees to the terms and conditions of the trust agreement between the Company and the trustee (the "Trustee") designated by the Company to serve as the supervising trustee as approved by the Israeli Tax Authority (the "ITA") in accordance with the provisions of Section 102.

(c) Participant understands that the Shares will be registered in the name of the Trustee for the benefit of Participant. Subject to the provisions of Section 102, Participant confirms that Participant shall not sell nor transfer the Award or the Shares from the Trustee until the end of the Required Holding Period. For purposes of the Award, "Required Holding Period" means the requisite period prescribed by Section 102 or such other period as may be required by the ITA, with respect to 102 Trustee Grants, during which Awards granted by the Company or Shares underlying such Awards must be held by the Trustee for the benefit of the person to whom it was granted.

(e) If Participant sells or withdraws the Shares from the Trustee before the end of the Required Holding Period ("Violation"), either (A) Participant shall reimburse the Company within three (3) days of its demand for the employer portion of the payment by the Company to the National Insurance Institute plus linkage and interest in accordance with the law, as well as any other expense that the Company shall bear as a result of the said Violation or (B) Participant agrees that the Company may, in its sole discretion, deduct such amounts directly from any amounts to be paid to Participant as a result of his or her disposition of the Shares.

(f) Participant understands that this grant is conditioned upon the receipt of all required approvals from the ITA.

(g) All tax consequences under any applicable law which may arise from the grant of the Award, from the holding or sale of the Shares by or on behalf of Participant, shall be borne solely by Participant. Participant shall indemnify the Company and/or Affiliate and/or Trustee, as the case may be, and hold them harmless, against and from any liability for any such tax or any penalty, interest or indexing.

**JAPAN**

**Securities Law Notification**. Upon the Company offering the Award to receive Shares pursuant to the Plan, the Company hereby notifies Participant as follows:

(i) The offering falls under offering to the small number of investors, which shall refer to the offering to the small number of investors under Article 23-13, paragraph 4 of the Financial Instruments and Exchange Act (Law No. 25 of 1948 as amended) and as such, no filing under Article 4, paragraph 1 of the act is being made in relations to the offering.

(ii) The transfers of the Award is prohibited.

**NETHERLANDS**

**Securities Law Notification**. The grant of the Award under the Plan is not considered a public offer of securities which requires an approved prospectus within the meaning of article 5:2 of the Act on Financial Supervision.

**SOUTH AFRICA**

**Securities Law Notification**. The information contained herein is strictly private and confidential and for the attention of the addressee only. Any offer or invitation contained herein is open for acceptance by the addressee only and, as such, does not constitute an offer to the public as envisaged in Chapter 4 of the Companies Act, 2008.

**Exchange Control Notification**. Participant is responsible for compliance with applicable exchange control rules and regulations. Exchange control regulations change frequently and without notice. Participant should consult with Participant's personal advisor to ensure compliance with current regulations (including any requirement to place the Award on record with Participant's bank)

**SWITZERLAND**

**Securities Law Notification**. The Award is not intended to be publicly offered in or from Switzerland. Because the offer is considered a private offering, it is not subject to registration in Switzerland.

**UNITED KINGDOM**

**Award Payable Only in Shares**. Notwithstanding any discretion in the Plan or anything to the contrary in this Agreement, the grant of the Award does not provide Participant any right to receive a cash payment and the Award may be settled only in Shares.

**Taxes**. Participant indemnifies the Company and Participant's employer for any Applicable Taxes that may be payable with respect to the full number of Shares vested and issued (including those Shares that are deemed issued). To the extent any Shares are withheld by the Company in accordance with Section 5(b) of the Agreement, the Company shall pay over to Participant's employer sufficient moneys to satisfy Participant's liability under such indemnity. Any reference to the withholding of Applicable Taxes, including any obligation to withhold, shall be treated as including a reference to any amount of Applicable Taxes in respect of which the Company (or an Affiliate) is required to account to any tax authority.

**Termination of Service**. Participant has no right to compensation or damages on account of any loss in respect of an Award under the Plan where the loss arises or is claimed to arise in whole or part from: (a) the termination of Participant's office or employment; or (b) notice to terminate Participant's office or employment. This exclusion of liability shall apply however termination of office or employment, or the giving of notice, is caused, and however compensation or damages are claimed. For the purpose of the Plan, the implied duty of trust and confidence is expressly excluded.

## OFFER TO AUSTRALIAN RESIDENT EMPLOYEES

This Offer Document sets out information regarding the participation of Australian resident employees of Genpact Limited (***Genpact*** or the ***Company***) and its Australian subsidiaries in grants of restricted share unit awards made under the Genpact Limited 2017 Omnibus Incentive Plan (***Plan***).

> **Investment in securities involves a degree of risk and there is no guarantee of the future value of, or returns from, securities you may acquire under the Plan. Employees who elect to participate in the Plan should consider all risk factors relevant to the acquisition of securities under the Plan as set out in this document and any associated documents.**
>
> **The information contained in this document and any associated documents is general information only. It is not advice or information specific to your objectives, financial situation or needs. Australian employees should consider obtaining their own financial product advice from an independent person who is licensed by the Australian Securities and Investments Commission to give advice about participation in the Plan.**

### 1. OFFER AND TERMS OF PARTICIPATION

This Offer Document relates to an invitation by the Company to eligible employees in Australia to accept grants of restricted share unit awards made under the Plan. The awards will be issued at no cost to you.

The terms of your participation are set out in the Plan, the Prospectus, the Restricted Share Unit Issuance Agreement and this Offer Document.

By accepting a grant of a restricted share unit award, you will be bound by terms set out in the Plan, the Prospectus, the Restricted Share Unit Issuance Agreement and this Offer Document.

### 2. HOW CAN I ASCERTAIN THE CURRENT MARKET PRICE OF SHARES UNDERLYING THE RESTRICTED SHARE UNIT AWARD IN AUSTRALIAN DOLLARS?

You could, from time to time, ascertain the market price of a share of common stock in the Company (**"Share"**) by obtaining that price from the New York Stock Exchange website, the Company website or The Wall Street Journal, and multiplying that price by a published exchange rate to convert U.S. Dollars into Australian Dollars, to determine the Australian dollar equivalent of that current market price.

3. **RISKS OF ACQUIRING AND HOLDING SHARES**

Acquiring and holding restricted share units and Shares involves risk. These risks include that:

(a) There is no guarantee that Shares will grow in value - they may decline in value. Stock markets are subject to fluctuations and the price of Shares can rise and fall, depending upon the Company's performance and other internal and external factors.

(b) There is no assurance that the Company will pay dividends even if its earnings increase.

(c) There are tax implications involved in acquiring and holding restricted share units and Shares and the tax regime applying to you may change.

**Exhibit 31.1**

**CHIEF EXECUTIVE OFFICER CERTIFICATION**

I, N.V. Tyagarajan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Genpact Limited for the period ended March 31, 2022, 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: May 10, 2022

/s/ N.V. Tyagarajan

N.V. Tyagarajan
*Chief Executive Officer*

**Exhibit 31.2**

**CHIEF FINANCIAL OFFICER CERTIFICATION**

I, Michael Weiner, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Genpact Limited for the period ended March 31, 2022, 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: May 10, 2022

/s/ Michael Weiner

Michael Weiner
*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 Quarterly Report of Genpact Limited (the “Company”) on Form 10-Q for the period ended March 31, 2022 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: May 10, 2022

/s/ N.V. Tyagarajan

N.V. Tyagarajan
*Chief Executive Officer*

**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 Quarterly Report of Genpact Limited (the “Company”) on Form 10-Q for the period ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael Weiner, 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: May 10, 2022

/s/ Michael Weiner

Michael Weiner
*Chief Financial Officer*