

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

- Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2020.
- 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

(State or other jurisdiction of incorporation or organization)

98-0533350

(I.R.S. Employer Identification No.)

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda
(441) 294-8000

(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

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

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

As of June 30, 2020, the aggregate market value of the common stock of the registrant held by non-affiliates of the registrant was \$6,941,276,604, based on the closing price of the registrant's common shares, par value \$0.01 per share, reported on the New York Stock Exchange on such date of \$36.52 per share. Directors, executive officers and significant shareholders of Genpact Limited are considered affiliates for purposes of this calculation but should not necessarily be deemed affiliates for any other purpose.

As of February 25, 2021, there were 188,136,982 common shares of the registrant outstanding.

Documents incorporated by reference:

The registrant intends to file a definitive proxy statement pursuant to Regulation 14A within 120 days of the end of the fiscal year ended December 31, 2020. Portions of the proxy statement are incorporated herein by reference to the following parts of this Annual Report on Form 10-K:

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

Part III, Item 11, Executive Compensation;

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

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

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

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Special Note Regarding Forward-Looking Statements

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

- our ability to retain existing clients and contracts;
- our ability to win new clients and engagements;
- the expected value of the statements of work under our master service agreements;
- our beliefs about future trends in the markets in which we operate;
- political, economic or business conditions in countries where we have operations or where our clients operate, including related to the withdrawal of the United Kingdom from the European Union, commonly known as Brexit, and heightened economic and political uncertainty within and among other European Union 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 rate of employee attrition;
- our effective tax rate; and
- competition in our industry.

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

- the impact of the COVID-19 pandemic and related response measures on our business, results of operations and financial condition;
- our ability to develop and successfully execute our business strategies;
- our ability to grow our business and effectively manage growth and international operations while maintaining effective internal controls;
- 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 maintain pricing and employee utilization rates;
- our ability to hire and retain enough qualified employees to support our operations;
- increases in wages in locations in which we have operations;
- our ability to service our defined contribution and benefit plans payment obligations;
- clarification as to the possible retrospective application of a judicial pronouncement in India regarding our defined contribution and benefit plans payment obligations;
- our relative dependence on the General Electric Company, or GE, and our ability to maintain our relationships with divested 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;
- 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;
- our ability to attract and retain clients and our ability to develop and maintain client relationships on attractive terms;
- legislation in the United States or elsewhere that restricts or 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
- unionization of any of our employees.

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

In this Annual Report on Form 10-K, we use the terms “Genpact,” “Company,” “we” and “us” to refer to Genpact Limited and its subsidiaries. Our registered office is located at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda.

SUMMARY OF RISK FACTORS

Below is a summary of the principal risk factors that make an investment in our common shares risky or speculative. Additional risks and uncertainties not known to us or that we deem less significant may also impair our business. Additional discussion of the risks that we face can be found in Item 1A—“Risk Factors” of this Annual Report on Form 10-K, and should be carefully considered, together with other information in this Annual Report on Form 10-K and our other filings with the Securities and Exchange Commission, before making an investment decision regarding our common shares.

Risks Related to our Business and Operations

- Our business and results of operations have been adversely impacted and may in the future be adversely impacted by the COVID-19 pandemic.
- Our success largely depends on our ability to achieve our business strategies, and our results of operations and financial condition may suffer if we are unable to continually develop and successfully execute our strategies.
- We could be liable to our clients or others for damages, subject to criminal liability, fines or penalties, and our reputation could be damaged, if our information systems are breached or confidential or sensitive client or employee data is compromised.
- Business disruptions could seriously harm our future revenue and financial condition and increase our costs and expenses.
- Our results of operations could be adversely affected by economic and political conditions and the effects of these conditions on our clients' businesses and levels of business activity.
- Our business depends on generating and maintaining ongoing, profitable client demand for our services and solutions, and a significant reduction in such demand or an inability to respond to the evolving technological environment could materially affect our results of operations.
- Tax matters may have an adverse effect on our business, results of operations, effective tax rate and financial condition.
- Wage increases in the countries where we operate may prevent us from sustaining our competitive advantage and may reduce our profit margin.
- We may be subject to claims and lawsuits for substantial damages, including by our clients arising out of disruptions to their businesses or our inadequate performance of services.
- Future legislation or executive action in the United States and other jurisdictions could significantly affect the ability or willingness of our clients and prospective clients to utilize our services.
- Our global operations expose us to numerous and sometimes conflicting legal and regulatory requirements, and violations of these laws and regulations could harm our business.
- GE accounts for a significant portion of our revenues and any material loss of business from, or change in our relationship with, GE could have a material adverse effect on our business, results of operations and financial condition.
- Our revenues are highly dependent on clients located in the United States and Europe, as well as on clients that operate in certain industries.
- We may face difficulties in providing end-to-end business solutions or delivering complex, large or unique projects for our clients that could cause clients to discontinue their work with us, which in turn could harm our business and our reputation.
- Our partnerships, alliances and relationships with third-party suppliers and contractors and other third parties with whom we do business expose us to a variety of risks that could have a material adverse effect on our business.
- We may fail to attract and retain enough qualified employees to support our operations.
- 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.
- Restrictions on entry visas may affect our ability to compete for and provide services to clients, which could have a material adverse effect on our business and financial results.
- Our senior leadership team is critical to our continued success and the loss of such personnel could harm our business.

- We may be unable to service our debt or obtain additional financing on competitive terms.
- We often face a long selling cycle to secure a new contract as well as long implementation periods that require significant resource commitments, which result in a long lead time before we receive revenues from new relationships.
- Our profitability will suffer if we are not able to price appropriately, maintain employee and asset utilization levels and control our costs.
- Our results of operations and share price could be adversely affected if we are unable to maintain effective internal controls.
- We make estimates and assumptions in connection with the preparation of our consolidated financial statements, and any changes to those estimates and assumptions could adversely affect our financial results.
- Our operating results may experience significant fluctuations.
- We enter into long-term contracts and fixed price contracts with our clients. Our failure to price these contracts correctly may negatively affect our profitability.
- If we are unable to collect our receivables, our results of operations, financial condition and cash flows could be adversely affected.
- Some of our contracts contain provisions which, if triggered, could result in lower future revenues and have a material adverse effect on our business, results of operation and financial condition.
- Our industry is highly competitive, and we may not be able to compete effectively.
- Our business could be materially and adversely affected if we do not protect our intellectual property or if our services are found to infringe on the intellectual property of others.
- A substantial portion of our assets, employees and operations are located in India and we are subject to regulatory, economic, social and political uncertainties in India.
- We may face difficulties as we expand our operations into countries in which we have no prior operating experience.
- Terrorist attacks and other acts of violence involving any of the countries in which we or our clients have operations could adversely affect our operations and client confidence.
- If more stringent labor laws become applicable to us or if our employees unionize, our profitability may be adversely affected.
- We may engage in strategic transactions that could create risks.
- We may become subject to taxation as a result of our incorporation in Bermuda or place of management, which could have a material adverse effect on our business, results of operations and financial condition.
- Economic substance requirements in Bermuda could adversely affect us.
- We may not be able to realize the entire book value of goodwill and other intangible assets from acquisitions.

Risks Related to our Shares

- The issuance of additional common shares by us or the sale of our common shares by our employees could dilute our shareholders' ownership interest in the Company and could significantly reduce the market price of our common shares.
- There can be no assurance that we will continue to declare and pay dividends on our common shares, and future determinations to pay dividends will be at the discretion of our board of directors.
- We are organized under the laws of Bermuda, and Bermuda law differs from the laws in effect in the United States and may afford less protection to shareholders.
- The market price for our common shares has been and may continue to be volatile.
- You may be unable to effect service of process or enforce judgments obtained in the United States or Bermuda against us or our assets in the jurisdictions in which we or our executive officers operate.

USE OF TRADEMARKS

The trademarks, trade names and service marks appearing in this Annual Report on Form 10-K are the property of their respective owners. We have omitted the ® and ™ designations, as applicable, for the trademarks named in this Annual Report on Form 10-K after their first reference in this Annual Report on Form 10-K.

PART I

Item 1. Business

Genpact is 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 over time running thousands of processes for hundreds of Fortune Global 500 companies. We have approximately 96,500 employees serving clients in key industry verticals from more than 30 countries. Our 2020 total net revenues were \$3.7 billion.

In 2020, our agility and culture of embracing change allowed us to rapidly adapt to meet client needs and pivot to new ways of working. We believe we demonstrated the strength and resilience of our business model and provided predominantly non-discretionary solutions and services to our clients. We continued to follow a strategy focused on delivering differentiated, domain-led solutions in a focused set of geographies, industry verticals and service lines. During the year we made acquisitions in two focus areas – experience-led transformation and data and analytics – and continued to invest in our existing digital capabilities and domain expertise, all in an effort to accelerate the business outcomes we can drive for our clients.

Our approach

Many of our client solutions are embedded with our **Digital Smart Enterprise ProcessesSM (Digital SEPs)**, a patented and highly granular approach to dramatically improving the performance of business processes to help drive client outcomes. Our Digital SEPs combine Lean Six Sigma methodologies – which reduce inefficiency and improve process quality – with advanced domain-specific digital technologies, drawing on our industry acumen, our expertise in Artificial Intelligence (AI) and experience-centric principles, and our deep understanding of how businesses run. Digital SEPs test the effectiveness of client processes using best-in-class benchmarks developed by mapping and analyzing millions of client transactions across thousands of end-to-end business processes. In this way, we identify opportunities for improving clients' operations by applying our deep process knowledge and process-centric technologies to transform them.

Genpact Cora has the ability to integrate our proprietary automation, analytics and AI technologies with those of our strategic partners into a unified offering. It draws insights from our deep domain and operations expertise in our target industries and service lines to create data- and analytics-based solutions that are focused on improving customer and user experience to accelerate clients' digital transformations.

Domain-led digital transformation

Industry disruption is pervasive, driven by an explosion in digital technologies, new competitors, and shifting market dynamics. In this environment, companies need industry-tailored solutions to reimagine their business models end-to-end and adapt to rapid change.

These organizations seek partners that can improve productivity while creating competitive advantages and driving business outcomes, such as expanded market share, seamless customer experiences, increased revenue, working capital improvement, increased profitability, and minimized risk and loss. We believe our approach to business transformation, enabled through combining our deep industry and process expertise with our advanced skills in digital and analytics, differentiates us from our competitors.

We partner with clients to show them how new digital solutions can drive business outcomes. We apply design thinking to make the most of human capabilities, domain expertise and innovative technology, and create solutions designed to quickly and aptly meet client objectives. The results can include quick-turnaround prototypes that clients can install and test in their own environments.

We enable domain-led digital transformation for our clients primarily in two ways: designing and running **Intelligent Operations**SM and providing digital-led **Transformation Services**.

Intelligent Operations

Our Intelligent Operations embed digital, advanced analytics and cloud-based offerings into our business process outsourcing solutions to automate and transform our clients' operations. This allows enterprises to be more flexible and helps them focus on high-value work to better compete in their industries. Our solutions also include our IT services that provide end-user computing support, infrastructure management (including cloud, service integration and management and cybersecurity), application production support and database management.

Transformation Services

Our transformation services include our digital solutions, consulting services, and analytics offerings.

Digital: We help our clients harness the power of digital technologies. Our Genpact Cora platform helps us design and implement digital solutions, making use of advanced technologies, AI, cloud-based software-as-a-service (SaaS) offerings, robotic process automation and dynamic workflow.

Consulting: Our consulting practice, which includes digital, AI and cloud experts, helps clients:

- Get a complete picture of how they run their operations across their organization in our areas of focus;
- Measure how their operating processes compare to industry best practices;
- Create custom roadmaps to help them deliver business outcomes; and
- Train client teams to execute on our recommendations.

Analytics: We use data and advanced analytics to help our clients make timely, informed and insight-based decisions. We offer analytics services and solutions in areas where we have domain expertise, both on a standalone basis and embedded in our other service offerings. We use quantitative and qualitative methods to analyze a client's data to help them assess new business opportunities, manage risk, and make better business decisions. We have recently expanded our capabilities in providing foundational data engineering and cloud-based data and analytics advisory services through our acquisition of Enquero, Inc.

We are also building and driving solutions around experience-led transformation. Using human-centric design, we help clients build new products and services, create digital workspaces, and drive customer, client, employee and partner engagement. We have significantly expanded our capabilities in experience, commerce and mobile application development in the past two years with the acquisitions of SomethingDigital.Com LLC in 2020, which added significant capabilities in digital commerce, and Rightpoint Consulting, LLC in 2019, which built on existing capabilities gained from our previous acquisitions of TandemSeven, Inc. and Endeavour Software Technologies Private Limited. Combined with our domain expertise, these acquisitions enhance our ability to bring end-to-end digital commerce solutions to the marketplace.

Our service offerings

We offer the following professional services to our clients:

- **Core industry operations** specific to our chosen industry verticals; and
- **Enterprise Services:** Finance and accounting, supply chain, sourcing and procurement, and sales and commercial services.

Core industry operations

We help our clients design, transform and run core enterprise operations specific to their industries. On the foundation of domain expertise embedded in our Digital SEP frameworks, we use our Lean Digital approach to leverage digital technologies and specialized analytics to power Intelligent Operations. We provide core operations support in all of our chosen industry verticals.

Enterprise services

Finance and accounting services

We believe we are one of the world's premier providers of financial and accounting services. Our services in this area include:

Accounts payable: document management, invoice processing, approval and resolution management, and travel and expense processing;

Invoice-to-cash: customer master data management, credit and contract management, fulfillment, billing, collections, and dispute management services;

Record-to-report: accounting, treasury, tax services, product cost accounting, and closing and reporting, including SEC and regulatory reporting;

Financial planning and analysis: budgeting, forecasting, and business performance reporting; and

Enterprise risk and compliance: operational risk and controls across a wide range of regulatory environments.

Supply chain, sourcing and procurement and sales and commercial services

Supply chain: we use our expertise in this area to help clients transform and run supply chain design, planning, inventory optimization, transportation and logistics management and after-sales services.

Sourcing and procurement: We offer direct and indirect strategic sourcing, category management, spend analytics, procurement operations, master data management, and other procurement and supply chain advisory services.

Sales and commercial: Our integrated services in this area are focused in three areas:

- Lead-to-quote – customer relationship management, sales volume, pricing and promotion optimization, and contract and master data management;
- Quote-to-order – order capture, validation and fulfillment; and
- Customer service (B2B) – service management and experience, deduction and dispute management.

Industries we serve

We work with clients across our chosen industry verticals, which are areas in which we believe we have deep industry acumen. Our chosen industry verticals, which are also our three reportable segments, are: (1) Banking, Capital Markets and Insurance, or BCMI, (2) Consumer Goods, Retail, Life Sciences and Healthcare, or CGRLH, and (3) High Tech, Manufacturing and Services, or HMS.

Organizing our business by industry verticals allows us to leverage our deep domain knowledge specific to our chosen industries and create, replicate and standardize innovative solutions for clients in the same industries. In addition to our professional services, such as finance and accounting and supply chain and procurement, that are available to clients across our verticals, we offer core industry-specific services to clients in select verticals. These services are embedded where possible with industry-relevant digital and analytics tools that use AI and automation modules designed to drive enhanced benefits and customer experience.

Banking, Capital Markets and Insurance

Our banking and capital markets clients include retail, investment and commercial banks, mortgage lenders, equipment and lease financing providers, fintech companies, payment providers, wealth and asset management firms, broker/dealers, exchanges, clearing and settlement organizations and other financial services companies. Our core operations services for these clients include application processing, collections and customer services, equipment and auto loan servicing, mortgage origination and servicing, risk management and compliance services, reporting and monitoring services, wealth management operations support, end-to-end information technology services, application development and maintenance, managed services, financial crimes support and consulting.

Our insurance clients include global property and casualty insurance carriers, reinsurers, insurance brokers, and life, annuity, disability and employee benefits insurance providers. Our core operations services for these clients include multi-channel support for underwriting services, policy administration, customer service, end-to-end claims management services, including adjudication, litigation support and payment disbursements, and actuarial services, including agency management, risk analytics, catastrophe modeling and operations analytics.

Consumer Goods, Retail, Life Sciences and Healthcare

Our consumer goods and retail clients include companies in the food and beverage, household goods, consumer health and beauty and apparel industries, as well as grocery chains and general and specialty retailers. The core operations services we provide to these clients include supply chain management, pricing and trade promotion management, order management, digital commerce, customer experience and risk management.

Our life sciences and healthcare clients include pharmaceutical, medical technology, medical device and biotechnology companies as well as retail pharmacies, distributors, diagnostic labs, healthcare payers (health insurers) and providers, and pharmacy benefit managers. Our core operations services for life sciences clients include regulatory affairs services, such as lifecycle management, regulatory operations, Chemistry Manufacturing Controls compliance, safety and pharmacovigilance, and regulatory information management. Our services for healthcare clients include managing the end-to-end lifecycle of a claim, from claims processing and adjudication to claims recovery and payment integrity.

High Tech, Manufacturing and Services

Our clients in the high tech industry vertical include companies in the information and digital technology, electronics, software, fintech, and e-commerce sectors. The core operations services we provide to these clients include industry-specific solutions for the Industrial Internet of Things (IIoT), user experience, order and supply chain management, data engineering, digital content management and risk management.

Our manufacturing and services clients include companies in the automotive, chemicals, energy, hospitality, manufacturing, media and entertainment, transportation and logistics, and travel sectors. Our core operations solutions for these clients include industry-specific solutions for the IIoT, supply chain management, direct procurement and logistics services, aftermarket services support, industrial asset optimization and engineering services.

Our clients

We serve more than 700 clients across many industries and geographies. Our clients include some of the biggest brands in the world, many of which are leaders in their industries.

GE

GE has been our largest client since our inception and accounted for \$459 million, or 12%, of our total net revenues in 2020. We serve several of GE's business units, including Aviation, Corporate, Healthcare, Industrial Finance, Power and Renewables.

We provide broad services to GE across all of our service offerings. Commitments with respect to services we may perform for GE are set forth in statements of work, or SOWs, purchase orders and business services agreements, or BSAs, that we may enter into with individual GE business units from time to time. These SOWs, purchase orders and BSAs cover in more detail the type of work to be performed and the associated amounts to be billed. In general, each GE business unit decides whether to enter into a SOW, purchase order or BSA with us and on what terms it will do so. Therefore, although some decisions may be made centrally at GE, our revenues from GE come from many different businesses, each with its own leader who makes decisions about our services.

Global clients

We serve about one fourth of the Fortune Global 500. Our clients include industry leaders such as Aon, AstraZeneca, AXA, Bayer, Dentsu, Heineken, Hitachi, Konica Minolta, Novartis, Santander, Synchrony Financial and Sysco.

Our net revenues from our clients other than GE, which we refer to as our Global Clients, have grown from \$2.0 billion in 2015 to \$3.3 billion in 2020, representing a compound annual growth rate of 10%. Our net revenues from Global Clients as a percentage of total net revenues increased from 81% in 2015 to 88% in 2020. See Item 7—"Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Net Revenues—Classification of Certain Net Revenues."

Our contracts with clients for Intelligent Operations services often take the form of a master services agreement, or MSA, which is a framework agreement that we then supplement with SOWs. For transformation services, we typically enter into software-as-a-service and/or consulting agreements with our clients depending on the scope of the services to be performed. For more about our contracting frameworks, see Item 7—"Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Net Revenues."

Our people

As of December 31, 2020, we had approximately 96,500 employees working in more than 30 countries. Our people are critical to the success of our business. We have created, and constantly reinforce, a culture that emphasizes collaboration, innovation, process improvement, and dedication to our clients. We seek to foster a culture that wins clients, develops leaders and attracts and retains talent who exhibit our core values – curiosity, incisiveness and courage – and who uphold our dedication to integrity consistent with our Code of Conduct, Integrity@Genpact.

Rewarding and recognizing our talent

We aim to create a work environment where every person is inspired to achieve, driven to perform and rewarded for their contributions. We strive to engage and competitively compensate our high-performing talent by providing performance-based promotions and merit-based compensation increases. We also regularly monitor employee retention levels and continue to enhance our pay-for-performance approach in an effort to retain our top talent.

Diversity, equity and inclusion

We believe that a culture of diversity, equity and inclusion is critical to our business. We believe in equal opportunity for each individual, irrespective of their gender, age, ethnicity, cultural background, race or sexual orientation. Understanding each other's uniqueness, recognizing our differences, respecting varied opinions and accepting various points of view is at the heart of our organization's culture. We promote these values by seeking to maintain inclusive hiring and management practices and ensure that opportunities are equally open to all.

We are committed to:

- Increasing diversity, including gender, racial and ethnic diversity, across all levels of the organization;
- Recruiting, retaining and advancing talent, including from diverse ethnic and racial backgrounds; and
- Creating and fostering an inclusive culture where everybody, including our LGBTQ+ employees, feels safe and empowered.

Employee development and engagement

We are committed to the career development of our employees and making them future-ready, and we strive to engage them with challenging and rewarding career opportunities. Our performance management approach supports our career philosophy by encouraging employees to reflect on their performance, set challenging goals, receive feedback, identify their development needs and find relevant learning and training opportunities. We have also developed a number of leadership development and mentoring programs, including our Global Operations Leadership Development and our Leadership Direct programs for high potential talent and our programs designed to increase gender diversity in our leadership ranks, such as our Pay it Forward and Women's Leadership initiatives.

We have also developed a learning framework called **Genome** that enables our employees to acquire new skills and evolve quickly as industries and technologies change, equipping them with skills that are relevant to their current roles and future aspirations. Genome was designed to shape an adaptive workforce, and its learning strategy was formulated to "reskill at scale" and be integrated throughout the enterprise.

TalentMatch is our talent transformation initiative to match the skills and job aspirations of our employees with existing and future job opportunities we have available. By enabling employees to prepare for their future career aspirations by upskilling and reskilling through Genome, TalentMatch has allowed us to identify talent available for redeployment from one part of our business to another as the needs of our clients change. It improves our employee utilization globally by providing the right talent at the right time for our client engagements. TalentMatch also gives our employees the opportunity to take their careers in

their desired directions, thus increasing employee satisfaction, and bolstering our ability to scale the “work from anywhere” model.

Amber, our engagement AI chatbot and employee experience platform, enables transformation of our employee engagement strategy. Amber provides an outlet for unbiased and judgment free conversations for our employees and live predictive people analytics for business and HR leaders. By digitizing how we engage with our employees through Amber, we have increased the scope and frequency of employee feedback and have gained the ability to assess employee engagement and identify trends in employee engagement and satisfaction across the company.

Corporate social responsibility

Genpact’s approach to corporate social responsibility focuses on three pillars that reflect our strengths, core expertise, and causes that our employees care about:

- Education and employability
- Diversity, equity and inclusion
- Sustainability

We foster a culture of giving and volunteering through several global platforms, projects, and social initiatives. Our more than 40,000 employee volunteers have, among other things, helped underprivileged children get better access to education, assisted unemployed women in developing job skills, and worked on projects to help improve infrastructure and education in the communities in which we work and live. For example, in 2020, in an effort to combat pandemic-induced hunger, we launched our **Feed 20 Million** initiative, setting a goal to serve 20 million meals to people in need. Our volunteers enabled us to surpass our goals with nearly 25 million meals served.

Additionally, more than 10,000 of our employees participate in our payroll-based charitable donation programs, and in 2020, many of our employee volunteers participated in micro-volunteering initiatives such as composting, planting saplings, or eliminating single-use plastic. We are also passionate about working collectively to reduce our carbon footprint and have set targets to reduce our environmental impact at regional or global levels.

Partnerships and alliances

We continue to invest in and expand our strategic alliances with companies whose services and solutions complement ours. Together, we work to enhance our existing solutions or create new offerings to meet market needs.

Our alliances generally fall into one of the following categories:

- Strategic, go-to-market partnerships
- Deal-specific relationships to jointly solve a specific issue for a client
- Reseller arrangements to provide third party partner software and cloud solutions
- Digital and other “white label” embedded technology-based relationships

We have three primary types of partners: consulting partners, digital partners, and solution partners. Our digital and solution partnerships aim to nurture relationships with established and emerging players. These potential partners specialize in leading-edge disruptive digital technologies and solutions that we can embed into our offerings or jointly bring to market.

Sales and marketing

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

We have designated lead client partners and global relationship managers for each of our strategic client relationships. The client partners and global relationship managers are supported by transformation partners as well as digital and analytics, process improvement, quality, transition, finance, human resources, information technology and industry/product subject matter expert teams to ensure we can best understand and address the needs of our clients. We constantly monitor our client satisfaction levels to ensure that we maintain high service levels for each client, using measures such as the Net Promoter Score. Our sales force is primarily organized by industry vertical teams that are supported by vertical-specific and horizontal service offerings.

The length of our selling cycle varies depending on the type of engagement. The sales cycle for our advisory and project work is typically much shorter than the sales cycle for a large business process engagement. Our efforts may begin through an existing engagement with a client or in response to our lead generation program, a perceived opportunity, a reference by an existing client, a request for proposal or otherwise. Our teams seek to understand the needs and priorities of our clients as well as the business outcomes our clients desire, and we leverage our combination of digital and industry expertise to devise differentiated client solutions. We may expend substantial time and resources in engaging with prospective clients to secure new business. See Item 7—“Management’s Discussion and Analysis of Financial Condition and Results of Operations—Overview—Net Revenues.”

As our relationship with a client deepens, the time required to win an engagement for additional services often gradually declines. In addition, during an engagement as we better understand and experience a client’s business and processes, our ability to identify opportunities and deliver greater value for the client, including by leveraging Genpact Cora and our expanding portfolio of digital capabilities to transform our clients’ operations, typically increases.

We also strive to foster relationships between our senior leadership team and our clients’ senior management. These “C-level” relationships ensure that both parties are focused on establishing priorities, aligning objectives and driving client value from the top down. High-level executive relationships present significant opportunities to increase business from our existing clients. These relationships also provide a forum for addressing client concerns. Our governance methodology is designed to ensure that we are well connected at all levels of our clients’ organizations (executive, management, technology and operations).

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

Global delivery

We serve our clients using our global network of 86 delivery centers in 20 countries. We have delivery centers in Australia, Brazil, China, Costa Rica, Egypt, Germany, Guatemala, Hungary, India, Israel, Italy, Japan, Malaysia, Mexico, the Netherlands, the Philippines, Poland, Romania, the United Kingdom and the United States. We also have many employees in these and additional countries, such as Canada, Ireland, Portugal, Singapore, Spain and Turkey, who work with our clients either onsite or virtually, which offers flexibility for both clients and employees.

With this global network, we are able to manage complex processes around the world. We use different locations for different types of services depending on client needs and the mix of skills and cost of employees at each location.

Our global delivery model gives us:

- multilingual capabilities;
- access to a larger talent pool;
- “near-shoring” as well as off-shoring capabilities to take advantage of time zones; and
- proximity to our clients through a significant onshore presence.

We also regularly look for new places to open delivery centers and offices, both in new countries or new cities in countries where we already have a presence. Before we choose a new location, we consider several factors, such as the talent pool, infrastructure, government support, operating costs, and client demand.

Service delivery model

We seek to be a seamless extension of our clients’ operations. To that end, we developed the **Genpact Virtual CaptiveSM** service delivery model, in which we create a virtual extension of our clients’ teams and environments. Our clients get dedicated employees and management, as well as dedicated infrastructure at our delivery centers. We also train our teams in our clients’ cultures, processes, and business environments.

Intellectual Property

The solutions we offer our clients often include a range of proprietary methodologies, software, and reusable knowledge capital. We also develop intellectual property in the course of our business and our agreements with our clients regulate the ownership of such intellectual property. We seek to protect our intellectual property and our brand through various means, including by agreement and applications for patents, trademarks, service marks, copyrights and domain names. Some of our intellectual property rights are trade secrets and relate to proprietary business process enhancements.

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

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

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

Competition

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

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

We may also face losses or potential losses of business when in-house departments of companies use their own resources rather than engage an outside firm for the types of services and solutions we provide.

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

- deep expertise in industry-specific domains and processes;
- ability to advise clients on how to transform their processes and deliver transformation that drives business value;
- ability to provide innovative services and products, including digital offerings;
- ability to consistently add value through digital transformation and continuous process improvement;
- reputation and client references;
- contractual terms, including competitive pricing;
- scope of services;
- quality of products, services and solutions;
- ability to sustain long-term client relationships; and
- global reach and scale.

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

Regulation

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

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

If we fail to comply with any applicable laws and regulations, we may face restrictions on our ability to provide services, and may also be the subject of civil or criminal actions involving penalties, any of which could have a material adverse effect on our operations. Our clients generally have the right to terminate our contracts for cause in the event of regulatory failures, subject in some cases to notice periods. See Item 1A—“Risk Factors—Risks Related to our Business and Operations—Our global operations expose us to numerous and sometimes conflicting legal and regulatory requirements, and violations of these laws and regulations could harm our business.” If we fail to comply with contractual commitments to facilitate our clients’ compliance, we may be liable for contractual damages, and clients in regulated industries may be less willing to use our services.

We are affected by laws and regulations in the United States, the United Kingdom, the EU and its member states, and other countries in which we do business that are intended to limit the impact of outsourcing on employees in those jurisdictions, and occasional changes to laws and regulations in such jurisdictions may impose changes that further restrict or discourage offshore outsourcing or otherwise harm our business. See Item 1A—“Risk Factors—Risks Related to our Business and Operations—Future legislation or executive action in the United States and other jurisdictions could significantly affect the ability or willingness of our clients and prospective clients to utilize our services.”

Our collection, use, disclosure and retention of personal health-related and other information is subject to an array of privacy, data security, and data breach notification laws and regulations that change frequently, are inconsistent across the jurisdictions in which we do business, and impose significant compliance costs. In the United States, personal information is subject to numerous federal and state laws and regulations relating to privacy, data security, and breach notification, including, for example, the Financial Modernization Act (sometimes referred to as the Gramm-Leach-Bliley Act), Health Insurance Portability and Accountability Act, Federal Trade Commission Act, Family Educational Rights and Privacy Act, Communications Act, Electronic Communications Privacy Act, and the California Consumer Privacy Act. All fifty U.S. states and the District of Columbia have implemented separate data security and breach notification laws with which we must comply; in addition, some states have strengthened their existing laws. Some courts have become more willing to allow individuals to pursue claims in data breach cases, indicating that it may become easier for consumers to sue companies for data breaches. Related laws and regulations govern our direct marketing activities and our use of personal information for direct marketing, including the Telemarketing and Consumer Fraud and Abuse Prevention Act, Telemarketing Sales Rule, Telephone Consumer Protection Act and rules promulgated by the Federal Communications Commission, and CAN-SPAM Act. In 2018, the Clarifying Lawful Overseas Use of Data, or CLOUD, Act established new required processes and procedures for handling U.S. law enforcement requests for data that we may store outside of the U.S. In the EU, the General Data Protection Regulation, or the GDPR, went into effect in May 2018. The GDPR imposes privacy and data security compliance obligations and increased penalties for noncompliance. In particular, the GDPR has introduced numerous privacy-related changes for companies operating in the EU, including greater control for data subjects, increased data portability for EU consumers, data breach notification requirements and increased fines for violations. Additionally, foreign governments outside of the EU are also taking steps to fortify their data privacy laws and regulations. For example, India, as well as some countries in Africa, Asia and Latin America, have either passed data privacy legislation or are considering data protection laws that affect or may affect Genpact. Evolving laws and regulations in India protecting the use of personal information could also impact our engagements with clients, vendors and employees in India. As privacy laws and regulations around the world continue to evolve, these changes could adversely affect our business operations, websites and mobile applications that are accessed by residents in the applicable countries.

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

Because of our debt collections work in the United States, we are also regulated by laws such as the Truth in Lending Act, the Fair Credit Billing Act, the Fair Debt Collection Practices Act, the Telephone Consumer Protection Act and related regulations. We are currently licensed to engage in debt collection activities in all jurisdictions in the United States where licensing is required. U.S. banking and debt collection laws and their implementing regulations are occasionally amended, and these changes may impose new obligations on us or may change existing obligations.

Because of our insurance processing activities in the United States, we are currently licensed as a third-party administrator in 41 states and are regulated by the department of insurance in each such state. In two other states, we qualify for regulatory exemption from licensing based on the insurance processing activities we provide. We also hold entity adjuster licenses in 22 states that require licensing.

In the United States, we are subject to laws and regulations governing foreign trade, such as export control, customs and sanctions regulations maintained by government bodies such as the Commerce Department's Bureau of Industry and Security, the Treasury Department's Office of Foreign Assets Control, and the Homeland Security Department's Bureau of Customs and Border Protection. Other jurisdictions, such as the EU, also maintain similar laws and regulations that apply to some of our operations.

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

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

Certain Bermuda Law Considerations

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

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

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

Bermuda has economic substance requirements pursuant to the Economic Substance Act 2018, as amended, and the regulations proffered thereunder, which require us to have adequate economic substance in Bermuda in relation to certain of our activities.

Available Information

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

Information about our executive officers

The following table sets forth information concerning our executive officers as of March 1, 2021:

Name	Age	Position(s)
N.V. Tyagarajan	59	President, Chief Executive Officer and Director
Edward Fitzpatrick	54	Senior Vice President, Chief Financial Officer
Patrick Cogny	54	Senior Vice President, High Tech, Manufacturing and Services
Balkrishan Kalra	51	Senior Vice President, Banking, Capital Markets, Consumer Goods, Retail, Life Sciences and Healthcare
Piyush Mehta	52	Senior Vice President, Chief Human Resources Officer
Darren Saumur	53	Senior Vice President, Global Operating Officer
Kathryn Stein	43	Senior Vice President, Chief Strategy Officer and Business Leader, Enterprise Services
Heather White	48	Senior Vice President, Chief Legal Officer and Corporate Secretary

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

Edward Fitzpatrick has served as our Senior Vice President, Chief Financial Officer since July 2014. Prior to joining Genpact, he spent 13 years at Motorola Solutions Inc. and its predecessor company Motorola Inc., most recently serving as executive vice president and Chief Financial Officer. Prior to Motorola, he worked at General Instrument Corporation, which was acquired by Motorola Inc., and Price Waterhouse, LLP. Mr. Fitzpatrick also currently serves as a director of CBOE Global Markets, Inc.

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

Balkrishan Kalra has served as our Senior Vice President, Consumer Goods, Retail and Life Sciences since 2008, has led our Healthcare business since 2016 and in 2020 assumed responsibility for our Banking and Capital Markets business. Prior to his current role, he held various roles at Genpact since joining us in 1999.

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

Darren Saumur has served as our Senior Vice President, Global Operating Officer since April 2018. Prior to joining Genpact, he was an executive vice president responsible for the services business at Infor from 2014 to 2018. From 2005 to 2014, he worked at SAP where he ran SAP's global consulting businesses. Mr. Saumur began his career at Ernst & Young, where he worked from 1991 to 2005.

Kathryn Stein has served as our Senior Vice President, Chief Strategy Officer since December 2016 and has also been responsible for our Enterprise Services business since February 2019. Prior to joining Genpact, Ms. Stein was at Mercer for six years, most recently as a Partner and Market Business Leader. Before Mercer, she worked with Boston Consulting Group, the Center for Strategic and International Studies and MarketBridge Consulting.

Heather White has served as our Senior Vice President, Chief Legal Officer and Corporate Secretary since April 2018. Ms. White has been with Genpact since 2005, and served most recently as our Senior Vice President and Deputy General Counsel. Prior to joining Genpact, she was a corporate attorney in the New York and London offices of Paul, Weiss, Rifkind, Wharton & Garrison LLP.

Item 1A. Risk Factors

Risks Related to our Business and Operations

Our business and results of operations have been adversely impacted and may in the future be adversely impacted by the COVID-19 pandemic.

The COVID-19 pandemic has had a widespread and detrimental effect on the global economy and has adversely impacted our business and results of operations. Because the severity, magnitude and duration of the COVID-19 pandemic and its economic consequences are highly uncertain, rapidly changing and difficult to predict, the ultimate impact of the pandemic on our business, financial condition and results of operations is currently unknown.

The extent to which the COVID-19 pandemic will continue to adversely impact our business and results of operations will depend on future developments that are currently difficult to predict and outside of our control, including: the distribution and effectiveness of vaccines; future mutations of the COVID-19 virus and any resulting impact on the effectiveness of vaccines; the ultimate duration and scope of the pandemic; actions taken by governments and other parties, such as our clients, in response to the pandemic, including any future actions to contain, treat or prevent the virus; the impact of the pandemic on economic activity and actions taken in response; the effect of the pandemic on our clients and client demand for our services and solutions; the ability of our clients to pay for our services and solutions on time or at all; our ability to sell and provide our services and solutions to clients and prospects; and the ability of our employees to continue to be productive and maintain morale while working remotely.

In the interest of the health and safety of our employees and due in part to restrictions imposed by national or local governments in places where we operate, we have enabled most of our employees to work remotely. This effort has posed, and continues to pose, numerous operational risks and logistical challenges, and has created new costs, diverted management attention and corporate resources, and amplified certain risks to our business, including increased: (a) demand on our information technology resources and systems that were initially designed for use in our delivery centers only, (b) phishing, ransomware and other cybersecurity attacks, and (c) data privacy and security risks as our employees are working from environments that may be less secure than those of our delivery centers. Any failure to effectively manage these risks, including to timely identify and appropriately respond to any cyberattacks, may adversely affect our business.

As a result of the COVID-19 pandemic, in early 2020 our existing and prospective clients slowed decision-making and planned work, including discretionary consulting services and other transformation services. These factors and an overall decline in economic activity had an adverse impact on our total bookings for 2020, which were lower than in 2019. If the pandemic worsens, we could again see reduced demand or delayed client decision-making, which could negatively impact our bookings in 2021.

In addition, we took a series of actions during 2020 to address the challenges being placed on our operations by the pandemic and the potential impact to our business in the near term and to protect the long-term health of our business. For additional information, see Note 29 —“Restructuring” to our consolidated financial statements under Part IV, Item 15 —“Exhibits and Financial Statement Schedules.” Our efforts to mitigate the negative impact of the COVID-19 pandemic on our business may not be effective, and we may be required to take additional actions to protect the long-term health of our business. We may also be affected by a protracted economic downturn.

Additionally, a significant worsening of the pandemic could materially impair our ability to deliver services to clients and could in turn have a material adverse impact on our business, cash flows, financial condition and results of operations. Even after the COVID-19 pandemic has subsided, we may continue to experience negative impacts to our business as a result of the pandemic’s global economic impact. Further, as this pandemic is unprecedented and continuously evolving, it may also affect our operating and financial results in a manner that is not presently known to us or in a manner that we currently do not consider will present significant risks to us or our operations.

The COVID-19 pandemic has led to significant volatility in financial markets, and has at times impacted, and may again impact, our share price and trading in our common shares. The overall uncertainty regarding the future economic impact of the COVID-19 pandemic and the impact on our revenue growth

could also impact our cash flows from operations and liquidity. Material changes to our cash flows, liquidity and the volatility of the stock market and our share price could impact our capital allocation strategy, including our quarterly dividend and our share repurchase program. Asset impairment charges, extreme currency exchange-rate fluctuations and an inability to recover costs or lost revenues or profits from insurance carriers could all adversely affect us, our financial condition and our results of operations. Additionally, future disruptions and volatility in global and domestic capital markets could increase the cost of capital and limit our ability to access capital.

Any of the foregoing could amplify the risks and uncertainties outlined in this Annual Report on Form 10-K and could have a material adverse effect on our business, financial condition, results of operations and/or share price.

Our success largely depends on our ability to achieve our business strategies, and our results of operations and financial condition may suffer if we are unable to continually develop and successfully execute our strategies.

Our future growth, profitability and cash flows largely depend upon our ability to continually develop and successfully execute our business strategies. While we have confidence that our strategic plans reflect opportunities that are appropriate and achievable, the execution of our strategy may not result in long-term growth in revenue or profitability due to a number of factors, including incorrect assumptions, global or local economic conditions, competition, changes in the industries in which we operate, sub-optimal resource allocation or any of the other risks described in this “Risk Factors” section. In pursuit of our growth strategy, we may also invest significant time and resources into new product or service offerings, and these offerings may fail to yield sufficient return to cover our investments in them. The failure to continually develop and execute optimally on our business strategies could have a material adverse effect on our business, financial condition and results of operations.

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

We are often required to collect, process and store proprietary, personally identifying or other sensitive or confidential client data in the operation of our business or in connection with the services we provide under our contracts, including, for example, names, addresses, social security numbers, personal health information, credit card account numbers, payment history records, and checking and savings account numbers. In addition, we collect, process and store data regarding our employees and contractors. As a result, we are subject to numerous data protection and privacy laws and regulations designed to protect this information in the countries in which we operate as well as the countries of residence of the persons whose data we process. Data may be accessed, disclosed or modified improperly as a result of theft, error or malfeasance by our employees, contractors or other third parties, and others may attempt to fraudulently induce our employees, clients or other third parties into disclosing sensitive information such as user names, passwords or other information in order to gain access to our data or IT systems or our clients', contractors' or other third parties' data or IT systems. If any person, including any of our current or former employees or contractors, negligently disregards or intentionally breaches our or our clients' established controls with respect to sensitive data or if we do not adapt to changes in data protection legislation, we could be subject to significant litigation, monetary damages, regulatory enforcement actions, fines and/or criminal prosecution in one or more jurisdictions.

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

The threat of incursion into our information systems and technology infrastructure has increased and evolved in recent years with the increasing number and sophistication of third parties who have hacked, attacked, disrupted or otherwise invaded information systems of other companies and misappropriated or disclosed data. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently or may be designed to remain dormant until a predetermined event and often are not recognized until launched against a target, we may be unable to anticipate these

techniques, detect when an incursion has occurred or implement adequate preventative and responsive measures. The steps we have taken to protect our information systems and data security may be inadequate. If an actual or perceived breach of our security occurs, whether through breach of our computer systems, systems failure (including due to aged IT systems or infrastructure) or otherwise, the market perception of the effectiveness of our security measures and our reputation could be harmed and we could lose existing or potential clients. Media or other reports of perceived breaches or weaknesses in our systems, products or networks, even if nothing has actually been attempted or occurred, could also adversely impact our brand and reputation and materially affect our business.

In addition, we may not be able to prevent others from using our data and proprietary information to compete with us. Existing trade secret, copyright and trademark laws offer only limited protection. Further, the laws of some foreign countries may not protect our data and proprietary information at all. For example, doing business in certain jurisdictions poses risks, including but not limited to theft of intellectual property and data and potentially different treatment of foreign owned intellectual property rights and data than intellectual property or data that is owned or developed in such jurisdictions. If we have to resort to legal proceedings to enforce our rights, the proceedings could be burdensome, protracted, distracting to management and expensive and could involve a high degree of risk and be unsuccessful.

Our clients, suppliers, subcontractors, and other third parties with whom we do business, including in particular cloud service providers and software vendors, generally face similar cybersecurity threats, and we must rely on the safeguards adopted by these parties. If these third parties do not have adequate safeguards or their safeguards fail, it might result in breaches of our systems or applications and unauthorized access to or disclosure of our and our clients' confidential data. In addition, we are regularly alerted to vulnerabilities in third-party technology components we use in our business that create vulnerabilities in our environments. We typically are not aware of such vulnerabilities until we receive notice from the third parties who have created the exposure, and our responses to such vulnerabilities may not be adequate or prompt enough to prevent their exploitation.

We may also be liable to our clients or others for damages caused by disclosure of confidential information or system failures. Many of our contracts do not limit our potential liability for breaches of confidentiality. We may also be subject to civil actions and criminal prosecution by governments or government agencies for breaches relating to such data. Our insurance coverage or indemnification protections for breaches or mismanagement of such data may not be adequate to cover all costs related to data loss, cybersecurity attacks, or disruptions resulting from such events, or they may not continue to be available on reasonable terms or in sufficient amounts to cover one or more large claims against us and our insurers may disclaim coverage as to any future claims. The impact of these cybersecurity attacks, data losses, and other security breaches cannot be predicted, but any such attack, loss or breach could disrupt our operations, or the operations of our clients, suppliers, subcontractors, or other third parties. Incidents of this type could require significant management attention and resources, could result in the loss of business, regulatory enforcement and financial liability, and could harm our reputation among our clients and the public, any of which could have a material adverse impact on our financial condition, results of operations, or liquidity.

While we have developed and implemented security measures and internal controls designed to prevent, detect and respond to cyber and other security threats and incidents, such measures cannot guarantee security and may not be successful in preventing security breaches. In the ordinary course of business, we are subject to regular incursion attempts from a variety of sources, and we have experienced data security incidents such as inadvertent or unauthorized disclosures of data, including as a result of phishing or malware, and other unauthorized access to or use of our systems or those of third parties. To date such incidents have not had a material impact on our operations or financial results; however, there is no assurance that such impacts will not be material in the future.

Additionally, due to the COVID-19 pandemic, the majority of our employees are now working from home in environments that may not be as controlled or secure as our offices and delivery centers, which increases the risk of data breaches, incursions into our IT systems or other cyber incidents. Measures we have taken during the pandemic to implement suitable additional controls and educate our employees on the importance of cybersecurity and related best practices may not prevent data breaches or other incursions, any of which could have a material adverse impact on our business, reputation, financial condition, and results of operations.

Business disruptions could seriously harm our future revenue and financial condition and increase our costs and expenses.

We have employees in more than 30 countries and significant operations in 20 countries, and these global operations could be disrupted at any time by natural or other disasters, telecommunications failures, power or water shortages, extreme weather conditions (whether as a result of climate change or otherwise), medical epidemics or pandemics (such as the COVID-19 pandemic) and other natural or manmade disasters or catastrophic events. The occurrence of any of these business disruptions could result in significant losses, seriously harm our revenue, profitability and financial condition, adversely affect our competitive position, increase our costs and expenses, and require substantial expenditures and recovery time in order to fully resume operations. In addition, global climate change may result in certain natural disasters occurring more frequently or with greater intensity, such as earthquakes, tsunamis, cyclones, drought, wildfires, sea-level rise, heavy rains and flooding, and any such disaster or series of disasters in areas where we have a concentration of employees, such as India, could significantly disrupt our operations and have a material adverse effect on our business, results of operations and financial condition.

Our operations could also be disrupted as a result of technological failures, such as electricity or infrastructure breakdowns, including damage to telecommunications cables, computer glitches and electronic viruses, or human-caused events such as protests, riots, labor unrest and cyberattacks. Such events, or any natural or weather-related disaster, could lead to the disruption of information systems and telecommunication services for sustained periods. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our clients, our leadership team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or delivery centers. Our operations and those of our significant suppliers and distributors could be adversely affected if manufacturing, logistics or other operations in these locations are disrupted for any reason, such as those listed above. Even if our operations are unaffected or recover quickly from any such events, if our clients cannot timely resume their own operations due to a catastrophic event, they may reduce or terminate our services, which may adversely affect our results of operations. We may also be liable to our clients for disruption in service resulting from such damage or destruction.

Our business continuity and disaster recovery plans may not be effective at preventing or mitigating the effects of any of the foregoing business disruptions, particularly in the case of a catastrophic event. Prolonged disruption of our services would also entitle our clients to terminate their contracts with us. While we currently have commercial liability insurance, our insurance coverage may not be sufficient. Furthermore, we may be unable to secure such insurance coverage at premiums acceptable to us in the future or at all. Any of the above factors may have a material adverse effect on our business, results of operations and financial condition.

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

Global macroeconomic conditions affect our clients' businesses and the markets they serve. Volatile, negative or uncertain economic conditions in our significant markets have in the past undermined and could in the future undermine business confidence in our significant markets or in other markets, which are increasingly interdependent, and cause our clients to reduce or defer their spending on new initiatives, or may result in clients reducing, delaying or eliminating spending under existing contracts with us, which would negatively affect our business. Growth in the markets we serve could be at a slow rate, or could stagnate or contract, in each case, for an extended period of time. Differing economic conditions and patterns of economic growth and contraction in the geographical regions in which we operate and the industries we serve have affected and may in the future affect demand for our services.

A material portion of our revenues and profitability is derived from our clients in North America and Europe. Weak demand in these markets could have a material adverse effect on our results of operations. Additionally, major political events, including the United Kingdom's withdrawal from the European Union, or Brexit, create uncertainty for businesses such as ours that operate in these markets. While the United Kingdom and EU have concluded a trade agreement, effective December 31, 2020, the trade agreement does not adequately address a number of topics that are relevant to our operations in Europe, such as privacy regulations, immigration laws and employment laws. Accordingly, we continue to face uncertainty

in our operations as to the impact of Brexit on, among other things, the free movement of our employees between the United Kingdom and EU member states and the movement of data between the United Kingdom and EU member states. Additionally, uncertainty as to the future trade terms between the United Kingdom and the EU could negatively impact our clients who are based or have operations in the United Kingdom or the EU, including clients in the financial services sector, and as a consequence could adversely impact our financial condition and results of operations. Furthermore, a significant portion of our revenues from clients in the United Kingdom is generated in British pounds. As a result, we are exposed to the risk that revenues from clients based in the United Kingdom will be affected by adverse movements in foreign currency exchange rates. We continue to examine the various possible impacts Brexit may have on our business and operating model. Any of these factors, or the final terms of the trade agreement between the United Kingdom and the EU, could adversely affect global economic conditions and the stability of global financial markets, which, in turn, could have a material adverse effect on our business, financial condition and results of operations.

Ongoing economic volatility and uncertainty and changing demand patterns, including as a result of the COVID-19 pandemic, affect our business in a number of other ways, including making it more difficult to accurately forecast client demand and effectively build our revenue and resource plans. Economic volatility and uncertainty are particularly challenging because it may take some time for the effects and changes in demand patterns resulting from these and other factors to manifest themselves in our business and results of operations. Changing demand patterns from economic volatility and uncertainty could have a significant negative impact on our results of operations.

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

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

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

Companies in the industries we serve sometimes seek to achieve economies of scale and other synergies by combining with or acquiring other companies. If one of our current clients merges or consolidates with a company that relies on another provider for the services and solutions we offer, we may lose work from that client or lose the opportunity to gain additional work if we are not successful in generating new opportunities from the merger or consolidation.

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

We are subject to income taxes in the United States and in numerous foreign jurisdictions, notably in India where we have substantial operations. Our provision for income taxes, actual tax expense and tax liability could be adversely affected by a variety of factors including, but not limited to, lower income before taxes generated in countries with lower tax rates; higher income generated in countries with higher tax rates; changes in tax laws and regulations or interpretations thereof; changes in applicable income tax treaties; changes in accounting principles or interpretations thereof or in the valuation of deferred tax assets and liabilities; the elimination or expiration of certain tax concessions, exemptions or holidays that had reduced our tax liability; and adverse outcomes of tax examinations or tax-related litigation, including a determination by any tax authority that our transfer prices are not appropriate. Additionally, the results of the 2020 U.S. presidential election could lead to changes in tax laws that could negatively impact our effective tax rate. Any of these factors could have a material adverse effect on our business, results of operations, effective tax rate and financial condition.

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

In addition, the Government of India issued assessment orders to us in 2014, 2016 and 2019 seeking to assess tax on certain transactions that occurred in 2009, 2013 and 2015. We have received demands for potential tax claims related to these orders in an aggregate amount of \$150 million, including interest through the date of the orders. We do not believe that the transactions should be subject to tax in India under applicable law and have accordingly not provided a reserve for such exposure and have filed the necessary appeals. We have received favorable orders from appellate authorities relating to demands of \$135 million and are pursuing refunds of \$55 million we previously paid toward these demands. The tax authorities may appeal these orders in a higher court. In the event we do not prevail in these matters, the total amounts owed in connection with these demands would be subject to additional interest accrued over the period since the demands were made, and the amount of this additional interest could be material. There is no assurance that we will prevail in these matters or similar transactions, and a final determination of tax in the amounts claimed could have a material adverse effect on our business, results of operations, effective tax rate and financial condition. See Note 28—“Commitments and contingencies” to our consolidated financial statements under Part IV, Item 15—“Exhibits and Financial Statement Schedules” for additional information relating to these matters.

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

Effective July 1, 2017, a Goods and Services Tax (“GST”) was introduced in India, replacing an existing service tax regime and multiple similar indirect taxes. The implementation of the GST continues to evolve, with the Government of India introducing regular amendments and issuing clarifications. In the second quarter of 2020, Indian tax authorities began challenging or rejecting certain of our GST and service tax refunds. We had requested these refunds pursuant to the tax exemption available for exports under service tax and GST regimes in respect of services performed by us in India for affiliates and clients outside of India. In denying the refunds, the taxing authorities have taken the position that the services we provided are local services, which interpretation, if correct, would make the GST exemption on exports unavailable to us in respect of such services. We believe that the denial of the GST exemption is incorrect, and we are

pursuing appeals before relevant appellate authorities. The Government of India may issue further clarifications on the matter. However, there is no assurance that we will prevail in this matter. Further, if it is finally determined that we do not qualify for the service tax/GST exemption on the services we provide in India for clients located outside of India, we could be subject to additional tax on all of such services at a rate of 18%. The imposition of this additional tax on a significant percentage of the services we perform or have performed in India would likely have a material adverse effect on our profitability and cash flows and could also have a material adverse effect on our business, financial condition and results of operations.

Furthermore, there is growing pressure in many jurisdictions, including the United States, and from multinational organizations such as the Organization for Economic Cooperation and Development, or the OECD, and the EU to amend existing international tax rules in order to render them more responsive to current global business practices. For example, the OECD has published a package of measures for reform of the international tax rules as a product of its Base Erosion and Profit Shifting, or the BEPS, initiative, which was endorsed by the G20 finance ministers. Many of the initiatives in the BEPS package require amendments to the domestic tax legislation of various jurisdictions. Separately, the EU is asserting that a number of country-specific favorable tax regimes and rulings in certain member states may violate, or have violated, EU law, and may require rebates of some or all of the associated tax benefits to be paid by benefitted taxpayers in particular cases. In 2016, the EU adopted the Anti-Tax Avoidance Directive which requires EU member states to implement measures to prohibit tax avoidance practices.

In addition, in December 2017, the Tax Cuts and Jobs Act (the "Tax Act") became law in the U.S., bringing about far-ranging changes to the existing corporate tax system. The Tax Act requires complex computations not previously required and requires us to make assumptions and judgments in the interpretation of the law where sufficient guidance is not available. As regulations and guidance evolve with respect to the Tax Act, our results may differ from previous estimates and our tax liabilities may materially increase. See "Future legislation or executive action in the United States and other jurisdictions could significantly affect the ability or willingness of our clients and prospective clients to utilize our services" below in this "Risk Factors" section.

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

Wage increases in the countries where we operate may prevent us from sustaining our competitive advantage and may reduce our profit margin.

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

In addition, in early 2019, the Supreme Court of India clarified that certain allowances paid by an employer to an employee should be included for purposes of calculating provident fund contributions in addition to contributions based on basic wages alone. If this decision is implemented with retrospective application, the amount of the payments that we are required to make at that time to or for the benefit of our employees could be substantial and could have a material adverse effect on our business, results of operations and financial condition.

We have also increased, and expect to further increase, the number of employees we have in the United States from the levels that we have had historically, and this could have a negative effect on our profitability. In addition, we engage independent contractors in various U.S. states in the ordinary course of business. A handful of U.S. states have enacted legislation that requires businesses to consider individuals to be employees who, under current law in most other U.S. states, would be considered independent contractors. The U.S. Congress may seek to pass similar legislation at a national level across all 50 U.S. states. If additional states or the U.S. federal government pass similar legislation, we may be required to modify our hiring plans and associated business model, which may increase our cost of doing business.

In 2021, the Government of India is expected to make effective new labor codes, which, among other things, change the definition of wages for purposes of determining employer contributions under the provident fund and other statutory benefit schemes, including the Indian gratuity plan. As a result of this pending legislation, our compensation cost in India may increase, which could adversely affect our profitability, results of operations and financial condition.

We may be subject to claims and lawsuits for substantial damages, including by our clients arising out of disruptions to their businesses or our inadequate performance of services.

We depend in large part on our relationships with clients and our reputation for high-quality services to generate revenue and secure future engagements. Most of our service contracts with clients contain service level and performance requirements, including requirements relating to the quality of our services. Failure to consistently meet service requirements of a client, whether due to: (a) natural or other disasters, telecommunications failures, power or water shortages, extreme weather conditions (whether as a result of climate change or otherwise), medical epidemics, pandemics or other contagious diseases (such as COVID-19) or other natural or manmade disasters or catastrophic events; (b) breach of or incursion into our computer systems (for example, through a ransomware attack); (c) other systems failure, including due to aged IT systems or infrastructure; or (d) errors made by our employees in the course of delivering services to our clients could disrupt the client's business and result in a reduction in our revenues, clients terminating their business relationships with us and/or a claim for damages against us. Additionally, we could incur liability if a process we manage for a client were to result in internal control failures or impair our client's ability to comply with its own internal control requirements.

We are also subject to actual and potential claims, lawsuits, investigations and proceedings outside of errors and omissions claims. For example, we engage in trust and safety services on behalf of clients, including content moderation, which could have a negative impact on our employees performing such services due to the nature of the materials they review. These types of services have been the subject of negative media coverage as well as litigation, and we may face adverse judgments or settlements or damage to our brand or reputation as a result of our provision of these services.

Under our MSAs with our clients, our liability for breach of our obligations is generally limited to actual damages suffered by the client and is typically capped at an agreed amount. These limitations and caps on liability may be unenforceable or otherwise may not protect us from liability for damages. In addition, certain liabilities, such as claims of third parties for which we may be required to indemnify our clients or liability for breaches of confidentiality, are generally not limited under those agreements. Our MSAs are governed by laws of multiple jurisdictions, therefore the interpretation of such provisions, and the availability of defenses to us, may vary, which may contribute to the uncertainty as to the scope of our potential liability. Although we have commercial general liability insurance coverage, the coverage may not continue to be available on acceptable terms or in sufficient amounts to cover one or more large claims and our insurers may disclaim coverage as to any future claims.

The successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have a material adverse effect on our reputation, business, results of operations and financial condition. It is also possible that future results of operations or cash flows for any particular quarterly or annual period could be materially adversely affected by an unfavorable resolution of these matters. In addition, these matters divert management and personnel resources away from operating our business. Even if we do not experience significant monetary costs, there may be adverse publicity or social media attention associated with these matters that could result in reputational harm, either to us directly or to the industries or geographies we operate in, that may materially adversely affect our business, client or employee relationships. Further, defending against these claims can involve potentially significant costs, including legal defense costs.

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

In the United States, federal and state measures aimed at limiting or restricting, or requiring disclosure of offshore outsourcing have been occasionally proposed and enacted. In addition, public figures in the United States continue to suggest that U.S. businesses be subjected to tax or other adverse consequences for outsourcing, with incentives for returning outsourced operations to the United States, although it is not known what specific measures might be proposed or how they would be implemented and enforced, or whether emerging or enacted tax reform or other near-term Congressional action will affect companies' outsourcing practices. For example, in 2020, the Coronavirus Aid, Relief, and Economic Security Act authorized a short-lived business loan program that prohibited loan recipients from outsourcing or offshoring jobs for the term of the loan and two years after completing repayment of the loan. One pending legislative proposal in the U.S. Congress would extend export control regulations and licensing requirements to certain exports of personal information. In January 2021, the new U.S. President established a national Made in America policy to use the terms and conditions of Federal financial assistance awards and Federal procurements to maximize the use of goods, products, and materials produced in, and services offered in, the United States. It is not yet known how this policy will be implemented and whether its impact will extend beyond Federal financial assistance and procurement.

There can be no assurance that pending or future legislation or executive action in the United States that would significantly adversely affect our business, results of operations, and financial condition will not be enacted.

Legislation enacted in certain European jurisdictions and any future legislation in Europe, Japan or any other country in which we have clients restricting the performance of business process services from an offshore location or imposing burdens on companies that outsource data processing functions could also have a material adverse effect on our business, results of operations and financial condition. For example, evolving EU cloud computing standards and regulations and proposed taxes on outsourced data center activities or new EU and Japanese regulations on international transfers of personal data may limit or restrict our operations, or make them more costly. Moreover, legislation enacted in the United Kingdom and by many EU countries provides that if a company outsources all or part of its business to a service provider or changes its current service provider, the affected employees of the company or of the previous service provider are entitled to become employees of the new service provider, generally on the same terms and conditions as their original employment. In addition, dismissals of employees who were employed by the company or the previous service provider immediately prior to that outsourcing, if the dismissals resulted solely or principally from the outsourcing, are automatically considered unfair dismissals that entitle such employees to compensation. As a result, in order to avoid unfair dismissal claims we may have to offer, and become liable for, voluntary redundancy payments to the employees of our clients in the United Kingdom and other EU countries who have adopted similar laws who transfer business to us. Additionally, the United Kingdom's exit from the EU and the associated changes in trade relations could result in increased costs, delays, and regulatory complexity in our business involving the United Kingdom.

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

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

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

In particular, our collection, use, disclosure, and retention of personal health-related and other information is subject to an array of privacy, data security, and data breach notification laws and regulations that change frequently, are inconsistent across the jurisdictions in which we do business, and impose significant compliance costs. Changes in these laws and regulations and inconsistencies in the standards that apply to our business in different jurisdictions may impose significant compliance costs, reduce the efficiency of our operations, and expose us to enforcement risks.

In the United States, all 50 states, the District of Columbia, Guam, Puerto Rico and the Virgin Islands have enacted legislation requiring notice to individuals of security breaches of information involving personally identifiable information. In addition, the California Consumer Privacy Act, or the CCPA, went into effect in January 2020. The CCPA imposes privacy and data security obligations on companies and provides California consumers with certain rights as data subjects. Several other U.S. states have proposed data privacy laws that impose similar but non-identical obligations. In addition, some states have passed laws imposing increased data security and breach notification obligations on companies operating in the U.S. In the EU, the General Data Protection Regulation, or the GDPR, imposes privacy and data security compliance obligations and significant penalties for noncompliance. The GDPR presents numerous privacy-related changes for companies operating in the EU, including rights guaranteed to data subjects, requirements for data portability for EU consumers, data breach notification requirements and significant fines for noncompliance. In GDPR enforcement matters, companies have faced fines for violations of certain provisions. Fines can reach as high as 4% of a company's annual total revenue, potentially including the revenue of a company's international affiliates. Additionally, foreign governments outside of the EU are also taking steps to fortify their data privacy laws and regulations. For example, some countries in Africa, Asia and Latin America, including Brazil and Egypt, where we have operations, are implementing or considering GDPR-like data protection laws. Evolving laws and regulations in India protecting the use of personal information could also impact our engagements with clients, vendors and employees in India. One proposal currently being considered in India relates to the regulation of cross-border transfers of sensitive personal information and has potentially broad-reaching implications in the backdrop of cloud computing. Given the size and scope of our operations in India, the costs of compliance with Indian data privacy laws, and any fines or penalties for breaches thereof, could be significant and could have a material adverse effect on our business, financial condition and results of operations. As privacy laws and regulations around the world continue to evolve, these changes and others could adversely affect our business operations, websites and mobile applications that are accessed by residents in the applicable countries.

In addition, in many parts of the world, including countries in which we operate and/or seek to expand, common practices in the local business community might not conform to international business standards and could violate anticorruption laws or regulations, including the U.S. Foreign Corrupt Practices Act and the UK Bribery Act 2010. Our employees, subcontractors, agents, joint venture partners, the companies we acquire and their employees, subcontractors and agents, and other third parties with which we associate, could take actions that violate policies or procedures designed to promote legal and regulatory compliance or applicable anticorruption laws or regulations. Violations of these laws or regulations by us, our employees or any of these third parties could subject us to criminal or civil enforcement actions

(whether or not we participated or knew about the actions leading to the violations), including fines or penalties, disgorgement of profits and suspension or disqualification from work, any of which could materially adversely affect our business, including our results of operations and our reputation.

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

Historically, we have derived a significant portion of our revenues from GE. In 2018, 2019 and 2020, GE accounted for 9%, 14% and 12% of our revenues, respectively. In the past, GE has divested businesses we served, including a significant portion of its GE Capital business. We expect that our services for GE will decline in the future if GE pursues further divestitures. We intend to continue to make efforts to procure contracts with respect to GE's divested businesses and have entered into contracts with several divested GE businesses; however, there can be no assurance that we will be able to continue to procure any such contracts following any future divestitures or that such contracts would be on favorable terms. GE is not obligated to provide us with any exclusivity or opportunity to work on GE projects and GE is not required to purchase a minimum amount of services from us. In addition, GE has the right to terminate our services in whole or in part for any reason by providing us with a short period of advance notice. Any material loss of business from, or change in relationship with, GE could have a material adverse effect on our business, results of operations and financial condition. Further, our revenues from GE may be more volatile in the future and this volatility could have a material adverse effect on our business and results of operations. See Item 7—"Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Net Revenues" for further information regarding our relationship with GE.

We expect that our business with GE will continue to come from a variety of GE's businesses and that, in general, GE's decisions to use our services will continue to be made by a number of people within GE. Therefore, although some decisions may be made centrally at GE, we expect that the total level of business we receive will continue to depend on the decisions of the various operating managers of such businesses. Any of the foregoing events could have a material adverse effect on our business, results of operations and financial condition.

Our revenues are highly dependent on clients located in the United States and Europe, as well as on clients that operate in certain industries.

In 2020, more than 70% of our revenues were derived from clients based in North America and more than 15% of our revenues were derived from clients based in Europe. Additionally, in 2020, more than 25% of our revenues were derived from clients in the financial services industry, which includes insurance.

The COVID-19 pandemic has adversely affected economic activity in the United States and Europe and activity in certain industries in which our clients operate. In addition, a number of other factors could adversely affect our ability to do business in the United States or Europe, which could in turn have a material adverse effect on our business, results of operations and financial condition. For example, Brexit has created, and continues to create, political and economic uncertainty about the future relationship between the United Kingdom and the EU and as to whether any other European countries may similarly seek to exit the EU. We have operations in the United Kingdom and a number of countries in the EU and our global operations serve clients with operations in these regions, and as a result our business, financial condition and results of operations may be impacted by such uncertainty and by the terms of the United Kingdom's withdrawal from the EU.

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

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

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

From time to time we also enter into agreements that include unique service level delivery requirements or novel pricing arrangements with which we have no experience and that may be unique in the industry. These projects can include performance targets that become more rigorous over the term of the contracts and service delivery components that are partially subjective by design, and we may be unable achieve such targets or to satisfy our clients' expectations in delivering such services. Our failure to deliver such engagements to our clients' expectations could result in termination of client contracts, and we could be liable to our clients for penalties or damages or suffer reputational harm. We may also discover that we have not priced such engagements appropriately, which could adversely affect our profitability and results of operations.

Our partnerships, alliances and relationships with third-party suppliers and contractors and other third parties with whom we do business expose us to a variety of risks that could have a material adverse effect on our business.

Our partnerships and alliances and our relationships with a variety of third parties, including suppliers, contractors and others, expose us to a variety of risks that could have a material adverse effect on our business, and we may not be successful in mitigating such risks. Our operations depend on our ability to anticipate our needs for products and services, as well as our suppliers' ability to deliver sufficient quantities and quality of products and services at reasonable prices and in time for us to meet commitments for the delivery of our own services. In addition, we must adequately address quality issues associated with our services, including with respect to any third-party components to our services. Any performance failure on the part of our partners or the third parties with whom we do business could delay our performance of client deliverables, which could deprive us of potential revenue. Additionally, our partners, third-party suppliers and contractors and other third parties with whom we do business may not be able to comply with current good business practices or applicable laws or regulatory requirements. Our failure, or the failure of such third parties, to comply with applicable laws and regulations could result in sanctions being imposed on us, including fines, injunctions, civil penalties and criminal prosecutions, any of which could significantly and adversely affect our business.

We may have limited control over the amount and timing of resources that our partners and third parties with whom we do business dedicate to their arrangements with us. Our ability to generate revenues from these arrangements will depend on our partners' or other third parties' desire and ability to successfully perform the functions assigned to them in these arrangements. Further, certain of our suppliers, partners and other contractors may decide to discontinue conducting business with us.

In addition, we are a party to a number of license agreements with third parties and expect to enter into additional licenses in the future. Our existing licenses impose, and we expect that future licenses will impose, various obligations and restrictions on us. If we fail to comply with these obligations and restrictions, the licensor may have the right to terminate the license, in which event we might not be able to market any product or service that is covered by these agreements, which could materially adversely affect our business. Termination of these license agreements or reduction or elimination of our licensed rights may result in our having to negotiate new or reinstated licenses with less favorable terms, or cause us to lose rights in important intellectual property or technology.

Any of the foregoing may prevent us from working with our partners or third parties with whom we do business and could subject us to losses, affect our ability to bring products and services to market, cause us to fail to satisfy our client obligations and harm our reputation.

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

Our industry relies on large numbers of skilled employees and our success depends on our ability to attract, train and retain a sufficient number of qualified employees. Historically, high employee attrition has been common in our industry. In 2020, our attrition rate for all employees who were employed for a day or more was 20%, down from 28% in 2019. This reduction was primarily due to the COVID-19 pandemic. We cannot assure you that we will be able to reduce our level of attrition further or maintain our attrition rate at the 2020 level. If our attrition rate increases, our operating efficiency and productivity may decrease.

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

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

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

Our results of operations could be adversely affected over time by certain movements in exchange rates, particularly if the Indian rupee or other currencies in which we incur expenses appreciate against the U.S. dollar or if the currencies in which we receive revenues, such as the euro, depreciate against the U.S. dollar. Although we take steps to hedge a substantial portion of our foreign currency exposures, there is no assurance that our hedging strategy will be successful or that the hedging markets will have sufficient liquidity or depth for us to implement our strategy in a cost effective manner. In addition, in some countries, such as India, China, Romania and the Philippines, we are subject to legal restrictions on hedging activities, as well as convertibility of currencies, which could limit our ability to use cash generated in one country in another country and could limit our ability to hedge our exposures. Finally, our hedging policies only

provide near term protection from exchange rate fluctuations. If the Indian rupee or other currencies in which we incur expenses appreciate against the U.S. dollar, we may have to consider additional means of maintaining profitability, including by increasing pricing, which may or may not be achievable. See also Item 7—“Management’s Discussion and Analysis of Financial Condition and Results of Operations—Overview—Net Revenues—Foreign exchange gains (losses), net.”

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

A portion of our business depends on the ability of our employees to obtain the necessary visas and entry permits to do business in the countries where our clients and, in some cases, our delivery centers, are located. In recent years, in response to terrorist attacks, the COVID-19 pandemic and related border controls, global unrest and political rhetoric, immigration authorities generally, and those in the United States in particular, have increased the level of scrutiny in granting visas. If the COVID-19 pandemic persists for an extended period, further terrorist attacks occur, global unrest intensifies, or nationalistic political trends continue, then obtaining visas for our personnel may become even more difficult. Local immigration laws may also require us to meet certain other legal requirements as a condition to obtaining or maintaining entry visas. Countries where our clients may be located, including the United States, may through legislation or regulation restrict the number of visas or entry permits available. In general, immigration laws are subject to legislative change and varying standards of application and enforcement due to political forces, economic conditions, terrorist attacks or other events. In addition, there is currently uncertainty with respect to immigration laws and standards in the United States as the current U.S. President pursues legislation and policy changes to reform U.S. immigration laws and to reverse some immigration policies of the prior administration. Recent U.S. actions to reduce the number of first-time and renewal H-1B and H-4 temporary, or non-immigrant, visas could result in fewer employees eligible to work for us in the United States under those programs, as could executive actions that prohibit citizens of designated countries from emigrating to and/or working in the United States. In recent years, the United States has broadly prohibited immigrant visas from several designated countries, and it is not currently known what, if any, visa restrictions might be proposed in the future or how they would be implemented or enforced.

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

Our future success substantially depends on the continued service and performance of the members of our senior leadership team. These personnel possess business and technical capabilities that are difficult to replace. Our employment agreement with our Chief Executive Officer does not obligate him to work for us for any specified period. In early 2020, one of our executive officers who had a long tenure with the Company resigned to take a leadership role at another company. If we lose other key members of our senior leadership team, we may not be able to effectively manage our current operations or meet ongoing and future business challenges, and this may have a material adverse effect on our business, results of operations and financial condition.

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

On August 9, 2018, we entered into an amended and restated five-year credit agreement with certain financial institutions as lenders which replaced our prior credit facility. The amended and restated credit agreement provides for a \$680 million term credit facility and a \$500 million revolving credit facility, each of which may be increased subject to certain conditions. The credit agreement obligations are unsecured, and guaranteed by certain subsidiaries. As of December 31, 2020, the total amount due under the credit facility, including the amount utilized under the revolving facility, was \$846 million. The credit agreement contains covenants that require maintenance of certain financial ratios, including consolidated leverage and interest coverage ratios, and also, under certain conditions, restrict our ability to incur additional indebtedness, create liens, make certain investments, pay dividends or make certain other restricted payments, repurchase common shares, undertake certain liquidations, mergers, consolidations and acquisitions and dispose of certain assets or subsidiaries, among other things. If we breach any of these restrictions and do not obtain a waiver from the lenders, subject to applicable cure periods the outstanding

indebtedness (and any other indebtedness with cross-default provisions) could be declared immediately due and payable, which could adversely affect our liquidity and financial condition.

On March 27, 2017, we issued \$350.0 million aggregate principal amount of 3.70% senior notes, or the 2022 notes, in a private offering. On July 24, 2018, an exchange offer was completed and all outstanding unregistered 2022 notes were exchanged for freely tradable 2022 notes registered under the Securities Act of 1933, as amended. As of December 31, 2020, the amount outstanding under the registered 2022 notes, net of debt expense of \$0.7 million, was \$349.3 million, which is payable on April 1, 2022 when the 2022 notes mature. We are required to pay interest on the 2022 notes semi-annually in arrears on April 1 and October 1 of each year, ending on the maturity date.

On November 18, 2019, we issued \$400 million aggregate principal amount of 3.375% senior notes, or the 2024 notes, in an underwritten public offering. As of December 31, 2020, the amount outstanding under the 2024 notes, net of debt amortization expense of \$2.3 million, was \$397.7 million, which is payable on December 1, 2024 when the notes mature. We are required to pay interest on the 2024 notes semi-annually in arrears on June 1 and December 1 of each year, ending on the maturity date.

The 2022 notes and 2024 notes were issued by, and are senior unsecured indebtedness of, Genpact Luxembourg S.à r.l., our indirect wholly owned subsidiary, and are guaranteed on a senior unsecured basis by Genpact Limited. The 2022 notes and 2024 notes are subject to certain customary covenants set forth in their respective governing indentures, including limitations on our ability to incur debt secured by liens, engage in certain sale and leaseback transactions and consolidate, merge, convey or transfer our assets. Upon certain change of control transactions, we would be required to make an offer to repurchase the 2022 notes and the 2024 notes, as applicable, at a price equal to 101% of the aggregate principal amount of such notes, plus accrued and unpaid interest. The interest rate payable on the 2022 notes and the 2024 notes is subject to adjustment if the credit rating of the 2022 notes or 2024 notes, as applicable, is downgraded up to a maximum increase of 2.0%. We may redeem the 2022 notes and 2024 notes at any time in whole or in part, at a redemption price equal to 100% of the principal amount of the notes redeemed, together with accrued and unpaid interest or, if redemption occurs prior to, in the case of the 2022 notes March 1, 2022 and, in the case of the 2024 notes, November 1, 2024, a specified "make-whole" premium. The 2022 notes and 2024 notes are our senior unsecured obligations and rank equally with all our other senior unsecured indebtedness outstanding from time to time.

Our indebtedness and related debt service obligations can have negative consequences, requiring us to dedicate significant cash flow from operations to the payment of principal and interest on our debt, which reduces the funds we have available for other purposes such as acquisitions and capital investment; limiting our ability to obtain additional financing and limiting our ability to undertake strategic acquisitions; increasing our vulnerability to adverse economic and industry conditions, including by reducing our flexibility in planning for or reacting to changes in our business and market conditions; and exposing us to interest rate risk since a portion of our debt obligations are at variable rates. We may incur more debt in the future, and there can be no assurance that our cost of funding will not substantially increase.

A portion of our indebtedness, including borrowings under our credit facility, bears interest at variable interest rates primarily based on LIBOR. The U.K. Financial Conduct Authority, which regulates LIBOR, announced in July 2017 that it will no longer compel banks to submit rates for the calculation of LIBOR after 2021. Accordingly, there is considerable uncertainty regarding the publication of such rates beyond 2021. The full impact of such reforms and actions, together with any transition away from LIBOR, including the discontinuance of LIBOR publication, remains unclear, and at this time it is not possible to predict the effect any discontinuance of LIBOR as a reference rate will have on us. These changes may have an adverse impact on the availability and costs of borrowings by us since we have LIBOR-based debt obligations.

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

We often face a long selling cycle to secure a new contract. If we are successful in obtaining an engagement, that is generally followed by a long implementation period in which the services are planned in detail and we demonstrate to a client that we can successfully integrate our processes and resources with their operations. During this time a contract is also negotiated and agreed. There is then a long ramping up

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

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

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

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

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

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

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

Our operating results may experience significant fluctuations.

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

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

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

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

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

Our business depends on our ability to successfully obtain payment from our clients of the amounts they owe us for work performed. We evaluate the financial condition of our clients and usually bill and collect on relatively short cycles. We have established allowances for losses of receivables and unbilled services. Actual losses on client balances could differ from those that we currently anticipate, and, as a result, we might need to adjust our allowances. We might not accurately assess the creditworthiness of our clients. Macroeconomic conditions, including the impact of the COVID-19 pandemic, could also result in financial difficulties for our clients, including bankruptcy and insolvency. Additionally, cyberattacks on any

of our clients could disrupt their internal systems and capability to make payments. The occurrence of such events could cause clients to delay payments to us, request modifications to their payment arrangements that could increase our receivables balance, or default on their payment obligations to us. If we experience an increase in the time to bill and collect for our services, our cash flows could be adversely affected.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Southern Asia has from time to time experienced instances of civil unrest and hostilities among neighboring countries, including India and Pakistan. In recent years, military confrontations between India and Pakistan have occurred in the region of Kashmir and along the India/Pakistan border. There have also been incidents in and near India, such as continued terrorist activity around the northern border of India, troop mobilizations along the India/Pakistan border and an aggravated geopolitical situation in the region. In addition, in 2020, there was a series of conflicts between India and China along their shared border, and although both countries are making efforts to de-escalate these conflicts, there can be no assurance that tensions in the area will diminish in the near future. Such military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult. Resulting political tensions could create a greater perception that investments in companies with Indian operations involve a high degree of risk, and that there is a risk of disruption of services provided by companies with Indian operations, which could have a material adverse effect on our share price and/or the market for our services. Furthermore, if India or bordering countries were to become engaged in armed hostilities, particularly hostilities that were protracted or involved the threat or use of nuclear weapons, we might not be able to continue our operations. We generally do not have insurance for losses and interruptions caused by terrorist attacks, military conflicts and wars.

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

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

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

We may engage in strategic transactions that could create risks.

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

Acquisitions, including completed acquisitions, also pose the risk that any business we acquire may lose clients or employees or could under-perform relative to expectations. We could also experience financial or other setbacks if transactions encounter unanticipated problems, including problems related to execution, integration or unknown liabilities. Although we conduct due diligence in connection with our acquisitions, there could be liabilities that we fail to discover, that we inadequately assess or that are not properly disclosed to us. Any material liabilities associated with our acquisitions could harm our business, results of operations and financial condition. Following the completion of an acquisition, we may have to rely on the seller to provide administrative and other support, including financial reporting and internal controls, to the acquired business for a period of time. There can be no assurance that the seller will do so in a manner that is acceptable to us.

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

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

Economic substance requirements in Bermuda could adversely affect us.

Harmful tax practices have become the focus of increased scrutiny from the EU. Following a 2017 assessment by the Code of Conduct Group (Business Taxation), or the COCG, which included Bermuda in a list of jurisdictions required by the EU to address the COCG's concerns relating to the demonstration of economic substance, the Bermuda Government implemented legislation which brought certain substance requirements into force in 2019 for currently existing Bermuda entities. The introduction of the substance regime in Bermuda may present difficulties for us. Pursuant to the economic substance requirements, core income generating activities carried out by Bermuda companies must be undertaken in Bermuda. To satisfy these requirements, we may be required to conduct additional activities in Bermuda. The substance requirements could be difficult to manage or implement, and compliance with the requirements could be difficult or costly and could have a material adverse effect on us or our operations.

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

As of December 31, 2020, we had \$1,695.7 million of goodwill and \$236.7 million of intangible assets. We periodically assess these assets to determine if they are impaired and we monitor for impairment of goodwill relating to all acquisitions and our formation in 2004. Goodwill is not amortized but is tested for impairment at least on an annual basis as of December 31 of each year, based on a number of factors including macro-economic conditions, industry and market considerations, overall financial performance, business plans and expected future cash flows. Impairment testing of goodwill may also be performed between annual tests if an event occurs or circumstances change that would more likely than not reduce the

fair value of goodwill below its carrying amount. We perform an assessment of qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Based on the results of the qualitative assessment, the Company performs the quantitative assessment of goodwill impairment if it determines that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the book value of our goodwill and other intangible assets is impaired, any such impairment would be charged to earnings in the period of impairment. We cannot assure you that any future impairment of goodwill and other intangible assets will not have a material adverse effect on our business, financial condition or results of operations.

Risks Related to our Shares

The issuance of additional common shares by us or the sale of our common shares by our employees could dilute our shareholders' ownership interest in the Company and could significantly reduce the market price of our common shares.

Sales of a substantial number of our common shares in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common shares.

We have issued a significant number of equity awards under our equity compensation plans. The shares underlying these awards are or, with respect to certain option grants, will be registered on a Form S-8 registration statement. As a result, upon vesting these shares can be freely exercised and sold in the public market upon issuance, subject to volume limitations applicable to affiliates. The exercise of options and the subsequent sale of the underlying common shares or the sale of common shares upon vesting of other equity awards could cause a decline in our share price. These sales also might make it difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

Certain of our employees, executive officers and directors have entered or may enter into Rule 10b5-1 plans providing for sales of our common shares from time to time. Under a Rule 10b5-1 plan, a broker executes trades pursuant to parameters established by the employee, director or officer when entering into the plan, without further direction from the employee, officer or director. A Rule 10b5-1 plan may be amended or terminated in some circumstances. Our employees, executive officers and directors may also buy or sell additional shares outside of a Rule 10b5-1 plan when they are not in possession of material, nonpublic information.

In addition, we may in the future engage in strategic transactions that could dilute our shareholders' ownership and cause our share price to decline. Sales of substantial amounts of our common shares or other securities by us could also dilute our shareholders' interests, lower the market price of our common shares and impair our ability to raise capital through the sale of equity securities.

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

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

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

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

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

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

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

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

- terrorist attacks, natural disasters, epidemics or pandemics (including the COVID-19 pandemic), or other such events impacting countries where we or our clients have operations;
- actual or anticipated fluctuations in our quarterly and annual operating results;
- changes in financial estimates by securities research analysts;
- changes in the economic performance or market valuations of other companies engaged in providing business process and information technology services;
- loss of one or more significant clients;
- addition or loss of executive officers or key employees;
- regulatory developments in our target markets affecting us, our clients or our competitors;

- announcements of technological developments;
- limited liquidity in our trading market;
- sales or expected sales of additional common shares, either by us, our employees, or any of our shareholders, or purchases or expected purchases of common shares, including by us under existing or future share repurchase programs, which purchases are at the discretion of our board of directors and may not continue in the future; and
- actions or announcements by activist shareholders or others.

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

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

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

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We have delivery centers in 20 countries. We have a mixture of owned and leased properties and substantially all of our leased properties are leased under long-term leases with varying expiration dates. We believe that our properties and facilities are suitable and adequate for our present purposes and are well-maintained.

Item 3. Legal Proceedings

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

Item 4. Mine Safety Disclosures

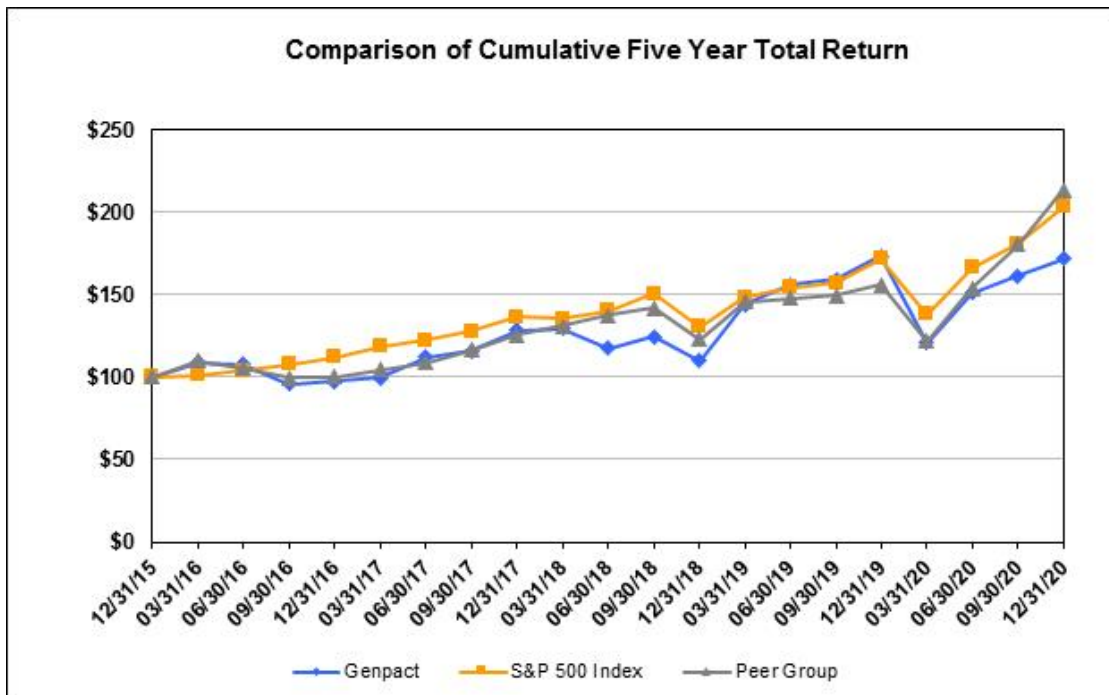
Not applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities
Stock Price Information and Stockholders

The principal market on which the Company’s common shares are traded is the New York Stock Exchange under the symbol “G.” As of January 31, 2021, there were 36 holders of record of our common shares.

The following graph and table compare the performance of an investment in our common shares (measured as the cumulative total shareholder return) with investments in the S&P 500 Index (market capitalization weighted) and a peer group of companies for the period from January 1, 2016 to December 31, 2020. The selected peer group for the period presented is comprised of six companies that we believe are our closest reporting issuer competitors: Accenture plc, Cognizant Technology Solutions Corp., ExlService Holdings, Inc., Infosys Technologies Limited, Wipro Technologies Limited, and WNS (Holdings) Limited. The returns of the component entities of our peer group index are weighted according to the market capitalization of each company as of the end of each period for which a return is presented. The returns assume that \$100 was invested on December 31, 2015 and that all dividends were reinvested. The performance shown in the graph and table below is historical and should not be considered indicative of future price performance.



	3/31/16	6/30/16	9/30/16	12/31/16	3/31/17
Genpact	108.85	107.45	95.88	97.44	99.37
Peer Group	109.66	105.51	99.80	100.22	104.59
S&P 500	101.35	103.84	107.84	111.96	118.75
	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18
Genpact	111.93	115.88	128.17	129.49	117.39
Peer Group	108.93	116.42	125.78	131.04	137.32
S&P 500	122.42	127.90	136.40	135.37	140.02
	9/30/18	12/31/18	3/31/19	6/30/19	9/30/19
Genpact	124.51	110.08	143.84	156.10	159.14
Peer Group	141.80	123.10	145.82	148.09	149.50
S&P 500	150.81	130.42	148.22	154.60	157.23
	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20
Genpact	173.55	120.47	151.07	161.53	171.94
Peer Group	156.21	121.82	153.57	180.18	213.51
S&P 500	171.49	137.88	166.20	181.05	203.04

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

Dividends

In February 2020, our board of directors approved a 15% increase in our quarterly cash dividend to \$0.0975 per common share, representing an annual dividend of \$0.39 per common share. In 2020, dividends were declared in February, May, July and October and paid in March, June, September and December. In February 2021, our board of directors approved a 10% increase in our quarterly cash dividend to \$0.1075 per common share, representing a planned annual dividend of \$0.43 per common share for 2021. Any future dividends will be at the discretion of the board of directors and subject to Bermuda and other applicable laws.

Unregistered Sales of Equity Securities

None.

Purchase of Equity Securities by the Issuer and Affiliated Purchasers

Share repurchase activity during the three months ended December 31, 2020 was as follows:

Period	Total Number of Shares Purchased	Average Price Paid per Share (\$)	Total Number of Shares Purchased as Part of Publicly Announced Plan or Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan or Program (\$)
October 1-October 31, 2020	1,105,000	38.41	1,105,000	158,042,605
November 1-November 30, 2020	354,992	39.30	354,992	144,090,154
December 1-December 31, 2020	170,323	41.64	170,323	136,998,231
Total	1,630,315	38.94	1,630,315	

In February 2021, our board of directors authorized a \$500 million increase to our existing \$1.25 billion share repurchase program, first announced in February 2015, bringing the total authorization under our existing program to \$1.75 billion. This repurchase program does not obligate us to acquire any specific number of shares and does not specify an expiration date. All shares repurchased under the plan have been cancelled. See Note 19—“Capital stock” to our consolidated financial statements under Part IV, Item 15—“Exhibits and Financial Statement Schedules” for additional information.

Item 6. Selected Financial Data

The table below presents selected historical financial data.

We prepare our consolidated financial statements in accordance with U.S. generally accepted accounting principles, or U.S. GAAP. Financial data as of December 31, 2019 and 2020 and for the three-year period ended December 31, 2020 have been derived from our audited consolidated financial statements included elsewhere in this Annual Report on Form 10-K. Financial data as of December 31, 2016, 2017 and 2018 and for the years ended December 31, 2016 and 2017 have been derived from our audited consolidated financial statements not included in this Annual Report on Form 10-K.

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

	Year ended December 31,				
	2016	2017	2018	2019	2020
	(dollars and share count in millions, except per share data)				
Statement of income data:					
Total net revenues	\$ 2,570.8	\$ 2,736.9	\$ 3,000.9	\$ 3,520.5	\$ 3,709.4
Income from operations	\$ 341.2	\$ 331.3	\$ 348.2	\$ 429.4	\$ 438.7
Net income available to Genpact Limited common shareholders	\$ 269.7	\$ 263.1	\$ 282.0	\$ 304.9	\$ 308.3
Earnings per common share					
Basic	\$ 1.30	\$ 1.36	\$ 1.48	\$ 1.60	\$ 1.62
Diluted	\$ 1.28	\$ 1.34	\$ 1.45	\$ 1.56	\$ 1.57
Weighted average number of common shares used in computing earnings per common share					
Basic	206.9	193.9	190.7	190.1	190.4
Diluted	210.1	197.0	194.0	195.2	195.8
Cash dividend per common share	\$ —	\$ 0.24	\$ 0.30	\$ 0.34	\$ 0.39

	As of December 31,				
	2016	2017	2018	2019	2020
	(dollars in millions)				
Balance sheet data:					
Cash and cash equivalents	\$ 422.6	\$ 504.5	\$ 368.4	\$ 467.1	\$ 680.4
Total assets ⁽¹⁾	2,885.9	3,449.6	3,529.4	4,454.2	4,873.5
Operating lease liabilities ⁽²⁾	-	-	-	359.8	345.8
Long-term debt, including current portion	737.3	1,045.9	1,009.1	1,373.3	1,340.9
Genpact Limited shareholders’ equity	\$ 1,286.6	\$ 1,424.0	\$ 1,404.2	\$ 1,698.2	\$ 1,834.2

- (1) On January 1, 2020, we adopted Accounting Standard Update No. 2016-13, Financial Instruments- Credit Losses (Topic 326). Prior period amounts have not been adjusted under the modified retrospective method.
- (2) On January 1, 2019, we adopted Accounting Standards Update No. 2016-02, Leases (Topic 842). Prior period amounts have not been adjusted under the modified retrospective method.

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

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

COVID-19 Update

The impact of the COVID-19 pandemic, including changes in consumer behavior, pandemic fears and market downturns, and restrictions on business activities, has created significant volatility in the global economy and led to reduced economic activity. There have been various actions taken by international, federal, state, and local public health and governmental authorities to contain and combat the outbreak and spread of the COVID-19 pandemic in regions throughout the world, including travel bans, quarantines, “stay-at-home” orders, and similar mandates for many individuals to substantially restrict daily activities and for many businesses to curtail or cease normal operations. Although restrictions have been eased in many locations, some areas that had previously eased restrictions have reverted to certain limitations on daily activities. 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. We also provide additional information about the effects of the COVID-19 pandemic on our business and results of operations in other relevant sections of this Annual Report on Form 10-K.

The safety and well-being of our employees have been and will continue to be a top priority during this global crisis, followed immediately by continuing to deliver high-quality services to our clients. The remote work arrangements that we implemented in 2020 remain in place in most locations. For the limited number of employees who have returned to our offices, we have implemented new safety, cleaning and medical screening procedures in our offices.

We have also created a response team, which includes members of our Global Leadership Council, to coordinate and oversee our actions in response to the COVID-19 pandemic, including with respect to business continuity planning, revenue and profitability, transformation service offerings to address new and developing client needs, and human resource policies. We believe that this coordinated effort will maximize our flexibility and allow us to quickly implement necessary protocols for devising unique solutions to the problems we and our clients are facing and may face in the future in relation to the pandemic.

In addition, we took a series of actions during 2020 to address the challenges being placed on our operations by the pandemic and the potential impact to our business in the near term and to protect the long-term health of our business. For additional information, see Note 29 – “Restructuring” to our consolidated financial statements under Part IV, Item 15 – “Exhibits and Financial Statement Schedules.”

We continue to evaluate market conditions and are taking precautionary measures to strengthen our financial position, including reevaluating the pace of our investment plans, hiring practices, investments in capital assets, use of our real estate and facilities, and discretionary spending, including marketing and travel expenses. We maintained a strong liquidity position in 2020, ending the year with \$680.4 million of consolidated cash and cash equivalents.

The pandemic had an adverse impact on our 2020 financial results, including total bookings for 2020 that were lower than 2019. Despite the uncertain environment, total net revenue increased 5.4% year-over-year, or 5.6% on a constant currency basis.¹ Global Client revenue, which represented 87.6% of total net revenue, increased 6.8% year-over-year, or 7.0% on a constant currency basis.¹ This performance was largely driven by transformation services, bolstered by strong growth in our analytics services. While we are

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.

expecting revenue growth to improve as we progress through 2021, we are still anticipating that many of the impacts we experienced in 2020 related to demand, profitability and cash flows may continue into future periods depending on the severity and duration of the pandemic.

We continue to actively monitor the COVID-19 pandemic and may take further actions that alter our business operations as may be required by any regulatory authorities or that we determine are in the best interests of our employees, customers, suppliers and shareholders.

For additional information about the risks we face in relation to the 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” and the other risks set forth under Part I, Item 1A—“Risk Factors” in this Annual Report on Form 10-K.

Overview

Our 2020 revenues were \$3.709 billion, an increase of 5.4% year-over-year, or 5.6% on a constant currency basis.²

Net Revenues

Revenue by top clients. The table below sets forth the percentage of our total net revenues derived from our largest clients, including the General Electric Company, or GE, in the years ended December 31, 2019 and 2020:

	Percentage of Total Net Revenues	
	Year ended December 31,	
	2019	2020
Top five clients	28.4 %	29.0 %
Top ten clients	37.2 %	38.5 %
Top fifteen clients	43.1 %	45.1 %
Top twenty clients	47.7 %	49.9 %

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

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

Many factors affect how we price our contracts. Under some of our MSAs, we are able to share a limited amount of inflation and currency exchange risk for engagements lasting longer than 12 months. Many of our MSAs also provide that, under transaction-based and fixed-price SOWs, we are entitled to retain a portion of certain productivity benefits we achieve. However, some of our MSAs and SOWs require

² 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.

certain minimum productivity benefits to be passed on to our clients. Once an MSA and the related SOWs are signed and production of services commences, our revenues and expenses increase as services are ramped up to the agreed upon level. In many cases, we may have opportunities to increase our margins over the life of an MSA or SOW, driven by a number of factors. Our revenues include gains or losses arising upon the maturity of qualified cash flow hedges.

Under our services agreements with GE, GE has the right to terminate the MSA or any SOW in whole or in part for any reason by providing us with a short period of advance notice, subject to early termination charges where applicable. GE is not obligated to provide us with any exclusivity or opportunity to work on GE projects and GE is not required to purchase a minimum amount of services from us.

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

Classification of certain net revenues. We classify our net revenues in two categories: net revenues from Global Clients and net revenues from GE. Net revenues from Global Clients consist of revenues from services provided to all clients other than GE and the companies in which GE owns 20% or less of the outstanding equity interest. If GE ceases to own at least 20% of a business we serve and that business enters into a new agreement with us, we reclassify the revenues from such business as Global Client revenues from the date of divestiture. The impact of the reclassification of revenue from divested GE businesses to Global Client revenue in 2019 and 2020 was immaterial.

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

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

Our industry is labor-intensive. Wage levels in the countries in which our delivery centers are located have historically increased on a year-over-year basis. We attempt to address the impact of wage increases, and pressures to increase wages, in a number of ways, which include seeking to control entry-level wages, managing our attrition rate, delivering productivity and “right-skilling,” which refers to ensuring that positions are not filled by overqualified employees. We try to control increases in entry-level wages by implementing innovative recruitment policies, utilizing continuous training techniques, emphasizing promotion opportunities, and maintaining an attractive work atmosphere and culture.

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

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

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

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

Selling, general and administrative expenses. Our selling, general and administrative, or SG&A, expenses are primarily comprised of personnel expenses for senior management and other support personnel in enabling functions, such as human resources, finance, legal, marketing, sales and sales support, and other non-billable support personnel. The operational costs component of SG&A expenses also includes travel and living costs for such personnel. Additionally, the operational costs component of SG&A expenses includes acquisition related costs, legal and professional fees (which represent the costs of third-party legal, tax, accounting and other advisors), investments in research and development, digital technology, advanced automation and robotics, and an allowance for credit losses.

Amortization of acquired intangible assets. Amortization of acquired intangible assets consists of amortization expenses relating to intangible assets acquired through acquisitions.

Other operating (income) expense, net. Other operating (income) expense, net primarily consists of the impact of the change in the fair value of earn-out consideration and deferred consideration relating to business acquisitions, certain operating losses resulting from the write-down of operating lease right-of-use assets, property, plant and equipment and intangible assets and certain operating gains upon the disposition of property, plant and equipment, including a 2019 transfer of land pursuant to a co-development agreement under which we will acquire an interest in commercial property being developed on the land.

Foreign exchange gains (losses), net. Foreign exchange gains (losses), net, primarily consists of gains or losses on the re-measurement of non-functional currency assets and liabilities. In addition, it includes gains or losses from derivative contracts entered into to offset the impact of the re-measurement of non-functional currency assets and liabilities. It also includes the realized and unrealized gains or losses on derivative contracts that do not qualify for hedge accounting.

We also enter into derivative contracts to offset the impact of the re-measurement of non-functional currency expenditures and income. The gains or losses on derivative contracts that qualify for hedge accounting are deferred and included under other comprehensive income (loss) until the derivative contracts mature, at which time the gains or losses on such cash flow hedges are classified as net revenues, cost of revenue or selling, general and administrative expenses based on the underlying risk being hedged. See Note 2—"Summary of significant accounting policies" to our consolidated financial statements under Part IV, Item 15—"Exhibits and Financial Statement Schedules" and Item 7A—"Quantitative and Qualitative Disclosures about Market Risk—Foreign Currency Risk."

79% of our fiscal 2020 revenues were earned in U.S. dollars. We also received payments in euros, U.K. pounds sterling, Australian dollars, Japanese yen and Indian rupees. Our costs are primarily incurred in Indian rupees, as well as in U.S. dollars, Chinese renminbi, euros, and the currencies of the other countries in which we have operations. While some of our contracts provide for limited sharing of the risk of inflation and fluctuations in currency exchange rates, we bear a substantial portion of this risk, and therefore our operating results could be negatively affected by adverse changes in wage inflation rates and foreign

currency exchange rates. See our discussion of wage inflation under “Expenses” above. We enter into forward currency contracts, which are generally designed to qualify for hedge accounting, in order to hedge most of our net cost currency exposure between the U.S. dollar and the Indian rupee and Mexican peso, and between the euro and the Romanian leu, and our revenue currency exposure between the U.S. dollar and the U.K. pound sterling, Australian dollar, Philippine peso, Hungarian forint and euro, and between the Chinese renminbi and the Japanese yen. However, our ability to hedge such risks is limited by local law, the liquidity of the market for such hedges and other practical considerations. Thus, our results of operations may be adversely affected if we are not able to enter into the desired hedging arrangements or if our hedging strategies are not successful. See Note 2—“Summary of significant accounting policies” to our consolidated financial statements under Part IV, Item 15—“Exhibits and Financial Statement Schedules” for additional information.

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

Other income (expense), net. Other income (expense), net primarily includes changes in the fair value of deferred compensation plan assets, gains or losses on divestitures of certain businesses and certain government incentives received by our subsidiaries.

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

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

Indian taxes. Indian SEZ legislation provides for a 15-year tax holiday scheme for operations established in designated special economic zones, or SEZs. Under the SEZ legislation, qualifying operations are eligible for a deduction from taxable income equal to (i) 100% of their profits or gains derived from the export of services for a period of five years from the commencement of operations; (ii) 50% of such profits or gains for the next five years; and (iii) 50% of such profits or gains for an additional period of five years, subject to the creation of a “Special Economic Zone Re-investment Reserve Account,” to be utilized only for acquiring new plant or machinery or for other business purposes, not including the distribution of dividends. This holiday is available only for new business operations that are conducted at qualifying SEZ locations (for units which commenced operations on or before September 30, 2020) and is not available to operations formed by splitting up or reconstructing existing operations or transferring existing plant and equipment (beyond prescribed limits) to new locations. During the last thirteen years, we established new delivery centers that we believe are eligible for the SEZ benefits. However, we cannot forecast what percentage of our operations or income in India will in the future be eligible for SEZ benefits, as this will depend on how much of our business can be conducted at the qualifying locations and how much of that business can be considered to meet the restrictive conditions described above.

Our tax expense is expected to increase as a result of the expiration of our tax holidays, and our after-tax profitability is expected to be reduced, unless we can obtain comparable benefits under new legislation or otherwise reduce our tax liability. The Indian government recently enacted a law that allows companies to elect to pay reduced tax rate on all of their income provided they do not take advantage of any tax holidays or other exemptions. In response to this law, the Company currently expects to cease taking advantage of tax holidays and thereby benefit from the reduced tax rate after March 31, 2021.

Additionally, the governments of foreign jurisdictions where we deliver services may assert that certain of our clients have a “permanent establishment” in such jurisdictions by reason of the activities we perform on their behalf, particularly those clients that exercise control over or have substantial dependency

on our services. Such an assertion could affect the size and scope of the services requested by such clients in the future.

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

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

In 2009, one of our subsidiaries in China obtained a ruling from the Government of China certifying it to be a Technologically Advanced Service Enterprise. As a result, that subsidiary was subject to a lower corporate income tax rate of 15%, initially for a three-year period that began in 2009, which has been extended through December 31, 2020. Our delivery centers also enjoy corporate tax holidays or concessional tax rates in certain other jurisdictions, including the Philippines, Malaysia and Israel. These tax concessions will expire over the next few years, possibly increasing our overall tax rate.

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

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

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

Certain Acquisitions

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

On 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 \$148.9 million. This amount represents cash consideration of \$137.3 million, net of cash acquired of \$11.6 million. This acquisition increases 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 \$86.7 million has been allocated among our three reporting units as follows: Banking, Capital Markets and Insurance ("BCMI") in the amount of \$2.6 million, Consumer Goods, Retail, Life Sciences and Healthcare ("CGRLH") in the amount of \$22.2 million and High Tech, Manufacturing and Services ("HMS") in the amount of \$61.9 million, using a relative fair value allocation method. The goodwill arising from this acquisition is not deductible for income tax purposes. The goodwill represents primarily the acquired capabilities, operating synergies 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 supports our strategy to integrate experience and process innovation to help clients on their digital transformation journeys and expands on our existing experience capabilities to support end-to-end digital commerce solutions, both business-to-business and business-to-consumer. Additionally, this acquisition expands 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 \$6.5 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, operating synergies and other benefits expected to result from combining the acquired operations with our existing operations.

On November 12, 2019, we acquired 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 expands 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 paid 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. Of the total goodwill arising from this acquisition, \$91.9 million is deductible for income tax purposes. The goodwill represents primarily the acquired capabilities, operating synergies and other benefits expected to result from combining the acquired operations with our existing operations.

On January 7, 2019, we acquired 100% of the outstanding equity interests in riskCanvas Holdings, LLC, a Delaware limited liability company, for total purchase consideration of \$5.75 million. This amount includes cash consideration of \$5.7 million, net of adjustment for working capital. This acquisition expands our services in the areas of financial institution fraud, anti-money laundering and financial transaction surveillance and enhances our consulting capabilities for clients in the financial services industry. Goodwill arising from the acquisition amounted to \$2.6 million, which has been allocated to our BCMI reporting unit and is deductible for income tax purposes. The goodwill represents primarily the acquired capabilities, operating synergies and other benefits expected to result from combining the acquired operations with our existing operations.

New Bookings

New bookings is an operating or other statistical measure. We define new bookings as the total contract value of new client contracts and certain changes to existing client contracts to the extent that such contracts represent incremental future revenue. In determining total contract value for this purpose, we assume the minimum volume to which the client has committed or make a conservative projection where the client has not made a minimum volume commitment. New bookings attributable to large deals may exclude a portion of the total contract value above certain thresholds if the services are subject to certain contingencies, such as the establishment of new delivery centers or regulatory or other approvals. Regular renewals of contracts with no change in scope, which we consider business as usual, are not included as new bookings. We provide information regarding our new bookings because we believe doing so provides useful trend information regarding changes in the volume of our new business and may be a useful metric as an indicator of future revenue growth potential. New bookings is also used by management to measure our sales force productivity.

The COVID-19 pandemic had an adverse impact on our 2020 total new bookings, leading to total new bookings for 2020 that were lower than 2019. New bookings in 2020 were \$3.1 billion, compared to \$3.9 billion in 2019. There was strong momentum in Global Client new bookings in the fourth quarter of 2020 as client decision cycles appeared to return to more normalized pre-COVID-19 levels. Transformation services were embedded in 70% of our Global Client bookings in 2020, and deals with embedded transformation services made up the fastest growing segment of our pipeline. GE bookings declined in 2020 due to the year-over-year impact of the large deals we signed with GE in 2018 and 2019.

New bookings can vary significantly year to year depending in part on the timing of signing of large contracts. The types of services clients are demanding, the duration of the contract and the pace and level of client spending may impact the conversion of new bookings to revenues. For example, Intelligent Operations bookings, which are typically multi-year contracts, generally convert to revenue over a longer period of time compared to transformation services, which may include shorter cycle, project-based work.

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

Critical Accounting Policies and Estimates

A summary of our significant accounting policies is included in Note 2—“Summary of significant accounting policies” to our consolidated financial statements under Part IV, Item 15—“Exhibits and Financial Statement Schedules.” An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made and if changes in the estimate that are reasonably possible could materially impact the financial statements or require a higher degree of judgment than others in their application. We base our estimates on historical experience, contractual commitments and on various other assumptions that we believe to be reasonable under the circumstances and at the time they are made. We believe the following critical accounting policies require a higher level of management judgment and estimates than others in preparing the consolidated financial statements. Management believes that the estimates used in the preparation of the consolidated financial statements are reasonable. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates.

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

All costs we incur prior to signing a contract with a customer are expensed as incurred, except for any incremental and direct costs incurred for acquiring the contracts, such as certain sales commissions to employees or third parties, which are classified as contract cost assets and are amortized over the expected period of benefit. Contract acquisition fees or other upfront fees paid to a customer are classified as contract assets which are amortized over the expected period of benefit and recorded as an adjustment to the transaction price.

Once a contract is signed, we defer revenues from the transition of services to our delivery centers, as well as the related cost of revenue 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.

Our customer contracts sometimes also include incentive payments received for discrete benefits delivered or promised to be delivered to customers or service level agreements that could result in credits or refunds to the customers. 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.

We include offerings such as sale of licenses in certain contracts, which may be perpetual or subscription-based. We recognize upfront revenue from distinct perpetual licenses 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 when the license 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.

We price our services under a variety of arrangements, including time and materials, transaction-based and, to a lesser extent, fixed-price contracts. When services are priced on a time-and-materials basis, we charge the customers based on full-time equivalent, or FTE, rates for the personnel who will directly perform the services. The FTE rates are determined on a periodic basis, vary by category of service delivery personnel and are set at levels to reflect all of our costs, including the cost of supervisory personnel, the allocable portion of other costs, and a margin. In some cases, time-and-materials contracts are based on hourly rates of the personnel providing the services. We recognize revenues when the promised services are delivered to customers for an amount that reflects the consideration to which we expect to be entitled in exchange for those services. We accrue for revenue and unbilled receivables for services rendered between the last billing date and the balance sheet date.

In transaction-based pricing, customers are charged a fixed fee per transaction, with the fee per transaction sometimes linked to the total number of transactions processed. Some of our contracts give the customer the option to prospectively change from a time-and-materials model to a transaction-based pricing model. Revenues from services rendered under time-and-material and transaction-based contracts are recognized as the services are provided.

In the case of fixed-price contracts, including those for application development, maintenance and support services, revenues are recognized ratably over the terms of the contracts.

We sometimes enter into multiple-element revenue arrangements in which a customer may purchase a combination of our services. Revenue from multiple-element arrangements is recognized, for each element, based on an allocation of the transaction price to each performance obligation on a relative standalone basis.

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.

Timing of revenue recognition may differ from the timing of invoicing. If we receive payment in respect of services prior to the delivery of services, we recognize the payment as an advance from the customer, and it is classified as contract liability. When the related services are performed, the advance becomes revenue to the extent the services are rendered.

Significant judgements involved include (a) determining whether services are considered distinct performance obligations that should be accounted for separately rather than together where we enter into contracts with clients that include promises to transfer multiple products and services, (b) determining the standalone selling price for each distinct performance obligation and (c) estimating credits or refunds to our clients resulting from incentive payments received for discrete benefits delivered to clients or under service level agreements. In instances where a standalone selling price for a performance obligation is not directly observable, we use information that may include market conditions and other observable inputs. We estimate credit or refund amounts at contract inception and adjust them 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.

Business combinations. The application of business combination accounting requires the use of significant estimates and assumptions. We account for business combinations using the acquisition method of accounting, 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. The measurement of purchase price, including future contingent consideration, if any, and its allocation, requires significant estimates in determining the fair values of assets acquired and liabilities assumed, including with respect to intangible assets and deferred and contingent consideration. Significant estimates and assumptions we may make include, but are not limited to, the timing and amount of future revenue and cash flows based on, among other things, anticipated growth rates, customer attrition rates, and the discount rate reflecting the risk inherent in future cash flows.

Goodwill and other intangible assets. Goodwill represents the cost of acquired businesses in excess of the fair value of the identifiable tangible and intangible net assets purchased. Goodwill is tested for impairment at least on an annual basis on December 31, or as circumstances warrant based on a number of factors, including operating results, business plans and future cash flows. We perform an assessment of qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Based on our assessment of events or circumstances, we perform a quantitative assessment of goodwill impairment if it is determined that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Based on the results of our assessments of qualitative factors, we determined that the fair values of all of our reporting units are likely to be higher than their respective carrying amounts as of December 31, 2020 and December 31, 2019.

Prior to the fourth quarter of 2019, we had one reportable segment. To align with how our Chief Operating Decision Maker (CODM) manages our business, including resource allocation and performance assessment, we realigned our business segments into the following three reportable segments effective October 1, 2019: BCMI, CGRLH and HMS. See Note 10—“Goodwill and intangible assets” and Note 24—“Segment reporting” to our consolidated financial statements under Part IV, Item 15—“Exhibits and Financial Statement Schedules.” Goodwill has been allocated based on the relative fair value of each newly identified reporting unit. We tested goodwill for impairment both prior to the change in reporting units and immediately thereafter for events and conditions identified in accordance with the guidance in ASC 350, “Intangibles—Goodwill and Other.” The fair value of our reporting units was calculated using a discounted cash flow model using estimated future cash flows. The results of our evaluation demonstrated that the fair value of each reporting unit exceeded its book value as of the date of the change in reporting units.

We capitalize certain software and technology 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) the 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.

We test our intangible assets for impairment whenever events occur or changes in circumstances indicate that the related carrying amounts may not be recoverable. Determining whether we have incurred an impairment loss requires comparing the carrying amounts of the assets to the sum of future undiscounted cash flows expected to be generated by the assets. When determining the fair value of our intangible assets, we utilize various assumptions, including discount rates, estimated growth rates, economic trends and projections of future cash flows. These projections also take into account factors such as the expected impact of new client contracts, expanded or new business from existing clients, efficiency initiatives, and the maturity of the markets in which each of our businesses operates. We generally categorize intangible assets acquired individually or with a group of other assets or in a business combination as customer-related, marketing-related, technology-related, and other intangible assets. See Note 2—“Summary of significant accounting policies—Business combinations, goodwill and other intangible assets” and Note 10—“Goodwill and intangible assets” to our consolidated financial statements under Part IV, Item 15—“Exhibits and Financial Statement Schedules” for more information about how we value our intangible assets. Actual results may vary, and may cause significant adjustments to the valuation of our assets in the future.

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

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

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

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

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

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

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

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

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

Leases. At the inception of a contract, we assess whether the contract is, or contains, a lease. Our assessment is based on whether: (1) the contract involves the use of a distinct identified asset, (2) we obtain the right to substantially all the economic benefit from the use of the asset throughout the term of the contract, and (3) we have 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. The Company adopted Accounting Standards Codification Topic 842, Leases ("Topic 842"), effective January 1, 2019 and applied Topic 842 using the modified retrospective adoption approach. Leases entered into prior to January 1, 2019 have been accounted for under ASC 840 and were not reassessed.

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 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 us.

The ROU asset of finance leases is subsequently measured at cost, less accumulated amortization. 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 therefore 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.

We have elected not to separate lease and non-lease components for all of our leases, and leases with a lease term of 12 months or less from the commencement date that do not contain a purchase option are recognized as an expense on a straight-line basis over the lease term.

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

Due to rounding, the numbers presented in the tables included in this Item 7—“Management’s Discussion and Analysis of Financial Condition and Results of Operations” may not add up precisely to the totals provided.

Results of Operations

For a discussion of our results of operations for the year ended December 31, 2018, including a year-to-year comparison between 2019 and 2018, refer to Part II, Item 7, "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, 2019.

The following table sets forth certain data from our income statement for the years ended December 31, 2019 and 2020:

	Year ended December 31,		Percentage change Increase/ (Decrease)	
	2019	2020	2020 vs. 2019	
Net revenues—Global Clients	\$ 3,042.5	\$ 3,250.5	6.8	%
Net revenues—GE	478.1	458.9	(4.0)	%
Total net revenues	3,520.5	3,709.4	5.4	%
Cost of revenue	2,294.7	2,418.1	5.4	%
Gross profit	1,225.9	1,291.2	5.3	%
Gross profit margin	34.8%	34.8%		
Operating expenses				
Selling, general and administrative expenses	794.9	789.8	(0.6)	%
Amortization of acquired intangible assets	32.6	43.3	32.9	%
Other operating (income) expense, net	(31.0)	19.3	(162.3)	%
Income from operations	429.4	438.7	2.2	%
Income from operations as a percentage of net revenues	12.2%	11.8%		
Foreign exchange gains (losses), net	7.7	7.5	(3.2)	%
Interest income (expense), net	(43.5)	(49.0)	12.7	%
Other income (expense), net	5.8	3.2	(44.0)	%
Income before equity-method investment activity, net and income tax expense	399.4	400.5	0.3	%
Equity-method investment activity, net	(0.0)	-	(100.0)	%
Income before income tax expense	399.4	400.5	0.3	%
Income tax expense	94.5	92.2	(2.5)	%
Net income	304.9	308.3	1.1	%
Net income as a percentage of net revenues	8.7%	8.3%		

Fiscal Year Ended December 31, 2020 Compared to the Fiscal Year Ended December 31, 2019

Net revenues. Our net revenues were \$3,709.4 million in 2020, up \$188.8 million, or 5.4%, from \$3,520.5 million in 2019. The growth in our net revenues was primarily driven by increases in both transformation services and intelligent operations delivered to Global Clients, primarily in our CGRLH segment, high tech clients within our HMS segment and insurance clients within our BCMI segment. The impact of the COVID-19 pandemic on our net revenues in 2020 was felt in all our businesses but was most pronounced in our BCMI segment due to customer delays in approving work-from-home delivery of our services. Our overall business levels were impacted by the uncertain economic environment, which caused delays or cancellations of new projects and new orders, negatively impacting our growth.

Adjusted for foreign exchange, primarily the impact of changes in the values of the euro, Australian dollar and Indian rupee against the U.S. dollar, our net revenues grew 5.6% compared to 2019 on a constant currency basis. Revenue growth on a constant currency basis is a non-GAAP measure. We provide information about our revenue growth on a constant currency basis so that our revenue may be viewed without the impact of foreign currency exchange rate fluctuations compared to prior fiscal periods, thereby facilitating period-to-period comparisons of our business performance. Total net revenues on a constant currency basis are calculated by restating current-period activity using the prior fiscal period's foreign currency exchange rates and adjusted for hedging gains/losses.

Our average headcount increased to approximately 96,700 in 2020 from approximately 91,300 in 2019.

	Year ended December 31,		Percentage
	2019	2020	Change Increase/ (Decrease)
	(dollars in millions)		
Net revenues – Global Clients	3,042.5	3,250.5	6.8 %
Net revenues – GE	\$ 478.1	\$ 458.9	(4.0) %
Total net revenues	\$ 3,520.5	\$ 3,709.4	5.4 %

Net revenues from Global Clients in 2020 were \$3,250.5 million, up \$208.1 million, or 6.8%, from \$3,042.5 million in 2019. This increase was primarily driven by growth in services delivered to our clients in the CGRLH segment, high tech clients within our HMS segment and insurance clients within our BCMI segment. As a percentage of total net revenues, net revenues from Global Clients increased from 86.4% in 2019 to 87.6% in 2020.

Net revenues from GE were \$458.9 million in 2020, down \$19.2 million, or 4.0%, from 2019, mainly due to committed productivity and the macroeconomic impact of the COVID-19 pandemic on GE's business.

Revenues by segment were as follows:

	Year ended December 31,		Percentage
	2019	2020	Change Increase/ (decrease)
	(dollars in millions)		
BCMI	1,078.8	1,079.2	0.0%
CGRLH	1,107.5	1,264.7	14.2
HMS	1,348.6	1,388.8	3.0
Others	(14.5)	(23.3)	-
Total net revenues	3,520.5	3,709.4	5.4%

Net revenues from our BCMI segment were flat from 2019 to 2020, primarily due to an increase in revenue associated with the continued ramp-up of large new deals, largely offset by a decrease in revenue due to delayed approvals from clients to shift to a virtual operating environment. Net revenues from our CGRLH segment increased by 14.2% in 2020 compared to 2019, primarily driven by an increase in transformation services revenues, including revenue from Rightpoint, which we acquired in the fourth quarter of 2019, as well as the impact of new deals that ramped up during the year. Net revenues from our HMS segment increased by 3.0% in 2020 compared to 2019, primarily driven by an increase in transformation services, including revenue from Rightpoint, partially offset by lower revenues from clients most significantly impacted by COVID-19 pandemic, including clients in the travel and hospitality sectors. Net revenues from "Others" 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 24—"Segment reporting" to our consolidated financial statements under Part IV, Item 15—"Exhibits and Financial Statement Schedules."

Cost of revenue. Cost of revenue was \$2,418.1 million in 2020, up \$123.4 million, or 5.4%, from \$2,294.7 million in 2019. The increase in our cost of revenue was primarily due to (i) an increase in our operational headcount to support revenue growth, including in the number of onshore personnel, related to large new deals and transformation services delivery as well as from the acquisition of Rightpoint, (ii) wage inflation, (iii) a non-recurring employee severance charge related to our COVID-19 related restructuring plan (net of savings), and (iv) an increase in depreciation expense due to the expansion of

certain existing facilities and the purchase/deployment of new assets, including technology-related intangible assets, and finance leases entered into in 2020 or in late 2019. This increase was partially offset by (i) improved utilization of transformation services resources and (ii) lower discretionary spending related to actions we took in response to the impact of the COVID-19 pandemic on our business in 2020 compared to 2019. For additional information, see Note 29—“Restructuring” to our consolidated financial statements under Part IV, Item 15—“Exhibits and Financial Statement Schedules.”

Gross margin. Our gross margin was 34.8% in 2020, in line with 2019. The offsetting impact to gross margin includes a reduction driven by (i) the impact of the COVID-19 pandemic resulting in lower utilization of intelligent operations resources due to certain clients initially not approving work-from-home service delivery, primarily in our BCMI segment, (ii) a non-recurring charge related to retirement fund assets in India, and (iii) a non-recurring restructuring charge related to employee severance, which was offset by improved operating leverage in 2020 and a non-recurring charge recorded in 2019 related to a wealth management platform.

Selling, general and administrative (SG&A) expenses. SG&A expenses as a percentage of total net revenues decreased from 22.6% in 2019 to 21.3% in 2020. This decrease was primarily due to cost containment initiatives taken during 2020, including lower travel costs as a result of the COVID-19 pandemic, and efficient functional spending in 2020 compared to 2019, partially offset by wage inflation in 2020 compared to 2019.

Amortization of acquired intangibles. Non-cash expenditures on account of amortization of acquired intangibles were \$43.3 million in 2020, up \$10.7 million, or 32.9%, from \$32.6 million in 2019. This increase is primarily due to higher amortization related to intangibles acquired in relation to the Rightpoint acquisition in the fourth quarter of 2019, partially offset by the completion of the useful lives of intangibles acquired in prior periods.

Other operating (income) expense, net. Other operating expense (net of income) was \$19.3 million in 2020, compared to operating income (net of expense) of \$31.0 million in 2019. The operating expense (net of income) in 2020 was primarily related to a non-recurring impairment charge of \$32.2 million related to the abandonment of certain leased office premises and tangible and intangible assets, primarily technology- and customer-related, partially offset by a \$7.8 million decrease in the fair value of earn-out liabilities in 2020 compared to 2019. In 2019, we recorded a gain of \$31.4 million upon the transfer of land to a real estate developer in exchange for an interest in commercial property being developed on the land, and no such gain was recorded in 2020.

Income from operations. Income from operations was \$438.7 million in 2020, up 2.2%, or \$9.3 million, from \$429.4 million in 2019. As a result of the foregoing factors, income from operations as a percentage of total net revenues decreased from 12.2% in 2019 to 11.8% in 2020.

Foreign exchange gains (losses), net. We recorded a net foreign exchange gain of \$7.5 million in 2020, compared to a \$7.7 million gain in 2019. The gains in 2020 and 2019 resulted primarily from the depreciation of the Indian rupee against the U.S. dollar.

Interest income (expense), net. Our net interest expense was \$49.0 million in 2020, up \$5.5 million from \$43.5 million in 2019, primarily due to a \$5.5 million increase in interest expense. The increase in interest expense was due to interest expense on our \$400 million aggregate principal amount of 3.375% senior notes issued in November 2019 (the “2019 Senior Notes”). This increase was partially offset by a lower average London Interbank Offered Rate (“LIBOR”)-based rate on our revolving credit facility and term loan due to a decrease in the average LIBOR rate in 2020 compared to 2019, reduced by lower gains on interest rate swaps in 2020 compared to 2019, 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 3.3% in 2019 to 3.0% in 2020.

Other income (expense), net. Our other income (net of expense) was \$3.2 million in 2020 compared to other income (net of expense) of \$5.8 in 2019. The 2020 gain primarily relates to a change in the fair value of the assets in our deferred compensation plan, while no such gain was recorded in 2019. In 2019, we recognized \$4.0 million of export subsidy income in India, while no such subsidy income was recognized in 2020. The export subsidy was introduced under the Foreign Trade Policy of India to encourage the export of specified services from India and was available for eligible export services through March 31, 2019.

Income tax expense. Our income tax expense decreased from \$94.5 million in 2019 to \$92.2 million in 2020. Our effective tax rate, or ETR, was 23.0% in 2020, down from 23.7% in 2019. The decrease in our ETR is primarily due to certain discrete tax benefits recorded in 2020 and changes in the jurisdictional mix of our income.

Net income attributable to Genpact Limited common shareholders. As a result of the foregoing factors, net income attributable to our common shareholders as a percentage of net revenues decreased from 8.7% in 2019 to 8.3% in 2020. Net income attributable to our common shareholders increased by \$3.4 million from \$304.9 million in 2019 to \$308.3 million in 2020.

Adjusted income from operations. Adjusted income from operations, or AOI, increased by \$30.0 million from \$558.8 million in 2019 to \$588.8 million in 2020. AOI margin was flat at 15.9% in 2020 compared to 2019. The increase in AOI was due to an increase in revenues in 2020 compared to 2019, coupled with improved operating leverage and cost containment initiatives undertaken in 2020. These initiatives included lower discretionary spending and targeted reductions in our workforce, including in our transformation services, to improve utilization levels and align overall SG&A spending with revised revenue expectations in the context of the COVID-19 pandemic.

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 (gain)/loss, (v) restructuring expenses, (vi) interest (income) expense and (vii) income tax expense, as we believe that our results after taking into account these adjustments more accurately reflect our ongoing operations.

The following table shows the reconciliation of AOI to the most directly comparable GAAP measure for the years ended December 31, 2019 and 2020:

	Year ended December 31,	
	2019	2020
	(dollars in millions)	
Net income attributable to Genpact Limited shareholders	\$ 304.9	\$ 308.3
Foreign exchange (gains) losses, net	(7.7)	(7.5)
Interest (income) expense, net	43.4	49.0
Income tax expense	94.5	92.2
Stock-based compensation	83.9	74.0
Amortization of acquired intangible assets	31.5	43.6
Acquisition-related expenses	8.3	2.7
Restructuring expenses	-	26.5
Adjusted income from operations	\$ 558.8	\$ 588.8

The following table sets forth our AOI by reportable business segment for the years ended December 31, 2019 and 2020:

	Year ended December 31,		Percentage Change
	2019	2020	Increase/(Decrease) 2020 vs 2019
	(dollars in millions)		
BCMI	116.0	132.9	14.6%
CGRLH	161.5	197.2	22.1
HMS	238.1	244.2	2.5
Others	43.2	14.5	(66.4)%

AOI of our BCMI segment increased to \$132.9 million in 2020 from \$116.0 million in 2019, primarily driven by more efficient utilization of transformation resources, partially offset by lower revenues in 2020 compared to 2019 due to delayed work-from-home approvals from certain clients and charges related to a write-down of certain technology assets that we no longer plan to utilize or develop due to changing economic and operational conditions. AOI of our CGRLH segment increased to \$197.2 million in 2020 from \$161.5 million in 2019, primarily due to revenue growth in the segment, including the impact of the Rightpoint acquisition, more efficient utilization of transformation resources and operating leverage. AOI of our HMS segment increased to \$244.2 million in 2020 from \$238.1 million in 2019, primarily due to revenue growth in the segment, including the impact of the Rightpoint acquisition. AOI for “Others” in the table above primarily represents the impact of foreign exchange fluctuations and over-absorption of overhead in 2020 and a gain of \$31.4 million upon the transfer of land in 2019 to a real estate developer in exchange for an interest in commercial property being developed on the land, the impact of foreign exchange fluctuations, government incentives and over-absorption of overhead in 2019, none of which are allocated to any individual segment for management’s internal reporting purposes. See Note 24—“Segment reporting” to our consolidated financial statements under Part IV, Item 15—“Exhibits and Financial Statement Schedules.”

Seasonality

Our financial results may vary from period to period. As a result of several factors, our revenues are typically higher in the third and fourth quarters relative to the first two quarters of any given year. We generally find that demand for short-term IT projects, transformation services and analytics services increases in the fourth quarter as our clients utilize the balance of their budgets for the year. In addition, contracts for long-term IT Services and BPO engagements are often signed in the first and second quarters as clients begin new budget cycles. Volumes under such contracts then increase in the latter part of the year as engagements ramp up. Additionally, demand for certain services, such as collections and transaction processing, is often greater in the second half of the year as our clients’ volumes in such areas increase. In 2020, normal seasonal trends were disrupted beginning in the second quarter due to the COVID-19 pandemic. See the section titled “COVID-19 Update” for more information.

The tables in Note 30—“Quarterly financial data (unaudited)” to our consolidated financial statements under Part IV, Item 15—“Exhibits and Financial Statement Schedules” present unaudited quarterly financial information for each of our last eight fiscal quarters on a historical basis. We believe the quarterly information set forth therein contains all adjustments necessary to fairly present such information. The comparison of our results for the first quarter of 2020 with the fourth quarter of 2019 reflects the seasonal trends described above. The results for any interim period are not necessarily indicative of the results that may be expected for the full year.

Statement of financial position

Key changes in our financial position during 2020

Set out below are the significant changes in our financial position from December 31, 2020 compared to December 31, 2019:

- **Prepaid expenses and other current assets, contract cost assets and other assets increased by \$144.2 million**
The increase in prepaid expenses and other current assets, contract cost assets and other assets was primarily due to increase in tax payments, VAT recoverable, deferred billings, right-of-use assets under finance leases, changes in the fair value of deferred compensation plan assets, and capitalization of fulfillment costs under contract cost assets in 2020 compared to 2019. This increase was partially offset by lower contract assets and the receipt of an export subsidy in 2020 compared to 2019.
- **Net accounts receivable decreased by \$33.2 million**
The decrease in our accounts receivable was primarily driven by a decrease in days sales outstanding (DSO) in 2020 compared to 2019.
- **Goodwill and intangible assets increased by \$127.1 million**
Goodwill increased by \$121.2 million, primarily due to goodwill arising out of the acquisitions of SomethingDigital.Com LLC and Enquero, Inc. in 2020. Our intangible assets increased by \$5.9 million due to these acquisitions, partially offset by amortization and impairment expenses. See Note 10—“Goodwill and intangible assets” to our consolidated financial statements under Part IV, Item 15—“Exhibits and Financial Statement Schedules.”
- **Operating lease right-of-use assets decreased by \$26.1 million**
This decrease in operating lease right-of-use assets was primarily due to an amortization expense and impairment charge in 2020, partially offset by additional leases entered into or acquired in 2020. See Note 12—“Leases” and Note 29—“Restructuring” to our consolidated financial statements under Part IV, Item 15—“Exhibits and Financial Statement Schedules.”
- **Operating lease liability decreased by \$13.9 million**
This decrease in operating lease liability was primarily due to payments made toward such liabilities in 2020, partially offset by additional leases entered into or acquired in 2020.
- **Accounts payable, accrued expenses other current liabilities and other liabilities increased by \$144.3 million**
This increase is primarily due to an increase in statutory liabilities, finance lease liability, employee related accruals, contract liabilities, and higher mark-to-market losses on derivative financial instruments in 2020, partially offset by a decrease in accounts payable, accrued expenses and earn-out consideration. See Note 6—“Fair Value Measurements” and Note 25—“Net revenues—Contract balances” to our consolidated financial statements under Part IV, Item 15—“Exhibits and Financial Statement Schedules.”
- **Short-term borrowings increased by \$180.0 million**
The increase in short-term borrowings was due to the drawdown of funds for acquisitions consummated in 2020. See Note 15—“Short-term borrowings” to our consolidated financial statements under Part IV, Item 15—“Exhibits and Financial Statement Schedules” for additional information.
- **Long-term debt decreased by \$32.4 million**
The decrease in long-term debt was due to principal repayments in 2020. For additional information, see Note 14—“Long-term debt” to our consolidated financial statements under Part IV, Item 15—“Exhibits and Financial Statement Schedules.”

- **Net deferred tax assets increased by \$19.4 million**

Our net deferred tax assets increased by \$19.4 million. See Note 23—“Income taxes” to our consolidated financial statements under Part IV, Item 15—“Exhibits and Financial Statement Schedules.”

Liquidity and Capital Resources

Overview

Information about our financial position as of December 31, 2019 and 2020 is presented below:

	<u>As of December 31,</u>		<u>As of December 31,</u>		<u>Percentage Change</u>
	<u>2019</u>		<u>2020</u>		<u>Increase/(Decrease)</u>
	<u>2019</u>		<u>2020</u>		<u>2020 vs. 2019</u>
	(dollars in millions)				
Cash and cash equivalents	\$	467.1	\$	680.4	45.7 %
Short-term borrowings		70.0		250.0	257.1
Long-term debt due within one year		33.5		33.5	-
Long-term debt other than the current portion		1,339.8		1,307.4	(2.4)
Genpact Limited total shareholders' equity	\$	1,689.2	\$	1,834.2	8.6 %

Financial Condition

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

As of December 31, 2020, \$666.1 million of our \$680.4 million in cash and cash equivalents was held by our foreign (non-Bermuda) subsidiaries. \$12.2 million of this cash is held by foreign subsidiaries for which we expect to incur and have accrued a deferred tax liability on the repatriation of \$16.4 million of retained earnings. \$653.8 million of the cash and cash equivalents is either held as retained earnings by foreign subsidiaries in jurisdictions where no tax is expected to be imposed upon repatriation or is being indefinitely reinvested.

In February 2019, our board of directors approved a 13% increase in our quarterly cash dividend from a \$0.075 per share quarterly dividend in 2018 to \$0.085 per common share, representing an annual dividend of \$0.34 per common share, up from \$0.30 per share in 2018. On each of March 20, 2019, June 21, 2019, September 20, 2019 and December 18, 2019, we paid dividends of \$0.085 per share, amounting to \$16.1 million, \$16.2 million, \$16.2 million and \$16.2 million in the aggregate, to shareholders of record as of March 8, 2019, June 12, 2019, September 11, 2019 and December 9, 2019, respectively.

In February 2020, our board of directors approved a 15% increase in our quarterly cash dividend from a \$0.085 per share quarterly dividend in 2019 to \$0.0975 per common share, representing an annual dividend of \$0.39 per common share, up from \$0.34 per share in 2019. On each of March 18, 2020, June 26, 2020, September 23, 2020 and December 23, 2020, we paid dividends of \$0.0975 per share, amounting to \$18.5 million, \$18.6 million, \$18.6 million and \$18.4 million in the aggregate, to shareholders of record as of March 9, 2020, June 11, 2020, September 11, 2020 and December 9, 2020, respectively.

In February 2021, our board of directors approved a 10% increase in our quarterly cash dividend from a \$0.0975 per share quarterly dividend in 2020 to \$0.1075 per common share, representing a planned annual dividend of \$0.43 per common share for 2021, up from \$0.39 per share in 2020. Any future dividends will be at the discretion of our board of directors and subject to Bermuda and other applicable laws.

The total authorization under our existing share repurchase program as of December 31, 2020 was \$1,250.0 million, of which \$137.0 million remained available as of that date. Since our share repurchase program was initially authorized in February 2015, we have repurchased 40,809,515 of our common shares

at an average price of \$27.27 per share, for an aggregate purchase price of \$1,113.0 million. This amount includes shares repurchased under our 2017 accelerated share repurchase program. In February 2021, our board of directors authorized a \$500 million increase to our existing \$1,250.0 million share repurchase program, bringing the total authorization under our existing share repurchase program to \$1,750.0 million.

During the years ended December 31, 2019 and 2020, we repurchased 766,154 and 3,412,293 of our common shares, respectively, on the open market at a weighted average price of \$39.16 and \$40.16 per share, respectively, for an aggregate purchase price of \$30.0 million and \$137.0 million, respectively. All repurchased shares have been retired.

For additional information, see Note 19—“Capital stock” to our consolidated financial statements under Part IV, Item 15—“Exhibits and Financial Statement Schedules.”

We expect that in the future our cash from operations, cash reserves and debt capacity will be sufficient to finance our operations, our growth and expansion plans, dividend payments and additional share repurchases we may make under our share repurchase program. However, there is no assurance that the impacts we have experienced to date, and any future impact we may experience, from the COVID-19 pandemic will not have an adverse effect on our cash flows. In addition, we may raise additional funds through public or private debt or equity financings. Our working capital needs are primarily to finance our payroll and other administrative and information technology expenses in advance of the receipt of accounts receivable. Our primary capital requirements include opening new delivery centers, expanding existing operations to support our growth, financing acquisitions and enhancing capabilities, including building 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:

	Year ended December 31,		Percentage Change
	2019	2020	Increase/(Decrease)
	(dollars in millions)		2020 vs. 2019
Net cash provided by (used for)			
Operating activities	\$ 427.9	\$ 584.3	36.6 %
Investing activities	(357.1)	(266.4)	(25.4)
Financing activities	39.6	(92.0)	(332.1)
Net increase (decrease) in cash and cash equivalents	\$ 110.4	\$ 225.9	104.6 %

Cash flows from operating activities. Net cash provided by operating activities was \$584.3 million in 2020, compared to \$427.9 million in 2019. This increase is primarily due to (i) a \$3.4 million increase in net income in 2020 compared to 2019, (ii) an \$89.4 million increase in non-cash expenses, primarily due to the write-down of operating lease right-of-use assets and other assets as part of our restructuring plan related to the COVID-19 pandemic, higher write-downs of intangible assets and property, plant and equipment, higher depreciation and amortization, a lower gain on exchange of non-monetary assets and increased unrealized losses on the revaluation of foreign currency assets/liabilities, partially offset by lower stock-based compensation expenses in 2020 compared to 2019, and (iii) a \$63.6 million decrease in operating assets and liabilities driven by a decrease in days sales outstanding (DSO), an increase in customer advances, higher employee-related accruals, and lower payments toward statutory liabilities (payroll taxes) in 2020 compared to 2019 due to the Coronavirus Aid, Relief and Economic Security Act, partially offset by higher annual performance bonus payments, lower realization of subsidies and a tax deposit made in 2020 in connection with a 2013 Indian tax matter which is discussed in Note 28—“Commitments and contingencies” to our consolidated financial statements under Part IV, Item 15—“Exhibits and Financial Statement Schedules” and under Item 1A—“Risk Factors—Tax matters may have an adverse effect on our business, results of operations, effective tax rate and financial condition.”

Cash flows from investing activities. Our net cash used for investing activities was \$266.4 million in 2020, down \$90.7 million from \$357.1 million in 2019. We made payments of \$186.6 million in the aggregate related to acquisitions in 2020 compared to payments of \$252.3 million in 2019. Payments for

acquired/internally generated intangible assets and purchases of property, plant and equipment (net of sales proceeds) were \$27.2 million lower in 2020 than in 2019.

Cash flows from financing activities. Our net cash used for financing activities was \$92.0 million in 2020, compared to net cash provided by financing activities of \$39.6 million in 2019. In 2019, we issued \$400.0 million aggregate principal amount of 3.375% senior notes in an underwritten public offering. We received proceeds from short-term borrowings (net of repayments) of \$180.0 million in 2020 compared to the repayment of short-term borrowings (net of proceeds) of \$225.0 million in 2019. For additional information, see Notes 14—“Long-term debt” and 15—“Short-term borrowings” to our consolidated financial statements under Part IV, Item 15—“Exhibits and Financial Statement Schedules.” Additionally, payments in connection with the net settlement of common shares under stock-based compensation plans were \$34.1 million in 2020 compared to \$3.9 million in 2019. Payments for share repurchases (including expenses related to repurchases) were \$137.1 million in 2020, compared to \$30.0 million in 2019. Payments for dividends were \$74.2 million in 2020, compared to \$64.7 million in 2019.

Financing Arrangements (Credit Facility)

In August 2018, we amended our 2015 credit facility, which was comprised of a term loan of \$800.0 million and a revolving credit facility of \$350.0 million. The amended facility is comprised of a \$680.0 million term loan, which represents the outstanding balance under the 2015 facility as of the date of amendment, and a \$500.0 million revolving credit facility. The amended facility expires on August 8, 2023. The amendment did not result in a substantial modification of \$550.8 million of the outstanding term loan under the 2015 facility. Further, as a result of the amendment, we extinguished \$129.2 million of the outstanding term loan under the 2015 facility and obtained additional funding of \$129.2 million from a different lender, resulting in no change to the outstanding principal of the term loan under the amended facility. In connection with the amendment, we expensed \$2.0 million, representing partial acceleration of the amortization of the existing unamortized debt issuance costs and an additional fee paid to our lenders related to the term loan.

The overall borrowing capacity under the revolving facility increased from \$350.0 million to \$500.0 million. The remaining unamortized costs and an additional third party fee paid in connection with the amendment will be amortized over the term of the amended facility, which expires on August 8, 2023. For additional information, see Notes 14—“Long-term debt” and 15—“Short-term borrowings” to our consolidated financial statements under Part IV, Item 15—“Exhibits and Financial Statement Schedules.”

Borrowings under the amended facility bear interest at a rate equal to, at our election, either LIBOR plus an applicable margin equal to 1.375% per annum, compared to a margin of 1.50% under the 2015 facility, or a base rate plus an applicable margin equal to 0.375% per annum, compared to a margin of 0.50% under the 2015 facility, in each case subject to adjustment based on our credit ratings assigned by Standard & Poor’s Rating Services and Moody’s Investors Service, Inc. Based on our 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 credit agreement or if we are not, or after making the payment would not be, in compliance with certain financial covenants contained in the amended credit agreement, including maintenance of a net debt to EBITDA leverage ratio of below 3x and an interest coverage ratio of more than 3x. During the year ended December 31, 2020, we were in compliance with the terms of the amended credit agreement, including the financial covenants therein. Our 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.

As of December 31, 2019 and December 31, 2020, our outstanding term loan, net of debt amortization expense of \$1.6 million and \$1.2 million, respectively, was \$627.4 million and \$593.9 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, 2019 and December 31, 2020, the limit available under such facilities was \$14.3 million, of which \$7.5 million and \$7.8 million, respectively, was utilized, constituting non-funded drawdown. As of December 31, 2019 and December 31, 2020, a total of \$72.1 million and \$252.3 million, respectively, of our

revolving credit facility was utilized, of which \$70.0 million and \$250.0 million, respectively, constituted funded drawdown, and \$2.1 and \$2.3 million, respectively, constituted non-funded drawdown.

We have entered into interest rate swaps under which we receive floating rate payments based on the greater of LIBOR and the floor rate under our term loan and make payments based on a fixed rate. As of December 31, 2020, we were party to interest rate swaps covering a total notional amount of \$488.0 million. Under our swap agreements, the rate that we pay to banks in exchange for LIBOR ranges between 0.38% and 2.65%.

In November 2019, we issued \$400.0 million aggregate principal amount of 3.375% senior notes (the “2019 Senior Notes”) in an underwritten public offering, resulting in cash proceeds of \$398.3 million after an underwriting fee of \$1.6 million, reflecting a \$0.1 million discount. In March 2017, we issued \$350.0 million aggregate principal amount of 3.70% senior notes (the “2017 Senior Notes” and together with the 2019 Senior Notes, the “Senior Notes”) in a private offering, resulting in cash proceeds of \$348.5 million after an underwriting fee of \$1.5 million. In connection with the Senior Note offerings, there were other debt issuance costs of \$1.24 million related to the 2019 Senior Notes and \$1.16 million related to the 2017 Senior Notes. Total debt issuance costs of \$2.6 million and \$2.9 million incurred in connection with the 2017 Senior Notes and 2019 Senior Notes, respectively, are being amortized over the lives of the Senior Notes as additional interest expense. As of December 31, 2019 and 2020, the amount outstanding under the 2017 Senior Notes, net of debt amortization expense of \$1.2 million and \$0.7 million, respectively, was \$348.8 million and \$349.3 million, respectively, which is payable on April 1, 2022. As of December 31, 2019 and 2020, the amount outstanding under the 2019 Senior Notes, net of debt amortization expense of \$2.9 million and \$2.3 million, was \$397.1 million and \$397.7 million, respectively, which is payable on December 1, 2024. We will pay interest on the 2017 Senior Notes semi-annually in arrears on April 1 and October 1 of each year and on the 2019 Senior Notes semi-annually in arrears on June 1 and December 1 of each year, ending on the maturity dates of April 1, 2022 and December 1, 2024, respectively.

In connection with the 2017 Senior Notes, we entered into a registration rights agreement with the initial purchasers of the outstanding unregistered notes pursuant to which we agreed to complete an exchange offer within 455 days after the date of the private offering upon terms identical in all material respects to the terms of the outstanding unregistered notes, except that the transfer restrictions, registration rights and additional interest provisions applicable to the outstanding unregistered notes would not apply to the exchange notes. On July 24, 2018, the unregistered notes exchange offer was completed and all outstanding unregistered notes were exchanged for freely tradable notes registered under the Securities Act of 1933, as amended. At our option, we 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 Senior Notes redeemed, together with accrued and unpaid interest on the redeemed amount, or (ii) if the redemption occurs prior to, in the case of the 2017 Senior Notes, March 1, 2022, and in the case of the 2019 Senior Notes, November 1, 2024, a specified “make-whole” premium. The Senior Notes are subject to certain customary covenants, including limitations on our ability and certain of our subsidiaries to incur debt secured by liens, engage in certain sale and leaseback transactions and consolidate, merge, convey or transfer their assets, and during the year ended December 31, 2020, we and our applicable subsidiaries were in compliance with the covenants. For additional information, see Notes 14 and 15—“Long-term debt” and “Short-term borrowings” to our consolidated financial statements under Part IV, Item 15—“Exhibits and Financial Statement Schedules.”

Goodwill Impairment Testing

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

Based on our assessment of such qualitative factors, in accordance with ASU 2011-08, we concluded that as of December 31, 2020 and December 31, 2019, the fair values of all of our reporting units are likely to be higher than their respective carrying values.

Off-Balance Sheet Arrangements

Our off-balance sheet arrangements consist of foreign exchange contracts. For additional information, see Item 1A—“Risk Factors—Currency exchange rate fluctuations in various currencies in which we do business, especially the Indian rupee, the euro and the U.S. dollar, could have a material adverse effect on our business, results of operations and financial condition,” the section titled “Contractual Obligations” below, and Note 7—“Derivative financial instruments” to our consolidated financial statements under Part IV, Item 15—“Exhibits and Financial Statement Schedules.”

Contractual Obligations

The following table sets forth our total future contractual obligations as of December 31, 2020:

	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
	(dollars in millions)				
Long-term indebtedness	\$ 1,436.6	68.9	956.5	411.2	—
— Principal payments	1,340.9	33.5	909.7	397.7	—
— Interest payments*	95.7	35.4	46.8	13.5	—
Short-term borrowings	251.2	251.2	—	—	—
— Principal payments	250.0	250.0	—	—	—
— Interest payments**	1.2	1.2	—	—	—
Finance leases	51.8	19.6	27.3	4.9	—
— Principal payments	49.1	18.1	26.3	4.7	—
— Interest payments	2.7	1.5	1.0	0.2	—
Operating leases	437.6	78.2	142.1	99.7	117.6
— Principal payments	345.9	56.5	114.4	80.3	94.7
— Interest payments	91.7	21.7	27.7	19.4	22.9
Purchase obligations	28.7	25.5	3.2	—	—
Capital commitments net of advances	5.1	5.1	—	—	—
Earn-out consideration	9.5	3.4	6.1	—	—
— Reporting date fair value	8.3	2.7	5.6	—	—
— Interest	1.2	0.7	0.5	—	—
Other liabilities	112.9	53.1	59.7	0.1	—
Total contractual obligations	\$ 2,333.4	505.0	1,194.9	515.9	117.6

* Our interest payments on long-term debt are calculated based on our current debt rating at a rate equal to LIBOR plus a margin of 1.375% per annum as of December 31, 2020, which excludes the impact of interest rate swaps. Interest payments on long-term debt also include interest on our 2017 and 2019 Senior Notes at a rate of 3.70% per annum and 3.375% per annum, respectively, which is not based on LIBOR.

** Our interest payments on short-term debt are calculated based on our current debt rating at a rate equal to LIBOR plus a margin of 1.375% per annum as of December 31, 2020 and our expectation for the repayment of such debt.

Supplemental Guarantor Financial Information

As discussed in Note 14, “Long-term debt,” to our consolidated financial statements under Part IV, Item 15—“Exhibits and Financial Statement Schedules”, Genpact Luxembourg S.à r.l. (the “Issuer”), a wholly owned subsidiary of Genpact Limited (the “Guarantor”), issued the Senior Notes. As of December 31, 2020, the outstanding balance for the 2017 Senior Notes and the 2019 Senior Notes was \$349.3 million and \$397.7 million, respectively. Each issuance of Senior Notes was fully and unconditionally guaranteed by the Guarantor. The other subsidiaries of the Guarantor do not guarantee the Senior Notes (such subsidiaries are referred to as the “non-Guarantors”).

The Guarantor has 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 of our other obligations 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 Senior Notes, failing payment by the Issuer when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Guarantor shall be obligated to pay the same immediately. The Guarantor has agreed that this is a guarantee of payment of the Senior Notes and not a guarantee of collection.

The following tables present summarized financial information for the Issuer and the Guarantor on a combined basis after elimination of (i) intercompany transactions and balances among the Issuer and the Guarantor and (ii) equity in earnings from and investments in any subsidiary that is a non-Guarantor.

Summarized Statements of Income	Year ended	Year ended
	December 31,	December 31,
	2019	2020
	(dollars in millions)	
Net revenues	\$ 59.7	\$ 69.5
Gross profit	59.7	69.5
Net income	44.0	672.2

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

	Year ended	Year ended
	December 31,	December 31,
	2019	2020
	(dollars in millions)	
Royalty income	\$ 59.7	\$ 69.5
Interest income (expense), net	54.7	49.2
Other cost, net	22.0	31.5
Gain on sale of intellectual property	-	650.0

Summarized Balance Sheets

	As of December 31, 2019	As of December 31, 2020
	(dollars in millions)	
Assets		
Current assets	\$ 1,062.9	\$ 1,039.2
Non-current assets	785.2	580.0
Liabilities and equity		
Current liabilities	\$ 2,152.5	\$ 2,345.8
Non-current liabilities	1,333.6	1,329.6

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

	As of December 31, 2019	As of December 31, 2020
	(dollars in millions)	
Assets		
Current assets		
Accounts receivable, net	\$ 84.8	\$ 86.9
Loans receivable	788.4	674.3
Others	175.8	246.7
Non-current assets		
Investment in debentures/bonds	\$ 595.0	\$ 501.2
Loans receivable	100.0	-
Others	89.5	64.2
Liabilities		
Current liabilities		
Loans payable	\$ 1,976.1	\$ 2,150.7
Others	158.2	175.8
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 Issuer and the Guarantor and rank senior in right of payment to all of the Issuer's and the Guarantor's future subordinated debt. The Senior Notes are effectively subordinated to all of the Issuer's and the Guarantor's 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 Guarantor's subsidiaries (other than the Issuer), 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. If the Issuer or the Guarantor have any right 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

Recently adopted accounting pronouncements

For a description of recently adopted accounting pronouncements, see Note 2—“Summary of significant accounting policies—Recently issued accounting pronouncements” to our consolidated financial statements under Part IV, Item 15—“Exhibits and Financial Statement Schedules” and Part II, Item 7—“Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates” in this Annual Report on Form 10-K.

For a description of recently issued accounting pronouncements, see Note 2—“Summary of significant accounting policies—Recently issued accounting pronouncements” to our consolidated financial statements under Part IV, Item 15—“Exhibits and Financial Statement Schedules” in this Annual Report on Form 10-K.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Foreign currency risk

Our exposure to market risk arises principally from exchange rate risk. A substantial portion of our revenues (79% in fiscal 2020) is received in U.S. dollars. We also receive revenues in Japanese yen, euros, U.K. pounds sterling, Australian dollars, Chinese renminbi and Indian rupees. Our expenses are primarily in Indian rupees and we also incur expenses in U.S. dollars, Chinese renminbi, euros and the currencies of the other countries in which we have operations. Our exchange rate risk arises from our foreign currency revenues, expenses, receivables and payables. Based on the results of our European operations for fiscal 2020, and excluding any hedging arrangements that we had in place during that period, a 5.0% appreciation or depreciation of the euro against the U.S. dollar would have increased or decreased, as applicable, our revenues in fiscal 2020 by \$4 million. Similarly, excluding any hedging arrangements that we had in place during that period, a 5.0% depreciation of the Indian rupee against the U.S. dollar would have decreased our expenses incurred and paid in Indian rupees in fiscal 2020 by \$43.0 million. Conversely, a 5.0% appreciation of the Indian rupee against the U.S. dollar would have increased our expenses incurred and paid in rupees in fiscal 2020 by \$48.0 million.

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

Interest rate risk

Our exposure to interest rate risk arises principally from interest on our indebtedness. As of December 31, 2020, we had \$1,590.9 million of indebtedness, comprised of (a) \$593.9 million of indebtedness under our credit facility, comprised of a long-term loan of \$595 million, net of \$1.1 million in unamortized debt issuance expenses, and a revolving loan of \$250 million, (b) \$349.3 million in indebtedness under our 3.70% senior notes issued in March 2017, net of \$0.7 million in unamortized bond issuance expenses, and (c) \$397.7 million in indebtedness under our 3.375% senior notes issued in November 2019, net of \$2.3 million in unamortized bond issuance expenses. Interest on indebtedness under our credit facility is variable based on LIBOR, and we are subject to market risk from changes in interest rates. Borrowings under our 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. Based on our indebtedness as of December 31, 2020, a 1% change in interest rates, including the impact on the cost of our interest rate

swaps, would have had a \$4.0 million impact on our net interest expense in fiscal 2020. Additionally, the interest rates on our Senior Notes are subject to adjustment based on the ratings assigned by Moody's and S&P to the notes 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. For fiscal 2020, such an increase would have had an impact of up to \$15.0 million on our net interest expense.

We manage a portion of our interest rate risk related to floating rate indebtedness by entering into interest rate swaps under which we receive floating rate payments based on the greater of LIBOR and the floor rate under our term loan and make payments based on a fixed rate. As of December 31, 2020, we were party to interest rate swaps covering a total notional amount of \$488.0 million. Under our swap agreements, the rate that we pay to banks in exchange for LIBOR ranges between 0.38% and 2.65%.

Credit risk

As of December 31, 2020, we had accounts receivable, including deferred billings, net of allowance for credit losses, of \$906.4 million. \$137.6 million of this amount was owed by GE, and the balance, or \$768.8 million, was owed by Global Clients. No single Global Client owed more than 10% of our accounts receivable balance as of December 31, 2020.

Item 8. Financial Statements and Supplementary Data

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

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

None.

Item 9A. Controls and Procedures

Evaluation of disclosure controls and procedures

Disclosure controls and procedures are the Company's controls and other procedures which are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, or 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.

Management's Report on Internal Control Over Financial Reporting

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

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

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

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

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

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework (2013). Based on its evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2020.

During the year 2020, we acquired Enquero, Inc. and certain affiliated entities and SomethingDigital.Com LLC, and management excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2020, Enquero, Inc.'s and certain affiliated entities' and SomethingDigital.Com LLC's internal control over financial reporting associated with total assets of \$230,184 thousand (of which \$197,394 thousand represents goodwill and intangible assets included within the scope of the assessment) and total net revenues of \$3,933 thousand included in the consolidated financial statements of the Company as of and for the year ended December 31, 2020.

KPMG Assurance and Consulting Services LLP, an independent registered public accounting firm, has audited the consolidated financial statements included in this Annual Report on Form 10-K and, as part of its audit, has issued an attestation report, included herein, on the effectiveness of our internal control over financial reporting. See “Report of Independent Registered Public Accounting Firm” on page F-5.

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 December 31, 2020 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information about our executive officers is contained in the section titled “Information about our executive officers” in Part I of this Annual Report on Form 10-K. The other information required by this Item will be included in our Proxy Statement for the 2021 Annual General Meeting of Shareholders under the captions “Director Nominees,” “Corporate Governance,” and “Delinquent Section 16(a) Reports,” which will be filed with the SEC no later than 120 days after the close of the fiscal year ended December 31, 2020 and is incorporated by reference in this report.

Item 11. Executive Compensation

The information required by this Item will be included in our Proxy Statement for the 2021 Annual General Meeting of Shareholders under the caption “Executive Officer Compensation,” which will be filed with the SEC no later than 120 days after the close of the fiscal year ended December 31, 2020 and is incorporated by reference in this report.

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

The information required by this Item will be included in our Proxy Statement for the 2021 Annual General Meeting of Shareholders under the captions “Security Ownership of Certain Beneficial Owners and Management” and “Securities Authorized for Issuance under Equity Compensation Plans,” which will be filed with the SEC no later than 120 days after the close of the fiscal year ended December 31, 2020 and is incorporated by reference in this report.

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

The information required by this Item will be included in our Proxy Statement for the 2021 Annual General Meeting of Shareholders under the captions “Certain Relationships and Related Party Transactions” and “Director Independence,” which will be filed with the SEC no later than 120 days after the close of the fiscal year ended December 31, 2020 and is incorporated by reference in this report.

Item 14. Principal Accountant Fees and Services

The information required by this Item will be included in our Proxy Statement for the 2021 Annual General Meeting of Shareholders under the caption “Independent Registered Public Accounting Firm Fees and Other Matters,” which will be filed with the SEC no later than 120 days after the close of the fiscal year ended December 31, 2020 and is incorporated by reference in this report.

PART IV

Item 15. Exhibits and Financial Statement Schedules

- (a) Documents filed as part of this Annual Report on Form 10-K:
1. Consolidated Financial Statements
The consolidated financial statements required to be filed in the Annual Report on Form 10-K are listed on page F-1 hereof. The required financial statements appear on pages F-7 through F-74 hereof.
 2. Financial Statement Schedules
Separate financial statement schedules have been omitted either because they are not applicable or because the required information is included in the consolidated financial statements.
 3. Exhibit Index:

Exhibit Number	Description
3.1	<u>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).</u>
3.2	<u>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).</u>
4.1	<u>Form of specimen certificate for the Registrant's common shares (incorporated by reference to Exhibit 4.1 to Amendment No. 4 of the Registrant's Registration Statement on Form S-1 (File No. 333-142875) filed with the SEC on August 1, 2007).</u>
4.2	<u>Base Indenture, dated as of March 27, 2017, by and among the Registrant, Genpact Luxembourg S.à r.l. and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 001-33626) filed with the SEC on March 28, 2017).</u>
4.3	<u>First Supplemental Indenture, dated as of March 27, 2017, by and among the Registrant, Genpact Luxembourg S.à r.l. and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K (File No. 001-33626) filed with the SEC on March 28, 2017).</u>
4.4	<u>Second Supplemental Indenture, dated as of November 18, 2019, by and among the Registrant, Genpact Luxembourg S.à r.l. and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 001-33626) filed with the SEC on November 18, 2019).</u>
4.5	<u>Form of 3.700% Senior Note due 2022 (incorporated by reference to Exhibit A to Exhibit 4.3 to the Registrant's Current Report on Form 8-K (File No. 001-33626) filed with the SEC on March 28, 2017).</u>
4.6	<u>Form of 3.375% Senior Note due 2024 (incorporated by reference to Exhibit A to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 001-33626) filed with the SEC on November 18, 2019).</u>
4.7	<u>Description of Registrant's Securities (incorporated by reference to Exhibit 4.7 to the Registrant's Annual Report on Form 10-K (File No. 001-33626) filed with the SEC on March 2, 2020).</u>

Exhibit Number	Description
10.1 [†]	<u>Form of Indemnity Agreement for directors and executive officers (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33626) filed with the SEC on February 26, 2020).</u>
10.2 [†]	<u>Amended and Restated U.S. Employee Stock Purchase Plan and Amended and Restated International Employee Stock Purchase Plan (incorporated by reference to Exhibit 1 to the Registrant's Proxy Statement on Schedule 14A (File No. 001-33626) filed with the SEC on April 10, 2018).</u>
10.3 [†]	<u>Amended and Restated Genpact Limited 2007 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 1 to the Registrant's Definitive Proxy Statement on Schedule 14A (File No. 001-33626) filed with the SEC on April 15, 2011).</u>
10.4 [†]	<u>First Amendment to the Genpact Limited 2007 Omnibus Incentive Compensation Plan (as Amended and Restated April 11, 2012), effective as of August 1, 2012 (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K (File No. 001-33626) filed with the SEC on August 3, 2012).</u>
10.5 [†]	<u>Form of Share Option Agreement under the Genpact Limited 2007 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.5 to the Registrant's Annual Report on Form 10-K (File No. 001-33626) filed with the SEC on March 1, 2019).</u>
10.6 [†]	<u>Genpact Limited 2017 Omnibus Incentive Compensation Plan (as amended and restated as of April 5, 2019) (incorporated by reference to Exhibit 1 to the Registrant's Proxy Statement on Schedule 14A (File No. 001-33626) filed with the SEC on April 10, 2019).</u>
10.7 [†]	<u>Form of Share Option Agreement under the Genpact Limited 2017 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.9 to the Registrant's Annual Report on Form 10-K (File No. 001-33626) filed with the SEC on March 1, 2019).</u>
10.8 [†]	<u>Form of Restricted Share Unit Issuance Agreement under the Genpact Limited 2017 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.10 to the Registrant's Annual Report on Form 10-K (File No. 001-33626) filed with the SEC on March 1, 2019).</u>
10.9 [†]	<u>Form of Performance Share Award Agreement under the Genpact Limited 2017 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.11 to the Registrant's Annual Report on Form 10-K (File No. 001-33626) filed with the SEC on March 1, 2019).</u>

Exhibit Number	Description
10.10 [†]	<u>Genpact LLC Executive Deferred Compensation Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33626) filed with the SEC on July 6, 2018).</u>
10.11 [†]	<u>Employment Agreement by and between the Registrant and N.V. Tyagarajan, dated June 15, 2011 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33626) filed with the SEC on June 17, 2011).</u>
10.12 ^{†*}	<u>Addendum to Employment Agreement by and between Genpact (UK) Limited and N.V. Tyagarajan, dated November 17, 2020.</u>
10.13 ^{†*}	<u>Employment Agreement by and between Headstrong Canada Limited and Darren Saumur, dated February 26, 2018.</u>
10.14 [†]	<u>Employment Agreement by and between the Registrant and Edward Fitzpatrick, dated June 26, 2014 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33626) filed with the SEC on July 2, 2014).</u>
10.15	<u>Amended & Restated Credit Agreement, dated as of August 9, 2018, among Genpact International, Inc., Genpact Global Holdings (Bermuda) Limited, Genpact Luxembourg S.à r.l., the Registrant, the lenders party thereto, Wells Fargo Bank, National Association, as administrative agent, swingline lender, term lender, an issuing bank and a revolving lender, and the other parties thereto (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-33626) filed with the SEC on August 9, 2018).</u>
10.16 ^{^*}	<u>Master Services Agreement, dated as of December 22, 2016, by and between Genpact International, Inc. and General Electric International, Inc.</u>
10.17	<u>Borrower Assignment & Assumption and Amendment Agreement, dated as of January 17, 2019, by and among Genpact International, LLC (formerly Genpact International, Inc.), as the assignor, Genpact USA, Inc., as the assignee, Genpact Global Holdings (Bermuda) Limited, Genpact Luxembourg S.à r.l., the Company, the lenders party thereto and Wells Fargo Bank, National Association, as administrative agent (incorporated by reference to Exhibit 10.26 to the Registrant's Annual Report on Form 10-K (File No. 001-33626) filed with the SEC on March 1, 2019).</u>
21.1 [*]	<u>Subsidiaries of the Registrant.</u>
22.1	<u>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 11, 2020).</u>
23.1 [*]	<u>Consent of KPMG Assurance and Consulting Services LLP.</u>
24.1 [*]	<u>Powers of Attorney (included on the signature page of this report).</u>
31.1 [*]	<u>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.</u>

Exhibit Number	Description
31.2*	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	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 with this Annual Report on Form 10-K.
^	Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.
†	Indicates a management contract or compensatory plan, contract or arrangement in which any director or executive officer participates.

Item 16. Form 10-K Summary

None.

GENPACT LIMITED AND ITS SUBSIDIARIES

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Genpact Limited:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Genpact Limited and subsidiaries (Genpact Limited or the Company) as of December 31, 2020 and 2019, the related consolidated statements of income, comprehensive income (loss), equity, and cash flows for each of the years in the three-year period ended December 31, 2020 and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 01, 2021 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Change in Accounting Principle

As discussed in Note 2(g) to the consolidated financial statements, the Company has changed its method of accounting for Leases as of January 1, 2019 due to the adoption of *Accounting Standards Codification Topic 842, Leases (Topic 842)*.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Realizability of deferred tax assets of Genpact Luxembourg entities

As discussed in Note 23 to the consolidated financial statements as of December 31, 2020, the Company has recorded gross deferred tax assets of \$377,159 thousand, a portion of which pertains to Genpact Luxembourg entities, and a corresponding valuation allowance of \$206,011 thousand, a portion of which pertains to Genpact Luxembourg entities. The Company records a valuation allowance for the portion of the deferred tax assets that are not expected to be realized. Changes in assumptions regarding estimates of future taxable income could have a significant impact on the realizability of deferred tax assets, and the amount of valuation allowance.

We identified the evaluation of the realizability of deferred tax assets of Genpact Luxembourg entities as a critical audit matter. Subjective and complex auditor judgment was required in assessing the forecasted taxable income, including complexity in the application of the relevant tax regulations.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's deferred tax asset valuation allowance process. This included controls related to the development of assumptions and application of the relevant tax regulations in determining the forecasted taxable income. We performed a sensitivity analysis over the expected future taxable income for Genpact Luxembourg entities to assess the effect on the realizability of deferred tax assets. To assess the Company's ability to forecast, we compared Genpact Luxembourg entities' previous forecasts to actual results and other projected financial information prepared by the Company. We involved income tax professionals with specialized skills and knowledge, who assisted in assessing the Company's application of the relevant tax regulations.

Gross unrecognized tax benefits pertaining to operations in India

As discussed in Note 23 to the consolidated financial statements, the Company has recorded gross unrecognized tax benefits, excluding associated interest and penalties, of \$34,300 thousand as of December 31, 2020, of which \$19,785 thousand pertains to tax matters relating to operations in India.

We identified the assessment of gross unrecognized tax benefits pertaining to operations in India as a critical audit matter. The Company operates in multiple jurisdictions across the world with a significant portion of the operations being in India. Complex auditor judgment was required in evaluating the Company's interpretation of tax law in respect of matters relating to operations in India, and its estimate of the ultimate resolution of the related tax

positions. The audit effort also involved use of professionals with specialized skills and knowledge to assist in evaluating the audit evidence obtained.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's unrecognized tax benefit process. This included controls related to the interpretation of tax law and its application in the liability estimation process. We involved tax professionals with specialized skills and knowledge, who assisted in:

- evaluating the Company's interpretation of tax law and its potential impact on the unrecognized tax benefits
- inspecting correspondence, assessments, and settlement documents with applicable taxing authorities
- assessing the expiration of statutes of limitations
- performing an assessment of the Company's tax positions and comparing the results to the Company's assessment.

We evaluated the Company's ability to accurately estimate its gross unrecognized tax benefits by comparing historical gross unrecognized tax benefits to actual results upon conclusion of tax examinations.

/s/KPMG Assurance and Consulting Services LLP
We have served as the Company's auditor since 2004.

Gurugram, Haryana, India
March 01, 2021

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Genpact Limited:

Opinion on Internal Control Over Financial Reporting

We have audited Genpact Limited's and subsidiaries' (Genpact Limited or the Company) internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2020 and 2019, the related consolidated statements of income, comprehensive income (loss), equity, and cash flows for each of the years in the three-year period ended December 31, 2020, and the related notes (collectively, the consolidated financial statements), and our report dated March 01, 2021 expressed an unqualified opinion on those consolidated financial statements.

The Company acquired Enquero, Inc. and certain affiliated entities, and SomethingDigital.Com LLC, and management excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2020, Enquero, Inc.'s and certain affiliated entities', and SomethingDigital.Com LLC's internal control over financial reporting associated with total assets of \$230,184 thousand (of which \$197,394 thousand represents goodwill and intangible assets within the scope of the assessment) and total net revenues of \$3,933 thousand included in the consolidated financial statements of the Company as of and for the year ended December 31, 2020. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of Enquero, Inc. and certain affiliated entities and SomethingDigital.Com LLC.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control Over Financial Reporting*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

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

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

/s/KPMG Assurance and Consulting Services LLP

Gurugram, Haryana, India
March 01, 2021

GENPACT LIMITED AND ITS SUBSIDIARIES

Consolidated Balance Sheets

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

	Notes	As of December 31, 2019	As of December 31, 2020
Assets			
<i>Current assets</i>			
Cash and cash equivalents	4	\$ 467,096	\$ 680,440
Accounts receivable, net of reserve for doubtful receivables of \$29,969 and allowance for credit losses of \$27,707 as of December 31, 2019 and 2020, respectively	5	914,255	881,020
Prepaid expenses and other current assets	8	170,325	187,408
Total current assets		\$ 1,551,676	\$ 1,748,868
Property, plant and equipment, net	9	254,035	231,122
Operating lease right-of-use assets		330,854	304,714
Deferred tax assets	23	89,715	106,674
Intangible assets, net	10	230,861	236,732
Goodwill	10	1,574,466	1,695,688
Contract cost assets	25	205,498	225,897
Other assets, net of reserve for doubtful assets of \$0 and allowance for credit losses of \$3,134 as of December 31, 2019 and 2020, respectively	11	217,079	323,818
Total assets		\$ 4,454,184	\$ 4,873,513
Liabilities and equity			
<i>Current liabilities</i>			
Short-term borrowings	15	\$ 70,000	\$ 250,000
Current portion of long-term debt	14	33,509	33,537
Accounts payable		21,981	13,910
Income taxes payable	23	43,186	41,941
Accrued expenses and other current liabilities	13	683,871	806,769
Operating leases liability		57,664	56,479
Total current liabilities		\$ 910,211	\$ 1,202,636
Long-term debt, less current portion	14	1,339,796	1,307,371
Operating leases liability		302,100	289,363
Deferred tax liabilities	23	3,990	1,516
Other liabilities	16	208,916	238,398
Total liabilities		\$ 2,765,013	\$ 3,039,284
Shareholders' equity			
Preferred shares, \$0.01 par value, 250,000,000 authorized, none issued		—	—
Common shares, \$0.01 par value, 500,000,000 authorized, 190,118,181 and 189,045,661 issued and outstanding as of December 31, 2019 and 2020, respectively		1,896	1,885
Additional paid-in capital		1,570,575	1,636,026
Retained earnings		648,656	741,658
Accumulated other comprehensive income (loss)		(531,956)	(545,340)
Total equity		\$ 1,689,171	\$ 1,834,229
Commitments and contingencies	28		
Total liabilities and equity		\$ 4,454,184	\$ 4,873,513

See accompanying notes to the Consolidated Financial Statements.

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

	Notes	Year ended December 31,		
		2018	2019	2020
Net revenues	24, 25	\$ 3,000,790	\$ 3,520,543	\$ 3,709,377
Cost of revenue		1,921,768	2,294,688	2,418,137
Gross profit		\$ 1,079,022	\$ 1,225,855	\$ 1,291,240
<i>Operating expenses:</i>				
Selling, general and administrative expenses		693,865	794,901	789,849
Amortization of acquired intangible assets	10	38,850	32,612	43,343
Other operating (income) expense, net	21	(1,845)	(31,034)	19,331
Income from operations		\$ 348,152	\$ 429,376	\$ 438,717
Foreign exchange gains (losses), net		15,239	7,729	7,482
Interest income (expense), net	22	(37,119)	(43,458)	(48,960)
Other income (expense), net	27	35,761	5,786	3,238
Income before equity-method investment activity, net and income tax expense		\$ 362,033	\$ 399,433	\$ 400,477
Equity-method investment activity, net		(12)	(16)	—
Income before income tax expense		\$ 362,021	\$ 399,417	\$ 400,477
Income tax expense	23	80,763	94,536	92,201
Net income		\$ 281,258	\$ 304,881	\$ 308,276
Net loss (income) attributable to redeemable non-controlling interest		761	—	—
Net income attributable to Genpact Limited shareholders		\$ 282,019	\$ 304,881	\$ 308,276
Net income available to Genpact Limited common shareholders		\$ 282,019	\$ 304,881	\$ 308,276
Earnings per common share attributable to Genpact Limited common shareholders	20			
Basic		\$ 1.48	\$ 1.60	\$ 1.62
Diluted		\$ 1.45	\$ 1.56	\$ 1.57
Weighted average number of common shares used in computing earnings per common share attributable to Genpact Limited common shareholders	20			
Basic		190,674,740	190,074,475	190,396,780
Diluted		193,980,038	195,160,855	195,780,971

See accompanying notes to the Consolidated Financial Statements.

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

	2018		2019		2020	
	Genpact Limited Shareholders	Redeemable Non- controlling interest	Genpact Limited Shareholders	Genpact Limited Shareholders	Genpact Limited Shareholders	Genpact Limited Shareholders
Net income (loss)	\$ 282,019	\$ (761)	\$ 304,881	\$ 304,881	\$ 308,276	\$ 308,276
Other comprehensive income:						
Currency translation adjustments	(109,656)	(424)	(20,297)	(20,297)	(7,871)	(7,871)
Net income (loss) on cash flow hedging derivatives, net of taxes (Note 7)	(46,293)	—	2,343	2,343	(3,468)	(3,468)
Retirement benefits, net of taxes	1,454	—	(6,542)	(6,542)	(2,045)	(2,045)
Other comprehensive income (loss)	(154,495)	(424)	(24,496)	(24,496)	(13,384)	(13,384)
Comprehensive income (loss)	<u>\$ 127,524</u>	<u>\$ (1,185)</u>	<u>\$ 280,385</u>	<u>\$ 280,385</u>	<u>\$ 294,892</u>	<u>\$ 294,892</u>

See accompanying notes to the Consolidated Financial Statements.

GENPACT LIMITED AND ITS SUBSIDIARIES
Consolidated Statements of Equity and Redeemable Non-controlling Interest
For the year ended December 31, 2018
(In thousands, except share count)

	Genpact Limited Shareholders						
	Common shares		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Equity	Redeemable non-controlling interest
No. of Shares	Amount						
Balance as of January 1, 2018, as previously reported	192,825,207	\$ 1,924	\$ 1,421,368	\$ 355,982	\$ (355,230)	\$ 1,424,044	\$ 4,750
Adoption of ASU 2014-091	—	—	—	17,924	—	17,924	—
Adjusted Balance as of January 1, 2018	192,825,207	1,924	1,421,368	373,906	(355,230)	1,441,968	4,750
Adoption of ASU 2018-02 (Note 7, 23)	—	—	—	(2,265)	2,265	—	—
Issuance of common shares on exercise of options (Note 18)	441,076	4	7,254	—	—	7,258	—
Issuance of common shares under the employee stock purchase plan (Note 18)	245,467	2	6,774	—	—	6,776	—
Net settlement on vesting of restricted share units (Note 18)	227,560	2	(2,651)	—	—	(2,649)	—
Net settlement on vesting of performance units (Note 18)	691,958	7	(13,277)	—	—	(13,270)	—
Stock repurchased and retired (Note 19)	(5,085,167)	(51)	4,000	(158,007)	—	(154,058)	—
Expenses related to stock purchase (Note 19)	—	—	—	(98)	—	(98)	—
Stock-based compensation expense (Note 18)	—	—	48,998	—	—	48,998	—
Acquisition of redeemable non-controlling interest	—	—	(1,165)	—	—	(1,165)	(3,565)
Comprehensive income (loss):							
Net income (loss)	—	—	—	282,019	—	282,019	(761)
Other comprehensive income (loss)	—	—	—	—	(154,495)	(154,495)	(424)
Dividend (\$0.30 per common share, Note 19)	—	—	—	(57,102)	—	(57,102)	—
Balance as of December 31, 2018	189,346,101	\$ 1,888	\$ 1,471,301	\$ 438,453	\$ (507,460)	\$ 1,404,182	\$ —

¹ Pursuant to the Company's transition to Topic 606, Revenue from contracts with customers, effective January 1, 2018.

See accompanying notes to the Consolidated Financial Statements.

GENPACT LIMITED AND ITS SUBSIDIARIES

**Consolidated Statements of Equity
For the year ended December 31, 2019
(In thousands, except share count)**

	Genpact Limited Shareholders					
	Common shares		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Equity
No. of Shares	Amount					
Balance as of January 1, 2019	189,346,101	\$ 1,888	\$ 1,471,301	\$ 438,453	\$ (507,460)	\$ 1,404,182
Issuance of common shares on exercise of options (Note 18)	697,531	7	10,683	—	—	10,690
Issuance of common shares under the employee stock purchase plan (Note 18)	264,440	3	8,977	—	—	8,980
Net settlement on vesting of restricted share units (Note 18)	574,112	6	(4,271)	—	—	(4,265)
Net settlement on vesting of performance units (Note 18)	2,151	—	—	—	—	-
Stock repurchased and retired (Note 19)	(766,154)	(8)	—	(29,992)	—	(30,000)
Expenses related to stock purchase (Note 19)	—	—	—	(15)	—	(15)
Stock-based compensation expense (Note 18)	—	—	83,885	—	—	83,885
Comprehensive income (loss):						
Net income (loss)	—	—	—	304,881	—	304,881
Other comprehensive income (loss)	—	—	—	—	(24,496)	(24,496)
Dividend (\$0.34 per common share, Note 19)	—	—	—	(64,671)	—	(64,671)
Balance as of December 31, 2019	190,118,181	\$ 1,896	\$ 1,570,575	\$ 648,656	\$ (531,956)	\$ 1,689,171

See accompanying notes to the Consolidated Financial Statements.

GENPACT LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Equity
For the year ended December 31, 2020
(In thousands, except share count)

Genpact Limited Shareholders						
	Common shares		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Equity
	No. of Shares	Amount				
Balance as of January 1, 2020	190,118,181	\$ 1,896	\$ 1,570,575	\$ 648,656	\$ (531,956)	\$ 1,689,171
Transition period adjustment pursuant to ASC 326, net of tax	—	—	—	(3,984)	—	(3,984)
Adjusted balance as of January 1, 2020	190,118,181	1,896	1,570,575	644,672	(531,956)	1,685,187
Issuance of common shares on exercise of options (Note 18)	692,634	7	14,055	—	—	14,062
Issuance of common shares under the employee stock purchase plan (Note 18)	315,245	3	11,070	—	—	11,073
Net settlement on vesting of restricted share units (Note 18)	429,362	4	(7,846)	—	—	(7,842)
Net settlement on vesting of performance units (Note 18)	902,532	9	(25,836)	—	—	(25,827)
Stock repurchased and retired (Note 19)	(3,412,293)	(34)	—	(137,010)	—	(137,044)
Expense related to stock purchase (Note 19)	—	—	—	(68)	—	(68)
Stock-based compensation expense (Note 18)	—	—	74,008	—	—	74,008
Comprehensive income (loss):						
Net income (loss)	—	—	—	308,276	—	308,276
Other comprehensive income (loss)	—	—	—	—	(13,384)	(13,384)
Dividend (\$0.39 per common share, Note 19)	—	—	—	(74,212)	—	(74,212)
Balance as of December 31, 2020	189,045,661	\$ 1,885	\$ 1,636,026	\$ 741,658	\$ (545,340)	\$ 1,834,229

See accompanying notes to the Consolidated Financial Statements.

GENPACT LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows

(In thousands)

	Year ended December 31,		
	2018	2019	2020
Operating activities			
Net income attributable to Genpact Limited shareholders	\$ 282,019	\$ 304,881	\$ 308,276
Net loss attributable to redeemable non-controlling interest	(761)	—	—
Net income	\$ 281,258	\$ 304,881	\$ 308,276
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>			
Depreciation and amortization	64,868	96,101	116,499
Amortization of debt issuance costs (including loss on extinguishment of debt)	3,975	1,779	2,248
Amortization of acquired intangible assets	38,850	32,612	43,343
Write-down of intangible assets and property, plant and equipment	4,265	3,511	14,083
Reserve for doubtful receivables/allowance for credit losses	1,857	7,443	5,707
Unrealized loss (gain) on revaluation of foreign currency asset/liability	3,352	(5,171)	9,578
Stock-based compensation expense	48,998	83,885	74,008
Deferred tax expense (benefit)	6,054	(16,315)	(22,587)
Write-down of operating lease right-of-use assets and other assets	—	—	18,084
Gain on exchange of non-monetary asset	—	(31,380)	—
Others, net	1,329	(2,213)	(1,291)
Change in operating assets and liabilities:			
(Increase) decrease in accounts receivable	(76,894)	(121,983)	42,505
Increase in prepaid expenses, other current assets, contract cost assets, operating lease right-of-use assets and other assets	(76,392)	(69,813)	(99,852)
Increase (decrease) in accounts payable	26,401	(21,375)	(12,480)
Increase in accrued expenses, other current liabilities, operating lease liabilities and other liabilities	5,993	157,580	87,180
Increase (decrease) in income taxes payable	5,597	8,346	(993)
Net cash provided by operating activities	\$ 339,511	\$ 427,888	\$ 584,308
Investing activities			
Purchase of property, plant and equipment	(84,978)	(74,927)	(70,170)
Payment for internally generated intangible assets (including intangibles under development)	(75,439)	(33,834)	(10,201)
Proceeds from sale of property, plant and equipment	668	1,750	607
Proceeds from sale of equity affiliates	—	2,168	—
Payment for business acquisitions, net of cash acquired	(111,571)	(252,276)	(186,633)
Payment for redeemable non-controlling interest	(4,730)	—	—
Net cash used for investing activities	\$ (276,050)	\$ (357,119)	\$ (266,397)
Financing activities			
Repayment of capital/ finance lease obligations	(2,395)	(7,380)	(10,567)
Payment of debt issuance costs	(4,293)	(2,317)	(620)
Proceeds from long term debt	129,186	400,000	—
Repayment of long-term debt	(166,186)	(34,000)	(34,000)
Proceeds from short-term borrowings	250,000	400,000	610,000
Repayment of short-term borrowings	(125,000)	(625,000)	(430,000)
Proceeds from issuance of common shares under stock-based compensation plans	14,034	19,670	25,135
Payment for net settlement of stock-based awards	(15,919)	(3,850)	(34,083)
Payment of earn-out consideration	(3,356)	(12,790)	(6,552)
Dividend paid	(57,102)	(64,671)	(74,212)
Payment for stock repurchased and retired (including expenses related to stock repurchase)	(154,156)	(30,015)	(137,112)
Net cash provided by/ (used for) financing activities	\$ (135,187)	\$ 39,647	\$ (92,011)
Effect of exchange rate changes	(64,346)	(11,716)	(12,556)
Net increase (decrease) in cash and cash equivalents	(71,726)	110,416	225,900
Cash and cash equivalents at the beginning of the period	504,468	368,396	467,096
Cash and cash equivalents at the end of the period	\$ 368,396	\$ 467,096	\$ 680,440
Supplementary information			
Cash paid during the period for interest on borrowings (including interest rate swaps)	\$ 41,484	\$ 45,084	\$ 49,101
Cash paid during the period for income taxes, net of refunds	\$ 81,411	\$ 104,217	\$ 193,946
Property, plant and equipment acquired under capital/finance lease obligations	\$ 2,031	\$ 5,008	\$ 29,526
Non-cash transaction: Gain on exchange of non-monetary asset	\$ —	\$ (31,380)	\$ —

See accompanying notes to the Consolidated Financial Statements.

GENPACT LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements
(In thousands, except per share data and share count)

1. Organization

The Company is a global professional services firm that drives digitally-led innovation and runs digitally-enabled intelligent operations for its customers, guided by its experience over time running thousands of processes for hundreds of Fortune Global 500 companies. The Company has approximately 96,500 employees serving customers in key industry verticals from more than 30 countries.

Prior to the fourth quarter of 2019, the Company had one reportable segment. To align with how the Company's Chief Operating Decision Maker, or CODM, manages its business, including resource allocation and performance assessment, the Company realigned its business segments into the following three reportable segments: Banking, Capital Markets and Insurance, or BCMI, Consumer Goods, Retail, Life Sciences and Healthcare, or CGRLH, and High Tech, Manufacturing and Services, or HMS.

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-K. 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 on consolidation.

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

(b) Use of estimates

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

GENPACT LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements
(In thousands, except per share data and share count)

2. Summary of significant accounting policies (Continued)

(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.

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

Intangible assets acquired individually or with a group of other assets or in a business combination or 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	1-11 years
Marketing-related intangible assets	1-10 years
Technology-related intangible assets	2-8 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.

2. Summary of significant accounting policies (Continued)

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.

(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 17% and 16% of the Company's receivables as of December 31, 2019 and 2020, respectively. GE accounted for 9%, 14% and 12% of the Company's revenues in the years ended December 31, 2018, 2019 and 2020, 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.

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.

2. Summary of significant accounting policies (Continued)

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 when the license 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.

(g) Leases (effective January 1, 2019)

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 entered into prior to January 1, 2019 have been accounted for under ASC Topic 840, Lease Classification, and were not reassessed on adoption of ASC Topic 842, Leases, on January 1, 2019.

2. Summary of significant accounting policies (Continued)

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 right-of-use (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. 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.

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.

For the year ended December 31, 2020, due to the impact of the COVID-19 pandemic on the Company's current and future revenues and operations, the Company recorded restructuring charges related to the abandonment of leased office premises and related assets. See Note 29 for additional information.

2. Summary of significant accounting policies (Continued)

(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 customer 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 customers and travel and other billable costs related to the Company's customers. 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 intangible and ROU assets other than those included in cost of revenue.

(j) Changes in accounting policies

Except as described below, the Company has applied accounting policies consistently to all periods presented in these consolidated financial statements. The Company adopted ASC Topic 326, Financial Instruments—Credit Losses ("Topic 326"), effective January 1, 2020. As a result of the Company's adoption of this new standard, current expected credit losses ("CECL") are measured using lifetime "expected credit loss" methodology, replacing the incurred loss model that recognized losses only when they became probable and estimable. The Company changed its accounting policy for recognition and measurement of CECL as detailed below. Topic 326 is applicable to financial assets measured at amortized cost, such as accounts receivable (including deferred billings), deposits, employee advances and cash and cash equivalents. It requires historical loss data to be adjusted to reflect changes in asset-specific considerations, current conditions and reasonable and supportable forecasts of future economic conditions. In order to analyze credit losses on financial assets, the Company applied a combination of methods, including the discounted cash flow and roll-rate methods, to determine expected credit losses. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The Company applied Topic 326 using the modified retrospective transition approach, which involves recognizing the cumulative effect of initial adoption of Topic 326 as an adjustment to its opening retained earnings as of January 1, 2020. Therefore, comparative information prior to the adoption date has not been adjusted.

As a result of adoption of ASC 326, the Company recognized an incremental allowance for credit losses on its accounts receivable and deferred billings of \$4,185 and \$734, respectively, resulting in an increase in deferred tax assets of \$935 with a corresponding decrease in retained earnings of \$3,984, net of deferred tax.

GENPACT LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements
(In thousands, except per share data and share count)

2. Summary of significant accounting policies (Continued)

Credit losses (effective January 1, 2020)

The Company recognizes an allowance for credit losses for all debt instruments other than those held at fair value through profit or loss. The Company pools its accounts receivable 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 including 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 uncollectable 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.

Impact on consolidated financial statements

The following table summarizes the impact of the Company's adoption of Topic 326 on its consolidated financial statements as of January 1, 2020.

	As reported December 31, 2019	Adoption of Topic 326 Increase/(Decrease)	Balance as of January 1, 2020
Accounts receivable, net	914,255	(4,185)	910,070
Other assets	217,079	(734)*	216,345
Deferred tax assets	89,715	935	90,650
Retained earnings	648,656	(3,984)	644,672

*Represents the expected credit loss on deferred billings amounting to \$7,858 included in "Other assets."

(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) Cash and cash equivalents

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

GENPACT LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements
(In thousands, except per share data and share count)

2. Summary of significant accounting policies (Continued)

(m) Short-term investments

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

(n) Property, plant and equipment, net

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

	Years
Buildings	40
Furniture and fixtures	4
Computer equipment and servers	4
Plant, machinery and equipment	4
Computer software	4-7
Leasehold improvements	Lease period or 10 Years, whichever is less
Vehicles	3-4

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

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

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

(o) Impairment of long-lived assets

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

2. Summary of significant accounting policies (Continued)

(p) Foreign currency

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

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

(q) Derivative instruments and hedging activities

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

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

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

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

2. Summary of significant accounting policies (Continued)

(r) Income taxes

The Company accounts for income taxes using the asset and liability method of accounting for income taxes. Under this method, income tax expense is recognized for the amount of taxes payable or refundable for the current year. In addition, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their tax bases and for all operating loss and tax credit carryforwards, if any. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax laws or rates is recognized in the consolidated statement of income in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

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

The Company follows the specific identification approach for releasing stranded tax effects from accumulated other comprehensive income ("AOCI") upon recognition of these AOCI items in the consolidated statement of income.

(s) Employee benefit plans

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

On January 1, 2018, the Company adopted ASU 2017-07, Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost. The service cost is recognized under "cost of revenue" and "selling, general and administrative expenses," depending on the functional area of the underlying employees included in the plans, and the non-operating components of net benefit plan costs are included within "other income (expense), net" in the consolidated statements of income.

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

(t) Deferred Compensation Plans

The Company maintains a non-qualified deferred compensation plan for certain employees. The plan is accounted for using the fair value measurement approach. Plan earnings are calculated by reference to actual earnings of the funds chosen by individual participants. In connection with the administration of this plan, the Company has purchased Company-owned life insurance policies insuring the lives of certain employees, held under a Rabbi Trust. The Company consolidates the invested assets of the trust. The cash surrender value of these insurance policies is included in "other assets" in the consolidated balance sheets at fair value. Gains or losses on the plan's assets and changes in the fair value of deferred compensation liabilities are included in "other income (expense), net," and "selling, general and administrative expenses," respectively, in the consolidated statements of income.

GENPACT LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements
(In thousands, except per share data and share count)

2. Summary of significant accounting policies (Continued)

(u) Stock-based compensation

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

(v) Accelerated Share Repurchase

The Company entered into an accelerated share repurchase ("ASR") agreement in 2017 with a third-party financial institution to repurchase the Company's common shares. Under the ASR agreement, the Company paid an upfront amount to the financial institution and received an initial delivery of shares. Upon an interim delivery and settlement of the ASR agreement, the financial institution delivered additional shares to the Company, with the final number of shares delivered determined by reference to the volume-weighted average price of the Company's common shares over the term of the agreement, less an agreed-upon discount. The transactions were accounted for as equity transactions. All shares repurchased under the ASR agreement were retired. The number of weighted average common shares outstanding used by the Company for purposes of calculating basic and diluted earnings per share was reduced as of the date of delivery of the common shares.

(w) Government incentives

The Company recognizes incentives in the consolidated statements of income under "other income (expense), net." Incentives are recognized in the consolidated statements of income when there is reasonable assurance that the Company will comply with the conditions for their receipt and a reasonable expectation that the funds will be received. In certain circumstances, the receipt of an incentive may not be subject to any condition or requirement to incur further costs, in which case the incentive is recognized in the consolidated statement of income for the period in which it becomes receivable. In the event that it becomes likely that the Company will be required to repay an incentive that has already been recognized, the Company makes a provision for the estimated liability.

(x) Earnings (loss) per share

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

(y) Commitments and contingencies

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

GENPACT LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements
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2. Summary of significant accounting policies (Continued)

(z) Debt restructuring

The Company accounts for any restructuring of its credit facility using the ten percent cash flow test in accordance with ASC 470, Debt. If the cash flow effect of the change in terms on a present-value basis is less than ten percent, the debt instruments are not considered to be substantially different, and are accounted for as a modification. If the change is more than ten percent, it is treated as an extinguishment. In performing the cash flow test, the Company includes all amounts paid to its lenders in connection with the restructuring but excludes third party expenses. In the case of a modification, all new fees paid to lenders are capitalized and amortized as part of the existing effective yield and any new fees paid to third parties are expensed as incurred under selling, general and administrative expenses. No gain or loss is recorded in the case of a modification. In the case of an extinguishment, all new fees paid to lenders are expensed as incurred under selling, general and administrative expenses and any new fees paid to third parties are capitalized and amortized as a debt issuance cost. The old debt is derecognized and the new debt is recorded at fair value and a gain or loss is recorded for the difference between the net carrying value of the original debt and the fair value of the new debt.

(aa) 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 Company has adopted the following recently released accounting standards:

The Company adopted ASC Topic 842, Leases, with a date of initial application of January 1, 2019, using the modified retrospective approach. The significant accounting policy for leases is outlined in section (g) above.

In March 2019, the Financial Accounting Standards Board (the "FASB") issued Accounting Standard Update ("ASU") 2019-01, Leases (Topic 842): Codification Improvement. The new standard contains several amendments to clarify the codification more generally and/or correct unintended applications of the guidance. The changes in the new standard eliminate the requirement for transition disclosures related to Topic 250-10-50-3. The guidance is effective for fiscal years beginning after December 15, 2019, including interim periods within those years. Early application is permitted. In the quarter ended March 31, 2019, the Company adopted ASU 2019-01 effective January 1, 2019 and no prior periods have been adjusted.

In August 2017, the FASB issued ASU 2017-12, "Derivatives and Hedging." The amendment expands an entity's ability to apply hedge accounting to non-financial and financial risk components and requires changes in the fair value of hedging instruments to be presented in the same income statement line as a hedged item. The ASU also amends the presentation and disclosure requirements for the effect of hedge accounting. The ASU must be adopted using a modified retrospective approach with a cumulative effect adjustment recorded to the opening balance of retained earnings as of the initial application date. The ASU was effective for the Company beginning January 1, 2019, including interim periods in the fiscal year 2019. On January 1, 2019, the Company adopted this ASU and concluded that it does not have any impact on its consolidated results of operations, cash flows, financial position or disclosures.

In July 2019, the FASB issued ASU 2019-07, Codification Updates to SEC Sections. This ASU amends various SEC paragraphs pursuant to the issuance of SEC Final Rule Releases No. 33-10532, Disclosure Update and Simplification, and Nos. 33-10231 and 33-10442, Investment Company Reporting Modernization. The S-X Rule 3-04 requires the presentation of changes in stockholders' equity in the form of a reconciliation of the beginning balance to the ending balance for each period for which a statement of income is required to be filed with all significant reconciling items. The Company presented changes in stockholders' equity as separate financial statements for the current and comparative year-to-date interim periods beginning on January 1, 2019. This guidance was effective immediately upon issuance. The additional elements of the ASU did not have a material impact on the Company's consolidated results of operations, cash flows, financial position or disclosures.

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2. Summary of significant accounting policies (Continued)

In June 2016, the FASB issued ASU No. 2016-13, "Measurement of credit losses on financial instruments." The ASU requires measurement and recognition of expected credit losses for financial assets held by the Company. The ASU requires entities to estimate an expected lifetime credit loss on financial assets ranging from short-term trade accounts receivable to long-term financings. The ASU became effective for the Company beginning January 1, 2020, including interim periods in fiscal year 2020.

In May 2019, the FASB issued ASU No. 2019-05, "Financial Instruments—Credit Losses (Topic 326)." The ASU provides final guidance that allows entities to make an irrevocable one-time election upon adoption of the new credit losses standard to measure financial assets at amortized cost (except held-to-maturity securities) using the fair value option. The ASU is effective for the Company beginning January 1, 2020, including interim periods in fiscal year 2020.

In November 2019, the FASB issued ASU No. 2019-11, "Codification Improvements to Topic 326, Financial Instruments—Credit Losses." This ASU clarifies that the scope of the guidance related to expected recoveries extends to purchased financial assets with credit deterioration. For entities that have not yet adopted ASU 2016-13, the amendments in ASU 2019-11 are effective on the same date as those in ASU 2016-13. For entities that have adopted ASU 2016-13, the amendments in ASU 2019-11 are effective for fiscal years beginning January 1, 2020 and interim periods therein.

The Company adopted ASU 2016-13, ASU 2019-05 and ASU 2019-11 beginning January 1, 2020, including interim periods in fiscal year 2020. The cumulative impact of the adoption of these standards has been described in section (j) above.

In August 2018, the FASB issued ASU No. 2018-13, "Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement." The ASU modifies the disclosure requirements with respect to fair value measurements. The ASU is effective for the Company beginning January 1, 2020, including interim periods in fiscal year 2020. The Company assessed the impact of this ASU and concluded that it does not have any material impact on its consolidated results of operations, cash flows, financial position or disclosures.

In August 2018, the FASB issued ASU No. 2018-14, "Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans." The ASU modifies the disclosure requirements with respect to defined benefit pension plans. The Company adopted this ASU in its consolidated financial statements for the year ended December 31, 2020 and it did not have any material impact on its disclosures.

In August 2018, the FASB issued ASU No. 2018-15, "Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract." The ASU modifies the capitalization requirements with respect to implementation costs incurred by the customer in a hosting arrangement that is a service contract. The ASU is effective for the Company beginning January 1, 2020. The Company assessed the impact of this ASU and concluded that it does not have any material impact on its consolidated results of operations, cash flows, financial position or disclosures.

In April 2019, the FASB issued ASU No. 2019-04, "Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments." The ASU provides additional guidance on the recognition of credit losses and addresses partial-term fair value hedges, fair value hedge basis adjustments and certain transition requirements, among other things. The ASU also addresses the scope of the guidance on the requirement for re-measurement under ASC 820 when using the measurement alternative, certain disclosure requirements and which foreign currency-denominated equity securities must be re-measured at historical exchange rates. The ASU is effective for the Company beginning January 1, 2020, including interim periods in fiscal year 2020. The Company assessed the impact of this ASU and concluded that it does not have any material impact on its consolidated results of operations, cash flows, financial position or disclosures.

In November 2019, the FASB issued ASU No. 2019-08, "Codification Improvements—Share-Based Consideration Payable to a Customer." The ASU clarifies that share-based consideration payable to a customer is measured in accordance with guidance under AC 718--Share based payments. The ASU is effective for the Company beginning January 1, 2020, including interim periods in fiscal year 2020. The Company assessed the impact of this ASU and concluded that it does not have any material impact on its consolidated results of operations, cash flows, financial position or disclosures.

GENPACT LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements
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2. Summary of significant accounting policies (Continued)

In March 2020, the FASB issued ASU No. 2020-03, “Codification Improvements to Financial Instruments.” This ASU includes amendments that make the Codification easier to understand and apply by eliminating inconsistencies and providing clarifications in relation to financial instruments. This guidance was effective immediately upon issuance. The additional elements of the ASU did not have a material impact on the Company’s consolidated results of operations, cash flows, financial position and or disclosures.

In October 2020, the FASB issued ASU No. 2020-09, “Codification Improvements to Topic 470, Debt— Amendments to SEC Paragraphs Pursuant to SEC Release No. 33-10762.” The SEC in its Release No. 33-10762 in March 2020 has adopted new rules on financial disclosure requirements for guarantors and issuers of guaranteed securities and affiliates whose securities collateralize issuers’ securities. This ASU revises certain SEC paragraphs of the FASB’s Accounting Standards Codification (ASC) to reflect, as appropriate, the amended financial statement disclosure requirements in SEC Release 33-10762. The amended rules are effective January 4, 2021 but early compliance is permitted. The Company adopted the amended rules issued by the SEC in its Release No. 33-10762 in the first quarter of 2020. Accordingly, the Company has already adopted the amendments under this ASU and the disclosures related to guarantor financial information has been omitted from the Notes to the Consolidated Financial Statements and included as part of Part II, Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

The following recently released accounting standards have not yet been adopted by the Company:

In December 2019, the FASB issued ASU No. 2019-12, “Simplifying the Accounting for Income Taxes.” This ASU removes certain exceptions for investments, intra-period tax allocations and interim calculations, and adds guidance to reduce complexity in accounting for income taxes. The ASU is effective for the Company for fiscal years, and interim periods within those fiscal years, beginning January 1, 2021. Early adoption is permitted. The Company assessed the impact of this ASU and concluded that it does not have any material impact on its consolidated results of operations, cash flows, financial position or disclosures.

In March 2020, the FASB issued ASU No. 2020-04, “Facilitation of the Effects of Reference Rate Reform on Financial Reporting.” This ASU provides temporary optional expedients and exceptions to the guidance in US GAAP on contract modifications and hedge accounting to ease the financial reporting burdens related to the expected market transition from the London Interbank Offered Rate (“LIBOR”) and other interbank offered rates to alternative reference rates, such as the Secured Overnight Financing Rate (“SOFR”). Entities can elect not to apply certain modification accounting requirements to contracts affected by what the guidance calls reference rate reform, if certain criteria are met. An entity that makes this election would not have to remeasure the contracts at the modification date or reassess a previous accounting determination. The guidance is effective upon issuance and generally can be applied through December 31, 2022. The Company assessed the impact of this ASU and since a substantial portion of the LIBOR-linked credit facilities are either hedged or short term in nature, and the credit agreements cover the replacement mechanism in case the LIBOR is discontinued, the Company concluded that the adoption of this ASU does not have any material impact on its consolidated results of operations, cash flows, financial position or disclosures.

In October 2020, the FASB issued ASU No. 2020-10, “Codification Improvements.” The amendments in this ASU do not change the GAAP requirements but it improves consistency by amending the Codification to include all disclosure guidance in the appropriate disclosure sections and also clarifies application of various provisions in the codification by amending and adding new headings, cross referencing to other guidance, and refining or correcting terminology. The ASU is effective for the Company for fiscal years, and interim periods within those fiscal years, beginning January 1, 2021. Early application is permitted. The Company assessed the impact of this ASU and concluded that it does not have any material impact on its consolidated results of operations, cash flows, financial position or disclosures.

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3. Business acquisitions

(a) 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 \$148,905. This amount represents cash consideration of \$137,274, net of cash acquired of \$11,631. The total purchase consideration paid by the Company to the sellers was \$141,938, resulting in a payable of \$6,967, which is outstanding as of December 31, 2020. 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 is expected to increase the scale and depth of the Company’s data and analytics capabilities and enhance 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 \$86,669 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 \$2,559, to the CGRLH segment in the amount of \$22,239 and to the HMS segment in the amount of \$61,871. The goodwill arising from this acquisition is not deductible for income tax purposes. The goodwill represents primarily the acquired capabilities, operating synergies 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 \$32,759, assumed certain liabilities amounting to \$17,113 and recognized a net deferred tax liability of \$13,310. 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 \$5,848 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) 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 was \$57,704, resulting in a recoverable of \$253 as of December 31, 2020. 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 supports the Company’s strategy to integrate experience and process innovation to help clients on their digital transformation journeys and expands 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 expands the Company’s capabilities into Magento Commerce, which powers Adobe Commerce Cloud, and Shopify Plus, a cloud-based ecommerce platform for high volume merchants.

3. Business acquisitions (Continued)

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, operating synergies 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.

(c) 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 acquisition date was \$248,470, resulting in a payable of \$22,199. This acquisition expands 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 earnout consideration with an estimated value of \$21,500 over the rollover period of three years which is included in the purchase consideration. The amount of deferred earnout 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. Refer to Note 6, "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, operating synergies and other benefits expected to result from combining the acquired operations with those of the Company.

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 asset 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.

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3. Business acquisitions (Continued)

(d) riskCanvas Holdings, LLC

On January 7, 2019, the Company acquired 100% of the outstanding equity interests in riskCanvas Holdings, LLC, a Delaware limited liability company, for total purchase consideration of \$5,747. This amount includes cash consideration of \$5,700, net of adjustment for working capital. No portion of the total consideration, payable in cash, was unpaid as of December 31, 2020. This acquisition expands the Company's services in the areas of financial institution fraud, anti-money laundering and financial transaction surveillance and enhances its consulting capabilities for clients in the financial services industry.

In connection with this acquisition, the Company recorded \$1,700 in customer-related intangibles, \$1,400 in software-related intangibles and \$100 in restrictive covenants. Goodwill arising from the acquisition amounting to \$2,547 has been allocated to the Company's BCMI reporting segment and is deductible for income tax purposes. The goodwill represents primarily the acquired capabilities, operating synergies and other benefits expected to result from combining the acquired operations with those of the Company.

Acquisition-related costs of \$967 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 \$660 and assumed certain liabilities amounting to \$707. 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. Cash and cash equivalents

	<u>As of December 31,</u> <u>2019</u>	<u>As of December 31,</u> <u>2020</u>
Cash and other bank balances	467,096	680,440
Total	<u>\$ 467,096</u>	<u>\$ 680,440</u>

5. Accounts receivable, net of allowance for credit losses

Accounts receivable were \$944,224 and \$908,727, and reserve for doubtful receivables was \$29,969 and allowance for credit losses was \$27,707, resulting in net accounts receivable balances of \$914,255 and \$881,020 as of December 31, 2019 and 2020, respectively.

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

	<u>Year ended December 31,</u>		
	<u>2018</u>	<u>2019</u>	<u>2020</u>
Opening balance as of January 1	\$ 23,660	\$ 23,960	\$ 29,969
Transition period adjustment on accounts receivables (through retained earnings) pursuant to adoption of ASC 326	—	—	4,185
Adjusted balance as of January 1	23,660	23,960	34,154
Additions due to acquisitions	—	1,004	200
Additions charged/reversal released to cost and expense, net	1,857	7,443	3,307
Deductions/effect of exchange rate fluctuations	(1,557)	(2,438)	(9,954)
Closing balance	<u>\$ 23,960</u>	<u>\$ 29,969</u>	<u>\$ 27,707</u>

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6. Fair Value Measurements

The Company measures certain financial assets and liabilities, including derivative instruments, at fair value on a recurring basis. The fair value measurements of these financial assets and liabilities were determined using the following inputs as of December 31, 2019 and 2020:

	As of December 31, 2019			
	Fair Value Measurements at Reporting Date Using			
	Total	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Other Unobservable Inputs
		(Level 1)	(Level 2)	(Level 3)
Assets				
Derivative instruments (Note a, c)	\$ 21,309	\$ —	\$ 21,309	\$ —
Deferred compensation plan assets (a, e)	11,208	—	—	11,208
Total	\$ 32,517	\$ —	\$ 21,309	\$ 11,208
Liabilities				
Earn out Consideration (Note b, d)	\$ 22,184	\$ —	\$ —	\$ 22,184
Derivative instruments (Note b, c)	24,239	—	24,239	—
Deferred compensation plan liability (b, f)	10,943	—	—	10,943
Total	\$ 57,366	\$ —	\$ 24,239	\$ 33,127

	As of December 31, 2020			
	Fair Value Measurements at Reporting Date Using			
	Total	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Other Unobservable Inputs
		(Level 1)	(Level 2)	(Level 3)
Assets				
Derivative instruments (Note a, c)	\$ 27,709	\$ —	\$ 27,709	\$ —
Deferred compensation plan assets (Note a, e)	26,832	—	—	26,832
Total	\$ 54,541	\$ —	\$ 27,709	\$ 26,832
Liabilities				
Earn out consideration (Note b, d)	\$ 8,272	\$ —	\$ —	\$ 8,272
Derivative instruments (Note b, c)	40,981	—	40,981	—
Deferred compensation plan liability (Note b, f)	26,390	—	—	26,390
Total	\$ 75,643	\$ —	\$ 40,981	\$ 34,662

- (a) Included in “prepaid expenses and other current assets” and “other assets” in the consolidated balance sheets.
- (b) Included in “accrued expenses and other current liabilities” and “other liabilities” in the consolidated balance sheets.
- (c) The Company values its derivative instruments based on market observable inputs, including both forward and spot prices for the relevant currencies and interest rate indices for relevant interest rates. The quotes are taken from an independent market database.
- (d) The fair value of earn-out consideration, calculated as the present value of expected future payments to be made to the sellers of acquired businesses, was derived by estimating the future financial performance of the acquired businesses using the earn-out formula and performance targets specified in each purchase agreement and adjusting the result to reflect the Company’s estimate of the likelihood of achievement of such targets. Given the significance of the unobservable inputs, the valuations are classified in level 3 of the fair value hierarchy.
- (e) 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.

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6. Fair Value Measurements (Continued)

- (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 years ended December 31, 2019 and 2020:

	Year ended December 31,	
	2019	2020
Opening balance	\$ 17,073	\$ 22,184
Earn-out consideration payable in connection with acquisitions	21,701	—
Payments made on earn-out consideration (Note a)	(17,098)	(6,552)
Change in fair value of earn out consideration (Note b)	—	(7,790)
Others (Note c)	508	430
Closing balance	\$ 22,184	\$ 8,272

- (a) Includes the interest payment on earn-out consideration in excess of the acquisition date fair value, which is included in “cash flows from operating activities” amounting to \$4,308 and \$0 for the year ended December 31, 2019 and 2020, respectively.
- (b) Changes in the fair value of earn-out consideration are reported in “other operating (income) expense, net” in the consolidated statements of income.
- (c) “Others” is comprised of interest expense included in “interest income (expense), net” and the impact of changes in foreign exchange reported in “foreign exchange gains (losses), net” in the consolidated statements of income. This also includes a cumulative translation adjustment reported as a component of other comprehensive income (loss).

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 year ended December 31, 2019 and 2020:

	Year ended December 31,	
	2019	2020
Opening balance	\$ 1,613	\$ 11,208
Additions (net of redemption)	8,299	11,460
Change in fair value of deferred compensation plan assets (Note a)	1,296	4,164
Closing balance	\$ 11,208	\$ 26,832

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

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 year ended December 31, 2019 and 2020:

	Year ended December 31,	
	2019	2020
Opening balance	\$ 1,582	\$ 10,943
Additions (net of redemption)	8,299	11,327
Change in fair value of deferred compensation plan liabilities (Note a)	1,062	4,120
Closing balance	\$ 10,943	\$ 26,390

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

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7. Derivative financial instruments

The Company is exposed to the risk of rate fluctuations on foreign currency assets and liabilities and on foreign currency denominated forecasted cash flows and interest rates. The Company has established risk management policies, including the use of derivative financial instruments to hedge foreign currency assets and liabilities and foreign currency denominated forecasted cash flows and interest rate risks. These derivative financial instruments are largely deliverable and non-deliverable forward foreign exchange contracts and interest rate swaps. The Company enters into these contracts with counterparties that are banks or other financial institutions, and the Company considers the risk of non-performance by such counterparties not to be material. The forward foreign exchange contracts and interest rate swaps mature over periods of up to 48 months and the forecasted transactions are expected to occur during the same periods.

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

	Notional principal amounts (note a)		Balance sheet exposure asset (liability) (note b)	
	As of December 31, 2019	As of December 31, 2020	As of December 31, 2019	As of December 31, 2020
Foreign exchange forward contracts denominated in:				
United States Dollars (sell) Indian Rupees (buy)	\$ 1,305,000	\$ 1,150,000	(5,740)	\$ 15,207
United States Dollars (sell) Mexican Peso (buy)	—	17,500	—	716
United States Dollars (sell) Philippines Peso (buy)	66,600	67,200	462	1,332
Euro (sell) United States Dollars (buy)	122,337	96,651	4,135	(5,659)
Singapore Dollars (buy) United States Dollars (sell)	10,017	10,153	38	66
Euro (sell) Romanian Leu (buy)	26,918	29,489	(314)	(22)
Japanese Yen (sell) Chinese Renminbi (buy)	29,350	19,230	(258)	473
Pound Sterling (sell) United States Dollars (buy)	9,089	—	383	—
Australian Dollars (sell) United States Dollars (buy)	35,972	—	1,924	—
United States Dollars (sell) Hungarian Font (buy)	20,500	30,000	162	904
Hungarian Font (Sell) Euro (buy)	9,534	10,444	(157)	61
Australian Dollars (sell) Indian Rupees (buy)	—	140,525	—	(7,670)
Interest rate swaps (floating to fixed)	477,604	488,022	(3,565)	(18,680)
			<u>(2,930)</u>	<u>(13,272)</u>

- (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 other 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.

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7. Derivative financial instruments (Continued)

FASB guidance on derivatives and hedging requires companies to recognize all derivative instruments as either assets or liabilities at fair value in the balance sheet. In accordance with the FASB guidance on derivatives and hedging, the Company designates foreign exchange forward contracts and interest rate swaps as cash flow hedges. Foreign exchange forward contracts are entered into to cover the effects of future exchange rate variability on forecasted revenue and purchases of services, and interest rate swaps are entered into to cover interest rate fluctuation risk. In addition to this program, the Company uses derivative instruments that are not accounted for as hedges under the FASB guidance in order to hedge foreign exchange risks related to balance sheet items, such as receivables and intercompany borrowings, that are denominated in currencies other than the Company's underlying functional currency.

The fair values 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, 2019	As of December 31, 2020	As of December 31, 2019	As of December 31, 2020
Assets				
Prepaid expenses and other current assets	\$ 16,214	\$ 16,188	\$ 2,009	\$ 5,357
Other assets	\$ 3,086	\$ 6,164	\$ —	\$ —
Liabilities				
Accrued expenses and other current liabilities	\$ 6,152	\$ 16,387	\$ 814	\$ 3,785
Other liabilities	\$ 17,273	\$ 16,886	\$ —	\$ 3,923

Cash flow hedges

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

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

	Year ended December 31,								
	2018			2019			2020		
	Before Tax amount	Tax (Expense) or Benefit*	Net of tax Amount	Before Tax amount	Tax (Expense) or Benefit*	Net of tax Amount	Before Tax amount	Tax (Expense) or Benefit*	Net of tax Amount
Opening balance	\$ 50,529	\$ (14,436)	\$ 36,093	\$ (2,411)	\$ (5,524)	\$ (7,935)	\$ (4,126)	\$ (1,466)	\$ (5,592)
Adoption of ASU 2018-02 (refer note 23)	—	2,265	2,265	—	—	—	—	—	—
Net gains (losses) reclassified into statement of income on completion of hedged transactions	9,336	(1,073)	8,263	19,401	(7,212)	12,189	(6,171)	605	(5,566)
Changes in fair value of effective portion of outstanding derivatives, net	(43,604)	5,574	(38,030)	17,686	(3,154)	14,532	(12,966)	3,932	(9,034)
Gain/(loss) on cash flow hedging derivatives, net	(52,940)	6,647	(46,293)	(1,715)	4,058	2,343	(6,795)	3,327	(3,468)
Closing balance	<u>\$ (2,411)</u>	<u>\$ (5,524)</u>	<u>\$ (7,935)</u>	<u>\$ (4,126)</u>	<u>\$ (1,466)</u>	<u>\$ (5,592)</u>	<u>\$ (10,921)</u>	<u>\$ 1,861</u>	<u>\$ (9,060)</u>

*The tax (expense) benefit includes the effect of novating certain hedging instruments as part of an intercompany transfer.

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7. Derivative financial instruments (Continued)

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

Derivatives in Cash Flow Hedging Relationships	Amount of Gain (Loss) recognized in OCI on Derivatives (Effective Portion)			Location of Gain (Loss) reclassified from OCI into Statement of Income (Effective Portion)	Amount of Gain (Loss) reclassified from OCI into Statement of Income (Effective Portion)		
	Year ended December 31,				Year ended December 31,		
	2018	2019	2020		2018	2019	2020
Forward foreign exchange contracts	\$ (45,840)	\$ 24,581	\$ 6,933	Revenue	\$ (716)	\$ 6,782	\$ 4,432
Interest rate swaps	2,236	(6,895)	(19,899)	Cost of revenue	4,723	6,435	(4,553)
				Selling, general and administrative expenses	1,543	1,732	(1,266)
				Interest expense	3,786	4,452	(4,784)
	<u>\$ (43,604)</u>	<u>\$ 17,686</u>	<u>\$ (12,966)</u>		<u>\$ 9,336</u>	<u>\$ 19,401</u>	<u>\$ (6,171)</u>

There were no gains (losses) recognized in income on the ineffective portion of derivatives and excluded from effectiveness testing for the years ended December 31, 2018, 2019 and 2020, respectively.

Non-designated Hedges

Derivatives not designated as hedging instruments	Location of Gain (Loss) recognized in Statement of Income on Derivatives	Amount of Gain (Loss) recognized in Statement of Income on Derivatives		
		Year ended December 31,		
		2018	2019	2020
Forward foreign exchange contracts (Note a)	Foreign exchange gains (losses), net	\$ (6,240)	\$ 4,299	\$ (8,055)
Forward foreign exchange contracts (Note b)	Foreign exchange gains (losses), net	—	—	3,963
		<u>\$ (6,240)</u>	<u>\$ 4,299</u>	<u>\$ (4,092)</u>

- (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.
- (b) These forward foreign exchange contracts were initially designated as cash flow hedges under ASC guidance on derivatives and hedging. These contracts were terminated because certain forecasted transactions were no longer expected to occur and therefore hedge accounting was no longer applied. Subsequently, the realized gains (losses) 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.

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8. Prepaid expenses and other current assets

Prepaid expenses and other current assets consist of the following:

	<u>As of December 31,</u> <u>2019</u>	<u>As of December 31,</u> <u>2020</u>
Advance income and non-income taxes	\$ 43,763	\$ 73,008
Contract asset (Note 25)	19,170	9,035
Prepaid expenses	29,734	32,375
Derivative instruments	18,223	21,545
Employee advances	4,209	2,636
Deposits	1,784	8,774
Advances to suppliers	4,289	2,716
Others	49,153	37,319
	<u>\$ 170,325</u>	<u>\$ 187,408</u>

9. Property, plant and equipment, net

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

	<u>As of December 31,</u> <u>2019</u>	<u>As of December 31,</u> <u>2020</u>
Land	\$ 5,923	\$ 5,792
Buildings	42,595	41,622
Furniture and fixtures	49,849	52,610
Computer equipment and servers	229,890	270,376
Plant, machinery and equipment	105,004	109,722
Computer software	141,330	141,417
Leasehold improvements	123,413	126,761
Vehicles	120	152
Capital work in progress	46,037	44,011
Property, plant and equipment, gross	\$ 744,161	\$ 792,463
Less: Accumulated depreciation, amortization and impairment	(490,126)	(561,341)
Property, plant and equipment, net	<u>\$ 254,035</u>	<u>\$ 231,122</u>

Depreciation expense on property, plant and equipment for the years ended December 31, 2018, 2019 and 2020 was \$49,518, \$53,332 and \$67,662, respectively. Software amortization for the years ended December 31, 2018, 2019 and 2020 amounted to \$12,317, \$14,167 and \$9,421, respectively.

The depreciation and amortization expenses set forth above include the effect of the reclassification of foreign exchange (gains) losses related to the effective portion of foreign currency derivative contracts, amounting to \$(231), \$(267) and \$213 for the years ended December 31, 2018, 2019 and 2020, respectively.

The Company recorded a write-down to certain property, plant and equipment during the years ended December 31, 2018 and 2020 as described in Note 10.

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10. Goodwill and intangible assets

The following table presents the changes in goodwill for the years ended December 31, 2019 and 2020:

	<u>As of December 31,</u>	
	<u>2019</u>	<u>2020</u>
Opening balance	\$ 1,393,832	\$ 1,574,466
Goodwill relating to acquisitions consummated during the period	185,381	123,595
Impact of measurement period adjustments	(988)	(5,653)
Effect of exchange rate fluctuations	(3,759)	3,280
Closing balance	\$ 1,574,466	\$ 1,695,688

The following table presents the changes in goodwill by reporting unit for the year ended December 31, 2019:

	<u>BCMI</u>	<u>CGRLH</u>	<u>HMS</u>	<u>Total</u>
Opening balance	\$ 398,601	512,296	482,935	1,393,832
Goodwill relating to acquisitions consummated during the period	20,072	44,365	120,944	185,381
Impact of measurement period adjustments	(380)	(151)	(457)	(988)
Effect of exchange rate fluctuations	(1,080)	(1,380)	(1,299)	(3,759)
Closing balance	\$ 417,213	555,130	602,123	1,574,466

The following table presents the changes in goodwill by reporting unit for the year ended December 31, 2020:

	<u>BCMI</u>	<u>CGRLH</u>	<u>HMS</u>	<u>Total</u>
Opening balance	\$ 417,213	555,130	602,123	1,574,466
Goodwill relating to acquisitions consummated during the period	2,559	52,612	68,424	123,595
Impact of measurement period adjustments	(542)	(1,372)	(3,739)	(5,653)
Effect of exchange rate fluctuations	942	1,204	1,134	3,280
Closing balance	\$ 420,172	607,574	667,942	1,695,688

In the years ended December 31, 2019 and 2020, in accordance with ASU 2011-08, the Company performed an assessment to determine whether events or circumstances exist that may lead to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Based on such assessment, as of December 31, 2019 and 2020, the Company concluded that it is not more likely than not that the fair values of any of the Company's reporting units are less than their carrying amounts.

The remaining amount of the Company's goodwill deductible for tax purposes was \$282,524 and \$296,046 as of December 31, 2019 and 2020, respectively.

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10. Goodwill and intangible assets (Continued)

The Company's intangible assets are as follows:

	As of December 31, 2019			As of December 31, 2020		
	Gross carrying amount	Accumulated amortization & Impairment	Net	Gross carrying amount	Accumulated amortization & Impairment	Net
Customer-related intangible assets	\$ 415,375	\$ 329,724	\$ 85,651	\$ 478,189	\$ 359,652	\$ 118,537
Marketing-related intangible assets	84,180	50,217	33,963	96,561	61,154	35,407
Technology-related intangible assets	149,262	61,150	88,112	152,293	90,866	61,427
Intangible assets under development	26,646	3,511	23,135	23,864	2,503	21,361
	\$ 675,463	\$ 444,602	\$ 230,861	\$ 750,907	\$ 514,175	\$ 236,732

Amortization expenses for intangible assets acquired as a part of a business combination and disclosed in the consolidated statements of income under amortization of acquired intangible assets for the years ended December 31, 2018, 2019 and 2020 were \$38,850, \$32,612 and \$43,343, 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 years ended December 31, 2018, 2019 and 2020 were \$2,807, \$18,957 and \$27,290, respectively.

Amortization expenses for the technology-related, internally-developed intangible assets set forth above include the effect of the reclassification of foreign exchange (gains) losses related to the effective portion of foreign currency derivative contracts, amounting to \$5, \$(76) and \$74 for the years ended December 31, 2018, 2019 and 2020, respectively.

During the years ended December 31, 2018, 2019 and 2020, 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 the Company's investment strategy and market trends which led to a decision to cease certain service offerings. Based on the results of its testing, the Company determined that the carrying value of certain assets tested were not recoverable and the Company recorded complete write-downs of the carrying values of these assets amounting to \$4,265, \$3,511 and \$14,083, respectively, for the years ended December 31, 2018, 2019 and 2020. These write-downs have been recorded in "other operating (income) expense, net" in the consolidated statements of income.

The summary below represents the impairment charges recorded for various categories of assets during the years ended December 31, 2018, 2019 and 2020:

	Year ended December 31,		
	2018	2019	2020
Technology related intangibles	\$ 3,065	\$ 3,511	\$ 5,179
Customer related intangibles	—	—	938
Total Intangibles	\$ 3,065	\$ 3,511	\$ 6,117
Property, plant and equipment	1,200	—	7,966
Total Property, plant and equipment	\$ 1,200	\$ —	\$ 7,966
Grand Total	\$ 4,265	\$ 3,511	\$ 14,083

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10. Goodwill and intangible assets (Continued)

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

For the year ending December 31:	
2021	\$ 81,753
2022	53,705
2023	42,119
2024	24,003
2025 and beyond	13,791
	<u>\$ 215,371</u>

11. Other Assets

Other assets consist of the following:

	As of December 31,	As of December 31,
	2019	2020
Contract asset (Note 25)	21,176	6,770
Advance income and non-income taxes	93,277	155,035
Deposits	36,342	32,058
Derivative instruments	3,086	6,164
Prepaid expenses	6,003	5,176
Deferred billings, net*	7,858	25,357
Others	15,853	43,175
Right of use (ROU) assets finance lease	33,484	50,083
	<u>\$ 217,079</u>	<u>\$ 323,818</u>

* Deferred billings were \$7,858 and \$25,357, net of reserve for doubtful assets of \$0 and allowance for credit losses of \$3,134, as of December 31, 2019 and 2020, respectively. Total credit losses of \$3,134 as of December 31, 2020 include \$734 as a transition date adjustment through retained earnings pursuant to the adoption of ASC 326 and \$2,400 as a current period charge.

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12. Leases

The Company has leased buildings, vehicles, furniture and fixtures, leased lines, computer equipment and servers, and plants, machinery and equipment from various lessors. Certain lease agreements include options to terminate or extend the leases for up to 10 years. The lease agreements do not contain any material residual value guarantees or material restrictive covenants. The components of lease cost for operating and finance leases for the years ended December 31, 2019 and 2020 are summarized below:

	Year ended December 31, 2019	Year ended December 31, 2020
Finance lease cost:		
Amortization of ROU assets (Note a)	9,302	12,483
Interest on lease liabilities (Note b)	2,997	2,454
Operating lease cost (Note c)	74,436	88,596
Short-term lease cost (Note c)	438	1,643
Variable lease cost (Note c)	4,052	5,347
Total lease cost	\$ 91,225	\$ 110,523

- a) Included in “depreciation and amortization” in the consolidated statements of income.
- b) Included in “interest income (expense), net” in the consolidated statements of income.
- c) Included in “cost of revenue” and “selling, general and administrative expenses” in the consolidated statements of income.

ROU assets relating to finance leases of \$33,484 and \$50,083 as of December 31, 2019 and December 31, 2020, respectively, are included in “other assets.”

The operating lease cost set out above includes the effect of the reclassification of foreign exchange (gains) losses related to the effective portion of foreign currency derivative contracts amounting to \$(105) and \$161 for the years ended December 31, 2019 and 2020, respectively.

Amortization of ROU asset set out above includes the effect of the reclassification of foreign exchange (gains) losses related to the effective portion of foreign currency derivative contracts amounting to \$(39) and \$30 for the years ended December 31, 2019 and 2020, respectively.

Other information

	Year ended December 31, 2019	Year ended December 31, 2020
Weighted-average remaining lease term—finance leases	3.9 years	3.1 years
Weighted-average remaining lease term—operating leases	6.77 years	6.42 years
Weighted-average discount rate—finance leases	9.20%	6.61%
Weighted-average discount rate—operating leases	6.87%	7.28%

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12. Leases (Continued)

	Year ended December 31, 2019	Year ended December 31, 2020
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases	\$ 2,859	\$ 2,898
Operating cash flows from operating leases	\$ 72,645	\$ 92,010
Financing cash flows from finance leases	\$ 7,380	\$ 10,567

The following table reconciles the undiscounted cash flows for the Company's finance and operating leases as of December 31, 2020 to the finance and operating lease liabilities recorded on the Company's balance sheet:

Period range	Finance lease	Operating lease
2021	19,584	78,148
2022	17,165	75,288
2023	10,081	66,790
2024	3,876	56,013
2025	1,000	43,696
Thereafter	—	117,580
Total lease payments	51,706	437,515
Less: Imputed interest	2,682	91,673
Total lease liabilities	\$ 49,024	\$ 345,842

The following table reconciles the undiscounted cash flows for the Company's finance and operating leases as of December 31, 2019 to the finance and operating lease liabilities recorded on the Company's balance sheet:

Period range	Finance lease	Operating lease
2020	12,019	79,912
2021	8,765	74,736
2022	6,008	63,539
2023	4,506	57,742
2024	3,445	45,870
Thereafter	1,512	135,104
Total lease payments	36,255	456,903
Less: Imputed interest	5,790	97,139
Total lease liabilities	\$ 30,465	\$ 359,764

Rental expenses in agreements with rent holidays and scheduled rent increases are recorded on a straight-line basis over the applicable lease term. Rent expenses under cancellable and non-cancellable operating leases were \$66,110 for the year ended December 31, 2018.

The rental expenses set out above include the effect of the reclassification of foreign exchange (gains) losses related to the effective portion of foreign currency derivative contracts amounting to \$(195) for the year ended December 31, 2018.

During the year ended December 31, 2020, the Company recorded an impairment charge of \$16,322 relating to operating lease right-of-use assets due to the Company's shift to virtual operating environment. There was no such impairment charge during the year ended December 31, 2019. Of the total impairment charge recorded in year ended December 31, 2020, \$8,482 pertains to restructuring charges. See Note 29 for additional details.

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13. Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consist of the following:

	<u>As of December 31,</u> 2019	<u>As of December 31,</u> 2020
Accrued expenses	\$ 178,845	\$ 150,390
Accrued employee cost	274,000	286,399
Earn-out consideration	6,384	2,651
Statutory liabilities	62,786	104,768
Retirement benefits	1,333	1,967
Compensated absences	26,116	28,635
Derivative instruments	6,966	20,172
Contract liabilities (Note 25)	97,313	154,717
Finance lease liability	9,740	18,066
Others	20,388	39,004
	<u>\$ 683,871</u>	<u>\$ 806,769</u>

14. Long-term debt

In August 2018, the Company amended its 2015 credit facility (“the 2015 Facility”), which was comprised of an \$800,000 term loan and a \$350,000 revolving credit facility. The amended facility is comprised of a \$680,000 term loan, which represents the outstanding balance under the 2015 Facility as of the date of amendment, and a \$500,000 revolving credit facility. The amended facility expires on August 8, 2023. The amendment did not result in a substantial modification of \$550,814 of the outstanding term loan under the 2015 Facility. Further, as a result of the amendment, the Company extinguished the outstanding term loan under the 2015 Facility of \$129,186 and obtained additional funding of \$129,186, resulting in no change to the outstanding principal of the term loan under the amended facility. In connection with the amendment, the Company expensed \$2,029, representing partial acceleration of the amortization of the existing unamortized debt issuance costs and an additional fee paid to the Company’s lenders related to the term loan. The overall borrowing capacity under the revolving credit facility increased from \$350,000 to \$500,000. The amendment of the revolving credit facility resulted in accelerated amortization of \$82 relating to existing unamortized debt issuance cost. The remaining unamortized costs and an additional third party fee paid in connection with the amendment will be amortized over the term of the amended facility, which will expire on August 8, 2023.

Borrowings under the amended credit facility 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, compared to a margin of 1.50% under the 2015 Facility, or a base rate plus an applicable margin equal to 0.375% per annum, compared to a margin of 0.50% under the 2015 Facility, 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, including maintenance of a net debt to EBITDA leverage ratio of below 3x and an interest coverage ratio of more than 3x. During the year ended December 31, 2020, the Company was in compliance with the terms of the amended 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.

As of December 31, 2019 and 2020, the amount outstanding under the term loan, net of debt amortization expense of \$1,641 and \$1,150, was \$627,359 and \$593,850, respectively. As of December 31, 2019 and 2020, the term loan bore interest at a rate equal to LIBOR plus a margin of 1.375% per annum. Indebtedness under the amended facility is unsecured. The amount outstanding on the term loan as of December 31, 2020 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.

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14. Long-term debt (Continued)

The maturity profile of the term loan outstanding as of December 31, 2020, net of debt amortization expense, is as follows:

Year ended	Amount
2021	\$ 33,537
2022	33,564
2023	526,749
Total	<u>\$ 593,850</u>

Genpact Luxembourg S.à.r.l. (the “Issuer”), 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” and together with the 2017 Senior Notes, the “Senior Notes”). The 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 Senior Notes as an additional interest expense. As of December 31, 2019 and 2020, the amount outstanding under the 2017 Senior Notes, net of debt amortization expense of \$1,186 and \$658, respectively, was \$348,814 and \$349,342, respectively, which is payable on April 1, 2022. As of December 31, 2019 and 2020, the amount outstanding under the 2019 Senior Notes, net of debt amortization expense of \$2,868 and \$2,284, was \$397,132 and \$397,716, respectively, which is payable on December 1, 2024. The Issuer will pay interest on the 2017 Senior Notes semi-annually in arrears on April 1 and October 1 of each year and on the 2019 Senior Notes semi-annually in arrears on June 1 and December 1 of each year, ending on the maturity dates of April 1, 2022 and December 1, 2024, 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, and in the case of the 2019 Senior Notes, November 1, 2024, 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. During the year ended December 31, 2020, the Company and its applicable subsidiaries were in compliance with the covenants. Upon certain change of control transactions, the Issuer will be required to make an offer to repurchase the notes at a price equal to 101% of the aggregate principal amount of such notes, plus accrued and unpaid interest. The interest rate payable on the notes is subject to adjustment if the credit rating of the notes is downgraded, up to a maximum increase of 2.0%.

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14. Long-term debt (Continued)

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

	<u>As of December 31,</u>	
	<u>2019</u>	<u>2020</u>
Credit facility, net of amortization expenses	\$ 627,359	\$ 593,850
3.70% Senior Notes, net of debt amortization expenses	348,814	349,342
3.375% Senior Notes, net of debt amortization expenses	397,132	397,716
	\$ 1,373,305	\$ 1,340,908
Current portion	33,509	33,537
Non-current portion	1,339,796	1,307,371
Total	\$ 1,373,305	\$ 1,340,908

15. Short-term borrowings

The Company has the following borrowing facilities:

- (a) Fund-based and non-fund-based credit facilities with banks, which are available for operational requirements in the form of overdrafts, letters of credit, guarantees and short-term loans. As of December 31, 2019 and 2020, the limits available were \$14,307 and \$14,311, respectively, of which \$7,486 and \$7,809 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, as described in note 14. Prior to the amendment, the Company's revolving credit facility was \$350,000. 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, 2019 and December 31, 2020. The unutilized amount on the revolving facilities bore a commitment fee of 0.20% as of December 31, 2019 and 2020. As of December 31, 2019 and 2020, a total of \$72,098 and \$252,347, respectively, was utilized, of which \$70,000 and \$250,000, respectively, constituted funded drawdown and \$2,098 and \$2,347, 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 year ended December 31, 2020, the Company was in compliance with the financial covenants of the credit agreement.

16. Other liabilities

Other liabilities consist of the following:

	<u>As of December 31,</u>	<u>As of December 31,</u>
	<u>2019</u>	<u>2020</u>
Accrued employee cost	\$ 8,824	\$ 19,797
Earn-out consideration	15,800	5,621
Retirement benefits	13,067	11,947
Compensated absences	35,029	47,656
Derivative instruments	17,273	20,809
Contract liabilities (Note 25)	78,613	68,760
Finance lease liability	20,725	30,958
Others	19,585	32,850
	\$ 208,916	\$ 238,398

17. 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 provides a defined benefit retirement plan (the “Gratuity Plan”) covering substantially all of its Indian employees. The Gratuity Plan provides a lump-sum payment to vested employees upon retirement or termination of employment in an amount based on each employee’s salary and duration of employment with the Company. The Gratuity Plan benefit cost for the year is calculated on an actuarial basis. The Company contributes the required funding for all ascertained liabilities to the Gratuity Plan. Trustees administer contributions made to the trust, and contributions are invested in specific designated instruments as permitted by Indian law. The Company’s overall investment strategy is to invest predominantly in fixed income funds managed by asset management companies and a small portion in equity funds. These funds further invest in debt securities such as money market instruments, government securities and public and private bonds. During the years ended December 31, 2018, 2019 and 2020, all of the plan assets were primarily invested in debt securities.

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

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

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

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

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17. Employee benefit plans (Continued)

The following table sets forth the funded status of the Company's defined benefit plans and the amounts recognized in the Company's financial statements based on actuarial valuations carried out as of December 31, 2019 and 2020.

	As of December 31,	
	2019	2020
Change in benefit obligation		
Projected benefit obligation at the beginning of the year	\$ 61,448	\$ 80,561
Service cost	8,915	11,897
Actuarial loss	12,323	6,843
Interest cost	4,667	5,297
Liabilities assumed on acquisition/ transfer of employees	96	180
Benefits paid	(7,043)	(6,388)
Plan Amendments	(405)	—
Effect of exchange rate changes	560	(730)
Projected benefit obligation at the end of the year	<u>\$ 80,561</u>	<u>\$ 97,660</u>
Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	\$ 39,683	\$ 70,900
Employer contributions	35,459	24,523
Actual gain on plan assets	3,258	5,724
Actuarial gain/(loss)	387	(354)
Benefits paid	(7,379)	(6,287)
Effect of exchange rate changes	(508)	(697)
Fair value of plan assets at the end of the year	<u>\$ 70,900</u>	<u>\$ 93,809</u>
Funded status, end of year	<u>\$ (9,661)</u>	<u>\$ (3,851)</u>
Amounts recognized in the consolidated balance sheets		
Non-current assets (recorded under other assets-others)	\$ 4,739	\$ 10,063
Current liabilities (recorded under accrued expenses and other current liabilities-retirement benefits)	(1,333)	(1,967)
Non-current liabilities (recorded under other liabilities- retirement benefits)	<u>\$ (13,067)</u>	<u>\$ (11,947)</u>
Funded status, end of year	<u>\$ (9,661)</u>	<u>\$ (3,851)</u>

The change in defined benefit obligation for the years ended December 31, 2019 and 2020 is largely due to changes in actuarial assumptions pertaining to discount rates.

Amounts included in accumulated other comprehensive income (loss) as of December 31, 2018, 2019 and 2020 were as follows:

	As of December 31,		
	2018	2019	2020
Net actuarial loss	\$ (11,037)	\$ (21,490)	\$ (24,669)
Net prior service credit / (cost)	(967)	(717)	(477)
Deferred tax assets	3,451	6,171	7,065
Other comprehensive income (loss), net	<u>\$ (8,553)</u>	<u>\$ (16,036)</u>	<u>\$ (18,081)</u>

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17. Employee benefit plans (Continued)

Changes in other comprehensive income (loss) during the year ended December 31, 2019 and 2020 were as follows:

	<u>For the year ended December 31,</u>	
	<u>2019</u>	<u>2020</u>
Net Actuarial loss	\$ (11,283)	\$ (5,891)
Amortization of net actuarial loss	1,150	2,242
Deferred income taxes	2,720	894
Net prior service credit / (cost)	436	219
Effect of exchange rate changes	435	491
Other comprehensive income (loss), net	<u>\$ (6,542)</u>	<u>\$ (2,045)</u>

Funded status for defined benefit plans

The accumulated benefit obligation for defined benefit plans in excess of plan assets as of December 31, 2019 and 2020 was as follows:

	<u>As of December 31,</u>	
	<u>2019</u>	<u>2020</u>
Accumulated benefit obligation	\$ 17,631	\$ 15,441
Fair value of plan assets at the end of the year	\$ 6,023	\$ 5,446

The projected benefit obligation for defined benefit plans in excess of plan assets as of December 31, 2019 and 2020 was as follows:

	<u>As of December 31,</u>	
	<u>2019</u>	<u>2020</u>
Projected benefit obligation	\$ 21,659	\$ 23,090
Fair value of plan assets at the end of the year	\$ 7,259	\$ 9,176

The amount of net projected benefit obligation and plan assets for all underfunded (including unfunded) defined benefit obligation plans was \$14,400 and \$13,914 as of December 31, 2019 and 2020, respectively, and was classified as liabilities in the consolidated balance sheets.

Net defined benefit plan costs for the years ended December 31, 2018, 2019 and 2020 include the following components:

	<u>Year ended December 31,</u>		
	<u>2018</u>	<u>2019</u>	<u>2020</u>
Service costs	\$ 7,833	\$ 8,915	\$ 11,897
Interest costs	3,822	4,667	5,297
Amortization of actuarial loss	806	1,384	2,461
Expected return on plan assets	(2,435)	(2,605)	(4,589)
One-time cost	—	202	—
Net defined benefit plan costs	<u>\$ 10,026</u>	<u>\$ 12,563</u>	<u>\$ 15,066</u>

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17. Employee benefit plans (Continued)

Expected Contributions

The Company estimates that it will pay \$9,928 in fiscal 2021 related to contributions to defined benefit plans.

The weighted average assumptions used to determine the benefit obligations of the Gratuity Plan as of December 31, 2019 and 2020 are presented below:

	<u>As of December 31,</u>	
	<u>2019</u>	<u>2020</u>
Discount rate	6.80%-7.35%	4.45%-5.90%
Rate of increase in compensation per annum	5.20%-11.50%	5.20%-9.00%

The weighted average assumptions used to determine the Gratuity Plan costs for the years ended December 31, 2018, 2019 and 2020 are presented below:

	<u>Year ended December 31,</u>		
	<u>2018</u>	<u>2019</u>	<u>2020</u>
Discount rate	7.40% - 7.60%	8.30%-8.40%	6.80%-7.35%
Rate of increase in compensation per annum	5.20% - 11.00%	5.20%-11.00%	5.20-11.50%
Expected long-term rate of return on plan assets per annum	7.50%	7.50%	7.50%

The weighted average assumptions used to determine the benefit obligations of the Mexican Plan as of December 31, 2019 and 2020 are presented below:

	<u>As of December 31,</u>	
	<u>2019</u>	<u>2020</u>
Discount rate	7.60%	7.20%
Rate of increase in compensation per annum	5.50%	5.50%

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17. Employee benefit plans (Continued)

The weighted average assumptions used to determine the costs of the Mexican Plan for the years ended December 31, 2018, 2019 and 2020 are presented below:

	Year ended December 31,		
	2018	2019	2020
Discount rate	7.60%	9.40%	7.60%
Rate of increase in compensation per annum	5.50%	5.50%	5.50%

The weighted average assumptions used to determine the benefit obligations of the Philippines Plan as of December 31, 2019 and 2020 are presented below:

	As of December 31,	
	2019	2020
Discount rate	5.22%	5.26%
Rate of increase in compensation per annum	6.00%	5.00%

The weighted average assumptions used to determine the costs of the Philippines Plan for the years ended December 31, 2018, 2019 and 2020 are presented below:

	Year ended December 31,		
	2018	2019	2020
Discount rate	5.97%	7.53%	5.22%
Rate of increase in compensation per annum	8.00%	6.00%	6.00%
Expected long-term rate of return on plan assets per annum	4.00%	1.00%	2.40%

The weighted average assumptions used to determine the benefit obligation of the Japan Plan as of December 31, 2019 and 2020 are presented below:

	As of December 31,	
	2019	2020
Discount rate	0.094%-0.271%	0.17% -0.41%
Rate of increase in compensation per annum	0.00%	0.00%

The weighted average assumptions used to determine the costs of the Japan Plan for the years ended December 31, 2018, 2019 and 2020 are presented below:

	Year ended December 31,		
	2018	2019	2020
Discount rate	0.113%-0.789%	0.076%-0.269%	0.094%-0.271%
Rate of increase in compensation per annum	0.00% - 3.55%	0.00%	0.00%
Expected long-term rate of return on plan assets per annum	0.00%-1.84%	0.00%-1.77%	0.00%-1.77%

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

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

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17. Employee benefit plans (Continued)

Investment and Risk management strategy

The overall investment objective of the Company's defined benefit plans is to match the duration of the plans' assets to the plans' liabilities while managing risk in order to meet defined benefit obligations. The plans' future prospects, their current financial conditions, our current funding levels and other relevant factors suggest that the plans can tolerate some interim fluctuations in market value and rates of return in order to achieve long-term objectives without undue risk to the plans' ability to meet their current benefit obligations.

Plan investments are exposed to risks including market, interest rate and operating risk. In order to mitigate significant concentrations of these risks, the assets are invested in a diversified portfolio primarily consisting of fixed income instruments, liquid assets, equities and debt.

The fair values of the Company's plan assets as of December 31, 2019 and 2020 by asset category are as follows:

Asset category	As of December 31, 2020			
	Fair Value Measurements at Reporting Date Using			
	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Other Unobservable Inputs	
	Total (Level 1)	(Level 2)	(Level 3)	
Equity	\$ —	\$ —	\$ —	\$ —
Cash	21,707	21,707	—	—
Fixed income securities (Note a)	63,444	9,611	53,833	—
Other securities (Note b)	8,658	4,423	4,235	—
Total	\$ 93,809	\$ 35,741	\$ 58,068	\$ —

Asset category	As of December 31, 2019			
	Fair Value Measurements at Reporting Date Using			
	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Other Unobservable Inputs	
	Total (Level 1)	(Level 2)	(Level 3)	
Equity	\$ 12	\$ 12	\$ —	\$ —
Cash	11,001	11,001	—	—
Fixed income securities (Note a)	55,821	3,732	52,089	—
Other securities (Note b)	4,066	2,630	1,436	—
Total	\$ 70,900	\$ 17,375	\$ 53,525	\$ —

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

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17. Employee benefit plans (Continued)

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

Year ending December 31,	
2021	\$ 12,718
2022	12,290
2023	13,879
2024	15,018
2025	15,173
2026 - 2030	80,012
	<u>\$ 149,090</u>

The Company's expected benefit plan payments are based on the same assumptions that were used to measure the Company's benefit obligations as of December 31, 2020.

Defined contribution plans

During the years ended December 31, 2018, 2019 and 2020, the Company contributed the following amounts to defined contribution plans in various jurisdictions:

	Year ended December 31,		
	2018	2019	2020
India	\$ 23,877	\$ 29,729	\$ 30,396
U.S.	13,454	19,401	19,491
U.K.	9,619	12,312	11,543
China	17,625	18,819	17,361
Other regions	4,772	8,177	10,427
Total	<u>\$ 69,347</u>	<u>\$ 88,438</u>	<u>\$ 89,218</u>

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 the Company's executive 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 contributions have 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 two 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. Each Plan participant's compensation deferrals and discretionary supplemental employer contributions (if any) 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.

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.

17. Employee benefit plans (Continued)

The liability for the deferred compensation plan was \$10,943 and \$26,390 as of December 31, 2019 and 2020, 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 \$11,208 and \$26,832 as of December 31, 2019 and 2020, respectively. The cash surrender value of these insurance policies is included in “other assets” in the consolidated balance sheets.

During the years ended December 31, 2019 and 2020, the change in the fair value of Plan assets was \$1,296 and \$4,164, respectively, which is included in “other income (expense), net,” in the consolidated statements of income. During the years ended December 31, 2019 and 2020, the change in the fair value of deferred compensation liabilities was \$1,062 and \$4,120, respectively, which is included in “selling, general and administrative expenses.”

18. Stock-based compensation

The Company has granted stock-based awards 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.

A brief summary of each plan is provided below:

2007 Omnibus Plan

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

2017 Omnibus Plan

On May 9, 2017, the Company’s shareholders approved the adoption of the Genpact Limited 2017 Omnibus Incentive Compensation Plan (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 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 years ended December 31, 2018, 2019 and 2020, were \$48,196, \$82,802 and \$72,709, respectively, and have been allocated to cost of revenue and selling, general and administrative expenses.

Income tax benefits recognized in relation to stock-based compensation charges, including options, RSUs and PUs, including excess tax benefits, during the years ended December 31, 2018, 2019 and 2020 were \$11,783, \$18,921 and \$21,832, respectively.

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 four to five years unless specified otherwise in the applicable award agreement. The Company recognizes compensation cost over the vesting period of the option.

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18. Stock-based compensation (Continued)

Compensation cost is determined at the date of grant by estimating the fair value of an option using the Black-Scholes option-pricing model.

The following table shows the significant assumptions used in connection with the determination of the fair value of options granted in 2018, 2019 and 2020:

	2018	2019	2020
Dividend yield	0.95%-1.01%	0.82%-1.08%	0.89%
Expected life (in months)	84	84	84
Risk-free rate of interest for expected life	2.67% - 2.93%	1.56%- 2.63%	1.50%
Volatility	22.55% -22.73%	21.0%- 21.38%	20.96%

Volatility was calculated based on the historical volatility of the Company's share price during a period equivalent to the estimated term of the option. The Company estimates the expected term of an option using the "simplified method," which is based on the average of its contractual vesting term. The risk-free interest rate that the Company uses in the option valuation model is based on U.S. Treasury bonds with a term similar to the expected term of the options. The Company paid cash dividends of \$0.085 and \$0.0975 per share in each quarter of fiscal 2019 and 2020, respectively.

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

A summary of stock option activity during the years ended December 31, 2018, 2019 and 2020 is set out below:

	Year ended December 31, 2018			
	Shares arising out of options	Weighted average exercise price	Weighted average remaining contractual life (years)	Aggregate intrinsic value
Outstanding as of January 1, 2018	5,134,645	\$ 19.52	5.6	\$ —
Granted	2,638,106	30.47	—	—
Forfeited	(70,000)	27.65	—	—
Expired	—	—	—	—
Exercised	(441,076)	16.46	—	6,731
Outstanding as of December 31, 2018	<u>7,261,675</u>	<u>\$ 23.61</u>	<u>6.4</u>	<u>\$ 34,143</u>
Vested as of December 31, 2018 and expected to vest thereafter (Note a)	7,107,605	\$ 23.50	6.4	\$ 33,997
Vested and exercisable as of December 31, 2018	3,313,570	\$ 17.69	3.7	\$ 30,806
Weighted average grant-date fair value of options granted during the period	<u>\$ 8.32</u>			

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18. Stock-based compensation (Continued)

	Year ended December 31, 2019			
	Shares arising out of options	Weighted average exercise price	Weighted average remaining contractual life (years)	Aggregate intrinsic value
Outstanding as of January 1, 2019	7,261,675	\$ 23.61	6.4	\$ —
Granted	1,881,068	28.50	—	—
Forfeited	(85,000)	29.91	—	—
Expired	—	—	—	—
Exercised	(697,531)	15.33	—	18,724
Outstanding as of December 31, 2019	8,360,212	\$ 25.33	6.5	\$ 140,760
Vested as of December 31, 2019 and expected to vest thereafter (Note a)	8,006,985	\$ 25.18	6.5	\$ 136,017
Vested and exercisable as of December 31, 2019	3,111,039	\$ 19.16	3.4	\$ 71,584
Weighted average grant-date fair value of options granted during the period	\$ 6.98			

	Year ended December 31, 2020			
	Shares arising out of options	Weighted average exercise price	Weighted average remaining contractual life (years)	Aggregate intrinsic value
Outstanding as of January 1, 2020	8,360,212	\$ 25.33	6.5	\$ —
Granted	431,924	43.94	—	—
Forfeited	(752,261)	30.09	—	—
Expired	—	—	—	—
Exercised	(692,634)	20.30	—	11,813
Outstanding as of December 31, 2020	7,347,241	\$ 26.41	5.7	\$ 110,925
Vested as of December 31, 2020 and expected to vest thereafter (Note a)	7,132,162	\$ 26.26	5.7	\$ 108,671
Vested and exercisable as of December 31, 2020	2,713,405	\$ 19.40	2.6	\$ 59,593
Weighted average grant-date fair value of options granted during the period	\$ 9.72			

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

Cash received by the Company upon the exercise of stock options during the years ended December 31, 2018, 2019 and 2020 amounted to \$10,772, \$10,690 and \$14,062, respectively. Tax benefits from the exercise of stock options during the years ended December 31, 2018, 2019 and 2020 were \$2,473, \$2,966 and \$7,381 (including excess tax benefits of \$2,131, \$2,743 and \$7,310), respectively.

As of December 31, 2020, the total remaining unrecognized stock-based compensation cost for options expected to vest amounted to \$18,352, which will be recognized over the weighted average remaining requisite vesting period of 2.9 years.

Restricted Share Units

The Company has granted restricted share units, or 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 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.

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18. Stock-based compensation (Continued)

A summary of RSU activity during the years ended December 31, 2018, 2019 and 2020 is set out below:

	Year ended December 31, 2018	
	Number of Restricted Share Units	Weighted Average Grant Date Fair Value
Outstanding as of January 1, 2018	1,605,251	\$ 26.17
Granted	484,427	30.13
Vested (Note b)	(358,697)	25.53
Forfeited	(201,982)	27.09
Outstanding as of December 31, 2018	<u>1,528,999</u>	<u>\$ 27.45</u>
Expected to vest (Note a)	1,360,048	

	Year ended December 31, 2019	
	Number of Restricted Share Units	Weighted Average Grant Date Fair Value
Outstanding as of January 1, 2019	1,528,999	\$ 27.45
Granted	470,939	37.58
Vested (Note c)	(672,025)	26.84
Forfeited	(66,207)	30.43
Outstanding as of December 31, 2019	<u>1,261,706</u>	<u>\$ 31.41</u>
Expected to vest (Note a)	1,149,286	

	Year ended December 31, 2020	
	Number of Restricted Share Units	Weighted Average Grant Date Fair Value
Outstanding as of January 1, 2020	1,261,706	\$ 31.41
Granted	296,332	40.40
Vested (Note d)	(640,212)	28.28
Forfeited	(57,518)	37.35
Outstanding as of December 31, 2020	<u>860,308</u>	<u>\$ 36.44</u>
Expected to vest (Note a)	762,877	

- (a) RSUs expected to vest reflect an estimated forfeiture rate.
- (b) 261,260 RSUs that vested during the period were net settled upon vesting by issuing 175,505 shares (net of minimum statutory tax withholding). 52,875 RSUs vested in the year ended December 31, 2017, 52,405 shares in respect of which were issued in 2019 after withholding shares to the extent of minimum statutory withholding taxes. 44,562 RSUs vested in the year ended December 31, 2018, shares in respect of which 44,165 shares were issued in 2020 after withholding shares to the extent of minimum statutory withholding taxes.
- (c) 637,933 RSUs that vested during the period were net settled upon vesting by issuing 521,707 shares (net of minimum statutory tax withholding). 34,092 RSUs vested in the year ended December 31, 2019, shares in respect of which will be issued in 2021 after withholding shares to the extent of minimum statutory withholding taxes.
- (d) 590,699 RSUs that vested during the period were net settled upon vesting by issuing 385,197 shares (net of minimum statutory tax withholding). 49,513 RSUs vested in the year ended December 31, 2020, shares in respect of which will be issued in 2021 after withholding shares to the extent of minimum statutory withholding taxes.

52,482 RSUs vested in the year ended December 31, 2016, 52,055 shares in respect of which were issued in 2018 after withholding shares to the extent of minimum statutory withholding taxes.

As of December 31, 2020, the total remaining unrecognized stock-based compensation cost related to RSUs amounted to \$16,433, which will be recognized over the weighted average remaining requisite vesting period of 2.1 years.

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18. Stock-based compensation (Continued)

Performance Units

The Company also grants stock awards in the form of performance units, or 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 plan are subject to cliff vesting. The compensation expense for such awards is recognized on a straight-line basis over the vesting term. During the performance period, the Company's estimate of the number of shares to be issued is adjusted upward or downward based upon the probability of achievement of the performance targets. The ultimate number of shares issued and the related compensation cost recognized is based on a comparison of the final performance metrics to the specified targets.

A summary of PU activity during the years ended December 31, 2018, 2019 and 2020 is set out below:

	Year ended December 31, 2018		
	Number of Performance Units	Weighted Average Grant Date Fair Value	Maximum Shares Eligible to Receive
Outstanding as of January 1, 2018	2,900,940	\$ 24.40	2,900,940
Granted	1,682,740	30.62	3,365,480
Vested (Note b)	(1,087,751)	22.73	(1,087,751)
Forfeited	(258,237)	26.03	(305,737)
Adjustment upon final determination of level of performance goal achievement (Note c)	474,800	30.68	
Adjustment upon final determination of level of performance goal achievement (Note d)			(1,160,530)
Outstanding as of December 31, 2018	<u>3,712,402</u>	<u>\$ 28.40</u>	<u>3,712,402</u>
Expected to vest (Note a)	3,261,069		

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18. Stock-based compensation (Continued)

	Year ended December 31, 2019		
	Number of Performance Units	Weighted Average Grant Date Fair Value	Maximum Shares Eligible to Receive
Outstanding as of January 1, 2019	3,712,402	\$ 28.40	3,712,402
Granted	1,579,109	34.68	3,158,218
Vested (Note e)	(3,276)	27.47	(3,276)
Forfeited	(248,031)	29.04	(278,755)
Adjustment upon final determination of level of performance goal achievement (Note f)	1,018,260	34.72	
Adjustment upon final determination of level of performance goal achievement (Note g)			(530,125)
Outstanding as of December 31, 2019	6,058,464	\$ 31.07	6,058,464
Expected to vest (Note a)	5,507,640		
	Year ended December 31, 2020		
	Number of Performance Units	Weighted Average Grant Date Fair Value	Maximum Shares Eligible to Receive
Outstanding as of January 1, 2020	6,058,464	\$ 31.07	6,058,464
Granted	1,253,766	42.49	2,507,532
Vested (Note h)	(1,496,377)	25.21	(1,496,377)
Forfeited	(539,670)	33.77	(560,867)
Adjustment upon final determination of level of performance goal achievement (Note i)	(399,987)	42.60	
Adjustment upon final determination of level of performance goal achievement (Note j)			(1,632,556)
Outstanding as of December 31, 2020	4,876,196	\$ 34.56	4,876,196
Expected to vest (Note a)	4,573,356		

- (a) PUs expected to vest are based on the probable achievement of the performance targets after considering an estimated forfeiture rate.
- (b) Vested PUs were net settled upon vesting by issuing 691,958 shares (net of minimum statutory tax withholding).
- (c) Represents a 28.77% increase in the number of target shares expected to vest as a result of achievement of higher-than-target performance for PUs granted in 2018, partially offset by an adjustment made in March 2018 to the number of shares subject to the PUs granted in 2017 upon certification of the level of achievement of the performance targets underlying such awards.
- (d) Represents the difference between the maximum number of shares achievable and the number of shares expected to vest under the PU awards granted in 2018 based on the level of achievement of the performance goals. Also includes an adjustment made in March 2018 to the number of shares subject to the PUs granted in 2017 upon certification of the level of achievement of the performance targets underlying such awards.
- (e) Vested PUs were net settled upon vesting by issuing 2,151 shares (net of minimum statutory tax withholding).
- (f) Represents a 66.67% increase in the number of target shares expected to vest as a result of achievement of higher-than-target performance for PUs granted in 2019 partially offset by an adjustment made in March 2019 to the number of shares subject to the PUs granted in 2018 upon certification of the level of achievement of the performance targets underlying such awards.
- (g) Represents the difference between the maximum number of shares achievable and the number of shares expected to vest under the PU awards granted in 2019 based on the level of achievement of the performance goals. Also includes an adjustment made in March 2019 to the number of shares subject to the PUs granted in 2018 upon certification of the level of achievement of the performance targets underlying such awards.

18. Stock-based compensation (Continued)

- (h) Vested PUs were net settled upon vesting by issuing 902,532 shares (net of minimum statutory tax withholding).
- (i) Represents a 32.98% decrease in the number of target shares expected to vest as a result of achievement of lower-than-target performance for PUs granted in 2020, partially offset by an adjustment made in March 2020 to the number of shares subject to the PUs granted in 2019 upon certification of the level of achievement of the performance targets underlying such awards.
- (j) Represents the difference between the maximum number of shares achievable and the number of shares expected to vest under the PU awards granted in 2020 based on the level of achievement of the performance goals. Also includes an adjustment made in March 2020 to the number of shares subject to the PUs granted in 2019 upon certification of the level of achievement of the performance targets underlying such awards.

As of December 31, 2020, the total remaining unrecognized stock-based compensation cost related to PUs amounted to \$51,014, which will be recognized over the weighted average remaining requisite vesting period of 1.5 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 must 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 years ended December 31, 2018, 2019 and 2020, 245,467, 264,440 and 315,245 common shares, respectively, were issued under the ESPP.

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

The compensation expense for the ESPP is recognized in accordance with the FASB guidance on Compensation—Stock Compensation. The compensation expense for the ESPP during the years ended December 31, 2018, 2019 and 2020 was \$802, \$1,083 and \$1,299, respectively, and has been allocated to cost of revenue and selling, general and administrative expenses.

19. Capital stock

The Company’s authorized capital stock as of December 31, 2019 and 2020 consisted of 500 million common shares with a par value of \$0.01 per share, and 250 million preferred shares with a par value of \$0.01 per share. There were 190,118,181 and 189,045,661 common shares, and no preferred shares, issued and outstanding as of December 31, 2019 and 2020, respectively.

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

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19. Capital stock (Continued)

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

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

Share Repurchases

The Board of Directors of the Company (the "Board") has authorized repurchases of up to \$1,250,000 under the Company's existing share repurchase program as of December 31, 2020. The Company's share repurchase program does not obligate it to acquire any specific number of shares. Under the program, shares may be purchased in privately negotiated and/or open market transactions, including under plans complying with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended.

During the years ended December 31, 2018, 2019 and 2020, the Company repurchased 4,921,192, 766,154 and 3,412,293 of its common shares, respectively, on the open market at a weighted average price of \$31.30, \$39.16 and \$40.16 per share, respectively, for an aggregate cash amount of \$154,058, \$30,000 and \$137,044, respectively. In 2017, the Company entered into an accelerated share repurchase ("ASR") agreement with Morgan Stanley & Co. LLC to repurchase Company common shares for an aggregate purchase price of \$200,000. The Company received the delivery of 6,928,953 and 163,975 of its common shares under the ASR agreement during the years ended December 31, 2017 and 2018, respectively. The weighted average price per share of the common shares delivered was \$28.20. 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 years ended December 31, 2018, 2019 and 2020, \$98, \$15 and \$68, respectively, was deducted from retained earnings in direct costs related to share repurchases.

\$136,998 remained available for share repurchases under our existing share repurchase program as of December 31, 2020. This repurchase program does not obligate us to acquire any specific number of shares and does not specify an expiration date.

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19. Capital stock (Continued)

Dividend

On February 12, 2018, the Company announced that its Board of Directors had approved a 25% increase in its quarterly cash dividend to \$0.075 per share, up from \$0.06 per share in 2017, representing an annual dividend of \$0.30 per common share, up from \$0.24 per share in 2017, payable to holders of the Company's common shares. On March 21, 2018, June 20, 2018, September 19, 2018 and December 19, 2018, the Company paid dividends of \$0.075 per share, amounting to \$14,408, \$14,240, \$14,253 and \$14,201 in the aggregate, to shareholders of record as of March 9, 2018, June 8, 2018, September 10, 2018 and December 10, 2018, respectively.

On February 7, 2019, the Company announced that its Board of Directors had approved a 13% increase in its quarterly cash dividend to \$0.085 per share, up from \$0.075 per share in 2018, representing an annual dividend of \$0.34 per common share, up from \$0.30 per share in 2018, payable to holders of the Company's common shares. On March 20, 2019, June 21, 2019, September 20, 2019 and December 18, 2019, the Company paid dividends of \$0.085 per share, amounting to \$16,119, \$16,188, \$16,208 and \$16,156 in the aggregate, to shareholders of record as of March 8, 2019, June 12, 2019, September 11, 2019 and December 9, 2019, respectively.

On February 6, 2020, the Company announced that its Board of Directors had approved a 15% increase in its quarterly cash dividend to \$0.0975 per share, up from \$0.085 per share in 2019, representing an annual dividend of \$0.39 per common share, up from \$0.34 per share in 2019, payable to holders of the Company's common shares. On March 18, 2020, June 26, 2020, September 23, 2020 and December 23, 2020, the Company paid dividends of \$0.0975 per share, amounting to \$18,543, \$18,595, \$18,637 and \$18,437 in the aggregate, to shareholders of record as of March 9, 2020, June 11, 2020, September 11, 2020 and December 9, 2020, respectively.

20. Earnings per share

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

The number of stock awards outstanding but not included in the computation of diluted earnings per common share because their effect was anti-dilutive is 2,410,230, 1,809,069 and 1,182,572 for the years ended December 31, 2018, 2019 and 2020, respectively.

	Year ended December 31,		
	2018	2019	2020
Net income available to Genpact Limited common shareholders	\$ 282,019	\$ 304,881	\$ 308,276
Weighted average number of common shares used in computing basic earnings per common share	190,674,740	190,074,475	190,396,780
Dilutive effect of stock-based awards	3,305,298	5,086,380	5,384,191
Weighted average number of common shares used in computing dilutive earnings per common share	193,980,038	195,160,855	195,780,971
Earnings per common share attributable to Genpact Limited common shareholders			
Basic	\$ 1.48	\$ 1.60	\$ 1.62
Diluted	\$ 1.45	\$ 1.56	\$ 1.57

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21. Other operating (income) expense, net

Other operating (income) expense, net consists of the following:

	Year ended December 31,		
	2018	2019	2020
Write-down of intangible assets and property, plant and equipment*	\$ 4,265	\$ 3,511	\$ 14,083
Write-down of operating lease right-of-use assets and other assets**	—	—	18,084
Change in fair value of earn out consideration and deferred consideration (relating to business acquisitions)	(5,655)	—	(7,790)
Other operating (income) expense#	(455)	(34,545)	(5,046)
Other operating (income) expense, net	\$ (1,845)	\$ (31,034)	\$ 19,331

* Refer to Notes 10 and 29 for additional information about other operating (income) expense, net for the year ended December 31, 2020.

** Of the total write-down, \$10,244 pertains to restructuring charges for the year ended December 31, 2020. No such charges were recorded for the years ended December 31, 2018 and 2019. Refer to Notes 12 and 29 for additional details.

Includes gain of \$31,380 for the year ended December 31, 2019 on land rights transferred to a third-party real estate developer in exchange for an interest in commercial property being developed on the land.

22. Interest income (expense), net

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

	Year ended December 31,		
	2018	2019	2020
Interest income	\$ 11,388	\$ 7,321	\$ 7,284
Interest expense	(48,507)	(50,779)	(56,244)
Interest income (expense), net	\$ (37,119)	\$ (43,458)	\$ (48,960)

23. Income taxes

Income tax expense (benefit) for the years ended December 31, 2018, 2019 and 2020 is allocated as follows:

	Year ended December 31,		
	2018	2019	2020
Income from continuing operations	\$ 80,763	\$ 94,536	\$ 92,201
Other comprehensive income:			
Unrealized gains (losses) on cash flow hedges	(6,647)	(4,058)	(3,327)
Retirement benefits	(1,407)	(2,720)	(894)
Retained earnings:			
Reclassification from AOCI on early adoption of ASU 2018-02	2,265	—	—
Deferred tax expense recognized on adoption of ASU 2014-09	5,303	—	—
Deferred tax benefit recognized on adoption of ASU 2016-13	—	—	(935)
Accumulated other comprehensive income:			
Reclassification to retained earnings on early adoption of ASU 2018-02	(2,265)	—	—

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23. Income taxes (Continued)

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

	Year ended December 31,		
	2018	2019	2020
Domestic (U.S.)	\$ 49,986	\$ 27,783	\$ 122,497
Foreign (other than U.S.)	312,035	371,634	277,980
Income before income tax expense	<u>\$ 362,021</u>	<u>\$ 399,417</u>	<u>\$ 400,477</u>

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

	Year ended December 31,		
	2018	2019	2020
Current tax expense:			
Domestic (U.S. federal)	\$ 6,466	\$ 2,854	\$ 23,668
Domestic (U.S. state)	3,508	3,908	10,765
Foreign (other than U.S.)	64,735	104,089	80,355
	<u>\$ 74,709</u>	<u>\$ 110,851</u>	<u>\$ 114,788</u>
Deferred tax expense (benefit):			
Domestic (U.S. federal)	\$ 6,577	\$ 2,669	\$ (7,329)
Domestic (U.S. state)	(1,176)	(1,679)	(3,770)
Foreign (other than U.S.)	653	(17,305)	(11,488)
	<u>\$ 6,054</u>	<u>\$ (16,315)</u>	<u>\$ (22,587)</u>
Total income tax expense (benefit)	<u>\$ 80,763</u>	<u>\$ 94,536</u>	<u>\$ 92,201</u>

Income tax expense (benefit) attributable to income from continuing operations differed from the amounts computed by applying the U.S. federal statutory income tax rate of 21% to income before income taxes as a result of the following:

	Year ended December 31,		
	2018	2019	2020
Income before income tax expense	\$ 362,021	\$ 399,417	\$ 400,477
Statutory tax rates	21%	21%	21%
Computed expected income tax expense	76,024	83,878	84,100
Increase (decrease) in income taxes resulting from:			
Foreign tax rate differential	23,373	34,566	16,295
Tax benefit from tax holiday	(23,003)	(21,393)	(16,063)
Non-deductible expenses	3,245	2,152	372
Effect of change in tax rates	(147)	6,497	453
Change in valuation allowance	27,826	10,515	142,733
Unrecognized tax benefits	3,008	5,502	3,228
Employment related tax incentive	(3,243)	(5,239)	—
Internal restructuring	(2,859)	—	(129,688)
State taxes	2,332	2,229	6,995
Excess tax benefit on share-based compensation	(2,131)	(2,743)	(7,310)
Others*	(23,662)	(21,428)	(8,914)
Reported income tax expense (benefit)	<u>\$ 80,763</u>	<u>\$ 94,536</u>	<u>\$ 92,201</u>

*Following the transfer/closure of certain affiliated entities, deferred tax liabilities recorded against the outside basis difference were reversed amounting to \$18,510 and \$3,782 during the years ended December 31, 2018 and 2019. Additionally, during the years ended December 31, 2019 and 2020, the Company created a deferred tax asset on the impairment of one of its intercompany investments for income tax purposes amounting to \$8,069 and \$8,384. It was not more likely than not that the resulting net deferred tax asset would be realized. Therefore, a full valuation allowance was established.

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23. Income taxes (Continued)

A portion of the profits of the Company's operations is exempt from income tax in India. One of the Company's Indian subsidiaries has certain units eligible for a tax holiday as a special economic zone unit in respect of 100% of the export profits it generates for a period of 5 years from commencement, 50% of such profits for the next 5 years (year 6 to year 10 from commencement) and 50% of the profits for an additional period of 5 years (year 11 to year 15 from commencement), subject to the satisfaction of certain capital investment requirements. The tax holidays for the Company's existing special economic zone units will begin to expire on March 31, 2022 and will have fully expired on March 31, 2035, assuming the Company satisfies the capital investment requirements.

During the year ended December 31, 2019, the Indian tax authorities introduced a new tax regime under which a Company can elect to pay taxes at a lower tax rate by forgoing certain deductions and exemptions, including SEZ exemptions. The Company currently expects to elect out of applicable Indian tax holidays to benefit from the reduced tax rate after March 31, 2021.

The effect of the Indian tax holiday on both basic and diluted earnings per share was \$0.12, \$0.11 and \$0.08, respectively, for the years ended December 31, 2018, 2019 and 2020.

The components of the Company's deferred tax balances as of December 31, 2019 and 2020 are as follows:

	As of December 31,	
	2019	2020
Deferred tax assets		
Net operating loss carryforwards	\$ 66,448	\$ 37,278
Accrued expenses and other liabilities	50,678	70,634
Provision for doubtful debts	10,583	9,930
Property, plant and equipment and right-of-use assets, net	11,569	14,394
Share-based compensation	30,192	35,424
Intangible assets, net	2,640	165,347
Retirement benefits	11,332	14,761
Contract liabilities	4,437	6,080
Tax credit carryforwards	10,739	8,692
Others	10,294	14,619
Gross deferred tax assets	\$ 208,912	\$ 377,159
Less: Valuation allowance	(62,628)	(206,011)
Total deferred tax assets	\$ 146,284	\$ 171,148
Deferred tax liabilities		
Intangible assets, net	\$ 24,819	\$ 21,884
Property, plant and equipment, net	6,067	3,700
Deferred cost	2,665	1,178
Investments in foreign subsidiaries not indefinitely reinvested	1,401	2,726
Derivative instruments	2,722	2,810
Goodwill	11,793	18,649
Others	11,092	15,043
Total deferred tax liabilities	\$ 60,559	\$ 65,990
Net deferred tax asset	\$ 85,725	\$ 105,158

Classified as	As of December 31,	
	2019	2020
Deferred tax assets non-current	\$ 89,715	\$ 106,674
Deferred tax liabilities non-current	\$ 3,990	1,516
	\$ 85,725	\$ 105,158

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23. Income taxes (Continued)

The change in the Company's total valuation allowance for deferred tax assets as of December 31, 2018, 2019 and 2020 is as follows:

	Year ended December 31,		
	2018	2019	2020
Opening valuation allowance	\$ 24,549	\$ 51,986	\$ 62,628
Reduction during the year	(2,307)	(4,240)	(35,662)
Addition during the year	29,744	14,882	179,045
Closing valuation allowance	<u>\$ 51,986</u>	<u>\$ 62,628</u>	<u>\$ 206,011</u>

During the year ended December 31, 2020, the Company undertook an internal restructuring that involved the transfer of certain marketing intangibles between its Luxembourg subsidiaries for a total of \$650,000. The Company had net operating loss carryforwards with a full valuation allowance from prior years that were used to offset the Luxembourg taxable income arising from such transfer. The tax benefits resulting from the step-up of the tax basis of the intangibles transferred are not expected to be realized and a full valuation allowance has been recorded to reduce the deferred tax balances. Accordingly, this internal restructuring did not have any impact on the Company's income tax expense.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets depends on the generation of future taxable income during the periods in which temporary differences are deductible.

Management considers the scheduled reversal of deferred tax liabilities and projected taxable income in making this assessment. In order to fully realize a deferred tax asset, the Company must generate future taxable income prior to the expiration of the deferred tax asset under applicable law. Based on the level of historical taxable income and projections for future taxable income over the periods during which the Company's deferred tax assets are deductible, management believes that it is more likely than not that the Company will realize the benefits of its deductible differences and carryforwards, net of the existing valuation allowances as of December 31, 2020. The amount of the Company's deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

For the years ended December 31, 2018, 2019 and 2020, the Company recognized net excess tax benefits on share-based compensation of \$2,131, \$2,743 and \$7,310, respectively, in income tax expense attributable to continuing operations.

As of December 31, 2020, the Company's deferred tax assets related to net operating loss carryforwards of \$143,521 amounted to \$33,551 (excluding state net operating losses). Net operating losses of subsidiaries in the United Kingdom, Israel, South Africa, Hong Kong, Germany, Austria, the United States (for 2019) and Luxembourg (for 2016 and prior years) amounted to \$53,881 and can be carried forward for an indefinite period.

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23. Income taxes (Continued)

The Company's remaining operating loss carryforwards expire as set forth in the table below:

<u>Year ending December 31,</u>	<u>US - Federal</u>	<u>Europe</u>	<u>Others</u>
2021	—	673	544
2022	—	2,575	305
2023	—	727	1,199
2024	—	1,381	2,534
2025	—	4,955	1
2034	—	18,820	—
2035	—	7,357	—
2036	—	48,086	—
2037	222	—	—
2040	—	—	261
	<u>\$ 222</u>	<u>\$ 84,574</u>	<u>\$ 4,844</u>

In the table above, "Europe" includes net operating losses of subsidiaries in Poland, the Czech Republic, Hungary, Slovakia, Latvia, Luxembourg and Portugal, while "Others" includes net operating losses of subsidiaries in Japan, Philippines, China and Canada.

As of December 31, 2020, the Company had additional deferred tax assets for U.S. state and local tax loss carryforwards amounting to \$3,727 with varying expiration periods, most of which are between 2021 and 2039.

As of December 31, 2020, the Company had a total foreign tax credit carryforward of \$8,692 for subsidiaries in the United States, India and the Philippines, which will expire as set forth in the table below:

<u>Year ending December 31,</u>	<u>Amount</u>
2021	\$ 132
2029	90
2033	4,846
2034	3,300
2035	324
	<u>\$ 8,692</u>

With exceptions, the Company has not accrued any income, distribution or withholding taxes that would arise if the undistributed earnings of the Company's foreign (non-Bermuda) subsidiaries that cannot be repatriated in a tax-free manner were to be repatriated. Due to the Company's changing corporate structure, the various methods that are available to repatriate earnings and uncertainty relative to the applicable taxes at the time of repatriation, it is not practicable to determine the amount of tax that would be imposed upon repatriation. If undistributed earnings are repatriated in the future, or are no longer deemed to be indefinitely reinvested, the Company will accrue the applicable amount of taxes associated with such earnings at that time.

As of December 31, 2020, \$666,054 of the Company's \$680,440 in cash and cash equivalents was held by the Company's foreign (non-Bermuda) subsidiaries. \$12,220 of this cash is held by foreign subsidiaries for which the Company expects to incur and has accrued a deferred tax liability on the repatriation of \$16,400 of retained earnings. \$653,834 of the Company's cash and cash equivalents is either held as retained earnings by foreign subsidiaries in jurisdictions where no tax is expected to be imposed upon repatriation or is being indefinitely reinvested.

The Company reports its gain/loss on derivatives designated as cash flow hedges, actuarial gain/loss on retirement benefits and currency translation adjustment, net of income taxes to the extent applicable, in AOCI.

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23. Income taxes (Continued)

In the quarter ended March 31, 2018, the Company elected to early adopt ASU 2018-02, effective January 1, 2018, and made an election to reclassify the stranded income tax effects of the Tax Cuts and Jobs Act (the "Tax Act") from AOCI to retained earnings for all items of AOCI. The Company elected to adopt the new guidance at the beginning of 2018. Accordingly, a stranded tax effect in AOCI of \$2,265 resulting from the Tax Act has been adjusted through retained earnings.

In June 2016, the FASB issued ASU No. 2016-13, requiring measurement and recognition of expected credit losses for financial assets held by the Company. In the quarter ended March 31, 2020, the Company adopted this ASU, effective January 1, 2020, and accordingly recorded deferred tax assets of \$935 through retained earnings.

The following table summarizes activities related to our unrecognized tax benefits from January 1 to December 31 for each of 2019 and 2020:

	<u>2019</u>	<u>2020</u>
Opening balance at January 1	\$ 26,722	\$ 31,029
Increase related to prior year tax positions, including recorded in acquisition accounting	1,684	2,875
Decrease related to prior year tax positions	(1,232)	(1,309)
Decrease related to prior year tax position due to lapse of applicable statute of limitation	(135)	(287)
Increase related to current year tax positions, including recorded in acquisition accounting	4,270	2,454
Decrease related to settlements with tax authorities	—	(317)
Effect of exchange rate changes	(280)	(145)
Closing balance at December 31	<u>\$ 31,029</u>	<u>\$ 34,300</u>

As of December 31, 2019 and 2020, the Company had unrecognized tax benefits amounting to \$29,835 and \$34,300, respectively, which, if recognized, would impact the effective tax rate.

As of December 31, 2019 and 2020, the Company had accrued \$5,812 and \$6,369, respectively, in interest and \$1,048 and \$900, respectively, for penalties relating to unrecognized tax benefits.

During the years ended December 31, 2018, 2019 and 2020, the Company recognized \$467, \$826 and \$662, respectively, in interest on unrecognized tax benefits.

In the next twelve months and for all tax years that remain open to examinations by U.S. federal and various state, local, and other U.S. tax authorities, the Company estimates that it is reasonably possible that the total amount of its unrecognized tax benefits will vary. However, the Company does not expect significant changes within the next twelve months other than depending on the progress of tax matters or examinations with various tax authorities, which are difficult to predict.

With certain immaterial exceptions, the Company is no longer subject to U.S. federal, state and local or other U.S. income tax examinations by taxing authorities for years prior to 2017. The Company's subsidiaries in India and China are open to examination by relevant taxing authorities for tax years beginning on or after April 1, 2012 and January 1, 2010, respectively. The Company regularly reviews the likelihood of additional tax assessments and adjusts its unrecognized tax benefits as additional information or events require.

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24. Segment reporting

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 has restated segment information for the year ended December 31, 2018 presented herein to conform to the current presentation. This change in segment presentation does not affect the Company's consolidated statements of income, balance sheets or statements of cash flows.

The Company's Chief Executive Officer, who has been identified as the 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 foreign exchange gain/(losses), interest income/(expense), restructuring expenses, acquisition-related expenses, stock-based compensation, amortization and impairment of intangible assets and 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 information about assets, liabilities and capital expenditures by operating segment are not presented to the CODM and are not reviewed by the CODM.

Revenues and adjusted income from operations for each of the Company's segments for the year ended December 31, 2020 were as follows:

	Reportable segments			Total Reportable segments	Others*	Total
	BCMI	CGRLH	HMS			
Revenues, net	1,079,193	1,264,654	1,388,826	3,732,673	(23,296)	3,709,377
Adjusted income from operations	132,939	197,197	244,166	574,302	14,506	588,808
Stock-based compensation						(74,008)
Amortization and impairment of acquired intangible assets (other than included above)						(43,648)
Acquisition-related expenses						(2,650)
Foreign exchange gains (losses), net						7,482
Interest income (expense), net						(48,960)
Restructuring expenses (refer (a) below and Note 29)						(26,547)
Income tax expense						(92,201)
Net income attributable to Genpact Limited shareholders						<u>308,276</u>

(a) We do not allocate these charges to individual segments in internal management reports used by the chief operating decision maker. Accordingly, such expenses are included in our segment reporting as "unallocated costs."

*Adjusted income from operations for "Others" primarily represents the impact of over-absorption of overhead, unallocated allowances for credit losses, impairments related to operating ROU assets and property, plant and equipment, and foreign exchange fluctuations, which are not allocated to the Company's segments for management's internal reporting purposes.

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24. Segment reporting (Continued)

Revenues and adjusted income from operations for each of the Company's segments for the year ended December 31, 2019 were as follows:

	Reportable segments			Total Reportable segments	Others**	Total
	BCMI	CGRLH	HMS			
Revenues, net	1,078,844	1,107,534	1,348,635	3,535,013	(14,470)	3,520,543
Adjusted income from operations	115,998	161,515	238,129	515,642	43,199 #	558,841
Stock-based compensation						(83,885)
Amortization and impairment of acquired intangible assets (other than included above)						(31,458)
Acquisition-related expenses						(8,352)
Foreign exchange gains (losses), net						7,729
Interest income (expense), net						(43,458)
Income tax expense						(94,536)
Net income attributable to Genpact Limited shareholders						304,881

**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 gains related to a transfer of land, government incentives and the impact of foreign exchange fluctuations, which are not allocated to the Company's segments for management's internal reporting purposes.

#Includes \$10,524 toward the accelerated charge of a contract cost asset relating to a wealth management platform used in the Company's BCMI segment that the Company no longer plans to leverage beyond its current scope. If this charge had been recorded in the BCMI segment in the year ended December 31, 2019, AOI for the Company's BCMI segment in 2019 would have been \$105,474, with a corresponding increase in AOI of "Others" to \$53,723.

Revenues and adjusted income from operations for each of the Company's segments for the year ended December 31, 2018 were as follows:

	Reportable segments			Total Reportable segments	Others***	Total
	BCMI	CGRLH	HMS			
Revenues, net	1,079,673	903,225	1,005,070	2,987,968	12,822	3,000,790
Adjusted income from operations	148,712	116,705	177,209	442,626	30,688	473,314
Stock-based compensation						(48,998)
Amortization and impairment of acquired intangible assets (other than included above)						(37,292)
Acquisition-related expenses						(2,362)
Foreign exchange gains (losses), net						15,239
Interest income (expense), net						(37,119)
Income tax expense						(80,763)
Net income attributable to Genpact Limited shareholders						282,019

***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. AOI for "Others" primarily represents government incentives and the impact of foreign exchange fluctuations which are not allocated to the Company's segments for management's internal reporting purposes.

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24. Segment reporting (Continued)

Revenues from a single customer in the Company's HMS segment comprised 9%, 14% and 12% of the Company's consolidated total net revenues in 2018, 2019 and 2020, respectively.

Net revenues from geographic areas based on the location of the Company's service delivery centers are as follows. A portion of net revenues attributable to India consists of net revenues for services performed by delivery centers in India or at clients' premises outside of India by business units or personnel normally based in India.

	Year ended December 31,		
	2018	2019	2020
India	\$ 1,739,455	\$ 1,890,897	\$ 1,851,347
Asia, other than India	327,462	356,726	461,839
North and Latin America	641,716	863,748	1,007,635
Europe	292,157	409,172	388,556
Total net revenues	\$ 3,000,790	\$ 3,520,543	\$ 3,709,377

Property, plant and equipment, net by geographic region are as follows:

	As of December 31,	
	2019	2020
India	\$ 161,227	\$ 157,129
Asia, other than India	17,212	16,790
North and Latin America	58,499	44,934
Europe	17,097	12,269
Total	\$ 254,035	\$ 231,122

25. Net Revenues

Disaggregation of revenue

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

	Year ended December 31,		
	2018	2019	2020
GE	\$ 268,210	\$ 478,091	\$ 458,850
Global Clients	2,732,580	3,042,452	3,250,527
Total net revenues	\$ 3,000,790	\$ 3,520,543	\$ 3,709,377

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 24 for details on net revenues attributable to each of the Company's segments.

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25. Net Revenues (Continued)

The Company has evaluated the impact of the COVID-19 pandemic on the Company's net revenues for the year ended December 31, 2020 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 significant 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 year ended December 31, 2020 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 Company's net revenues from various service lines, including transformation services, in the year ended December 31, 2020 were also lower than originally expected before the onset of the pandemic due to adverse market developments related to the pandemic, resulting in instances of delays or cancellations of new projects and orders. 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. See Note 5 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,			
	2019		2020	
Contract assets (Notes a)	\$	40,346	\$	15,805
Contract liabilities (Note b)				
Deferred transition revenue	\$	131,108	\$	130,804
Advance from customers	\$	44,818	\$	92,673

(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.

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 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 year ended December 31, 2019 and 2020 were a result of normal business activity and not materially impacted by any other factors.

Revenue recognized during the year ended December 31, 2019 and 2020 that was included in the contract liabilities balance at the beginning of the period was \$72,285 and \$102,893, respectively.

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25. Net Revenues (Continued)

The following table includes estimated revenue expected to be recognized in the future related to remaining performance obligations as of December 31, 2020:

	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
Transaction price allocated to remaining performance obligations	\$ 223,477	\$ 154,717	\$ 54,471	\$ 11,949	\$ 2,340

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

	As of December 31,			
	2019		2020	
	Sales incentive programs	Transition activities	Sales incentive programs	Transition activities
Opening balance	\$ 25,891	\$ 134,302	\$ 35,366	\$ 170,132
Closing balance	35,366	170,132	33,390	192,507
Amortization	17,684	70,001	19,960	68,770

26. Related party transactions

The Company has from time to time entered into related party transactions with non-consolidating affiliates and Bain Capital Investors, LLC ("Bain"), which was an affiliate of significant shareholders of the Company until November 2019. During the year ended December 31, 2019, Bain's affiliates sold their remaining shares in the Company and Bain is no longer a related party, and the Company also has sold its investments in non-consolidating affiliates. Accordingly, transactions between the Company, its non-consolidating affiliates and Bain are no longer presented as related party transactions for the year ended December 31, 2020. The value of related party transactions entered into during the year ended December 31, 2018, 2019 and 2020 was not significant.

27. Other Income (expense), net

Other income (expense), net consists of following:

	Year ended December 31,		
	2018	2019	2020
Government incentives	\$ 36,099	\$ 3,976	\$ —
Other income (expense)	(338)	1,810	3,238
Other Income (expense), net	\$ 35,761	\$ 5,786	\$ 3,238

28. Commitments and contingencies

Capital commitments

As of December 31, 2019 and 2020, the Company has committed to spend \$5,368 and \$5,128, respectively, under agreements to purchase property, plant and equipment. This amount is net of capital advances paid in respect of such purchases.

Bank guarantees

The Company has outstanding bank guarantees and letters of credit amounting to \$9,585 and \$10,156 as of December 31, 2019 and 2020, respectively. Bank guarantees are generally provided to government agencies and excise and customs authorities for the purposes of maintaining a bonded warehouse. These guarantees may be revoked by the government agencies if they suffer any losses or damages through the breach of any of the covenants contained in the agreements governing such guarantees.

28. 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

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.

Beginning in the second quarter of 2020, the Indian taxing authorities ("ITA") began to challenge or reject the Company's Indian GST and service tax refunds. In total, refunds of \$15,965 have been denied or challenged by the ITA and additional refunds may be denied.

The Company had requested these refunds pursuant to the tax exemption available for exports under the previous Indian service tax regime as well as the current Indian 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. The Company is pursuing appeals before relevant appellate authorities. 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. Accordingly, no reserve has been provided as of December 31, 2020.

An affiliate of the Company in India received an assessment order in 2016 seeking to assess tax amounting to \$111,061 (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 Company filed an appeal against this assessment order with the Commissioner Income Tax (Appeals), the first tax appellant authority in India, which ruled against the Company. Subsequently, the Company filed an appeal with the Income Tax Appellate Tribunal of India ("Tribunal"). The Tribunal has accepted the legal arguments raised by the Company and the assessment order has been cancelled. The taxes paid under protest amounting to \$27,341 are yet to be refunded to the Company. The Indian tax authorities may appeal the order of the Tribunal before higher appellate authorities. Based on its evaluation of the facts underlying the transaction and legal advice received, 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 December 31, 2020.

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.

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29. Restructuring

In the second quarter of 2020, due to the impact of the COVID-19 pandemic on the Company's current and expected future revenues, the Company recorded a \$21,658 restructuring charge primarily relating to the abandonment of leased office premises and employee severance charges. In the third quarter of 2020, the Company recorded an additional charge of \$4,889 relating to employee severance charges.

Of the total recorded restructuring charges of \$26,547, \$11,152 was a non-cash charge (including \$908 related to writing down certain property, plant and equipment) recorded as other operating expense, which pertains to the abandonment of various leased office premises as a result of the Company's consolidation of underutilized office premises due to lower demand or shifting to a work-from-home model. The Company made efforts to sublease certain office premises instead of abandoning them, but due to the COVID-19 pandemic and the related widespread adoption of work-from-home practices by many businesses worldwide, the Company has been unable to sublease such premises to date and it is unlikely that the Company will be able to sublease any such premises in the foreseeable future. The Company also recorded a severance charge of \$15,395 in personnel expense as a result of a focused reduction in its workforce. No further restructuring costs were incurred related to this restructuring plan subsequent to third quarter of 2020.

30. Quarterly financial data (unaudited)

	Three months ended				Year ended
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	December 31, 2020
Total net revenues	\$ 923,192	\$ 900,094	\$ 935,523	\$ 950,568	\$ 3,709,377
Gross profit	\$ 318,421	\$ 306,202	\$ 329,694	\$ 336,923	\$ 1,291,240
Income from operations	\$ 110,658	\$ 90,364	\$ 124,642	\$ 113,053	\$ 438,717
Income before equity method investment activity, net and income tax expense	\$ 110,559	\$ 79,147	\$ 110,443	\$ 100,328	\$ 400,477
Net income	\$ 85,698	\$ 62,161	\$ 85,435	\$ 74,982	\$ 308,276
Earnings per common share					
Basic	\$ 0.45	\$ 0.33	\$ 0.45	\$ 0.40	\$ 1.62
Diluted	\$ 0.44	\$ 0.32	\$ 0.43	\$ 0.38	\$ 1.57
Weighted average number of common shares used in computing earnings per common share					
Basic	190,626,757	190,541,148	190,949,108	189,470,107	190,396,780
Diluted	196,532,513	195,112,549	196,655,140	194,823,683	195,780,971

GENPACT LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements
(In thousands, except per share data and share count)

30. Quarterly financial data (unaudited) (Continued)

	Three months ended				Year ended December 31, 2019
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	
Total net revenues	\$ 809,206	\$ 881,799	\$ 888,799	\$ 940,739	\$ 3,520,543
Gross profit	\$ 290,069	\$ 310,555	\$ 315,140	\$ 310,091	\$ 1,225,855
Income from operations	\$ 90,072	\$ 106,202	\$ 113,584	\$ 119,518	\$ 429,376
Income before equity method investment activity, net and income tax expense	\$ 79,320	\$ 94,970	\$ 110,794	\$ 114,349	\$ 399,433
Net income	\$ 60,841	\$ 73,722	\$ 88,120	\$ 82,198	\$ 304,881
Earnings per common share					
Basic	\$ 0.32	\$ 0.39	\$ 0.46	\$ 0.43	\$ 1.60
Diluted	\$ 0.31	\$ 0.38	\$ 0.45	\$ 0.42	\$ 1.56
Weighted average number of common shares used in computing earnings per common share					
Basic	189,451,845	190,163,359	190,599,049	190,083,647	190,074,475
Diluted	193,394,208	194,766,047	195,890,841	196,592,325	195,160,855

31. Subsequent Events

Share Repurchase

Pursuant to its share repurchase program, the Company repurchased 929,895 of its common shares on the open market between January 1, 2021 and February 5, 2021 at a weighted average price of \$40.45 per share for an aggregate cash amount of \$37,611.

In February 2021, the Company's board of directors authorized a \$500,000 increase to its existing \$1,250,000 share repurchase program, first announced in February 2015, bringing the total authorization under the Company's existing share repurchase program to \$1,750,000.

Dividend

In February 2021, the Company announced that its Board of Directors has approved a 10% increase in its quarterly cash dividend, representing a planned annual dividend of \$0.43 per common share, increased from \$0.39 per common share in 2020. The Board of Directors also declared a dividend for the first quarter of 2021 of \$0.1075 per common share, which will be paid on March 19, 2021 to shareholders of record as of the close of business on March 10, 2021. The declaration of any future dividends will be at the discretion of the Board of Directors and subject to Bermuda and other applicable laws.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GENPACT LIMITED

By: /s/ N.V. TYAGARAJAN
N.V. Tyagarajan
President and Chief Executive Officer

Date: March 1, 2021

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints each of Heather D. White and Thomas D. Scholtes, as his or her true and lawful attorney-in-fact and agent, with full powers of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission granting to said attorneys-in-fact and agents, and each of them, full power and authority to perform any other act on behalf of the undersigned required to be done in connection therewith.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on March 1, 2021 by the following persons on behalf of the registrant and in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ N.V. TYAGARAJAN</u> N.V. Tyagarajan	President, Chief Executive Officer and Director (Principal Executive Officer)
<u>/s/ EDWARD J. FITZPATRICK</u> Edward J. Fitzpatrick	Chief Financial Officer (Principal Financial and Accounting Officer)
<u>/s/ AJAY AGRAWAL</u> Ajay Agrawal	Director
<u>/s/ STACEY CARTWRIGHT</u> Stacey Cartwright	Director
<u>/s/ LAURA CONIGLIARO</u> Laura Conigliaro	Director
<u>/s/ CAROL LINDSTROM</u> Carol Lindstrom	Director
<u>/s/ JAMES C. MADDEN</u> James C. Madden	Director
<u>/s/ CeCELIA MORKEN</u> CeCelia Morken	Director
<u>/s/ MARK NUNNELLY</u> Mark Nunnelly	Director
<u>/s/ BRIAN STEVENS</u> Brian Stevens	Director
<u>/s/ MARK VERDI</u> Mark Verdi	Director



Dear Mr Tyagarajan,

Sent by Email Only

17 November 2020

RELOCATION TO THE UK: ADDENDUM TO EMPLOYMENT CONTRACT

I am writing to confirm the terms that will apply to your employment contract dated 15 June 2011, and made between yourself and **Genpact Limited** (a Bermuda limited exempted company) (the **Employment Contract**), for the duration of your stay in the United Kingdom.

Amendments

Unless stated otherwise, capitalised terms in this letter shall have the definitions given by the Employment Contract, and section references are to sections within the Employment Contract.

With effect from 9 November 2020, the Employment Contract will be amended as follows:

1. **Genpact payroll entity:** The Executive will be employed by and shall be remunerated by Genpact (UK) Limited;
2. **Section 4(a):** The Executive will receive his current Base Salary of USD 750,000 which will be converted into British Pounds Sterling (GBP) at the exchange rate of \$ 1.2970 to £1.00, amounting to a current annual Base Salary of £578,500. The Base Salary and all other components of the Executive's compensation payable under the Employment Contract will be paid into the Executive's designated bank account, and shall be subject to deductions for UK tax, National Insurance contributions, and any other deductions required by English law. Salaries are paid monthly in equal instalments, on the last working day of each month;
3. **Section 4 & 5:** With the exception of the Base Salary, the Executive will receive all components of his compensation converted into GBP at the Genpact-defined foreign currency exchange rate Monthly Operating Rate ("**Forex**") prevailing at the month in which the compensation is paid.

In respect of Base Salary, for each calendar year the Company will review the Forex used to set the GBP Base Salary to ensure the GBP Base Salary is equivalent to that of the USD amount (by reference to the actual Forex for each month as compared with the Forex used to calculate the Base Salary per clause 2 above). An adjustment shall be carried out each December or within the first four months of the following year. If the Forex review results in a positive adjustment due to the Executive, this will be paid subject to UK withholdings. Should the Forex review determine an overpayment of the Base Salary, the Executive will repay to Genpact (UK) Limited the corresponding amount and hereby agrees that Genpact (UK) Limited is entitled to deduct such owed amounts from other compensation due to him.

The Monthly Operating Rate (MOR) for a month is published on the 20th of the previous month or subsequent working day if 20th falls on a public holiday. The calculation of MOR considers the spot exchange rate and the 1-month forward exchange rate wherever available and is calculated at a 2-data point average. That average will become the MOR.

4. **Governing Law (Section 10(f)):** The Executive's Employment Contract will continue to be governed by and construed in accordance with the laws of the state of New York, including but not limited to the Restrictive Covenants referred to at Section 9 of the Employment Contract. The Executive and the Company hereby submit to the jurisdiction of a court situated in New York County, NY for all disputes relating to the Employment Contract (save where such matters are to be resolved by arbitration pursuant to Section 10(i) of the Employment Contract).

With the exception of these terms, your current Employment Contract remains unaffected.

Please sign and date a copy of this letter and return it to me as soon as possible and in any event before 24 November 2020 to confirm your agreement to the following terms.

If you have any questions, please do not hesitate to contact me.

Yours sincerely,

/s/ Garth Jackson-Smith

Garth Jackson-Smith
For and on behalf of Genpact (UK) Limited

Signed:

/s/ N.V. Tyagarajan

Date: November 20, 2020

Registered Office

c/o Cogency Global (UK) Ltd.
6 Lloyds Avenue
Suite 4CL
London
EC3N 3AX

Genpact (UK) Limited
Registered in UK and Wales
Company No. 04217635

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is made and entered into on February 26, 2018, between Headstrong Canada Limited (the "Company") and Darren Saumur ("Employee").

WITNESSETH:

WHEREAS, Employee desires to be employed by the Company upon the terms and be subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements set forth below, the parties hereto agree as follows:

1. **Position:** Employee's position will be SVP and Global Operating Officer commencing on March 26, 2018 ("Start Date") as a full-time employee located in Toronto, Ontario, with business travel as required. By signing this Agreement, Employee affirms that he or she knows of no reason why he or she may not be able to engage in business travel as required by his or her position. As a management employee, Employee will not be eligible for overtime pay or pay in lieu thereof under the *Employment Standards Act, 2000* ("ESA") or otherwise.
 2. **Restrictions on Outside Employment:** To avoid any conflict of interest, while employed by the Company, Employee may not work for himself or herself or for another business or individual or hold any director position without the Company's written permission. Employee acknowledges and agrees that he or she is a fiduciary of the Company and has fiduciary duties that are not extinguished by this Agreement.
 3. **Compensation:** Employee will receive the following compensation. Compensation is subject to review and is subject to change in the reasonable discretion of the Company. All compensation and benefits referenced herein will be subject to such deductions and withholdings as are required by applicable law. For monthly payroll purposes, all compensation amounts will be converted from USD to CAD based on the published Genpact monthly operating rate (MOR). The MOR for a month is published on 20th of the previous month or subsequent working day if 20th happens to be a holiday. The calculation of MOR considers the spot exchange rate and the 1-month forward exchange rate wherever available and is calculated at a 2-data point average. That average will become the MOR.
 - a. **Base Salary:** Employee's annual base salary will be **USD 500,000** which will be paid in arrears, according to the Company's normal payroll practices.
 - b. **Bonus:** This position is bonus eligible under the Genpact 2018 bonus plan, which, in the Company's sole discretion, rewards individuals for success on individual goals and objectives. Your annual target bonus will be up to **USD 500,000** and will be subject to the performance of the Company and your individual performance. Any bonus will be prorated from your start date for 2018, and payout is typically in March of the year following the performance year in Canadian dollars per the above. This bonus is not guaranteed. Subject to the express requirements of applicable employment standards legislation and Section 10(c) below, you have to be an employee of the Company at the time bonuses are paid out to be eligible to receive your bonus.
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For the year 2018, i.e. your first year of employment with the Company, you will receive **USD 250,000** as a guaranteed payout (the “Guaranteed Bonus”). To be eligible for the Guaranteed Bonus, Subject to the express requirements of applicable employment standards legislation and Section 10(c) below, you must be an employee of the Company on the day that bonuses are paid out to receive the Guaranteed Bonus.

- c. **Signing Bonus:** Following the Start Date, Employee will receive a signing bonus of **USD 250,000** (the “Signing Bonus”). However, Employee acknowledges and agrees that in the event that Employee’s employment is terminated by the Company with just cause or Employee resigns his or her employment with the Company, in either case at any time prior to the first anniversary of the Start Date (the “Repayment Period 1”), Employee will forthwith repay the Signing Bonus to the Company in full. In the event that Employee’s employment is terminated by the Company with just cause or Employee resigns his or her employment with the Company, in either case at any time prior to the second anniversary of the Start Date (the “Repayment Period 2”), Employee will forthwith repay 50% of the Signing Bonus to the Company. Further, Employee hereby consents to the Company deducting the Signing Bonus (or any portion thereof) from any wages otherwise owing to the Employee in the event of Employee’s termination with just cause or resignation within the Repayment Periods.
 - d. **Equity Compensation (stock options):** You will be granted options to purchase **70,000** common shares of Genpact Limited, subject to approval from the Compensation Committee of our Board of Directors. Your stock options will be subject to the terms and conditions of the Genpact Limited Omnibus Incentive Compensation Plan (the “Plan”) and your stock option agreement. The per share exercise price of your stock options will be the NYSE closing price of a common share of Genpact Limited on the date of grant.
 - e. **Equity Compensation (RSUs):** Subject to approval of the Compensation Committee of the Genpact Board of Directors, you will be granted **35,000** restricted stock units (“RSUs”) under the Plan. The RSUs will be subject to the terms and conditions of the Plan and an RSU award agreement which will evidence such grant.
 - f. **Equity Compensation (Performance Shares):** Subject to approval of the Compensation Committee of our Board of Directors, you will be granted **20,000** 2018 performance shares under the Plan. Your performance shares will be subject to the terms and conditions of the Plan and your performance share award agreement.
 - g. **Benefits:** Benefits will be in accordance with the Company’s standard benefits package as described in general in the enclosed brochure and in detail in our Benefits Summary Plan Description that may be revised from time to time in the Company’s sole discretion.
 - h. **Time Off Work:** The Company agrees that Employee is entitled to 4 weeks of vacation with pay in accordance with the Company’s Vacation Policy as amended from time to time.
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4. Definitions.

- a. "Companies" means the Company, Parent and any Related Company, and their respective successors or assigns.
- b. "Parent" means the ultimate parent company of the Company or successors in interest.
- c. "Related Company" means (x) any other company directly or indirectly controlling, controlled by, or under direct or indirect common control with Parent or (y) any other company that Parent directly or indirectly owns at least fifty percent (50%) of the economic interest or equity securities of such other company.

5. Copyrights, Patents, and Trade Secrets.

- a. Employee agrees that all property rights in respect of every invention, innovation, tangible work product, Corporate Information, as defined in paragraph 6(b) below, or any other intellectual property created, made, devised or discovered by Employee during the course of and related to Employee's employment (irrespective of whether so created, made, devised or discovered during normal working hours or using the facilities of any of the Companies), shall belong to the Company and, to the extent necessary, all such ownership rights are conveyed in whole to the Company, and Employee will assign and hereby assigns such rights to the Company. Employee shall assist the Company to protect any proprietary interest as may be reasonably required at the Company's expense and shall execute all documents required by the Company. Employee shall promptly disclose and deliver to the Company full details of and shall provide the Company, any such invention, innovation, tangible work product, Corporate Information or any intellectual property created, made, devised or discovered by Employee. Further, Employee hereby waives in favour of the Company, and its successors, assigns and licensees, all of his or her moral rights and any similar non- assignable rights throughout the world, in any copyright work which is subject to the assignment obligations in this Section.
 - b. The provisions contained in paragraph 5(a) above may only be varied by written permission granted by the Chief Executive Officer of Parent.
 - c. Employee agrees that the Companies have other intellectual property rights, including rights in copyright in all Corporate Information and the written work product of the Companies that shall subsist regardless of the terms of this Agreement. Employee further agrees that all tangible work product of the Companies and Corporate Information may not be copied, modified, reformatted or paraphrased at any time without the Company's written permission. Employee agrees that any unauthorized use of the Companies' written work product shall constitute copyright infringement and a breach of this Agreement and will cause significant and irreparable damage to the Companies.
 - d. Employee agrees that the Companies have valuable trademark rights that may not be utilized except within the scope of Employee's employment with the Company. Employee agrees that any unauthorized reference whatsoever to the Companies' trademarks during or after employment shall constitute trademark infringement and a breach of t h i s Agreement and will cause significant and irreparable damage to the
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Companies.

6. Confidentiality.

- a. Agreement to Preserve Confidentiality. Employee covenants and agrees that while an employee of any of the Companies and following termination of that employment, all Corporate Information shall not be disclosed and shall be kept as confidential, proprietary, and in the nature of trade secrets, and Employee shall not disclose any Corporate Information to any person or use any Corporate Information for Employee's own benefit or for the benefit of any other person, except in furtherance of the Companies' business, or in any way that would be detrimental to any of the Companies' business.
- b. Definition of Corporate Information. Any knowledge, information or documents of any of the Companies including, but not limited to, client lists, employee information, employee lists, prospective client lists, client contracts, processes, consulting and training methodologies, operational methods and procedures, business and marketing plans, product development ideas, designs of projects, research projects, products, systems, software, models, modules, templates, source code and object code, designs, business systems, consulting models, creative and graphical work, venture and business plans, programs, and financial plans, or improvements modifications, components, prototypes or works thereof, pertaining to the Companies' business, ventures or its clients shall constitute "Corporate Information", whether or not reduced to tangible form, held electronically or marked in physical writing or electronically as "confidential" and any information which has or may be derived or obtained from such information. Corporate Information does not include any information properly and generally in the public domain.
- c. Return of Property. Upon termination of employment, Employee agrees to promptly return all documents of the Companies and the Companies' clients and any other property of the Companies or the Companies' clients in Employee's possession or control and destroy all electronic versions of any such property, including all copies of same. In the event that a demand for return of Corporate Information is made by the Company during employment or after termination, the Employee shall return all such property within five days of request.

7. Agreement on Unfair Competition.

- a. Duty of Loyalty and Good Faith. Employee understands and agrees that Employee owes the Company an implied duty of good faith and loyalty and fiduciary obligations.
 - b. Non-solicitation of business clients. Based on the understanding that Employee will be given access to valuable clients and confidential and proprietary information, Employee agrees that for a period of twelve (12) months after termination of employment either voluntarily or involuntarily (the "Restricted Period") Employee will not (A) solicit or attempt to solicit any of the Companies' clients with whom Employee had business interaction during the twelve (12) month period immediately preceding Employee's termination of employment with any of the Companies (each a "Covered Client") if such solicitation is not for the benefit of the Companies, or if such solicitation is for a product, service or employment opportunity comparable to that provided by
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any of the Companies in the information technology consulting or services business (as more fully described below) or (B) improperly and intentionally interfere with the business relationships between any of the Companies and any Covered Client.

- c. Non-solicitation of employees. Employee agrees that during the Restricted Period Employee will not directly or indirectly (A) induce or seek to induce any employee of the Companies who reported to Employee (directly or indirectly) or with whom Employee had business interaction in either case during the twelve (12) month period immediately preceding Employee's termination of employment with any of the Companies (the "Covered Employees") to leave their employment with any of the Companies or (B) in any way aid any third party to recruit any Covered Employees.
- d. Non-competition with the Companies' key business clients. Based on the understanding that Employee will be given access to valuable clients and confidential and proprietary information, Employee agrees that during the Restricted Period Employee will not provide Competitive Products or Services to any of the Companies' clients with which Employee had material or substantial contact during the last twelve (12) months of Employee's employment with any of the Companies. "Competitive Products or Services" means the provision of strategies and solutions, assistance in the delivery of products, training, and consultative support for the development and/or integration of Internet and wireless solutions, for business intelligence, for e-commerce, for technology implementation in digital business ecosystems, for business invention and strategic development, for program management of business change, for venture consulting, for customer relationship management, for the application of user experiences associated with Internet environments and wireless applications and interfaces, and for graphical design for Internet environments and wireless applications and interfaces. These limitations apply within the Companies' vertical industries of specialization – Financial and Insurance, Manufacturing, Consumer Products, Retail, Energy, Utilities, Telecommunications, and Health Care. For purposes of this Agreement, "material or substantial contact" means any one or more of the following direct levels of client (or in the case of Section 7(e) hereof, prospective client) contact: direct involvement or assistance in a bid or contract proposal; or personal oral or written communications with the client (or in the case of Section 7(e) hereof, prospective client); or a minimum of two on-site visits to the client (or in the case of Section 7(e) hereof, prospective client); or participation in interviews with the client (or in the case of Section 7(e) hereof, prospective client), or identification as a key resource for the client (or in the case of Section 7(e) hereof, prospective client) proposal.
- e. Prospective Clients. Based on the understanding that Employee will be given access to valuable information relating to prospective clients which the Company has expended considerable financial and personnel resources to obtain, including confidential and proprietary information about these prospective clients, Employee agrees that during the Restricted Period Employee will not (A) solicit any of the Companies' prospective clients with whom Employee had material or substantial contact during the twelve (12) months prior to Employee's voluntary or involuntary termination of employment with any of the Companies (each such client a "Covered Prospect") if such solicitation is not for the benefit of the Companies or if such solicitation is for Competitive Products or Services, (B) improperly and intentionally interfere with the prospective business relationships between any of the
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Companies and any Covered Prospect, or (C) provide Competitive Products or Services to any Covered Prospect.

- f. **Non-Competition Period.** During the Restricted Period, the Employee will not, whether individually or in partnership or jointly or in conjunction with any other person, perform services for a business, or establish, control, own a beneficial interest in, or be otherwise commercially involved in any endeavor, activity or business in Canada or the United States that provides Competitive Products or Services.
 - g. **Reasonableness.** Recognizing that the limitations in this Agreement permit Employee to continue Employee's chosen career in the same geographic area without any interruption while protecting the Company's and the other Companies' legitimate business interests in its client and employee relationships, Employee 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. Employee agrees that these limitations are reasonable given the highly competitive nature of the Company's and the other Companies' business and are required for the Company's and the other Companies' protection based upon numerous factors including the knowledge and information to which Employee will have access during Employee's employment with the Company. To ensure enforcement if the Company in its reasonable opinion believes that a violation of this Agreement may have occurred or is occurring, Employee agrees to the entry of a court order preventing Employee from violating any of the limitations found in this Agreement. Employee also agrees that in addition to any other remedies, including an action for damages, the Company also may seek injunctive relief against Employee. The party prevailing in any judicial proceeding between the parties hereto shall be awarded its costs and expenses, including reasonable legal fees.
 - 8. **Severability and Savings Provision.** The Company and Employee desire that this Agreement be enforced to the greatest degree possible. If a Court of competent jurisdiction finds any part or provision of this Agreement to be unenforceable, void, overly burdensome or invalid, then the parties request such Court to enforce the remaining parts of this Agreement or the provision, as applicable, as valid and enforceable as though the invalid portions were not a part.
 - 9. **Conflicting Agreements.**
 - a. **Prior Agreements.** Employee represents and warrants that Employee's performance of all the terms of this Agreement and any services to be rendered as an Employee of the Company does not and shall not breach any fiduciary or other duty or any covenant, agreement or understanding, including, without limitation, any agreement relating to any proprietary information, knowledge or data acquired by Employee in confidence, trust or otherwise, prior to Employee's employment by the Company, to which Employee is a party or by the terms of which Employee may be bound. Employee shall not disclose to the Company or its clients, or induce the Company to use or disclose, any such proprietary information, knowledge, or data belonging to any previous employer without such previous employer's permission and Employee will disclose to the Company the term and subject of any prior confidentiality, non-competition, non-solicitation or invention agreement or agreements to which Employee is a party.
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- b. Future Agreements. Employee will not enter into any agreement or understanding, either written or oral, in conflict with the provisions of this Agreement.
- c. Indemnification. Employee hereby agrees that if Employee intentionally breaches any agreement or understanding between him and another person or company or intentionally wrongfully uses any confidential or proprietary information or trade secrets he has obtained from sources other than the Company without permission, then Employee will indemnify and hold the Company harmless from and against any and all damages, claims, costs and expenses, including without limitation legal fees and legal costs and expenses, based on or arising, directly or indirectly, from such intentional actions.

10. Termination of Employment

- a. Employee is employed by the Company for an indefinite period, subject to termination in accordance with the termination provisions of this Agreement.
- b. The Company may terminate Employee's employment for just cause without notice or pay in lieu of notice, subject only to the express requirements of the ESA.
- c. The Company may terminate Employee's employment without just cause by providing Employee with, in addition to any accrued but outstanding wages, the greater of (i) the notice, termination pay in lieu of notice, and severance pay as expressly required by the ESA, or (ii) 6 months' base salary and, if the employee has performed services for more than 9 months in any performance year, target bonus pro-rated to the date of termination.
- d. In the case of the application of either (i) of (ii) above, subject to insurer approval and any required exclusions, Employee's benefits will be continued for 6 months following Employee's dismissal, provided, however, that in no case will Employee receive less benefit continuation than is expressly required by the ESA. By signing this Agreement, Employee agrees that he will not be entitled to any additional notice, pay in lieu of notice, severance pay or similar amounts and that the provisions of this Section describe Employee's full and complete entitlement to notice, pay in lieu of notice, severance pay and similar amounts, whether under contract, statute or the common law in connection with termination of Employee's employment without just cause by the Company. Employee shall be required to sign a release document in favor of the Company to receive any amounts under this Section in excess of Employee's ESA entitlements.
- e. Termination by Employee. The Employee may terminate Employee's employment at any time by giving the Company 3 months of written notice.

11. Miscellaneous.

- a. If any part or portion hereof shall be determined to be invalid, illegal or unenforceable, in whole or in part, neither the validity of the remaining part or portion of such term nor the validity of any other term or provision of this Agreement shall in any way be affected thereby.
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- b. Termination of this Agreement pursuant to Section 10 (Termination) shall in no way relieve or be deemed to relieve Employee from any ongoing duties, obligations or liabilities which may arise from this Agreement. The provisions of Sections 5, 6, 7, 8, 9, and 10 of this Agreement shall survive termination of Employee's employment, and form a continuing obligation on the part of the parties hereto, which may not be waived except in writing by both parties to this Agreement.
- c. This Agreement contains the entire agreement of the parties with respect to the matters contained herein. It may be modified, changed or altered only by an agreement in writing signed by all of the parties. The language used in this Agreement will be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction will be applied against any person. This Agreement may be executed in any number of counterparts.
- d. This Agreement may be assigned to any Related Company based in Canada at any time without the consent of the Employee.

* * * *

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement, all as of the day and year first above written.

/s/ Genine Mikucki

Headstrong Canada Limited

February 26, 2018
Date:

/s/ Darren Saumur

Certain identified information has been excluded from the exhibit because it is both (i) not material and (ii) would likely cause competitive harm to the Company, if publicly disclosed. Double asterisks denote omissions.

Exhibit 10.16

**MASTER SERVICES AGREEMENT (MSA)
(BPO, Professional IT and Engineering Services)**

THIS MSA is made by and between the following parties (each individually referred to as a "Party" and jointly as "the Parties") and is effective as of: January 1, 2017 (the "Effective Date").

GENERAL ELECTRIC INTERNATIONAL, INC. ("GE") a Delaware corporation with the following principal business address: 41 Farnsworth St. Boston, MA 02210	GENPACT INTERNATIONAL, INC ("SP") A Delaware Corporation with the following principal business address: 42 Old Ridgebury Road First Floor Fairfield, CT 06431
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GE Notice Information: GE Notice Contact: [**] GE Notice Contact Phone: [**] GE Notice Contact Email: [**] Also send a written copy of any notices to: GE LEGAL – Contact/Address/Email: [**]	SP Notice Information: SP Notice Contact: [**] SP Contact Phone: [**] SP Contact Email: [**] Also send a written copy of any notices to: SP LEGAL – Contact/Address/Email: [**]
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The Parties agree that the information above shall be used for the purpose of making any required notices. Capitalized terms are as defined in SCHEDULE MS1 and in applicable Schedules. All Schedules, SOWs, COs, and policies set forth herein are incorporated by reference into the MSA and are collectively known as the "MSA". Any references to Supplier shall mean SP. Any references to Supplier Personnel shall mean SP Personnel.

MANDATORY SCHEDULES (MS)

- SCHEDULE MS1 - General Terms and Conditions (GTC)
- SCHEDULE MS2 - GE Privacy and Data Protection Appendix (PDPP)
- SCHEDULE MS3 - Required SP and SP Personnel Insurance Coverage (INS)
- SCHEDULE MS4 – Personnel Background Check Requirements (BC)
- SCHEDULE MS5 – Batched Payments and Accelerated Payment Terms
- SCHEDULE MS6 – Local Implementation Template (LI)
- SCHEDULE MS7 - Business Continuity Requirements (BCR)
- SCHEDULE MS8 – Statement of Work Template (SOW)
- SCHEDULE MS9 – Step-In Rights
- SCHEDULE MS10 – Change Order Template (CO)

(Prior to the commencement of any BPO, Professional IT or Engineering services, the Parties shall negotiate in good faith with respect to the applicable function specific schedules and execute the same. Upon execution, the applicable function specific schedule shall be governed by and incorporated into this MSA).

ADDITIONAL FUNCTION SPECIFIC SCHEDULES (FS)

- SCHEDULE FS1 –BPO Services
- SCHEDULE FS2 –Professional IT Services
- SCHEDULE FS3 –Engineering Services

IN WITNESS WHEREOF, the Parties have caused the MSA to be executed by their duly authorized representatives as of the Effective Date.

GENERAL ELECTRIC INTERNATIONAL, INC.	GENPACT INTERNATIONAL, INC
By: /s/ James P. Otis	By: /s/ Victor Guaglianone
Printed Name: James P. Otis	Printed Name: Victor Guaglianone
Title: GO-S IT Professional Services Leader	Title: SVP
Date: December 21, 2016	Date: 12/22/16

GENERAL TERMS AND CONDITIONS OF SERVICE

Schedule MS1

1. DEFINITIONS

- a. **“Agreement”** means these General Terms and Conditions of Service.
 - b. **“Affiliate”** means any entity which directly or indirectly Controls, is Controlled by, or is under common Control of a Party to this agreement.
 - c. **“Circumvent”** means to directly or indirectly, including assisting any related or third party to (i) solicit, induce or influence or attempt to solicit, induce or influence any Contacts to terminate, reduce the extent of, discourage the development of or otherwise harm its, his or her relationship or contract with GE or any GE Affiliate, or (ii) in any fashion directing business or opportunities with a Contact away from GE or any GE Affiliate.
 - d. **“Confidential Information”** means any and all information, data and materials disclosed or provided by one Party to the other, in any medium, that the disclosing Party designates as confidential, whether by marking, orally, or by other means, at the time of or promptly after disclosure, or, if not so designated, that the receiving Party would reasonably be expected to assume is confidential due to its nature. Confidential Information shall include, without limitation, all information, data and materials disclosed to SP and SP Personnel in any SOW and in any other writing whether electronically, orally, visually and/or observed while on the premises of GE or any GE Affiliate, its customers and/or that which is developed as a result of performance of the Services. Confidential Information shall also include, without limitation, GE Data, GE Materials, and each Party’s ideas, inventions, methods, designs, formulas, systems, improvements, prices, discounts, business affairs, products, product specifications, manufacturing processes, data and know-how, technical information of any kind whatsoever, trade secrets and other confidential, secret or proprietary matters, as well as Controlled Data, GE Restricted Data, Personal Data and Sensitive Personal Data as defined in the GE Privacy and Data Protection Appendix referenced in Section 11.g.
 - e. **“Contacts”** mean customers, contractors, vendors, consultants, programmers, manufacturers and inventors of a Party.
 - f. **“Control”** means the possession of the power (by voting, under a charter, by agreement or otherwise) to conduct the affairs of another entity or to direct or cause the direction of the management and the policies of another entity.
 - g. **“Deliverables”** means all data, reports, communications, materials, Work Product, deliverables, information, project status reports, innovations, inventions, software, code, documentation, artwork, images, videos, presentations, or discoveries (whether or not patentable, trademarkable or copyrightable), in any medium, conceived, reduced to practice, made or developed by SP solely or jointly with others or otherwise provided by SP, SP Personnel or on their behalf, by or to GE in connection with the Services.
 - h. **“Disabling Device”** means any software, hardware, device, technology or other means, the purpose or effect of which is to: (A) permit unauthorized access to, or to destroy, disrupt, disable, distort, or otherwise harm or impede in any manner, any (i) computer, software, firmware, hardware, system or network, or (ii) any application or function of any of the foregoing or the integrity, use or operation of any data processed thereby; or (B) prevent GE or any authorized user from accessing or using the Services
-

as intended by this MSA, and includes any virus, timer, clock, counter, time lock, time bomb, Trojan horse, worm, file infector, boot sector infector or other limiting design, instruction or routine that could, if triggered, erase data or programming or cause the resources to become inoperable or otherwise incapable of being used in substantially the same manner for which such resources were intended to be used. The term "Disabling Device" shall not include any tool of SP or its third-party licensors that is disclosed to GE and that disables the access at the end of the subscription term as set forth in the agreed upon specifications of the applicable software.

i. **"Fees"** means the rates and prices payable to SP in consideration of the performance of the Services as specified in the applicable SOW or PO and subject to payment terms, including MS5 – Accelerated Payment Terms, discounts, pre-negotiated rates, rebates and set-off rights.

j. **"GE Data"** means any and all information, data, materials, works, expressions or other content of GE or a GE Affiliate that is provided to SP or produced or developed in connection with the Services, including any that (a) are uploaded, submitted, posted, transferred, transmitted or otherwise provided or made available by or on behalf of GE or any authorized user for processing by or through systems of SP or SP Personnel, (b) are collected, downloaded or otherwise received by SP or SP Personnel for GE or any authorized user pursuant to this MSA or at the written request or instruction of GE or such authorized user, or (c) meets the definition of GE Data, Controlled Data, GE Restricted Data, Personal Data and Sensitive Personal Data as set forth in the GE Privacy and Data Protection Appendix referenced in Section 11.g. All output, copies, reproductions, improvements, modifications, adaptations, translations and other derivative works of, based on, derived from or otherwise using any GE Data are themselves also GE Data.

k. **"GE Materials"** means all Materials related to GE, its Affiliates, customers and other suppliers and personal property that is furnished, disclosed or otherwise made available to SP, directly or indirectly, by or on behalf of GE pursuant to the Agreement and all Intellectual Property Rights therein.

l. **"Indemnitees"** means a Party and its Affiliates and each of their employees, shareholders, directors, officers, agents, representatives, successors and assigns.

m. **"Intellectual Property Rights"** means the entire right, title and interest under (i) all applicable worldwide intellectual property laws, including without limitation, patent, copyright and trademark laws, (ii) all other rights, privileges and priorities, including Related Rights; (iii) all rights to contest, protest, sue at law or in equity for any infringement, imitation, impairment, distortion, dilution or other unauthorized use or conduct in derogation of the Deliverables and Related Rights occurring at any time, including the right to receive all proceeds and damages therefrom; and (iv) any and all rights to obtain registrations, renewal of registrations or other legal protections pertaining to the Deliverables and Related Rights.

n. **"Losses"** means all actual and alleged damages, costs, expenses, fines, penalties, interest and legal/attorney fees, of whatever kind and nature claimed or incurred by a Party or a third-party, including, without limitation, those related to warranties, investigation, reworking, remediation, cover costs, royalty payments, litigation, alternative dispute resolution, appeals and/or settlement.

o. **"Materials"** means any materials, information, systems; software, code, tools and tooling, mechanisms; mask works; compositions of matter, processes, ideas, inventions, know-how, trade secrets, developments, discoveries and improvements, data, textual matter, forms, lists, photographs,

illustrations, audio and/or video, compilations of data and other content, designs, specifications, schematics, work and process flows, plans, models, prototypes, methodologies, interfaces, “look and feel,” packaging, research, analyses, reports, procedures, techniques, and identifiers such as domain, business and/or product names, marks, logos, URL’s, user and account names, social media presences and the like.

p. **“MSA”** means this Agreement, Schedules, SOW(s), PO(s), CO(s), online materials and all documents and policies incorporated by reference.

q. **“Open Source Materials” or “OSM”** means Open Source Software (or Materials that meet the definition) as defined in the Product Cybersecurity Appendix (as amended) referenced in Section 11.g. of this Agreement.

r. **“Related Rights”** means common law rights, trade secret rights, design rights, industrial design rights, database rights, performer’s rights, rights of approval, moral rights, trade dress rights, rights of publicity, rights of privacy, rights against defamation and libel and right under the laws of unfair competition.

s. **“Services”** means all services, Work Product and Deliverables provided by SP and SP Personnel to GE under the MSA.

t. **“SP Personnel”** means all individuals and entities providing any Services under this Agreement, including, without limitation, SP’s subsidiaries, Affiliates, employees, agents, contractors, subcontractors and suppliers, as well anyone directly or indirectly employed by, retained by or acting on behalf of any of the foregoing.

u. **“SP Pre-Existing Intellectual Property”** means data, materials and information, as evidenced by SP’s written records, that is: (i) developed or otherwise owned by SP prior to the Effective Date or commencement of Services under this MSA, whichever is earlier; or (ii) developed independently by SP outside the scope of this MSA and not based on GE Confidential Information, GE Data, GE Materials, Work Product or other data, materials and information in which GE owns Intellectual Property Rights.

v. **“Third Party Materials” or “3PM”** means Materials the rights to which are owned in whole or in part by one or more third-party individuals or entities (and not by either Party or its Affiliates).

w. **“Underlying License”** means any and all terms which are legally applicable to the use, disclosure, modification, incorporation, distribution (or other exercise of Intellectual Property Rights) in OSM or 3PM.

x. **“Work Product”** means any Deliverables that are not Third Party Materials, Open Source Materials, or SP Pre-Existing Intellectual Property and that are created by SP or SP Personnel for GE under the MSA.

2. **PROVISION OF SERVICES.**

a. **Scope.** This Agreement sets forth the terms under which SP and SP Affiliates (each as applicable, “SP” and “Party”) agree to provide GE and its Affiliates with agreed upon Services and

Deliverables. The scope of Services shall be agreed upon by the GE or its Affiliates (each as applicable, “GE” and “Party”) in an applicable SOW using the template in Schedule MS8 – Statement of Work, or PO and any attachments thereto, stating, at a minimum: (i) project objectives and specifications; (ii) Services; (iii) Deliverables (including Work Product); (iv) acceptance criteria; (v) responsibilities of each Party; (vi) timelines and deadlines; (vii) SP Pre-Existing Intellectual Property to be incorporated into the Deliverables or otherwise provided to GE; and (viii) Fees. Each SOW and PO shall be a separate agreement governed by and subject to this MSA. GE is not obligated in any way to provide or to guarantee SP with any exclusivity or a specific amount of services or an opportunity to work on GE projects.

b. **Change Orders.** Neither Party shall materially deviate from the terms of an SOW except under the terms of a Change Order (CO) (Schedule MS10) mutually agreed to in writing by both Parties (“Change Request”). If the Parties fail to agree (despite diligent and good faith negotiations) on the outcome of a Change Request, SP shall (at GE’s option) continue performing under the SOW without any changes, or cease performing under the SOW immediately upon receiving written notice of termination. Both Parties agree that all SOWs shall be governed by this MSA even if the applicable SOW has no clear reference to this MSA.

3. **TERM.**

The term of the MSA shall commence on the Effective Date and shall continue until the effective date of earlier termination or December 31, 2020, whichever is earlier. The term of the MSA may be extended in a written document signed by authorized representatives of both Parties. The initial term, together with any extension terms, shall be collectively referred to as the “Term.” The terms of this MSA shall continue to apply to any outstanding SOW until the SOW is completed, or terminated as set forth herein.

4. **ACCEPTANCE OF SERVICES AND DELIVERABLES.**

If upon review of the Services, GE, in its commercially reasonable discretion, determines that any part of the Services does not conform to mutually agreed upon acceptance criteria set forth in the applicable SOW, then SP, at its cost and expense, shall cure the nonconformity within [**] days or other duration agreed upon by GE. Acceptance by GE shall not constitute a waiver of any rights and remedies that may be available to GE under the MSA, law or equity, including for a breach of applicable warranties.

5. **FEES AND EXPENSES.**

a. **General.** The Services shall be provided at the agreed upon Fees without increase during the term of the applicable SOW or PO. All agreed upon expenses and costs will be billed at actual net cost to GE without markup. GE shall not be billed or liable for any costs or expenses other than those stated, described and expressly authorized by GE in the applicable SOW. SP shall be solely responsible for the its costs of doing business, including, procuring any permits, licenses, equipment, software and other tools needed by SP in the ordinary course of business for the performance of the Services.

b. **Invoicing and Payment Terms.** GE has a strict “NO PO - NO PAY Policy.” SP shall not commence performance of any Services under this MSA or applicable SOW until SP has received a PO from GE referencing this MSA and the applicable SOW. No GE financial obligation shall arise absent a PO. Any invoice without a valid PO will be rejected. Except as otherwise set forth in the applicable SOW or PO, SP shall invoice GE within [**] days of completion and delivery of the applicable Services and Deliverables. Invoices shall clearly indicate the Services, expenses and costs for which GE is being

charged, and will provide adequate detail and itemization to allow GE to reconcile invoices with Services received. All authorized T&L expenses shall be separately itemized and supported by receipts. Any invoice that is received more than [**] days after the due date shall be deemed invalid and not payable by GE. Unless prohibited by applicable law, undisputed Fees, costs and expenses shall be payable by GE, as applicable: (i) within [**] days from the date a correct invoice is received and approved by GE; or (ii) per the Batched Payments and Accelerated Payment Terms in Schedule MS5, if SP is participating in one or both programs. GE shall have the right to set off amounts owed by SP to GE or a GE Affiliate against any amounts payable to SP under this MSA.

c. **Billing Dispute.** If GE disputes any fee, expense, or other charge, GE will provide SP with notice of such dispute within [**] days of receipt of the applicable invoice. Any properly submitted and correct invoice not disputed in accordance with this section shall be considered approved. GE and SP will use good faith efforts to resolve in an expedient manner. Each Party agrees to continue performing its obligations under this Agreement while any dispute is being resolved unless and until such obligations are terminated by the termination or expiration of this MSA. SP will provide GE with copies of all supporting documentation relating to the dispute within [**] days after GE has provided written notification to SP. Such amount (or such amount as may be ultimately determined to be correct) shall not be due until [**] days after the dispute is resolved but in no event earlier than the original invoice due date. Notwithstanding anything contained herein, GE shall have no obligation to pay a disputed amount until resolution of the dispute.

6. CONFIDENTIALITY OBLIGATIONS.

a. **Obligations.** Each Party agrees to not disclose or use the other Party's Confidential Information except as permitted in this MSA and applicable SOW. Any other disclosure or use shall require the prior written approval of an authorized representative of the other Party. Each Party will ensure that its personnel that need to access the Confidential Information under a SOW will abide by the confidentiality obligations herein and such access will be limited to Confidential Information necessary for such Personnel to provide Services. Each Party shall protect the other Party's Confidential Information against unauthorized use or disclosure using at least those measures that it takes to protect its own Confidential Information of a similar nature, but no less than a high degree of reasonable care. For certain engagement that are identified by GE in the applicable SOW as strategic, if GE requires that specifically identified SP Personnel who are subcontractors or suppliers of SP to execute additional documents to protect GE's Confidential Information, SP shall promptly execute and shall cause said SP Personnel to execute the same. Should SP already render or wish to render services to a third-party that directly or indirectly competes with GE, then SP shall establish appropriate firewalls and security measures to protect GE Confidential Information, GE Data and GE Materials. Upon GE's request, SP shall provide GE with a written description of its practices to protect, secure and isolate GE Confidential Information, GE Data and GE Materials and shall work in good faith to implement any additional measures as may be requested by GE. Neither Party will disclose the existence or terms of any part of the MSA without the other Party's prior written consent, provided however, GE may disclose the same in connection with divestitures and acquisitions as set forth in Section 30.

b. **Exceptions.** Confidential Information shall not include information that, using documentary evidence can be shown: (a) to have been rightfully in the receiving Party's possession from a source other than disclosing Party prior to the time of disclosure of said information by the disclosing Party (the "Time of Receipt"); (b) to have been in the public domain prior to the Time of Receipt; (c) to have become part of the public domain after the Time of Receipt by any means other than an unauthorized act or

omission on the part of the receiving Party; (d) to be independently developed by the receiving Party prior to the Time of Receipt.

c. **Procedure in case of Disclosure.** In the event of any unauthorized use, disclosure or loss of any Confidential Information, the receiving Party shall promptly, at its own expense: (i) notify the disclosing Party in writing; (ii) take such actions as may be necessary or reasonably requested by the disclosing Party to minimize the violation or the damage resulting there from; and (iii) cooperate in all reasonable respects with the disclosing Party to minimize the violation and any damage resulting there from.

d. **Compelled Disclosures.** If, in the reasonable opinion of receiving Party's counsel, any of the Confidential Information is required to be disclosed pursuant to law, regulation, or court order, to the extent legally permissible, receiving Party will give disclosing Party prompt, written notice, in order to allow disclosing Party to take whatever action it deems necessary to protect its Confidential Information. In the event that no protective order or other remedy is obtained, or the disclosing Party waives compliance with the terms of this section, receiving Party will furnish only that portion of the Confidential Information which receiving Party is advised by counsel as being legally required and will notify disclosing Party in writing of the Confidential Information disclosed.

e. **Post-MSA Obligations.** Upon expiration or any termination of this Agreement, completion of SP's obligations under the MSA or each SOW or upon request of disclosing Party at any time, receiving Party shall return or destroy, as disclosing Party may direct, all documentation in any medium that contains or refers to the Confidential Information, and retain no copies; provided however, each Party may retain a single copy for the duration as reasonably required to meet its legal and compliance obligations. Upon GE's request, an authorized officer of SP shall provide written certification of SP's compliance with the foregoing obligations. Further, as applicable, for any hardware or equipment on which GE's Confidential Information was stored or processed, SP shall dispose of the hardware and equipment through a methodology consistent with best practices as defined by the National Institute of Standards Technology (NIST), including, without limitation, NIST Guidelines for Media Sanitization. The obligations of confidentiality and non-use with respect to any Confidential Information of GE shall survive in perpetuity.

f. **Third-Party Confidential Information.** SP will not disclose to GE or use in the performance of the Services, any information which is confidential or proprietary to a third party or the trade secret of a third party without first obtaining the written consent of such third party and GE.

7. **NON-CIRCUMVENTION.**

SP acknowledges that, during the performance of Services related to certain limited and strategic projects that are specifically identified as strategic to SP by GE, SP may be introduced to GE Contacts and may have an opportunity to develop a relationship with GE Contacts. SP agrees that during the Term and for a period of [**] years thereafter, whether terminated by SP or GE, SP will not enter into an arrangement that Circumvents GE with respect to any Contacts on a project that is identical or similar to the strategic project without the prior written consent of an authorized officer of GE .

8. **NON-HIRE.**

Except as otherwise set forth in the applicable Function Specific Schedule (FS), and subject to applicable laws, during the Term of this MSA and any SOW and for [**] months after its expiration or

termination for any reason, the Parties shall not, without a written waiver by the other Party of its rights under this Section, hire for employment any employee of the other Party who: (a) is classified by the other Party as exempt from overtime eligibility under applicable wage and hour laws; and (b) has been directly involved in the Services under this MSA within the previous [**] months. It shall not be a breach of this MSA for a Party to solicit the employment of the other Party's employee if it does not result in a hire, or if hired prior to permission being obtained, the other Party does not object in writing within [**] days, or if an offer of employment is withdrawn and the other Party fully reinstates the employee.

9. **PRE-EXISTING INTELLECTUAL PROPERTY OF SP.**

GE will not acquire ownership of any SP Pre-existing Intellectual Property. SP shall not incorporate any SP Pre-existing Intellectual Property into the Deliverables without the prior written consent of GE and without specifically disclosing it in the applicable SOW. SP hereby grants to GE, a non-exclusive, irrevocable, transferable, royalty-free, worldwide license to use, modify and prepare derivative works of any SP Pre-existing Intellectual Property (including the right to sublicense or assign) to the extent that such license is required to enable GE to make use of the Services under the relevant SOW and so long as such SP Pre-existing Intellectual Property remains embedded in the Deliverables and is not exploited commercially independent of the Deliverables. To the extent any portion of the SP Pre-existing Intellectual Property is not SP's original work, SP hereby represents and warrants that SP has obtained permission from the original owner of such third party content to use all or a portion of such third party content, and that SP has the right to grant to GE such non-exclusive license in and to such third party content.

10. **OWNERSHIP.**

a. **GE Ownership.** GE shall be the sole and exclusive owner of all right, title and interest in the GE Data, GE Confidential Information and GE Materials and all Intellectual Property Rights therein. SP acknowledges that all trademarks, logos, service marks or trade names of GE and its Affiliates, whether or not registered, are valuable and have attained a high degree of goodwill throughout the world. SP agrees that it shall not, without prior written consent of GE (or the applicable GE Affiliate) in each instance; (a) use in advertising, publicity or otherwise, the name or logo of GE or any GE Affiliate, or of any officer or employee of GE or GE Affiliates, nor any trade name, trademark, logo or simulation thereof owned by GE or any GE Affiliate; or (b) represent directly or indirectly that any product or service provided by SP has been approved or endorsed by GE or any GE Affiliate. Nothing contained in this MSA grants SP any express or implied rights or licenses with respect to GE Data, GE Confidential Information or GE Materials other than for performance of SP's obligations under the applicable SOW.

b. **Third Party Materials, Open Source Materials.** Without first disclosing to GE in the SOW and receiving GE's prior written approval, SP shall not provide any Deliverable to GE which uses or incorporates Open Source Materials or Third Party Materials (or depends in any way upon OSM or 3PM) unless: (a) SP cooperates and complies with GE's security and proprietary rights assessments concerning OSM and 3PM; (b) SP validly holds and is in compliance with all Underlying Licenses necessary to use or incorporate the OSM or 3PM as specified in the SOW; and (c) SP agrees, upon GE's request, to allow GE (or an approved third party inspector paid for by SP) to examine any Deliverable for OSM or 3PM, and provides GE with any related necessary assistance. If any 3PM incorporated into a Deliverable is not commercially available as a separate product offering, SP agrees to obtain for GE an Underlying License conveying a non-exclusive, royalty-free, perpetual, irrevocable, worldwide, fully paid-up, sublicenseable (through all tiers) right which allows GE and its authorized designees to use the 3PM as incorporated, at no additional charge to GE. SP shall be responsible at its sole expense for remediating any technical or

legal issues experienced by GE in connection with the use or incorporation of OSM or 3PM (including, but not limited to removing any OSM or 3PM incorporated without GE approval; re-performing Services or Deliverables; reimbursing GE for losses, costs and other direct damages related to the OSM or 3PM; and/or undertaking the fulfillment of obligations that might be imposed on GE by any applicable OSM or 3PM Underlying Licenses, or resolving conflicts among them). SP further agrees that the GE may perform a code scan of any software contained in any Work Product prior to acceptance to ensure that no Open Source Materials have been included in such Deliverable without the prior approval from GE in writing.

c. **GE Rights.** Subject to Third Party Materials, Open Source Materials and SP Pre-existing Intellectual Property license rights disclosed by SP and approved by GE in writing, all Work Product and all Intellectual Property Rights therein shall be the sole and exclusive property of GE. GE shall have the sole and exclusive right to use or not use the Services and Deliverables, and to use, reproduce, reuse, modify, crop, alter, edit or change the Work Product, as it sees fit and for any purpose. GE shall have the right to transfer or assign any and all rights hereunder to any third-party, in its sole discretion.

d. **Work Made for Hire.** At GE's written request, SP will execute, or cause to have executed, by SP Personnel, such documents and take such other actions, as GE deems necessary or appropriate, to obtain, record or enforce Intellectual Property Rights or assignments thereof in GE's name, as applicable, covering the Work Product. To the extent the Work Product is copyrightable (including, without limitation, computer programs, source code, object code and supporting documentation), it will be deemed a Work Made for Hire or alternatively a Specially Commissioned Work under the Copyright Act of 1976 and will become and remain the sole and exclusive property of GE and assignable by GE. If any Work Product may not be a Work Made for Hire, SP agrees to assign and does hereby assign or will cause to have assigned all right, title and interest, including, Intellectual Property Rights in such Work Product to GE. SP shall cause the SP Personnel to irrevocably waive, to the extent permitted by applicable law, any and all claims such SP Personnel may now or hereafter have in any jurisdiction to so-called "moral rights" or rights of droit moral with respect to the Services. If for any reason, SP is unable to or does not sign and/or deliver such documentation with respect to the Work Product within [**] days of GE's escalation to SP's General Counsel or other senior officer of SP, any officer of GE is hereby irrevocably appointed and authorized as attorney-in-fact for SP to sign and deliver such documentation, it being agreed that this authorization and appointment is a right coupled with an interest.

e. **Residual Knowledge.** Except to the extent where an SP is specifically retained to develop ideas, concepts, know-how or techniques as Work Product under the terms of the applicable SOW, each Party is free to use any generalized ideas, concepts, know-how, or techniques that are developed or provided by the other or jointly by both Parties during the Term, so long as it does not use the Confidential Information of the other Party. Subject to the restrictions set forth in the MSA, SP and GE are free to enter into similar agreements with third parties, and to develop and provide to such third parties materials or services that are the same as or similar to those provided under this MSA.

11. REPRESENTATIONS, WARRANTIES AND COVENANTS OF SP.

SP represents, warrants and covenants that each of SP and SP Personnel:

a. **General Warranty.** (i) Is duly organized, validly existing and in good standing as a corporation or other entity as represented herein under the laws and regulations of its jurisdiction of incorporation, organization or chartering; (ii) it has, and throughout the Term and any additional periods during which it does or is required to perform the Services will retain, the full right, power and authority to

enter into this MSA and perform its obligations hereunder; (iii) the execution of this MSA by its representative whose signature is set forth at the end hereof has been duly authorized by all necessary corporate or organizational action and when executed and delivered to GE, this MSA will constitute the legal, valid and binding obligation of SP and SP Personnel, enforceable against them in accordance with its terms; and (iv) is not a Party to any contract or arrangement with any third party or subject to any threatened or actual administrative or legal claim or proceeding which prohibits, inhibits or adversely affects the performance of the Services or obligations under the MSA;

b. **Performance Warranty.** Shall perform and provide the Services:

(i) in material compliance with the MSA; provided, however, for business process outsourcing services, the warranty shall be as set forth in the applicable service levels, and with respect to all other services, such warranty shall be for a period of [**] days (or other agreed upon duration in the applicable SOW) from acceptance by GE as set forth in Section 4. The warranty in this subsection shall run to GE, its successors, assigns, and the users of Deliverables and Services covered by the SOW. If any Deliverables or Services are found to be defective during that warranty period then, in addition to other rights and remedies that GE may have by law, contract or at equity, GE at its option and sole discretion and at SP's expense may: (x.) reject and return such Deliverables or Services; (y.) require SP to remove, ship and reinstall/reperform nonconforming Deliverables and Services with Deliverables and/or Services that conform to all the requirements of the MSA and the applicable SOW (and SP shall do so in a timely manner); and/or (z.) take such actions as may be required to cure all defects and/or bring the Deliverables and Services into conformity with all the requirements of the MSA and the applicable SOW, in which event all costs and expenses including material, labor and handling costs and charges (inclusive of any required re-performance), incurred by GE shall be for SP's account. Any repaired or replaced part, or re-performed Services shall carry warranties on the same terms as set forth above, with the warranty period being the later of the original unexpired warranty or [**] months after repair or replacement. To the extent SP is not the manufacturer of any goods or components or Deliverables sold or transferred hereunder SP agrees to transfer to GE, or otherwise give the benefit to GE, of any warranties or indemnities that may be provided by the manufacturer of such goods and/or components and/or Deliverables and shall enforce the same for GE at SP's sole cost and expense;

(ii) (a) without violating, infringing or misappropriating any rights of third-parties, including without limitation, Intellectual Property Rights, proprietary, contractual or Related Rights; (b) with a guarantee that GE's use of the Services or Deliverables or the exercise of any rights and licenses provided hereunder shall not violate, infringe or misappropriate any rights of third-parties, including without limitation, Intellectual Property Rights, proprietary, contractual or Related Rights;

(iii) free from any security interest, lien or other encumbrance; and

(iv) free of any defects (latent or patent) in material, design or workmanship;

c. **Operational Warranty.** Shall devote the resources necessary to meet their obligations under the MSA, shall provide periodic status reports if requested by GE or per the applicable SOW, and all Services shall be performed in a timely, professional and workmanlike manner in conformity with the best industry standards applicable to the Services using personnel with the requisite skill, experience and qualifications.

d. **Recommendations.** Is a recognized expert in the field of Services who shall be responsible for its recommendations, including those related to the use of Third Party Materials and Open Source

Materials, products or services that are provided by SP as a requirement (without any other options) for the use of the Deliverables and Services;

e. **Originality.** Subject to Third Party Materials and SP Pre-existing Intellectual Property license rights approved by GE in writing, all Work Product shall be new and original;

f. **Compliance with Law.** Shall perform, deliver and maintain the Services, regardless of the location: (i) in accordance with all applicable laws, rules and regulations of any governmental authority, agency, securities exchange or other self-regulatory organization of which it is a member or by which its activities are governed or regulated; (ii) in accordance with any other applicable legal or other limitation or restriction; and (iii) in compliance with its charter and by-laws or other constituent documents, and not in contravention or breach of its obligations to or agreements with any third-party.

g. **Compliance with GE Policies.** Shall comply with, and shall replace any SP Personnel who fail to comply with, all applicable GE policies, procedures, licenses and governance matters including, without limitation, (i) GE's safety, security, drug use and drug testing policies; (ii) applicable licenses, policies, procedures, governance matters if SP or SP Personnel are provided access to GE or GE-contracted facilities, premises, systems, content, software or equipment; and (iii) The policies located at www.gesupplier.com/html/GEpolicies.htm, including, the GE Integrity Guide and as applicable, Supplier Travel and Expense Policy, GE Privacy and Data Protection Appendix (PDP), European Union Standard Data Privacy Clauses, Protected Health Information Agreement, Product Cybersecurity Appendix, GE Background Checking Guidelines and US Government Flowdown Provisions (if identified in the applicable SOW)/GE Power & Water Government Acquisition of Commercial Items Appendix (if identified in the applicable SOW). (To the extent SP is unable to comply with any material amendments thereto due to a substantial increase in SP's costs or obligations under the MSA, within fifteen (15) days of notice of said amendments, SP shall provide GE with written notification of its inability to do so and said notification shall specifically identify the amendments to which such inability applies. Without limitation, the Parties mutually acknowledge that failure to comply with this Section shall be deemed a material breach incapable of cure.);

h. **Background Checks.** Shall, to the extent permissible by applicable law, perform background checks using an authorized background checking agency as set out in Schedule MS4 -Personnel Background Check Requirements (BC) prior to (a) stationing any SP Personnel to perform Services at any GE location, facility or work site (for purpose of clarity, "stationing" shall not include periodic attendance or visits to such locations, facilities or work sites); (b) granting access to GE networks (such as having a GE issued single sign-on account) to SP Personnel to provide the Services; (c) assigning SP Personnel to duties that are directly related to the safe operation or security of a GE facility or piece of equipment and which, if not performed properly, could cause a serious environmental, health or safety hazard to employees or the general public; or (iv) assigning SP Personnel to a GE worksite that is designated in its entirety as "security sensitive," even though the work responsibilities, if performed in another context, would not be security sensitive; and after securing appropriate written authorization from its SP Personnel.

i. **Taxes.** Shall be responsible for all taxes applicable to its income from the Services, and for including any sales, use, value-added or similar taxes applicable to the Services as a line item on the pertinent invoice (identifying the type and amount thereof) as well as for tracking and paying the taxes collected from GE to the appropriate governmental authority;

j. **Licenses and Assets for Performance.** Shall, at no additional cost to GE, obtain and keep in full force and effect any assets, licenses, visas, certifications, permits, clearances or registrations necessary to provide the Services in the ordinary course of business;

k. **Third Party and Open Source Materials.** Shall not incorporate any Third Party Materials and Open Source Materials into the Services until all required clearances within GE have been obtained;

l. **Litigation Support.** Shall ensure that the Services are capable of audit trails and record hold requests and it can implement such trails and hold requests promptly and in a manner that will meet GE's litigation and regulatory obligations as they arise;

m. **Migration.** Have the knowledge, experience, technology and plans to sufficiently locate, isolate and extract GE Confidential Information and GE Materials, should GE desire bring the same back in-house or migrate to a different vendor;

n. **Disabling Devices.** Shall deliver and maintain the Services free from all Disabling Devices.

12. INFRINGEMENT OF INTELLECTUAL PROPERTY

If the Services become or in GE's opinion are likely to become the subject of an infringement or misappropriation claim, SP shall, at SP's sole cost and expense, in addition to its indemnification obligations, at GE's discretion, either (i) procure for GE the right to continue using the Services or SP Pre-existing Intellectual Property, (ii) replace or modify the Services or SP Pre-existing Intellectual Property in a manner acceptable to GE to make them non-infringing or without misappropriation, provided that any such replacement or modification shall not materially degrade the performance or quality of the affected Services or Pre-existing Intellectual Property, or disrupt GE's business operations; or (iii) refund all or part of the Fees and costs for the applicable Services.

13. INDEMNIFICATION

a. **SP Duty.** To the fullest extent permitted by law, SP shall, at its own expense, defend, indemnify, release, and hold the GE Indemnitees harmless against all Losses related to third-party claims, to the extent directly or indirectly, arising from, related to, or out of: (i.) any act or omission of SP or SP Personnel, constituting negligence, recklessness, or intentional or willful misconduct, (ii) breach of any term, representations, warranties or covenants of the MSA or any part thereof by SP or SP Personnel; (iii.) any assertion or allegation that the Services or use thereof by GE as intended or agreed upon by the Parties in the applicable SOW constitute violations, misappropriation or infringement of any Intellectual Property Rights; (iv.) injury to person (including death) or damage to property caused by SP or SP Personnel; and (v.) taxes or other liability related to the employment or engagement or the termination of employment or engagement of SP Personnel. SP shall extend the benefit to GE of all applicable third-party indemnities that are provided to SP in connection with the Services.

b. **GE Duty.** To the fullest extent permitted by law, GE shall, at its own expense, defend, indemnify, release, and hold SP Indemnitees harmless against all Losses related to third party claims to the extent arising from or related to (i.) any assertion or allegation that SP's use of any GE Confidential Information violates the Intellectual Property Rights of said third-party; (ii) injury to person (including death) or damage to property caused by a GE employee; and (iii) breach by GE of applicable laws.

c. **Exceptions to Intellectual Property Infringement.** The indemnifying Party shall not be responsible for a violation or infringement of Intellectual Property Rights of a third-party to the extent caused directly by: (i) an unauthorized modification or enhancement or misuse of the subject intellectual property by the indemnified party and such violation or infringement would not have arisen but for such modification, enhancement or misuse; (ii) failure by the indemnified party to use new or corrected versions of the subject intellectual property (provided and implemented at no additional cost to the indemnified party) after written notification to do so and the violation or infringement would not have occurred but for such failure; or (iii) the combination or integration of the subject intellectual property with products or information not furnished or otherwise authorized by the indemnifying property and the violation or infringement would not have occurred but for such combination or integration.

d. **Procedure.** The indemnified party shall have the right, but not the obligation, at its expense, to participate in the defense of any such claim through counsel of its own choosing. If the indemnifying Party and/or its retained counsel fail to promptly provide such defense, or, having commenced such defense, fail to diligently proceed with such defense, in the indemnified Party's discretion, the indemnified party shall have the right to assume the defense of any such matter through legal counsel of its own choosing. In such case, the indemnifying Party shall remain liable for all of the indemnified party's Losses incurred in conjunction therewith, including all legal fees and expenses the indemnified party incurs to enforce its indemnity rights. The indemnifying Party shall not enter into any settlement agreement or otherwise agree to the entry of any order or judgment that requires the indemnified Party to take any specific action, admit liability or pay any sum of money out of its own resources without the prior written approval of an authorized representative of the indemnified party.

14. **DISCLAIMER OF WARRANTIES AND LIMITATION OF LIABILITY**

a. **Disclaimer of Warranties.** NEITHER PARTY PROVIDES ANY WARRANTIES, EXPRESS OR IMPLIED, OTHER THAN THOSE SET FORTH IN THIS AGREEMENT.

b. **Disclaimer of Special Damages.** NEITHER PARTY SHALL BE LIABLE UNDER THE MSA TO THE OTHER PARTY OR ANY THIRD PARTY FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL OR PUNITIVE DAMAGES, WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE

c. **Limitation of Liability.** EACH PARTY'S LIABILITY TO THE OTHER PARTY RELATING TO THE SERVICES PROVIDED UNDER A SOW SHALL NOT EXCEED TWO (2) TIMES THE AMOUNT PAYABLE BY GE WITH RESPECT TO THAT APPLICABLE SOW.

d. **Exclusions.** The Disclaimer of Special Damages in Section 14(b) and Limitation of Liability in Section 14 (c) shall not apply to any Losses arising from or related to: (i) either Party's gross negligence, intentional misconduct, including fraud, or willful misconduct; (ii) either Party's obligation to indemnify the other Party per Section 13 or a breach of either Party's indemnification obligations or any infringement or misappropriation by SP or SP Personnel of any Intellectual Property Rights of GE or GE Affiliate; (iii) any intentional or willful breach of the MSA by SP or SP Personnel; (iv) any personal injury, bodily injury, death or property damage caused by SP or SP Personnel; (v) breach of confidentiality obligations by SP or SP Personnel; (vi) any taxes, filing fees, fines, penalties and related charges imposed on or alleged against GE due SP's or SP Personnel's acts or omissions in violation of this MSA; (vii) any warranties pertaining to product, equipment, Deliverables, Work Product or Services provided under the MSA; or (viii) any matters that cannot be limited due to applicable laws or regulations.

15. **Insurance.**

SP shall, and shall cause SP Personnel, to secure and maintain, in full force and effect throughout the Term and for a period of [**] years from the termination or expiration of the applicable SOW (whichever is longer), insurance coverage in types and amounts (at a minimum Commercial General Liability, Worker's Compensation, Commercial Automobile Liability, Errors and Omissions/Professional Liability) appropriate to the conduct of SP's business and sufficient to support SP's indemnification obligations hereunder, but no less than as required in SCHEDULE MS3 - Required SP and SP Personnel Insurance Coverage. In no event shall the coverage or limits of any insurance maintained by SP under this section or the lack or unavailability of any other insurance, limit or diminish in any way SP's obligations or liability to GE under this Agreement, law or equity. Any acceptance of insurance certificates by GE shall not limit or relieve SP of the duties and responsibilities assumed by SP under the MSA.

16. **Business Audit.**

a. **GE Right to Audit.** GE through its authorized employees, representatives, agents, and partners, upon giving notice to SP (as reasonable under the circumstances), will have the right to inspect and/or audit, at GE's discretion, all facilities, equipment, procedures, and practices employed by SP in conducting the Services and to examine and audit all records, files, notebooks, relevant operating procedures and processes, and data relating to the Services performed or provided, in order to assure and confirm SP's compliance with the MSA, including all applicable GE policies and applicable law. Any significant non-compliance issues identified during such inspection and/or audit will be communicated to SP. SP will provide a corrective action plan in writing to GE within [**] days (or mutually agreed upon longer period) of such communication, unless GE determines that a shorter period is necessary due to the nature of non-compliance. If, in the sole discretion of GE, the non-compliance is not remediable or resolution cannot be reached within a reasonable period of time following such request, GE, in its sole discretion, may terminate the MSA and/or any or all SOWs as a material breach of this Agreement. The foregoing rights shall be effective during the Term and for a period of [**] years following the expiration or termination of the MSA or an applicable SOW (whichever is later). Except where SP is alleged to be in breach of the MSA, including, without limitation, breach of security and confidentiality requirements or applicable law, the audit rights shall not be exercised more than [**] month period. Except to the extent reasonably necessary for GE to enforce its rights and remedies under the MSA, the audit shall be conducted in compliance with SP's reasonable security and confidentiality requirements.

b. **SP Responsibilities.** SP shall continuously monitor its facilities, equipment, SP Personnel and procedures and practices employed by SP in performing the Services, including, without limitation, the effectiveness of SP and SP Personnel's security (physical and IT). Additionally, SP shall be responsible for ensuring consistency of its operations, including proactive monitoring and mitigation of all vulnerabilities across all of its sites. Using an independent third-party reasonably acceptable to GE and at SP's sole cost and expense, SP shall conduct audits and risk and vulnerability assessments against the requirements of policies and procedures referenced in this MSA or made known to SP, no less frequently than every [**] months. The reports of such audits and assessments shall include, at a minimum, the scope of the audit and/or assessment and any vulnerabilities/issues/findings/concerns/recommendations in so far as they impact GE. SP shall provide to GE all reports of such periodic audits and assessments. Such reports will be treated as SP Confidential Information. SP shall remediate within [**] days any items rated as high, critical or severe (or similar rating indicating similar risk) in such reports and shall remediate all other issues within a commercially reasonable time. If, in the sole discretion of GE, the non-compliance is

not remediable or resolution cannot be reached within a reasonable period of time, GE, in its sole discretion, may terminate the MSA and/or any or all SOWs as a material breach of this Agreement.

17. Financial Audit Rights

During the Term and for [**] years after (or the length of time as may be required by applicable law, ordinance or regulation, whichever period is longer), SP shall maintain complete and accurate books and records, in accordance with generally accepted accounting and document retention principles, regarding its business operations relevant to the calculation of Fees and SP and SP Personnel's compliance with this MSA. Upon GE's request, SP shall make such books and records, and appropriate SP Personnel, available during normal business hours for inspection and audit by GE or an independent accounting firm, provided that GE shall: (a) give SP prior notice (reasonable under the circumstances) of any audit; (b) undertake an audit no more than once per calendar year except for good cause shown; and (c) conduct or cause to be conducted such audit in a manner designed to minimize disruption of SP's normal business operations. GE may take copies and abstracts of materials audited [provided that such material is deemed Confidential Information of SP]. In case of any discrepancy, SP shall immediately, pay GE the amount of any overpayment revealed by the audit. Additionally, if an audit reveals an overbilling or over-reporting of [**] percent ([**]%) or more, then SP shall reimburse GE for the cost of the audit.

18. Business Continuity Planning

If GE, in its sole discretion, identifies SP as a critical supplier in an applicable SOW, SP shall, at no additional cost to GE, comply with the requirements of Schedule MS7- Business Continuity Planning.

19. Export Controls.

The Parties acknowledge that certain materials to be provided hereunder and certain transactions hereunder may be subject to export controls under the laws and regulations of the United States, EU member states, EU and other countries. Neither Party will export or re-export any such items, information, or any direct product thereof or undertake any transaction in violation of any such laws or regulations. SP agrees that all persons performing Services, or otherwise working with controlled United States technology, will be in compliance with the Export Administration Regulations (15 C.F.R. 730 et seq.) and that SP will obtain any required export license for SP Personnel prior to assigning such personnel to the Services.

20. Local Implementation Agreement

a. **LIA.** Where it appears necessary to accommodate specific regional or national circumstances, in particular to differences in local mandatory laws and regulations or to local business requirements of GE, a GE Affiliate or SP, the Parties may enter into a local implementation agreement ("LIA") for the purchase of Services in a particular country using the template form set out in Schedule MS6 - Local Implementation Agreement Template. Each such LIA shall: (i) form a separate agreement between the relevant parties to it governing the provision of Services to the GE Affiliate in or in respect of the relevant country or market; (ii) incorporate as if set out in full therein the then current version of this Agreement; (iii) set out any exceptions and/or additional terms and conditions in a LIA deemed appropriate by the relevant parties to such LIA in consideration of their respective organizational or operational needs and/or processes or to apply local mandatory laws; and (iv) be read such that references in this Agreement to "GE" shall be deemed to be references to the GE Affiliate contracting entity of such LIA.

b. **Requirements.** A LIA shall not take effect under this MSA unless each of the following requirements is met: (i) the LIA references this MSA as being a LIA placed under it; (ii) the LIA is signed by an authorized GE (or GE Affiliate, as applicable) signatory and by an authorized SP signatory; and (iii) at the date the LIA is signed by both applicable parties to the LIA, this MSA has not expired or been terminated. For governance reasons, each LIA shall have to be countersigned by a GE Global Commodity Leader.

c. **Exceptions.** Any exceptions expressly agreed upon in writing by a GE Affiliate and SP, pursuant to a particular LIA shall apply only for purposes of that LIA and only between the parties thereto, and shall not be deemed to in any way amend, modify, cancel, or waive the provisions of this MSA or any other LIA or SOW. To the extent the parties desire to amend or modify a particular term in a SOW, the parties shall specifically reference the applicable section of the SOW. Any such modification or amendment shall be limited to that particular SOW and only to such matter and section. In no event shall the applicable GE Affiliate and SP use the LIA to override substantive terms of this MSA unless required by local mandatory laws and regulations to be changed.

21. **Independent Contractor**

The relationship of the Parties under this MSA is that of independent contractors. Nothing contained in the MSA is intended or is to be construed so as to constitute the Parties as partners, joint venturers, or one Party as an agent or employee of the other Party. Neither Party has any express or implied right under this Agreement or any SOW to assume or create any obligation on behalf of or in the name of the other Party or to bind the other Party to any contract, agreement or undertaking with any third party, and no conduct of a Party will be deemed to infer such right. To the extent SP engages the services of any individual or entity to support the Services under any SOW, SP is responsible for compliance with all applicable employment or tax laws.

22. **Assignment and Subcontracting**

SP shall not assign the MSA or any part thereof to any third party without GE's prior written consent (which is in its sole discretion to grant or withhold). Any permitted assignment will not relieve SP of responsibility for the performance of any obligation. Additionally, SP shall not subcontract, delegate or outsource any right, duty or obligations under the MSA to any third party without GE's prior written consent (which is in GE's sole discretion to grant or withhold). If any such subcontracting, delegation or outsourcing is permitted, such consent by GE shall be limited to the specific project, time period, or other parameters, for or on which such consent was provided and GE shall have no direct responsibility for payment of any kind to such SP Personnel and no liability for amounts owing by SP to such SP Personnel. SP will remain jointly and severally responsible and liable for the acts or omissions of SP Personnel as if such acts or omission had been performed directly by SP. GE may freely assign this MSA to any GE Affiliate without the consent of SP.

23. **Notices.**

Any notices required or permitted under this Agreement will be in writing, will refer specifically to this Agreement, and will be sent by recognized national or international overnight courier, confirmed facsimile transmission (provided that duplicative copy is provided via confirmed electronic mail, registered mail or certified mail), confirmed electronic mail, or registered or certified mail, postage prepaid, return receipt requested, or delivered by hand to the address as set forth herein. A Party may

change its contact information immediately upon written notice to the other Party in the manner provided in this Section.

24. Termination

a. **Termination for Convenience.** GE may terminate this MSA and/or any SOW (or any part thereof) for convenience by giving to SP thirty (30) days' written notice of its intention to terminate.

b. **Termination for Cause.** Either Party may terminate the MSA and/or any SOW (or any part thereof) for cause immediately by written notice to the other Party (the "**Defaulting Party**"), if the Defaulting Party: (a) materially breaches this Agreement, and such breach is incapable of cure, or with respect to a material breach capable of cure, the Defaulting Party does not cure such breach within [**] days or other agreed upon period after receipt of written notice of such breach provided the Defaulting Party has commenced cure in good faith; (b) becomes insolvent or has an encumbrancer take possession or a receiver or examiner appointed over any of its property or assets; (c) makes any voluntary arrangement with its creditors or becomes subject to an administration order; (d) goes into liquidation (except for the purposes of restructuring or other reorganization and in such manner that the company resulting from the reorganization effectively agrees to be bound by or to assume the obligations imposed on that other Party under this Agreement); (e) suffers any distress, execution or other process to be levied or enforced on any of its property and is not paid out withdrawn or discharged within 21 days; (f) ceases or threatens to cease to carry on business; or (g) suffers any material adverse change that impacts its ability to perform under the MSA. Additionally, GE may terminate the MSA and/or SOW immediately for cause if: (u) there is a change in Control of SP, including, without limitation, a change in Control involving any entity that directly or indirectly competes with GE and/or its Affiliates; provided however, SP shall provide written notice to GE in accordance with Section 23 of any change in Control within [**] days of effective date thereof and GE shall have one hundred and eighty (180) days from the receipt of the properly delivered notice to terminate the MSA and/or SOW as permitted under this Section; or (v) if SP or SP Personnel violate any applicable anti-corruption laws, rules, regulations and conventions.

c. **Survival.** Expiration or termination of the MSA and/or any SOW shall not relieve SP from the provisions which by their express terms of nature extend beyond expiration or termination, including but not limited to Sections 1, 4-19, 22, and 24-31 hereof, which shall remain binding upon the Parties until expressly released by the GE in writing. Upon termination, GE shall be entitled to receive all completed and uncompleted Deliverables which SP and SP Personnel have made or developed hereunder up to the termination date.

d. **Post-Termination Obligations.** The provisions of the MSA shall continue to govern all outstanding, but non-terminated SOWs and during the Transition Period in Section 25. Except in case of Termination for Cause by GE involving breaches by SP or SP Personnel of Sections 6, 11.b., 11.f., 11.g., 11.j., and 11.m., upon expiration or termination of the MSA and/or SOW (or any part thereof), GE shall pay SP those undisputed and unpaid Fees due under the applicable SOW for Services provided to and accepted by GE prior to the effective date of termination. The foregoing shall be the sole and exclusive remedy of SP in connection with any termination or expiration. Unless otherwise set forth in the applicable termination notice, any termination of this MSA or applicable SOW by a GE Affiliate shall be effective only with respect to the terminating GE Affiliate and shall not affect any other GE Affiliate. Any advance payments made by GE or a GE Affiliate to SP which are in excess of amounts due to SP as of the effective date of termination or expiration shall be refunded to GE within thirty (30) days of said effective date of termination or expiration, together with all GE Materials in the possession or control of SP or SP Personnel.

25. **Transition Assistance.**

On GE's request at any time, or the termination or expiration of the MSA or an applicable SOW, SP shall, and shall cause SP Personnel to: (a) return GE Data in a platform-agnostic format; and (b) destroy or return, as instructed by GE, all remaining GE Confidential Information and GE Materials on the systems of SP and SP Personnel. In connection with any termination or expiration of the MSA and/or any SOW, for a period of [**] days (or mutually agreed upon longer period) from the effective date of termination or expiration, SP shall provide to GE, such information and transition assistance or that GE reasonably requests to allow the applicable Services to continue without interruption or adverse effect on GE and to facilitate the smooth and orderly transfer of those Services to GE or its designee, as applicable. In case of Termination for Cause by GE involving breaches by SP or SP Personnel of Sections 6, 11.b., 11.f., 11.g., 11.j., and 11.m., all such assistance shall be provided at SP's sole cost and expense. In all other cases, the Parties shall enter into an SOW with respect to such transition services, provided however, SP shall provide all transition services at the same rates, terms and conditions in effect at the time of termination or expiration. SP shall fully cooperate with GE and any replacement provider by promptly providing requested information and committing necessary resources to ensure that the quality of Services is maintained at levels set forth in the applicable SOW and to ensure a seamless transition of Services.

26. **Severability.**

If any provision, right or remedy provided for herein is held to be unenforceable or inoperative by a court of competent jurisdiction, the validity and enforceability of the remaining provisions will not be affected thereby.

27. **Waiver.**

No waiver will be implied from conduct or failure to enforce rights. No provisions of this Agreement or any Statement of Work will be deemed waived by either Party unless such waiver is in writing and signed by the authorized representative of the other Party. Waiver by a Party of any default by the other Party of any provision of this Agreement or SOW will not be deemed a waiver of any subsequent or other default.

28. **Order of Precedence**

To the extent any business terms and conditions of this MSA conflict with those of any SOW, this MSA will control unless the SOW expressly and specifically states an intent to supersede the MSA on a specific matter by specific reference to the applicable section in the MSA (but then only with respect to a particular SOW and with respect only to such matter and section). Notwithstanding the foregoing, the Parties agree that this Agreement shall supersede any conflicting, different or additional legal terms in a SOW, including, without limitation, indemnification, limitation of liability, confidentiality, and representations, warranties and covenants. To the extent, SP desires to modify any legal terms in this Agreement, SP shall request a written amendment to the MSA, which shall be agreed or withheld by GE, in its sole discretion. The pre-printed terms appearing on either Party's PO's and invoices shall be deemed without effect and superseded by this MSA. If any of either Party's systems require any user to "click through" online terms when accessing or using the Services, such terms shall be deemed without effect and superseded by this MSA.

29. **Additional Parties.**

SP agrees that the Services and Deliverables provided under this MSA (including any SOWs issued hereunder) may be used by GE for itself, and at no additional expense to GE, for the benefit of any GE Affiliate. Any GE Affiliate, worldwide, which uses the Services and/or Deliverables, whether the right to use passes directly to that entity or not, shall be entitled to all of the rights and interests of GE under this Agreement and may enforce this MSA in its own name. Each GE Affiliate shall be provided the benefit of this MSA and to any discounts, rebates or other advantageous financial arrangements provided to the other GE Affiliates and may enter into SOWs directly with SP. If a GE Affiliate enters into an SOW with SP under this MSA, then all references to GE and Party in this Agreement will be deemed to be reference to that GE Affiliate in its individual capacity. Each individual GE Affiliate will be solely responsible for its own obligations and performance under this MSA and SP will look solely to such GE Affiliate with respect to rights and remedies under this MSA. All obligations of each GE Affiliate under the MSA will be several and not joint; in no event will any GE Affiliate be liable for the obligations or performance of any other GE Affiliate. In the event an SOW is terminated at the request of GE, the Parties will mutually resolve any issues from such termination pursuant to Section 31.e. of the MSA.

30. **Divestitures and Acquisitions.**

Any GE Affiliate divested by GE as an ongoing concern or otherwise, for a period of [**] months following the effective date of divestiture, may continue to: (a) benefit under the terms of this MSA and/or applicable SOW, as well as, (b) issue SOWs under the MSA. Any entity or business acquired by GE or a GE Affiliate may utilize the terms of this MSA for any of their SOWs with SP. The Parties understand and agree that any entity that was divested by GE as of the Effective Date of this MSA shall have the right to continue to rely on and exercise all rights and remedies in the manner and for the duration set forth in the agreements between GE and SP that were in place prior to the Effective Date of this MSA, which shall continue in full force and effect for purposes thereof.

31. **Miscellaneous.**

a. **Additional Duties.** As GE may request, and/or as may be set forth in a SOW, SP will submit written reports on the progress of the Services. SP will not present or publish, or submit for publication, any work resulting from the Services without GE's prior written approval.

b. **Effect of SP or SP Personnel Bankruptcy.** All rights and licenses granted by SP under this MSA shall be deemed to be rights and licenses to "intellectual property," and the subject matter of this agreement, including the Services, is and shall be deemed to be "embodiment[s]" of "intellectual property" for purposes of and as such terms are used in and interpreted under section 365(n) of the United States Bankruptcy Code (the "Code") (11 U.S.C. § 365(n) (2010)). GE shall have the right to exercise all rights and elections under the Code and all other applicable bankruptcy, insolvency and similar laws with respect to this Agreement (including all executory SSAs and SLAs). Without limiting the generality of the foregoing, if SP or its estate becomes subject to any bankruptcy or similar proceeding: (a) subject to GE's rights of election, all rights and licenses granted to GE under this Agreement will continue subject to the respective terms and conditions hereof and thereof, and will not be affected, even by SP's rejection of this Agreement; (b) GE shall be entitled to a complete duplicate of (or complete access to, as appropriate) all such intellectual property and embodiments of intellectual property, and the same, if not already in GE's possession, shall be promptly delivered to GE, unless SP elects to and does in fact continue to perform all of its obligations under this Agreement; and (c) if there is an escrow agreement between the Parties, the automatic stay under Section 362 of the Code (11 U.S.C. § 362 (2011)) shall not apply to any

instructions from GE to the escrow agent relating to the escrow deposit materials; provided however, GE shall be responsible for fees charged by the escrow agent related to the maintenance of such escrow deposits.

c. **Integration.** This Agreement includes all attached exhibits and SOWs, all of which are herein incorporated by reference. This MSA contains the entire understanding of the Parties with respect to the subject matter hereof and supersedes all previous agreements and undertakings with respect thereto. This MSA may be modified only by written agreement signed by the Parties. Notwithstanding the foregoing, the Parties understand and agree that any existing European Union Standard Data Privacy Clauses executed by SP prior to the Effective Date shall continue in full force and effect during the Term until and unless SP executes a new set of said Clauses.

d. **Governing Law.** This MSA and each SOW will be construed, governed, and interpreted in accordance with the laws of the state of New York, excluding its conflicts of law provisions. The United Nations Convention on the International Sale of Goods shall not apply to this MSA.

e. **Dispute Resolution.**

i. Mediation and Arbitration. Except with respect to any request for preliminary injunctive relief or other interim or conservatory measures of protection or those circumstances described in subparagraph (ii) below, in the event of any dispute, controversy or claim arising out of or relating to this MSA, including any question regarding its existence, validity, interpretation, breach, violation or termination (a "Dispute"), the Parties shall first refer the Dispute to proceedings under The Mediation Rules of the International Chamber of Commerce. If the dispute has not been settled pursuant to said Rules of Mediation within [**] days following the filing of a Request for Mediation or within such other period that the Parties may agree in writing or which may be shortened due to the appointment of an emergency arbitrator, such dispute shall thereafter be finally resolved by arbitration under the Rules of Arbitration of the International Chamber of Commerce. The seat of arbitration shall be New York, New York. Where the claim amount is less than US \$[**], the tribunal shall consist of a sole arbitrator. Where the claim amount is \$[**] or greater, the tribunal shall consist of three arbitrators, with the claimant and the respondent each nominating a single arbitrator respectively, and the two party-nominated arbitrators within [**] days of the last of their appointments, appointing the third arbitrator, who shall be the chairman of the tribunal. The language of the arbitration shall be English. The prevailing Party shall be entitled to recover, in addition to its damages, its reasonable attorneys' fees and expenses, expert witness fees and expenses and its internal legal, administrative and management costs incurred in connection therewith. The Parties hereby waive any right to refer any question of law and any right of appeal on the law and/or merits to any court.

ii. Litigation. Notwithstanding the foregoing, GE is authorized to institute proceedings in the federal and state courts of the County of New York, State of New York, at any time, if commencement of litigation is deemed appropriate by GE (a) to avoid the expiration of a statute of limitations period, (b) to preserve a superior position with respect to other creditors; (c) because GE makes a good faith determination that a breach of the MSA (or actual or threatened violation of its rights) by SP or SP Personnel is imminent (or has already occurred), such that a temporary restraining order or other preliminary injunctive relief is necessary; or (d) with regard to the determination of intellectual property rights in connection with any of the Services or Deliverables. Litigation authorized under this section shall include the right to seek, in addition to damages, court costs and fees of attorneys and other professionals.

iii. Continuing Obligation. SP agrees to continue performing its obligations under this Agreement while any dispute is being resolved unless and until such obligations are terminated by the termination or expiration of this MSA or the applicable SOW.

f. **Injunctive Relief.** Each Party acknowledges that a breach of Sections 6-8, 10-19, 22 and 25 hereof may cause the other Party irreparable damages, for which an award of damages would not be adequate compensation and agrees that, in the event of such breach or threatened breach, the non-breaching Party will be entitled to seek equitable relief, including a restraining order, injunctive relief, specific performance and any other relief that may be available from any court. Such remedies shall not be deemed to be exclusive but shall be in addition to all other remedies available at law or in equity.

g. **Force Majeure.** The Parties hereto shall be excused from non-performance to the extent arising from any event beyond that Party's control which the affected Party could not have been prevented or avoided by the exercise of all due diligence including but not limited to, labor disturbance, war, terrorist action, fire, adverse weather, and national emergencies. The time for any performance required hereunder shall be extended by the delay incurred as a result of such act of force majeure, and each Party shall act with diligence to correct such force majeure. Except as otherwise set forth above, no Force Majeure event shall relieve SP of its other contractual obligations, including those related to disaster recovery, ownership, confidentiality, security, and indemnification. Notwithstanding anything to the contrary contained herein, such force majeure events do not include any event that are within SP's reasonable control and that the SP could have prevented or avoided by the exercise of all due diligence, including, but not limited to (i) shutdowns, disruptions, malfunctions, labor disturbances, fire, accidents, breakdown of or damage to equipment or facilities other than as a result of or on a general and widespread bases that are not limited to SP; and (ii) the delay or failure of any SP Personnel to perform any obligation unless such delay or failure to perform is itself by reason of a force majeure event.

h. **Jurisdiction and Venue.** Any legal suit, action or proceeding for injunctive relief or to enforce an arbitration award shall be instituted exclusively in the federal courts of the United States or the courts of the State of New York in each case located in County of New York. Each Party irrevocably submits to the exclusive jurisdiction of and venue in such courts. Service of process, summons, notice or other document by mail to such Party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court.

i. **Counterparts.** This MSA and all SOWs issued thereunder may be executed in any number of counterparts by the Parties hereto and delivered in-person or by facsimile or email, each of which, when so executed and delivered, shall be deemed an original, but such counterparts shall constitute but one and the same Agreement or SOW, as the case may be. Facsimiles and scanned images of original signatures are considered valid as original signatures. This MSA and any applicable SOW may be executed using electronic signatures. In addition, images of the original of this Agreement and/or any SOW with original or electronic signatures may be stored electronically. The Parties intend that electronic copies or images reproduced from the electronically stored original of this MSA and/or any SOW shall be valid as an original.

[END OF DOCUMENT]

SCHEDULE MS2
GE Privacy and Data Protection Appendix

By executing the MSA, SP and SP Personnel agree to the GE Privacy and Data Protection Appendix located at <http://www.gesupplier.com/html/GEPolicies.htm>. This Appendix may change from time to time. Please check the Appendix periodically for updates.

SCHEDULE MS3

REQUIRED SP AND SP PERSONNEL INSURANCE COVERAGE (INS)

1.0. Insurance Policy.

1.1 **Carriers.** SP, and each subcontractor of SP performing under this MSA, shall obtain and keep in force for the benefit of SP the following insurance to be issued by insurance carriers with a minimum A.M. Best's rating of A-: VII, or S&P A, or better, or the equivalent in those jurisdictions that do not recognize such rating classification, and licensed to provide insurance in the jurisdiction in which work is to be performed, with minimum limits as set forth below:

1.1.1 **Worker's Compensation; Employer's Liability.** Statutory Workers' Compensation and or Employer's Liability as required by state or country law.

1.1.2. **Commercial General Liability.** Commercial General Liability (also referred to as civil or public liability insurance outside of the US) including, Product and Completed Operations Liability (maintained in effect for a period of at least [**] years after the date of final payment); including contractual liability and deletion of the Care, Custody, Control and Insured vs. Insured exclusions. The following minimum limits for Bodily/Personal Injury and Property Damage and be written on an occurrence basis: \$[**] per occurrence, \$[**] general aggregate, \$[**] product completed operations.

1.1.3. **Business Automobile Liability.** Business Automobile Liability covering all vehicles (owned, non-owned, hired, etc.) used in connection with the Services, covering Bodily Injury and Property Damage with a minimum limit of \$[**] combined single limit per accident.

1.1.4. **Professional Errors and Omissions.** Professional Errors and Omissions (also known as Professional Indemnity outside the USA) covering the activities of SP, with coverage limits of not less than [**] Dollars per claim or per occurrence/[**] Dollars aggregate (\$[**]). Policy may be placed either on an "occurrence" basis or on a "claims made" basis, with full prior acts coverage for claims arising out of services rendered from the initial commencement of Services through the end of the MSA. Continuity of coverage must be maintained for, [**] years after the completion of the Services. If SP will have access to GE's IT systems or GE Data, coverage must also include loss of, mishandling of data containing private or confidential information of GE or others for which GE is responsible; and failure to prevent unauthorized access to, or use of, GE's systems or data.

1.1.5. **Crime Insurance.** If SP will have access to GE's funds or accounts, Crime Insurance (also known as Employee Dishonesty insurance/Fidelity Bond) in an amount of not less than \$[**] covering all SP Personnel and Subcontractors and including a Client's interest endorsement or Insuring Agreement specifying that coverage extends to GE's property in the event of any theft of GE money or property, or money or property of others for which GE is responsible. Verification that GE has been included as a Joint Loss payee under the policy must be provided upon request by GE.

1.1.6. **Property.** If the SP either has GE property in its care, custody or control or is reliant upon its property in connection with the provision of Services and/or Deliverables, Property insurance on an All- Risk, Replacement Cost basis. If property includes that of the GE, policy must name GE as Loss Payee, as its interests may appear.

1.1.7. **Environmental.** If the scope of Services involves the potential for an environmental release, Environmental Impairment (also known as Pollution) Liability with a limit of not less than \$[**] per occurrence covering on-site and off-site bodily injury and property damage, including clean-up cost as a result of pollution conditions arising from the SP's operations, including completed operations. If coverage is provided on a claims-made form, the retroactive date must precede the effective date of this agreement and provide for continuity in cover for [**] after the completion of the Services.

1.1.8. The amount of coverage specified herein may be satisfied with combined limits together with umbrella/excess liability policies which follow form and drop down to apply as primary insurance in the event an underlying policy is exhausted.

2.0 Additional Insureds.

GE, GE Affiliates, and their respective directors, officers, agents and employees shall be named as additional insureds under the Commercial General Liability and Automobile Liability policies of insurance set forth in subsections 1.1.2 and 1.1.3, for any and all purposes arising out of or connected to the MSA. SP shall secure endorsements to this effect from all insurers of such policies.

3.0 Insurance to be Primary.

It is the intent of the Parties that all insurance purchased by SP in compliance with this MSA that provides Additional Insured status, will be primary to any other insurance owned, secured, or in place by GE, which insurance shall not be called upon by SP's insurer to contribute in any way. SP shall secure endorsements to this effect from all insurers of such policies.

4.0 Verification of Coverage.

Upon execution of this MSA, SP shall furnish GE with certificates of insurance reflecting the coverage required by this clause. For the duration of the MSA and any mutually agreed upon extended period of time, SP shall provide GE with Certificates of Insurance prior to each subsequent renewal of the evidenced insurance outlined above.

5.0 Policy Change or Termination.

SP shall ensure that the policies shall not be canceled, terminated or altered so that coverage is reduced below that which is required in this MSA without [**] days prior written notice to GE.

6.0 Waiver of Right of Subrogation.

SP hereby waives any right of recovery against GE and its insurers for any loss or damage that is covered by any insurance policy maintained or required to be maintained with respect to the Services. SP shall inform all its insurers of policies required by this MSA about this waiver of subrogation, and shall secure from the insurers amendments to the policies recognizing and providing for the waiver.

7.0 Subcontractor's Insurance.

SP shall be responsible to ensure that any and all subcontractors hired on behalf of SP or have procured Workers' Compensation Insurance, Commercial General Liability Insurance and Commercial Automobile Liability Insurance for losses arising out of the performance of their work in amounts as stated above. SP shall obtain a certificate of insurance from each subcontractor's insurance company, agent or broker authorized by that insurer to bind coverage on its behalf showing that the above insurance is in force. The certificate of Insurance shall include insurer, policy numbers, dates of expiration and limits of liability, and further providing that the insurance will not be canceled or

changed until the expiration of at least [**] days after written notice of the cancellation or change has been mailed to and received by SP and GE.

8.0. **Separate Duty.**

In no event shall the coverage or limits of any insurance maintained by SP or SP Personnel under this section or the lack or unavailability of any other insurance, limit or diminish in any way SP's obligations or liability to GE under this Agreement, law or equity. Any acceptance of insurance certificates by GE shall not limit or relieve SP or SP Personnel of the duties and responsibilities assumed by SP under the MSA.

SCHEDULE MS4

Personnel Background Check Requirements (BC)

By executing the MSA, SP and SP Personnel agree to the **GE Background Checking Guidelines** located at <http://www.gesupplier.com/html/GEPolicies.htm>. These requirements may change from time to time. Please check periodically for updates.

Schedule MS5

Batched Payments and Accelerated Payment Terms

- (a) **Batched Payments.** Unless prohibited by law, GE or the applicable GE Affiliate may choose to group all invoices that have not been discounted and that have Net Dates ranging from the sixteenth day of one month to the fifteenth day of the next month, and initiate payment for all such invoices on the third day of the second month or if that day is not a business day, then on the next business day (the “**Monthly Batch Payment Date**”), with the result that some invoices will be paid earlier than their Net Dates and some invoices will be paid later than their Net Dates. Alternatively, unless prohibited by law, GE or the applicable GE Affiliate may choose to group and pay on a quarterly basis all invoices that have not been discounted as follows: (i) invoices with Net Dates ranging from the sixteenth day of February to the fifteenth day of May will be grouped and GE or the applicable GE Affiliate will initiate payment on the third day of April or if that day is not a business day, then on the next business day; (ii) invoices with Net Dates ranging from the sixteenth day of May to the fifteenth day of August will be grouped and Buyer will initiate payment on the third day of July or if that day is not a business day, then on the next business day; (iii) invoices with Net Dates ranging from the sixteenth day of August to the fifteenth day of November will be grouped and GE or the applicable GE Affiliate will initiate payment on the third day of October or if that day is not a business day, then on the next business day; and (iv) invoices with Net Dates ranging from the sixteenth day of November to the fifteenth day of February will be grouped and GE or the applicable GE Affiliate will initiate payment on the third day of January or if that day is not a business day, then on the next business day (each such payment date being referred to as the “**Quarterly Batch Payment Date**”), with the result that some invoices will be paid earlier than their Net Dates and some invoices will be paid later than their Net Dates.
- (b) **Accelerated Payment Program.** The Accelerated Payment Program is administered by GE Capital US Holdings, Inc. (“GECC”). If SP is enrolled in the Accelerated Payment Program, the agreed upon early payment discount of the gross invoice price per the TPS Agreement (the “Daily Discount Rate”) will be taken for each day payment is initiated before the Net Date. If the Net Date falls on a weekend or holiday, the Net Date will be moved to the next business day and an early payment discount will be taken for each day payment is initiated before that date. Alternatively, a flat early payment discount (the “Flat Discount”) may be taken for initiating payment on a date certain prior to the Net Date (the “Flat Discount Date”). The Flat Discount will be calculated by applying the Daily Discount Rate to the number of days between the Flat Discount Date and the Net Date. If the Flat Discount Date falls on a weekend or a holiday, payment will be initiated on the next business day net of the Flat Discount. Each early payment discount will be rounded to the nearest one hundredth of a percent.
- (c) **Indexing.** The Daily Discount Rate is based in part on the 3 Month Libor Rate (defined below) in effect on the last business day of the month preceding the day when the first early payment discount is taken to settle an invoice (the “Base Libor Rate”). If the 3 Month Libor Rate in effect on the last business day of any month (the “Current Libor Rate”) differs from the Base Libor Rate, the Daily Discount Rate may be adjusted on the last business day of such month to reflect the difference between the Base Libor Rate and the Current Libor Rate. If the Daily Discount Rate is adjusted, the adjusted Daily Discount Rate will be applied to all invoices posted for payment after that date. The “3 Month Libor Rate” will be the three month Libor rate published in the “Money Rates” section of *The Wall Street Journal* as the “London interbank offered rate, or Libor three month” (or, if not so published, as published in another nationally recognized publication) on the last business day of each month.
-

- (d) **Title Transfer.** If GE or the applicable GE Affiliate takes an early payment discount to settle an invoice, SP confirms that: (1) GE or the GE Affiliate has assigned its right, title and interest in the related Services to GECC and an interest in such Services will pass directly to GECC in accordance with the terms of this Agreement; (2) once an interest in such Services has passed to GECC, GECC will immediately and directly transfer such interest to GE or the GE Affiliate; and (3) all of SP's obligations under this Agreement, including SP's representations and warranties, will extend to and benefit GE or the GE Affiliate as if such interest passed directly to GE or the GE Affiliate.
-

**SCHEDULE MS6
LOCAL IMPLEMENTATION AGREEMENT (LIA)**

This Local Implementation Agreement (“LIA”) for [INSERT COUNTRY] (“Country”) is executed as of [INSERT EFFECTIVE DATE] by and between [INSERT SP], a legally registered company incorporated under the laws of [INSERT COUNTRY] and maintaining an office at [INSERT ADDRESS] (“SP”), and [INSERT NAME OF APPLICABLE GE AFFILIATE], a legally registered company incorporated under the laws of [INSERT COUNTRY] and maintaining an office at [INSERT ADDRESS] (“GE”). For purposes of this LIA, SP and GE may be referred collectively as “Local Parties” or individually as a “Local Party.” In consideration of the mutual covenants and terms and conditions set out below, the Local Parties agree as follows:

1. **GENERAL TERMS.** This LIA incorporates the terms of the Purchase Agreement, with an effective date of [INSERT DATE], by and between [INSERT SP] and [INSERT GENERAL ELECTRIC COMPANY OR THE NAME OF THE APPLICABLE GE CONTRACTING ENTITY] (the “Agreement”), and all other attachments and documents incorporated by reference to this LIA (including all applicable Order Forms and SOWs). Capitalized terms used but not defined in this LIA shall have the meaning ascribed to them in the Agreement.
2. **TERM.** The initial term of this LIA shall commence on the Effective Date and shall continue until such date as this LIA may be terminated or expires in accordance with the terms of the Agreement.
3. **ADDITIONAL OR MODIFIED TERMS.** To override any terms or conditions of the Agreement, the Local Parties must expressly override the terms or conditions of the Agreement with reference to the specific section number(s) of the Agreement to be overridden by the LIA, in which case the conflicting provisions of the LIA shall prevail but only with respect to the LIA. The Local Parties agree to supplement and/or modify the Agreement as follows solely for purposes of this LIA (and corresponding Order Forms and SOWs to this LIA) to the extent necessary to comply with local law or with local custom, practices or commercial climate:

<<DRAFTING NOTE: Use this space to identify modifications to the Agreement for operational and legal purposes>>

4. **APPLICABLE LAW.** This LIA (and any non-contractual obligations arising out of or in connection with it) shall be construed and enforced in accordance with, and governed by, the substantive laws of [INSERT APPLICABLE COUNTRY LAW] (including but not limited to application of any real property or landlord and tenant law, and data protection regulations) (“Mandatory Law”), which Mandatory Law shall apply and prevail over the choice of the laws of the State of New York to the fullest extent required by Mandatory Law, without regard to the conflict of laws principles thereof, and all actions arising out of or relating to this LIA (whether arising out of or in connection with contractual or non-contractual obligations) must be brought in the courts of [INSERT APPLICABLE COUNTRY]. English language shall be the applicable language and translation of this LIA unless otherwise mutually agreed to by the Local Parties or required by Mandatory Law.

IN WITNESS WHEREOF, the Local Parties hereto have caused this LIA to be executed as of the Effective Date of this LIA.

[GE]

By: _____

Print Name: _____

Title: _____

Date: _____

Address for notices: _____

Phone: _____

Fax: _____

Email: _____

[SP]

By: _____

Print Name: _____

Title: _____

Date: _____

Address for notices: _____

Phone: _____

Fax: _____

Email: _____

SCHEDULE MS7
BUSINESS CONTINUITY PLANNING REQUIREMENTS

1. If GE, in its sole discretion, identifies SP as a critical supplier, SP will prepare, maintain and provide, at no additional cost to GE, a Business Continuity Plan (“**BCP**”) satisfactory to GE and designed to ensure that SP can continue to provide the Services in accordance with this Agreement and each SOW therein in the event of a disaster or other BCP-triggering event (as such events are defined in the applicable BCP). SP’s BCP will, at a minimum, provide for (a) the retention, rotation, and retrieval of data and files; (b) obtaining resources necessary for recovery, (c) appropriate continuity plans to maintain adequate levels of staffing required to provide the Services during a disruptive event; (d) procedures to activate an immediate, orderly response to emergency situations; (e) procedures to address potential disruptions to SP’s supply chain; (f) a defined escalation process for notification of GE in the event of a BCP-triggering event; and (g) training for key SP Personnel who are responsible for monitoring and maintaining SP’s continuity plans and records.

2. SP will maintain the BCP, update it no less than [**] per year and test it at least [**]. Upon GE request, SP will provide GE an executive summary of the plan updates, a summary of test results, and a report of corrective actions to be taken to remedy deficiencies identified as a result of the test, including timetables for new corrective actions and the status of corrective actions previously identified.

3. Upon request, with reasonable advance notice and conducted in such a manner not to unduly interfere with SP’s operations, SP will give GE and its designated agents access to designated representative(s) with detailed functional knowledge of SP’s BCP and relevant subject matter. Subject to confidentiality obligations under this Agreement, information requested by GE arising from such meetings will be provided to GE within [**] days or as otherwise mutually agreed.

4. SP shall maintain a written Security Plan consistent with the Customs-Trade Partnership Against Terrorism (“*C-TPAT*”) program of U.S. Customs and Border Protection, the Authorized Economic Operator for Security program of the European Union (“*EU AEO*”) and similar World Customs Organization SAFE Framework of Standards (collectively, “**SAFE Framework programs**”) and implement appropriate procedures pursuant to such plan. Upon advance notice by GE to SP and during SP’s normal business hours, SP shall make its facility available for inspection by GE’s representative for the purpose of reviewing SP’s compliance with applicable SAFE Framework programs and with SP’s Security Plan. Each Party shall bear its own costs in relation to such inspection and review.

STATEMENT OF WORK (SOW TEMPLATE)

FOR EVERY SECTION: (1) DELETE ALL OPTIONS WHICH ARE NOT APPLICABLE, AND THE GREEN OPTION TAGS. (2) FILL IN ALL YELLOW HIGHLIGHTED AREAS IN SECTION BODY TEXT AND CHOSEN OPTIONS. (3) DELETE ALL GRAY HELP BOXES (INCLUDING THIS ONE). (4) REMOVE ALL YELLOW HIGHLIGHTER FROM WHAT YOU ENTERED OR REPLACED. THERE SHOULD BE NO COLOR LEFT (EXCEPT TABLE HEADERS).

This Statement of Work (“SOW”) dated , 20__ (“SOW Effective Date”), is made by and between [GENERAL ELECTRIC AFFILIATE] [Insert correct legal name of GE Affiliate] (“GE”) and [SP ENTITY] (“SP”), pursuant to the Master Services Agreement (“MSA”) by and between General Electric International, Inc. and SP with an Effective Date of _____, 201_, the terms of which are incorporated herein by reference. This SOW sets forth the details of the Services and/or Deliverables described herein. Capitalized terms not defined within this SOW shall have their defined meanings in the MSA. **This SOW shall not become binding on GE until GE issues a PO for the total fees payable hereunder. GE shall promptly notify SP upon issuance of the PO.**

- Check here if SP is a critical supplier for GE (If yes, Schedule MS7 is applicable).**
- Check here if GE has consented to be a testing site (alpha, beta or otherwise)**
- Check here if this is a strategic engagement for GE that requires SP subcontractors and suppliers to enter into agreements directly with GE to protect GE’s Confidential Information per Section 6 of the MSA and/or requires a non-circumvention requirement per Section 7 of the MSA.**

The Parties agree that the MSA shall supersede any conflicting, different or additional legal terms in this SOW, including, without limitation, indemnification, limitation of liability, confidentiality, and representations, warranties and covenants. To the extent, SP desires to modify any legal terms in the MSA, SP shall request a written amendment to the MSA, which shall be agreed or withheld by GE, in its sole discretion.

A. EXECUTIVE SUMMARY. (Required)

1. Project purpose. Enter a summary of the business objective of the project.
2. CTQ business requirements. Identify any and all critical-to-quality (“CTQ”) business requirements.

B. SERVICES. (Required) SP shall perform the following Services under this SOW:

NOTE: Services are *tasks* (maintaining, providing, supporting, producing, monitoring, designing, developing, installing, training, etc.) and should not be mistaken for the end products of Services, which are Deliverables. List all Services separately. Make sure that all in-scope, material aspects of the Services are separately identified in the list below in clear and descriptive terms. Avoid shorthand and undefined acronyms.

Item	Services Task – Name and Description (detail each Services task in a single box)
B1	Task 1 – name and description
B2	Task 2 – name and description
B3	Task 3 – name and description

C. DELIVERABLES THAT ARE WORK PRODUCT i.e. GE owned Deliverables. (Required)

CHOOSE Option 1 or Option 2. **DELETE** the other option text and all option tags. **NOTE:** Deliverables are **end products** (whether completed work product or deliverables, or interim work product or deliverables such as project plans and status reports). The MSA states that GE owns Deliverables that are Work Product. Deliverables may entirely consist of new Work Product. **Deliverables may also include SP Preexisting Intellectual Property (Deliverables owned by Supplier), Open Source Materials, Third Party Materials). You must specifically identify any of these that apply, for each Deliverable, i.e. Work Product, SP Preexisting Intellectual Property, Open Source Materials and Third Party Materials .**

<Option 1 NO DELIVERABLES (including Work Product)>There will be no Deliverables (including Work Product) under this SOW.

<Option 2 WORK PRODUCT>SP shall provide the following Work Product (Deliverables owned by GE) under this SOW:

Item	Work Product – Name and Description (detail each Work Product in a single box)
C1	Work Product 1 – name and description
C2	Work Product 2 – name and description
C3	Work Product 3 – name and description
C4	Work Product 4 – name and description

D. SP PREEXISTING INTELLECTUAL PROPERTY INCORPORATED INTO DELIVERABLES.

(Required)

CHOOSE Option 1, Option 2 or Option 3. **DELETE** the other option text and all option tags. For each item of incorporated SP Preexisting Intellectual Property in the list, **IDENTIFY all Deliverables(s) the item affects.**

<Option 1 NO DELIVERABLES>Not applicable; there will be no Deliverables under this SOW.

<Option 2 NO SP PREEXISTING INTELLECTUAL PROPERTY>None of the Deliverables will contain incorporated SP Preexisting Intellectual Property.

<Option 3 LIST OF SP PREEXISTING INTELLECTUAL PROPERTY>This is a comprehensive list of SP

SP Preexisting Intellectual Property incorporated into the Deliverables and duly licensed to GE under Section 9 of the Agreement and this SOW, ownership of which is being retained by SP. (The Parties shall update this list over the life of the SOW as Deliverables are added or changed.)

Item	Name and Description of Incorporated SP Preexisting Intellectual Property	To Which Deliverable? (Section C Item #)
D1	SP Preexisting Intellectual Property 1 – name and description	Applies to Deliverable(s) #:
D2	SP Preexisting Intellectual Property – name and description	Applies to Deliverable(s) #:
D3	SP Preexisting Intellectual Property – name and description	Applies to Deliverable(s) #:

E. OPEN SOURCE MATERIALS (OSM) / THIRD PARTY MATERIALS (3PM) INCORPORATED INTO DELIVERABLES. (Required)

CHOOSE Option 1, Option 2 or Option 3. **DELETE** the other option text and all option tags. For each item listed as incorporated OSM or 3PM: **IDENTIFY** type (OSM or 3PM), **IDENTIFY ALL** Deliverable(s) it affects, and **IDENTIFY** the applicable OSS or Third Party Materials license name. (For 3PM items, **ATTACH** license terms and **IDENTIFY** third party licensor company name.)

<Option 1 NO DELIVERABLES>Not applicable; there will be no Deliverables under this SOW.

<Option 2 NO OSM/3PM>None of the Deliverables will contain incorporated OSM or 3PM.

<Option 3 LIST OF OSM/3PM>This is a comprehensive list of OSM and/or 3PM incorporated into the Deliverables as referenced in Section 10.b. of the Agreement and duly licensed to GE under this SOW, together with identification of the underlying license terms applicable to each item. (The Parties shall update this list over the life of the SOW as Deliverables are added or changed.)

Item	OSM / 3PM?	Item Short Name	Incorporated To Which Deliverable? (Section C Item #)	Name of Underlying License / Third Party (if 3PM, attach terms, and provide 3rd Party name)
E1	(enter)	Item 1 Name	In Deliverable(s) #: _____	Underlying License Name / 3 Party Name
E2	(enter)	Item 2 Name	In Deliverable(s) #: _____	Underlying License Name / 3 Party Name
E3	(enter)	Item 3 Name	In Deliverable(s) #: _____	Underlying License Name / 3 Party Name

F. PERFORMANCE SCHEDULE / TERM OF SOW. (Required)

CHOOSE Option 1, Option 2 or Option 3. **DELETE** the other option text and all option tags. The options are listed in descending order of GE preference.

<Option 1 MILESTONES>

Item	Services Milestone / Deliverable # (use Section C Item #)	Completion / Delivery Date
F1	Milestone: Milestone F1 Name & Description / Deliverable # _____	Enter Date
F2	Milestone: Milestone F2 Name & Description / Deliverable # _____	Enter Date
F3	Milestone: Milestone F3 Name & Description / Deliverable # _____	Enter Date

<Option 2 SINGLE COMPLETION DATE>All Services must be completed and accepted by GE by; _____ subject to GE's rights and remedies under the MSA.

<Option 3 SET TERM>This SOW shall commence on the SOW Effective Date and, unless sooner terminated under the Agreement terms, shall remain in effect until. _____

G. FEES. (Required)

CHOOSE Option 1 or Option 2. **DELETE** the other option text and all option tags. The options are listed in descending order of GE preference.

<Option 1 FIXED FEE PROJECTS>SP shall provide the Services and deliver the Deliverables on a **FIXED FEE** basis. GE shall have no obligation under this SOW for payment of fees in excess of \$ _____, unless a higher amount is authorized by GE in writing.

<Option 2 T&M PROJECTS>SP shall provide the Services and Deliverables on a **TIME & MATERIALS** basis at the rates included in this Section. GE shall have no obligation under this SOW for payment of fees in excess of a total of \$ _____, unless a higher amount is authorized by GE in writing. In the event GE does not authorize a higher amount, SP is only required to provide Services equal to the number of hours that when multiplied by the applicable hourly rate would equal the total payment specified in this Section. [INCLUDE RATE SCHEDULE HERE]

Include Rebates and Pre-negotiated Rates

H. EXPENSES. (Required)

No Expenses Are Payable on Fixed Fee projects.

CHOOSE Option 1 or Option 2. **DELETE** the other option text and all option tags. The options are listed in descending order of GE preference.

<Option 1 NO EXPENSES AUTHORIZED>All expenses associated with SP's performance of the Services and/or delivery of the Deliverables under this SOW are included in the SOW price.

<Option 2 EXPENSES AUTHORIZED>GE shall reimburse SP for the expenses identified below associated with performing the Services and/or delivering the Deliverables under this SOW. All expenses approved for reimbursement must comply with the GE T&L Policy found at <http://www.gesupplier.com/html/GEpolicies.htm>. Expenses over the amount of \$ _____ must be pre-approved by GE to be reimbursable. Identify the expenses expected under this SOW to be reimbursed by GE (do not include any expenses associated with the project which will **not** be reimbursed by GE) If there are set amounts for reimbursable expenses describe those here.

I. INVOICES. (Required)

CHOOSE Option 1A, Option 1B, Option 1C, or Option 2. **DELETE** the other option text and all option tags. The options are listed in descending order of GE preference.

<Option 1A FIXED FEE MONTHLY PAYMENTS>SP shall invoice GE monthly in arrears for this SOW, according to the following schedule: [INCLUDE SCHEDULE]

<Option 1B FIXED FEE MILESTONE PAYMENTS>SP shall invoice GE for this SOW upon GE's acceptance of each milestone subject to GE's rights and remedies under the MSA, according to the schedule in Section F of this SOW and the following payment table: [INCLUDE TABLE OF MILESTONE PAYMENTS - MUST SYNC WITH SECTION F TABLE]

<Option 1C FIXED FEE SINGLE PAYMENT>SP shall invoice GE for this SOW upon the completion of **all** Services and delivery of **all** Deliverables, and GE shall pay all undisputed amounts in accordance with the MSA.

<Option 2 T&M MONTHLY PAYMENTS>SP shall invoice GE for this SOW monthly in arrears; provided however, no invoices shall be submitted to GE, until GE's Project Manager has approved the time spent.

J. PROJECT MANAGERS / KEY PERSONNEL OPTION. (Required)

J1. Project Managers. The following are the designated Project Managers (“PMs”) for the Parties:

GE Project Manager	SP Project Manager
GE PM: [GE_CONTACT_TITLE]	SP PM: [SUPP_CONTACT_TITLE]
GE PM Phone: [GE_CONTACT_PHONE]	SP PM Phone: [SUPP_CONTACT_PHONE]
GE PM Email: [GE_CONTACT_EMAIL]	SP PM Email: [SUPP_CONTACT_EMAIL]
[[

J1-1. PM Duties. The PMs shall: (a) engage in all communications regarding the Services and/or Deliverables; (b) arrange and attend any necessary meetings; (c) supervise and manage SP’s performance of Services and/or transfer of Deliverables; (d) ensure that each Party’s responsibilities have been met on a timely basis; and (e) jointly approve any changes to the Services and/or Deliverables to be made in response to Change Orders. Either Party may change its designated PM at any time upon written notice to the other Party’s PM.

J1-2. Project Reporting. At any time during the term of the SOW, GE may request status reports from SP’s PM, and SP’s PM shall promptly provide: (a) a list of outstanding SOWs; (b) the status of any uncompleted Services and/or Deliverables; (c) amounts or hours billed (and/or accrued but unbilled) for any period, for any SOW or in total; and/or (d) information about SP’s performance under the SOW.

J2. Key Personnel Option.

CHOOSE Option 1 or Option 2. **DELETE** the other option text and all option tags.

<Option 1 NO KEY PERSONNEL>Not applicable; there are no SP Personnel whose services are specifically required for this SOW.

<Option 2 KEY PERSONNEL REQUIRED>The Parties have agreed that the services of the following SP Personnel are specifically required in the performance of this SOW (“**Key Personnel**”), and that any changes to Key Personnel must be mutually agreed between the Parties and documented on a Change Request Form and incorporated as a modification to this SOW. Enter the names of all individuals who are Key Personnel and identify their role.

NOTE: SP shall not reassign or transfer the Project Manager or other Key Personnel without GE's prior written approval, and in any event a reassignment or transfer shall be made upon written notice to GE of not less than thirty (30) days. If SP must replace any Project Manager or Key Personnel for reasons beyond its control (resignation or serious illness or disability), SP shall furnish GE as much advance notice as possible under the circumstances. In the event of a need for replacement of any Project Manager or Key Personnel, SP shall furnish GE with the credentials of any proposed replacement, as reasonably required by GE. No replacement shall be made without GE's prior consent.

K. PREREQUISITES, ASSUMPTIONS AND RISKS. (Required)

The following project prerequisites, assumptions, dependencies and/or risks may impact SP’s performance of Services or delivery of Deliverables under this SOW: Identify and explain any and all prerequisites, assumptions, dependencies and/or risks applicable to this SOW (particularly those which impact SP’s ability to perform any Services or provide any Deliverables).

L. ACCEPTANCE CRITERIA. (Required)

CHOOSE Option 1 or Option 2. **DELETE** the other option text and all option tags. (If the Parties are including Section P, Option 1 or 2 may be necessary, as applicable.)

<Option 1 SIMPLE TESTING AND ACCEPTANCE LOOP> Notwithstanding anything in the MSA to the contrary, GE shall have _____ days from the date of each delivery by SP under this SOW (i.e., initial

delivery, or any re-delivery after rejection and re-performance) to inspect and test each Deliverable and accept or reject it. GE's failure to reject a Deliverable within this timeframe shall be deemed an acceptance of the Deliverable. All other terms of the MSA regarding inspection, testing and acceptance of Deliverables remain unchanged.

<Option 2 SPECIFIC ACCEPTANCE CRITERIA>The Specified Acceptance Criteria for the Services and/or Deliverables under this SOW are as follows: Enter the Specified Acceptance Criteria and acceptance terms agreed to by the Parties here.

M. SERVICE LEVELS. (Required)

CHOOSE Option 1 or Option 2. **DELETE** the other option text and all option tags. (If the Parties are including Section P, Option 2 or 3 may be necessary.)

<Option 1 NO SLA>Not applicable; there are no specified performance service levels for the Services and/or Deliverables under this SOW.

<Option 2 SLA>The service levels set forth in the applicable performance service level schedules that shall apply to the Services and/or Deliverables under this SOW.

N. LOCATION. (Required) SP shall perform the Services at the following location or locations: Enter a single location, or the list of locations. If multiple locations will be involved list each and the Services performed at each.

O. ADDITIONAL OBLIGATIONS. None, unless listed here: List any additional obligations of the Parties not already captured in the SOW; if none delete this yellow section.

DELETE the following Section P completely UNLESS the Parties specifically negotiate to apply liquidated damages to SP's Services and/or Deliverables under this SOW. (Examples: GE receives a reduction in payments (or a refund or credit of amounts already paid), which could apply in cases such as SP's late delivery, failure to meet specified acceptance criteria or a certification (e.g. ISO 9000), failure to provide continuous uninterrupted Services for a length of time or meet certain peak demands, etc.).

P. LIQUIDATED DAMAGES. (Required)

CHOOSE Option 1 or Option 2. DELETE the other option text and all option tags.

<Option 1 NO LIQUIDATED DAMAGES> Not applicable;

<Option 2 LIQUIDATED DAMAGES>

1. Liquidated Damages for Late Delivery. SP acknowledges that the above Performance Schedule above is critical and material to performance of this SOW and for the avoidance of substantial loss to GE, and that SP's unexcused failure to meet the Performance Schedule without GE's written consent may lead to the application of liquidated damages as specified in this Section. In the event that any performance is delayed beyond the Performance Schedule due to any causes not expressly excused by the terms of the MSA, SP shall pay to GE the following, as liquidated damages, and not as a penalty, a sum equal to Insert formula here – e.g. the following portion of the SOW total price for each full <choose week/day> of delay in delivery (up to a maximum of _____ % of the SOW total price): < _____ % / \$ _____ > for the first _____ <choose weeks/days>, < _____ % / \$ _____ > for the following _____ <choose weeks/days>, and < _____ % / \$ _____ > for all remaining <choose weeks/days> <choose percentage or flat amount; use flat amount if price is not definite when entering into SOW>.

2. Liquidated Damages for Failure to Perform. SP guarantees that the Services and/or Deliverables shall achieve the service levels in Section M (if any) and shall meet the Specified Acceptance Criteria in Section L (if any) and the MSA. If the Services and/or Deliverables fail to achieve the service levels and/or meet the acceptance criteria specified herein, SP shall be afforded a period by GE during which it can correct and adjust the Services and/or Deliverables (the “**Correction Period**”). If, when re-tested at the end of the Correction Period, the Services and/or Deliverables again fail to achieve the performance guarantees, SP shall pay to GE the following, as liquidated damages, and not as a penalty:
a sum equal to \$ _____.

3. No Waiver. The above liquidated damages are a genuine pre-estimate by the Parties of the losses which GE will suffer in the event of SP's delay or failure to perform and are not a penalty. The payment of liquidated damages under this Section shall not relieve SP from its obligations to diligently complete the Services and/or Deliverables or from any other obligations and liabilities under the MSA or this SOW, and shall not constitute a waiver of any term of the MSA or SOW, or of any right of GE at law or in equity.

Q. TRADE PAYABLE SERVICES. (Required)

CHOOSE Option 1 or Option 2. **DELETE** the other option text and all option tags.

<Option 1 NO TRADE PAYABLE SERVICES> Not applicable;

<Option 2 TRADE PAYABLE SERVICES>The Parties have agreed that Trade Payable Services shall be applicable.

IN WITNESS WHEREOF, the Parties hereto have caused this SOW to be executed by their respective authorized representatives on the dates ascribed below to be effective as of the Effective Date of this SOW.

[GENERAL ELECTRIC ENTITY]	[SP ENTITY]
By:	By:
Printed Name:	Printed Name:
Title:	Title:
Date:	Date:

STEP-IN RIGHTS (Outsourcing/BPO)

Without prejudice to GE's rights under the MSA and in law and equity, any GE or GE Affiliate Party to a SOW can first elect, by written notice to SP, to appoint a management team or a third party (subject to such third party entering into a confidentiality agreement with the SP on terms no less onerous than set out in this Agreement) to take over the Services or any part of the Services if:

- a. SP or SP Personnel is in material breach of a SOW applicable to outsourcing/BPO related Services including any Schedules or appendices thereto), or of the MSA, or any other event occurs which is likely to have a material adverse effect on GE or a GE Affiliate;
- b. a governmental body advises GE or GE Affiliate in writing to take a course of action, or otherwise confirms to SP that it requires that GE or GE Affiliate takes a course of action, with the effect that the exercise of GE or GE Affiliate's step in right under this Schedule is necessary to achieve that course of action;
- c. a Force Majeure event or a disaster event occurs that affects SP's ability to perform any of its material obligations under the MSA, including where SP has been unable or unwilling to implement its business continuity plan; or
- d. either Party has served a notice of termination in accordance with the terms and conditions of the SOW for any reason,

“Hereinafter the “Step In Right”).

Subject to the rights and remedies set forth in the MSA and any that GE or GE Affiliate may have in law and equity, GE and GE Affiliate shall be liable to pay its own costs incurred as a result of the exercise of the Step In Right while GE or GE Affiliate or any third party is providing any element of the Services, but the GE or GE Affiliate shall not be obliged to pay the SP for that element of the Services in relation to which it has exercised the Step In Right.

The GE and GE Affiliate rights under this Schedule shall cease on the earlier of the cessation or resolution of the event giving rise to the Step In Right.

CHANGE ORDER TEMPLATE

The Parties agree that the MSA supersedes any conflicting, different or additional **legal** terms in this CO, including, without limitation, indemnification, limitation of liability, confidentiality, and representations, warranties and covenants. To the extent, SP desires to modify any legal terms in the MSA, SP shall request a written amendment to the MSA, which shall be agreed or withheld by GE, in its sole discretion. This template is for a change order to an SOW only.

CHANGE REQUEST / CHANGE ORDER		
This Change Request is subject to the terms of the Agreement and SOW between the Parties referenced below. Any term used but not defined in this Form shall have the meaning given to it in the Agreement (or SOW, if applicable). The Party receiving the Change Request shall provide a written response to the Change Request on this Form (" Change Response "). Each Change Request and its Change Response, if accepted by both Parties, shall be deemed a " Change Order " modifying the SOW. Change Orders are for changes to the Specifications. A Change Order may not be used to modify the terms of the Agreement between the Parties.		
MSA Effective Date:	For SOW #: SOW Effective Date:	This is Change Request #:
Requesting Party and Date.		
Requesting Party: [] GE [] SP Project Manager:	Receiving Party: [] GE [] SP Project Manager:	Date Submitted:
Description of Change Request. <i>(attach additional pages as required)</i>		
Change to: <i>(choose one)</i> <input type="checkbox"/> Development Material <input type="checkbox"/> Deliverable <input type="checkbox"/> Services Task <input type="checkbox"/> Key Personnel	Description of Requested Change	
Impact Analysis. <i>SP must fill out this section</i> (whether making a Change Request to GE, or making a Change Response to a GE Change Request) <i>(attach additional pages as required)</i>		
Resource Impact:		
Cost Impact:		
Timing Impact:		
Date Response Delivered:		
Change Response. The Party receiving the Request hereby accepts or rejects the Change Request.		
Receiving Party <i>(check here and initial below)</i> [] GE [] SP:		
<input type="checkbox"/> Accepts the Change Request and desires to proceed with the change requested.		
<input type="checkbox"/> Rejects the Change Request and does not desire to proceed with the change requested and hereby terminates the request. Reason <i>(optional)</i> :		
Change Order. Upon signing the Change Request shall be deemed a Change Order, and: (a) shall become a part of the SOW to which it relates, as if initially entered into as part of the SOW, and (b) shall be incorporated into and governed by the terms of the MSA and SOW		
Change Order Effective Date: . If no date specified, effective as of the date last signed below.		
GENERAL ELECTRIC INTERNATIONAL, INC.	[SP_LEGAL_NAME]	
By:	By:	
Printed Name:	Printed Name:	
Title:	Title:	
Date:	Date:	

PROFESSIONAL IT SERVICES

Schedule FS2

This Schedule FS2 is entered into as of January 1, 2017 (“**Schedule Effective Date**”) by and between Genpact International, Inc (“**SP**”) with a principal place of business located at 42 Old Ridgebury Road, First Floor, Fairfield, CT 06431 and General Electric International, Inc., a Delaware corporation (“**GE**”) with a principal place of business located at 41 Farnsworth St., Boston, MA 02210. GE and SP are each referred to as “**Party**” and collectively as “**Parties**.”

WHEREAS, GE and SP are Parties to a certain Master Services Agreement dated January 1, 2017 (“**MSA**”);

WHEREAS, the Parties desire to append this Schedule FS2 to the MSA;

NOW, THEREFORE, in consideration of the good and valuable promises and premises set forth in the MSA and this Schedule FS2, the Parties agree as follows:

1. Interpretation.

This Schedule FS2 complements and supplements the MSA. As of the Schedule Effective Date, the MSA shall be construed to include this Schedule FS2. All provisions in the MSA not conflicting with this Schedule FS2 are hereby specifically affirmed. Capitalized terms not defined in this Schedule FS2 shall have the meanings ascribed to them in the MSA.

2. Interpretation.

The expectations and requirements in this Section shall apply generally to all Services and/or Deliverables provided by SP to GE during the Term unless GE and SP expressly agree otherwise in writing in an SOW (and then for purposes of that SOW only).

(a) Non-Third Party Application Development. It is GE’s strategy to utilize GE Predix Platform/Operating System for all Non-Third Party Application Development. As such SP will be required to adhere to this by presenting all proposals (RFP’s), Designs and Implementations for Non-Third Party Application Development with Predix based solutions.

(b) Predix Certification. Any Predix Solutions designed, developed or worked on by SP, must be done by Predix Certified personnel only. If SP is unable to comply with this Schedule, prior to the commencement of applicable Services, SP shall provide written notice to GE of such non-compliance. GE shall have the right, but not the obligation, to make exceptions on a case-by-case basis; provided any granted exception shall be limited to the SOW for which said exception was granted. GE shall have no obligation to pay for any non-compliant Services performed by SP for which an exception was not granted.

IN WITNESS WHEREOF, the Parties have caused the Schedule FS2 to be executed by their duly authorized representatives as of the Schedule Effective Date.

GENERAL ELECTRIC INTERNATIONAL, INC.

By: /s/ James P. Otis

Printed Name: James P Otis

Title: GO-S IT Professional Services Leader

Date: December 14, 2016

GENPACT INTERNATIONAL, INC

By: /s/ Victor Guaglianone

Printed Name: Victor Guaglianone

Title: SVP

Date: 12/22/16

Subsidiaries of the Registrant:

<u>Name:</u>	<u>Jurisdiction of Incorporation:</u>
Genpact Australia Pty Ltd.	Australia
Headstrong (Australia) Pty Ltd.	Australia
Genpact Global (Bermuda) Limited	Bermuda
Genpact Global Holdings (Bermuda) Limited	Bermuda
Genpact Brasil Gestão de Processos Operacionais Ltda.	Brazil
Enquero Technologies Inc.	Canada
Genpact Canada Services Company	Canada
Headstrong Canada Company.	Canada
Genpact (Dalian) Co. Ltd.	China
Genpact (Dalian) Information & Technology Service Co., Ltd.	China
Genpact (Foshan) Information & Technology Service Co., Ltd.	China
Genpact (Qingdao) Information & Technology Service Co., Ltd.	China
Genpact (Suzhou) Information & Technology Service Co., Ltd.	China
Genpact Colombia S.A.S.	Colombia
Genpact Outsourcing Services Costa Rica, S.R.L.	Costa Rica
Genpact Czech s.r.o.	Czech Republic
Genpact Egypt LLC	Egypt
Genpact Administraciones-Guatemala Limitada	Guatemala
Lean Digital Services Guatemala, S.A.	Guatemala
Servicios Internacionales de Atencion Al Cliente, S.A.	Guatemala
Barkawi Management Consultants GmbH & Co. KG	Germany
Barkawi Verwaltungs GmbH	Germany
CDC Career Development Center GmbH Career- & Recruiting Support	Germany
Headstrong GmbH	Germany
Headstrong (Hong Kong) Ltd.	Hong Kong
Genpact Services Hungary Kft	Hungary
Axis Risk Consulting Services Pvt. Ltd.	India
Endeavour Software Technologies Private Limited	India
Enquero Global LLP	India
Genpact Enterprise Risk Consulting LLP	India
Genpact India Private Limited	India
Genpact India Services Private Limited	India
Genpact Mobility Services (I) Pvt. Ltd.	India
Headstrong Services India Pvt. Ltd.	India
RAGE Frameworks India Pvt. Ltd.	India
Rightpoint India Digital Private Limited	India
Genpact Ireland Private Limited	Ireland

Name:	Jurisdiction of Incorporation:
Genpact Israel Ltd.	Israel
PNMSoft Ltd.	Israel
Genpact Consulting KK	Japan
Genpact Japan Business Services KK	Japan
Genpact Japan K.K.	Japan
Genpact Kenya Limited	Kenya
Genpact Latvia SIA	Latvia
Genpact Luxembourg S.à r.l.	Luxembourg
Genpact Luxembourg S.à r.l. II	Luxembourg
Genpact Investment Luxembourg S.à r.l.	Luxembourg
Genpact Malaysia Sdn Bhd	Malaysia
Genpact China Investments	Mauritius
Genpact India Holdings	Mauritius
Genpact Mauritius	Mauritius
EDM S. de R.L. de C.V.	Mexico
Genpact Morocco S.à r.l.	Morocco
Genpact Morocco Training S.à r.l.	Morocco
Enquero B.V.	Netherlands
Genpact NL B.V.	Netherlands
Genpact New Zealand Limited	New Zealand
Headstrong Philippines, Inc.	Philippines
Genpact PL sp. Z.o.o.	Poland
Genpact Poland sp. Z.o.o.	Poland
Genpact Services Poland sp. Z.o.o.	Poland
PNMSoft Portugal–SOC Unipessoal, Lda	Portugal
Genpact Romania SRL	Romania
Genpact Singapore Pte. Ltd.	Singapore
Genpact Consulting (Singapore) Pte. Ltd.	Singapore
Genpact Slovakia s.r.o.	Slovakia
Genpact South Africa (Proprietary) Limited	South Africa
Genpact Strategy Consultants S.L.	Spain
Headstrong Thailand Ltd.	Thailand
Genpact Turkey İş ve Finansal Danışmanlık Hizmetleri Limited Şirketi	Turkey
Genpact (UK) Ltd.	United Kingdom

Name:	Jurisdiction of Incorporation:
Genpact Regulatory Affairs UK Limited	United Kingdom
Genpact WM UK Limited	United Kingdom
Headstrong (UK) Ltd.	United Kingdom
Headstrong Worldwide Ltd.	United Kingdom
Pharmalink Consulting Limited	United Kingdom
Pharmalink Consulting Operations Ltd.	United Kingdom
PNMSoft UK Limited	United Kingdom
Strategic Sourcing Excellence Limited	United Kingdom
Akritiv Technologies, Inc.	United States
Barkawi Management Consultants, LLC	United States
Barkawi USA, LLC	United States
BrightClaim Blocker, Inc.	United States
BrightClaim, LLC	United States
BrightServe, LLC.	United States
Commonwealth Informatics, Inc.	United States
Endeavour Software Technologies Inc.	United States
Enquero, Inc.	United States
Genpact (Mexico) I LLC	United States
Genpact (Mexico) II LLC	United States
Genpact Collections LLC	United States
Genpact CL, Inc.	United States
Genpact FAR LLC	United States
Genpact Insurance Administration Services Inc.	United States
Genpact International, LLC.	United States
Genpact LH LLC	United States
Genpact LLC	United States
Genpact Mortgage Services, Inc.	United States
Genpact Onsite Services, Inc.	United States
Genpact Registered Agent, Inc.	United States
Genpact Services LLC	United States
Genpact Solutions, Inc.	United States
Genpact USA, Inc.	United States
Genpact US LLC	United States
Genpact US Services, LLC	United States
Genpact WB LLC	United States
Headstrong Business Services, Inc.	United States
Headstrong Corporation	United States
Headstrong Inc.	United States
Headstrong Public Sector, Inc.	United States
Headstrong Services LLC	United States
High Performance Partners, LLC	United States
Jawood Business Process Solutions, LLC	United States
LeaseDimensions, Inc.	United States
National Vendor, LLC	United States
Oasis Technology Partners, LLC	United States
OnSource, LLC	United States
Pharmalink Consulting Inc.	United States
PNMSoft USA Inc.	United States
RAGE Frameworks, Inc.	United States
Righpoint Consulting, LLC	United States
riskCanvas Holdings LLC	United States
SomethingDigital.Com LLC	United States
Strategic Sourcing Excellence LLC	United States
SPC RP Investor, LLC	United States

Name:
TandemSeven, Inc.
Techspan Holdings, Inc.
TS Mergerco, Inc.

**Jurisdiction of
Incorporation:**
United States
United States
United States

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Genpact Limited:

We consent to the incorporation by reference in the registration statement (No. 333-230982) on Form S-3, (No. 333-217804) on Form S-8, (No. 333-184296) on Form S-8, (No. 333-153113) on Form S-8 and (No. 333-145152) on Form S-8/A of Genpact Limited of our reports dated March 01, 2021, with respect to the consolidated balance sheets of Genpact Limited as of December 31, 2020 and 2019, the related consolidated statements of income, comprehensive income (loss), equity, and cash flows for each of the years in the three-year period ended December 31, 2020, and the related notes (collectively, the “consolidated financial statements”), and the effectiveness of internal control over financial reporting as of December 31, 2020, which reports appear in the December 31, 2020 annual report on Form 10-K of Genpact Limited. Our report refers to a change in accounting principle with respect to leases as of January 1, 2019.

Our report dated March 01, 2021, on the effectiveness of internal control over financial reporting as of December 31, 2020, contains an explanatory paragraph that states that Genpact Limited acquired Enquero Inc. and certain affiliated entities, and SomethingDigital.Com LLC, and management excluded from its assessment of the effectiveness of the Company’s internal control over financial reporting as of December 31, 2020, Enquero Inc.’s and certain affiliated entities’, and SomethingDigital.Com LLC’s internal control over financial reporting associated with total assets of \$230,184 thousand (of which \$197,394 thousand represents goodwill and intangible assets within the scope of the assessment) and total net revenues of \$3,933 thousand included in the consolidated financial statements of the Company as of and for the year ended December 31, 2020. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of Enquero Inc. and certain affiliated entities and SomethingDigital.Com LLC.

/s/KPMG Assurance and Consulting Services LLP
Gurugram, Haryana, India

March 01, 2021

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, N.V. Tyagarajan, certify that:

1. I have reviewed this Annual Report on Form 10-K of Genpact Limited for the period ended December 31, 2020, as filed with the Securities and Exchange Commission on the date hereof;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 1, 2021

/s/ N.V. TYAGARAJAN

N.V. Tyagarajan
Chief Executive Officer

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Edward J. Fitzpatrick, certify that:

1. I have reviewed this Annual Report on Form 10-K of Genpact Limited for the period ended December 31, 2020, as filed with the Securities and Exchange Commission on the date hereof;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 1, 2021

/s/ EDWARD J. FITZPATRICK

Edward J. Fitzpatrick
Chief Financial Officer

**Certification of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Genpact Limited (the "Company") on Form 10-K for the period ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, N.V. Tyagarajan, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 1, 2021

/s/ N.V. TYAGARAJAN

N.V. Tyagarajan
Chief Executive Officer
Genpact Limited

**Certification of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Genpact Limited (the “Company”) on Form 10-K for the period ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Edward J. Fitzpatrick, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 1, 2021

/s/ EDWARD J. FITZPATRICK

Edward J. Fitzpatrick
Chief Financial Officer
Genpact Limited