

StarTek, Inc.
Form PREM14A
May 09, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)
Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

StarTek, Inc.
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- (1) Title of each class of securities to which transaction applies: Common stock, \$0.01 par value
 - (2) Aggregate number of securities to which transaction applies: 21,433,333 shares of StarTek, Inc. common stock
Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): The filing fee was calculated based on the value of the transaction, which was computed by multiplying 21,433,333 shares of StarTek, Inc. common stock by \$8.23 per share, that being the average of the high and low prices reported on the New York Stock Exchange for such shares on May 3, 2018. In accordance with Section 14(a) of the Securities Exchange Act of 1934, the filing fee was determined at the rate of \$124.50 per million.
 - (3) Proposed maximum aggregate value of transaction: \$ 176,396,330.59
 - (5) Total fee paid: \$21,961.34
- Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:

(4) Date Filed:

Business Process Outsourcing

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
, 2018

PROXY STATEMENT

To the Shareholders of StarTek, Inc.:

We are pleased to invite you to the 2018 Annual Meeting of Stockholders of StarTek, Inc. to be held on , 2018, at 8:00 a.m. local time at the offices of StarTek, Inc., 8200 East Maplewood Ave., Suite 100, Greenwood Village, CO, 80111. On March 14, 2018, we entered into a Transaction Agreement (as may be amended from time to time, the “Transaction Agreement”) with CSP Alpha Midco Pte Ltd, a Singapore private limited company (“Aegis”), and CSP Alpha Holdings Parent Pte Ltd, a Singapore private limited company (the “Aegis Stockholder”), pursuant to which the Company will acquire all of the outstanding capital stock of Aegis from the Aegis Stockholder, in exchange for the issuance of 20,600,000 shares of the Company’s common stock to the Aegis Stockholder. Concurrently, the Aegis Stockholder will purchase additional newly issued shares of our common stock at a price of \$12.00 per share for an additional payment of \$10,000,000. The number of shares of our common stock issued and the amount of the additional payment are subject to adjustment as set forth in the Transaction Agreement, including based on the relative net debt of the parties as of the closing. At the Annual Meeting, you will be asked to consider and vote to:

1. Approve the issuance of shares (the “Transaction Shares”) of our common stock, par value \$0.01 per share, pursuant to the terms of the Transaction Agreement, (the “Aegis Issuance Proposal”).
2. Approve the issuance by the Company of shares of common stock representing 20% or more of the Company’s issued and outstanding common stock upon the exercise of a warrant issued by the Company to Amazon.com NV Investment Holdings, LLC, a subsidiary of Amazon.com, Inc. as described in the accompanying proxy statement (the “Amazon Issuance Proposal”).
3. Amend the Company’s Certificate of Incorporation to increase the number of authorized shares of our common stock from 32,000,000 to 60,000,000 (the “Authorized Shares Proposal”).
4. Amend the Company’s Certificate of Incorporation to renounce the Company’s expectation of corporate opportunity with respect to certain of the Company’s directors (the “Corporate Opportunity Proposal”).
5. Hold a non-binding, advisory vote to approve the compensation that will or may become payable to our named executive officers in connection with the Aegis Transactions (the “Transaction-Related Compensation Proposal”);
6. Elect five directors to hold office for a term of one year until the 2019 Annual Meeting of Stockholders and until their successors are elected and qualified or until such director’s earlier death, resignation, disqualification or removal (the “Director Election Proposal”).
7. Hold a non-binding advisory vote to approve the compensation of our named executive officers (the “Advisory Compensation Proposal”).
8. Ratify the appointment of EKS&H LLLP as our independent registered public accounting firm for the year ending December 31, 2018 (the “Accountant Ratification Proposal”).
9. Approve a proposal to adjourn the Annual Meeting to a later date, or dates, if necessary, to permit further solicitation of proxies in the event there are not sufficient votes at the time of Annual Meeting to adopt any of the eight proposals listed above (the “Adjournment Proposal”).
10. Consider and act upon such other business as may properly come before the Annual Meeting.

After due consideration and discussion, our Board, by the unanimous vote of all directors voting, has (i) determined that the Transaction Agreement and the transactions contemplated thereby, are fair to and in the best interests of the Company and its stockholders, (ii) approved, adopted and declared advisable the Transaction Agreement and the transactions contemplated thereby, and (iii) recommended approval of the proposals above. After careful consideration, the StarTek board unanimously recommends that you vote “FOR” the Aegis Issuance Proposal, “FOR” the Amazon Issuance Proposal, “FOR” the Authorized Shares Proposal, “FOR” the Corporate Opportunity Proposal, “FOR” the Transaction-Related Compensation Proposal, “FOR” all of the nominees in the Director Election Proposal, “FOR” the Advisory Compensation Proposal, “FOR” the Accountant Ratification Proposal and “FOR” the Adjournment Proposal. The enclosed proxy statement provides detailed information about the Annual Meeting, the Transaction Agreement and the transactions contemplated thereby. A copy of the Transaction Agreement is attached as Annex A to this proxy statement. The proxy statement also describes the actions and determinations of our Board in connection with its evaluation of the Transaction Agreement and the transactions contemplated thereby. We encourage you to read the proxy statement and its annexes, including the Transaction Agreement, carefully and in their entirety. You may also obtain more information about the Company from documents we file with the Securities and Exchange Commission

(the "SEC") from time to time.

YOUR VOTE IS VERY IMPORTANT. EVEN IF YOU PLAN TO ATTEND THE ANNUAL MEETING IN PERSON, WE REQUEST THAT YOU AUTHORIZE YOUR PROXY TO VOTE YOUR SHARES BY EITHER MARKING, SIGNING, DATING AND PROMPTLY RETURNING THE PROXY CARD OR SUBMITTING YOUR PROXY OR VOTING INSTRUCTIONS BY TELEPHONE OR INTERNET. If you are a stockholder of record and attend the Annual Meeting and desire to vote in person, you may do so even though you have previously sent a proxy. The failure to vote, or an abstention from voting, will have exactly the same effect as voting against the Authorized Shares Proposal, the approval of which is necessary to consummate the transactions contemplated by the Transaction Agreement.

If your shares are held in "street name," you should instruct your broker on how to vote your shares, following the procedures provided by your broker. Your broker may be unable to vote your shares without instructions from you. The failure to instruct your broker on how to vote your shares could have exactly the same effect as voting against the Authorized Shares Proposal, the approval of which is necessary to consummate the transactions contemplated by the Transaction Agreement.

If you have any questions or need assistance voting your shares, please contact our proxy solicitor:

Saratoga Proxy Consulting, LLC
528 8th Avenue, 14th Floor, New York, NY 10018
toll-free at (888) 368-0379 or (212) 257-1311
or by email at info@saratogaproxy.com

Sincerely,

Chad A. Carlson President and Chief Executive Officer

The Transaction Agreement and the transactions contemplated thereby have not been approved or disapproved by the SEC or any state securities commission. Neither the SEC nor any state securities commission has passed upon the merits or fairness of the transactions or upon the adequacy or accuracy of the information contained in this proxy statement. Any representation to the contrary is a criminal offense.

The accompanying proxy statement is dated , 2018 and is first being mailed to shareholders on or about , 2018.

StarTek, Inc.
8200 East Maplewood Ave., Suite 100
Greenwood Village, CO 80111

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD , 2018

To the Stockholders of StarTek, Inc.:

The 2018 Annual Meeting of Stockholders (the “Annual Meeting”) of StarTek, Inc. (“StarTek” or the “Company”), a Delaware corporation, will be held at the offices of StarTek, Inc., 8200 East Maplewood Ave., Suite 100, Greenwood Village, CO, 80111, on , 2018, at 8:00 a.m. local time, for the following purposes:

1. to approve the issuance of shares (the “Transaction Shares”) of our common stock, par value \$0.01 per share, pursuant to the terms of the Transaction Agreement, dated as of March 14, 2018 (the “Transaction Agreement”), by and among the Company, CSP Alpha Midco Pte Ltd, a Singapore private limited company (“Aegis”), and CSP Alpha Holdings Parent Pte Ltd, a Singapore private limited company (the “Aegis Stockholder”), (collectively, along with all other transactions contemplated by the Transaction Agreement, the “Aegis Transactions”), (the “Aegis Issuance Proposal”).

2. to approve the issuance by the Company of shares of common stock representing 20% or more of the Company’s issued and outstanding common stock upon the exercise of a warrant issued by the Company to Amazon.com NV Investment Holdings, LLC, a subsidiary of Amazon.com, Inc. as described in the accompanying proxy statement (the “Amazon Issuance Proposal”).

3. to approve the amendment of the Company’s Certificate of Incorporation to increase the number of authorized shares of our common stock from 32,000,000 to 60,000,000 (the “Authorized Shares Proposal”).

4. to approve the amendment of the Company’s Certificate of Incorporation to renounce the Company’s expectation of corporate opportunity with respect to certain of the Company’s directors (the “Corporate Opportunity Proposal”).

5. to hold a non-binding, advisory vote to approve the compensation that will or may become payable to our named executive officers in connection with the transactions contemplated by the Transaction Agreement (the “Transaction-Related Compensation Proposal”).

6. to elect five directors to hold office for a term of one year until the 2019 Annual Meeting of Stockholders and until their successors are elected and qualified or until such director’s earlier death, resignation, disqualification or removal (the “Director Election Proposal”).

7. to hold a non-binding advisory vote to approve the compensation of our named executive officers (the “Advisory Compensation Proposal”).

8. to ratify the appointment of EKS&H LLLP as our independent registered public accounting firm for the year ending December 31, 2018 (the “Accountant Ratification Proposal”).

9. to approve a proposal to adjourn the Annual Meeting to a later date, or dates, if necessary, to permit further solicitation of proxies in the event there are not sufficient votes at the time of Annual Meeting to adopt any of the

eight proposals listed above (the “Adjournment Proposal”).

10. to consider and act upon such other business as may properly come before the Annual Meeting.

After careful consideration, the StarTek board unanimously recommends that you vote “FOR” the Aegis Issuance Proposal, “FOR” the Amazon Issuance Proposal, “FOR” the Authorized Shares Proposal, “FOR” the Corporate Opportunity Proposal, “FOR” the Transaction-Related Compensation Proposal, “FOR” all of the nominees in the Director Election Proposal, “FOR” the Advisory Compensation Proposal, “FOR” the Accountant Ratification Proposal and “FOR” the Adjournment Proposal.

Only stockholders of record at the close of business on , 2018 are entitled to notice of and to vote at the Annual Meeting and any adjournment thereof.

By order of the Board of Directors,

Chad A. Carlson
President and Chief Executive Officer

, 2018

IMPORTANT

Whether or not you expect to attend the Annual Meeting in person, we urge you to vote your shares at your earliest convenience. This will ensure the presence of a quorum at the meeting. Promptly voting your shares will save us the expense and extra work of additional solicitation. Please vote your shares, as instructed in the proxy materials, as promptly as possible. Submitting your proxy now will not prevent you from voting your shares at the meeting if you desire to do so, as your proxy is revocable at your option.

STARTEK, INC.

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PROXY STATEMENT

STARTEK, INC.
8200 EAST MAPLEWOOD AVE., SUITE 100
GREENWOOD VILLAGE, CO 80111
(303) 262-4500

2018 ANNUAL MEETING OF STOCKHOLDERS
, 2018

This Proxy Statement was first mailed to our stockholders on or about , 2018. It is furnished in connection with the solicitation of proxies by the Board of Directors (the “Board”) of StarTek, Inc., a Delaware corporation, to be voted at the 2018 Annual Meeting of Stockholders for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. The Annual Meeting will be held at the offices of StarTek, Inc., 8200 East Maplewood Ave., Suite 100, Greenwood Village, CO, 80111, on , 2018, at 8:00 a.m. local time.

HELPFUL INFORMATION - INDEX OF DEFINED TERMS

For ease of reference, the following terms are used in this proxy statement:

- “2008 EIP” means the Company's 2008 Equity Incentive Plan, as amended;
- “Accountant Ratification Proposal” means the proposal to ratify the appointment of EKS&H LLLP as our independent registered public accounting firm for the year ending December 31, 2018;
- “Adjournment Proposal” means the proposal to adjourn the Annual Meeting to a later date, or dates, if necessary, to permit further solicitation of proxies in the event there are not sufficient votes at the time of the Annual Meeting to adopt any of the eight other proposals outlined in this proxy statement;
- “Advisory Compensation Proposal” means the non-binding advisory vote to approve the compensation of our named executive officers;
- “Aegis” means CSP Alpha Midco Pte Ltd, a Singapore private limited company, prior to the Aegis Transactions a wholly owned subsidiary of the Aegis Stockholder;
- “Aegis Designated Directors” means the members of the Board the Aegis Stockholder will have the ability to designate after the completion of the Aegis Transactions;
- “Aegis Issuance Proposal” means the proposal to issue the Transaction Shares to the Aegis Stockholder, pursuant to the terms of the Transaction Agreement;
- “Aegis Stockholder” means CSP Alpha Holdings Parent Pte Ltd, a Singapore private limited company;
- “Aegis Transactions” means the transactions contemplated by the Transaction Agreement;
- “Alternative Board Composition” means the Board composition described in the Stockholders' Agreement if the Company and the Aegis Stockholder are able to obtain any necessary third party consents or waivers to allow the Board to consist of seven members;
- “Amazon” means Amazon.com, Inc.;
- “Amazon Issuance Proposal” means the proposal to approve the issuance by the Company of shares of common stock representing 20% or more of the Company’s issued and outstanding common stock upon the exercise of the Amazon Warrant;
- “Amazon Transaction Agreement” means the Transaction Agreement dated January 23, 2018, between Amazon and the Company, pursuant to which the Company issued NV Investment the Amazon Warrant in connection with existing commercial arrangements between the Company and Amazon under which Amazon and its affiliates have and may from time to time purchase services from the Company;
- “Amazon Warrant” means the warrant to acquire the Amazon Warrant Shares, issued by the Company to NV Investment pursuant to the Amazon Transaction Agreement;
- “Amazon Warrant Shares” means the 4,000,000 shares of Company common stock, par value \$0.01, which NV Investment may acquire pursuant to the Amazon Warrant;
- “Authorized Capital Charter Amendment” means the amendment to the Company's Certificate of Incorporation to increase the number of authorized shares of our common stock from 32,000,000 to 60,000,000;
- “Authorized Shares Proposal” means the proposal to approve the amendment of the Company’s Certificate of Incorporation to increase the number of authorized shares of our common stock from 32,000,000 to 60,000,000;
- “Board” means the board of directors of StarTek;
- “Combined Company” means StarTek and its subsidiaries after giving effect to the Aegis Transactions, except where the context makes it clear that the reference is only to StarTek itself and not its subsidiaries;
- “Company” means StarTek, Inc., a Delaware corporation;
- “Corporate Opportunity Charter Amendment” means the amendment of the Company’s Certificate of Incorporation to renounce the Company’s expectation of corporate opportunity with respect to certain of the Company’s directors;
- “Corporate Opportunity Proposal” means the proposal to approve the amendment of the Company’s Certificate of Incorporation to renounce the Company’s expectation of corporate opportunity with respect to certain of the Company’s directors;
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- “Corporate Opportunity Waiver” means the renunciation of the Company's expectancy regarding certain corporate opportunities presented to the Aegis Designated Directors;
- “CSP” means Capital Square Partners (Management) Pte Ltd.;
- “DGCL” means the Delaware General Corporation Law;
- “Director Election Proposal” means the proposal to elect five directors to hold office for a term of one year until the 2019 Annual Meeting of Stockholders and until their successors are elected and qualified or until such director’s earlier death, resignation, disqualification or removal;
- “Engine” means Engine Capital, L.P. (together with the individual and entities listed in Schedule A of the Engine Support Agreement, attached hereto as Annex D);
- “ESM” means ESM Holdings Limited, a Mauritius limited company and a wholly owned subsidiary of Aegis;
- “ESM Acquisition” means the acquisition by the Aegis Stockholder of ESM;
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- “ESPP” means the Company's Employee Stock Purchase Plan;
 - “Exchange Act” means the Securities Exchange Act of 1934, as amended;
 - “Excess Amazon Warrant Shares” means the Amazon Warrant Shares in excess of the 3,222,681 shares that the Company may issue without stockholder approval in compliance with the NYSE Share Limitation;
 - “HSR Act” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules promulgated thereunder;
 - “IFRS” means the International Financial Reporting Standards as issued by the International Accounting Standards Board;
 - “LTM” means the last twelve month period;
 - “Management” means the Company's senior management team;
 - “New StarTek Board” means the board of directors of the Combined Company following completion of the Aegis Transactions;
 - “Non-Stockholder Directors” means the three independent directors, reasonably acceptable to the Aegis Stockholder, to be designated to the Board after consummation of the Aegis Transaction, pursuant to the Stockholders' Agreement;
 - “NV Investment” means Amazon.com NV Investment Holding LLC, a wholly owned subsidiary of Amazon;
 - “Privet” means Privet Fund Management LLC;
 - “Representatives” means employees, agents, attorneys, consultants, contractors, accountants, financial advisors and other authorized representatives;
 - “SEC” means the Securities and Exchange Commission;
 - “Securities Act” means the Securities Act of 1933, as amended;
 - “StarTek” means StarTek, Inc., a Delaware corporation;
 - “Stockholders' Agreement” means the terms of the Stockholders Agreement agreed to by the Aegis Stockholder and the Company;
 - “Superior Proposal” has the meaning ascribed to it in the Transaction Agreement;
 - “Support Agreements” means the Support Agreements executed with Aegis and the Aegis Stockholder by the Supporting Stockholders, attached hereto as Annexes B, C and D;
 - “Supporting Stockholders” means A. Emmet Stephenson, Jr., Privet and Engine;
 - “Transaction Agreement” means the Transaction Agreement, dated as of March 14, 2018, among Aegis, the Aegis Stockholder and the Company, as may be amended, a copy of which is attached as Annex A;
 - “Transaction-Related Compensation Proposal” means the non-binding, advisory vote to approve the compensation that will or may become payable to our named executive officers in connection with the Aegis Transactions;
 - “Transaction Shares” means shares of the Company's common stock, par value \$0.01, which, pursuant to the Transaction Agreement, will be issued to the Aegis Stockholder in the Aegis Transactions;
 - “US GAAP” means United States generally accepted accounting principles;
 - “we,” “us” and “our” means StarTek and its subsidiaries, except where the context makes it clear that the reference is only to StarTek itself and not its subsidiaries;
 - “William Blair” means William Blair & Company, LLC, financial advisor to the Company;
 - “you” means the stockholders of the Company.
-

SUMMARY

This summary highlights selected information from this proxy statement and does not contain all of the information that may be important to you. To better understand the Transaction Agreement and the Aegis Transactions, you should carefully read this entire document and all documents attached hereto, including the Transaction Agreement which is attached to this proxy statement as Annex A. The Transaction Agreement is the legal document that governs the Aegis Transactions. It is also described in detail elsewhere in this proxy statement. See “Description of the Transaction Agreement.”

In this proxy statement, all references to “StarTek”, the “Company”, “we,” “us” and “our” refer to StarTek, Inc. and its subsidiaries, except where the context makes it clear that the reference is only to StarTek itself and not its subsidiaries. Depending on the context, such references will either refer to (i) StarTek, Inc. prior to giving effect to the Aegis Transactions or (ii) StarTek, Inc. as the combined entity following the Aegis Transactions. In this proxy statement, all references to “Aegis” refer to CSP Alpha Midco Pte Ltd, and its subsidiaries prior to giving effect to the Aegis Transactions, except where the context makes it clear that the reference is only to CSP Alpha Midco Pte Ltd itself and not its subsidiaries. In this proxy statement, all references to the “Aegis Stockholder” refer to CSP Alpha Holdings Parent Pte Ltd. In this proxy statement, all references to the “Combined Company” refer to StarTek, Inc. and its subsidiaries after giving effect to the Aegis Transactions, except where the context makes it clear that the reference is only to StarTek itself and not its subsidiaries.

The Aegis Transactions

Parties to the Aegis Transactions. The parties to the Aegis Transactions are StarTek, Inc., a Delaware corporation, CSP Alpha Holdings Parent Pte Ltd, a Singapore private limited company, the parent and sole stockholder of Aegis, and CSP Alpha Midco Pte Ltd, a Singapore private limited company and a wholly-owned subsidiary of CSP Alpha Holdings Parent Pte Ltd. See “Proposal 1—Parties to the Aegis Transactions.”

The Aegis Transactions. The Company will acquire all of the outstanding capital stock of Aegis from the Aegis Stockholder, in exchange for the issuance of 20,600,000 shares of the Company’s common stock to the Aegis Stockholder. Concurrently, the Aegis Stockholder will purchase 833,333 newly issued shares of our common stock at a price of \$12.00 per share for a total cash payment to the Company of \$10,000,000. The number of shares of our common stock issued in the Aegis Transactions and the amount of the additional payment are subject to adjustment as set forth in the Transaction Agreement, including based on the relative net debt of the parties as of the closing. Upon consummation of the Aegis Transactions, the Aegis Stockholder is expected to own a majority of the outstanding common stock of the Company. See “Proposal 1—Description of the Transaction Agreement.”

Combined Company Structure. Set forth below is a simplified structure chart reflecting the structure of each of the Company and Aegis prior to and following the Aegis Transactions.

Representations and Warranties; Covenants. Within the Transaction Agreement, we have made certain representations and warranties to Aegis and the Aegis Stockholder and Aegis and the Aegis Stockholder have made certain representations and warranties to us. Each party has also agreed to covenants relating to the conduct of each of our businesses and the consents and approvals required for and conditions to the completion of the Aegis Transactions and our ability to consider other acquisition proposals. See “Proposal 1—Representations and Warranties” and “—Covenants.”

Exemption from Registration. The issuance of our common stock to the Aegis Stockholder pursuant to the Transaction Agreement is exempt from the registration requirements of Section 5 of the Securities Act of 1933, as amended (the “Securities Act”) pursuant to Section 4(a)(2) of the Securities Act. See “Proposal 1 - The Aegis Issuance Proposal.”

Termination of the Transaction Agreement. The Transaction Agreement contains provisions addressing the circumstances under which the Aegis Stockholder or the Company may terminate the Transaction Agreement. In addition, the Transaction Agreement provides that if the Transaction Agreement is terminated, in certain circumstances, the Company may be required to pay the Aegis Stockholder a termination fee of up to \$6,800,000. See “Proposal 1—Description of the Transaction Agreement—Termination of the Transaction Agreement” and “—Termination Fees.”

Opinion of our Financial Advisor. On March 14, 2018, our financial advisor, William Blair & Company, LLC (“William Blair”) delivered oral and written opinions to our Board, to the effect that, as of that date, based upon and subject to the assumptions, qualifications and limitations stated in William Blair’s written opinion, the consideration to be paid with respect to the Share Issuances (as defined in “Proposal 1—Opinion of the Financial Advisor to the Company”) was fair from a financial point of view to the Company. The full text of William Blair’s opinion is attached to this proxy statement as Annex E. William Blair’s opinion does not constitute a recommendation to any of our stockholders as to how such stockholders should vote with respect to any of the proposals contained in this proxy statement. You are encouraged to read this opinion in its entirety. See “Proposal 1—Opinion of the Financial Advisor to the Company.”

Support Agreements. Concurrently with the Transaction Agreement, certain stockholders holding in the aggregate approximately 29.9% of the outstanding common stock of the Company as of March 14, 2018 entered into Support Agreements with Aegis and the Aegis Stockholder, pursuant to which they have agreed to certain matters, including (i) to vote in favor of the Aegis Issuance Proposal, the Authorized Shares Proposal and the Corporate Opportunity Proposal, (ii) not to solicit, encourage or facilitate any Alternative Proposal nor enter into any negotiations or discussions regarding any Alternative Proposal, and (iii) to certain restrictions on the transfer of the shares of our common stock of which they are the beneficial owners. The Support Agreements are attached hereto as Annexes B, C and D. See “Proposal 1—Support Agreements.”

Stockholders Agreement. Pursuant to the Transaction Agreement, we have agreed to the terms of a Stockholders Agreement with Aegis and the Aegis Stockholder, which will (i) set forth certain rights, duties and obligations of Aegis, the Aegis Stockholder and the Company following completion of the Aegis Transactions and (ii) provide for the management, operation and governance of the Company after consummation of the Aegis Transactions. A copy of the form of Stockholders Agreement is attached as Exhibit A to the Transaction Agreement which is attached hereto as Annex A. See “Proposal 1—Stockholders Agreement.”

Board of Directors. In connection with its approval of the Aegis Transactions and the Transaction Agreement, the Company has agreed to take necessary action to cause the composition of the Board to consist of a majority of directors designated by the Aegis Stockholder to comply with the terms of the Stockholders Agreement. See “Proposal 1—Description of the Transaction Agreement—Directors and Officers,” “Proposal 1—Stockholders Agreement,” and “The Board of Directors and Management After the Aegis Transactions.”

Interests of our Directors and Officers in the Aegis Transactions. When you consider the recommendation of the Board in favor of the proposals included in this proxy statement, you should be aware that certain of the Company's directors and executive officers have interests in the Aegis Transactions that are different from, or in addition to, those of our stockholders generally. These interests include, but are not limited to, (i) accelerated vesting of outstanding equity-based awards granted prior to execution of the Transaction Agreement, (ii) the receipt of severance and other separation benefits in the event of certain terminations of employment on or following the consummation of the Aegis Transactions, (iii) continuation of indemnification rights and coverage under our directors' and officers' liability insurance policies and (iv) the payment of bonuses upon consummation of the Aegis Transactions. See "Questions

and Answers,” “Proposal 1—Interests of Directors and Officers in the Aegis Transactions,” and “Proposal 1—Description of the Transaction Agreement—Treatment of Equity Awards.”

Conditions to Closing of the Aegis Transactions. Under the Transaction Agreement, stockholder approval of (i) the issuance of the Transaction Shares pursuant to the Transaction Agreement and (ii) the amendment of the Company’s Certificate of Incorporation to increase the number of authorized shares of common stock are conditions to the closing of the Aegis Transactions. See “Proposal 1—Description of the Transaction Agreement—Conditions to Closing of the Aegis Transactions,” “—Reasonable Best Efforts” and “—Termination Fees.”

Governmental and Regulatory Approvals. Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the rules promulgated thereunder (“HSR Act”), the Aegis Stockholder and the Company could not complete the transactions until they notified and furnished information to the Federal Trade Commission (“FTC”) and the Antitrust Division of the U.S. Department of Justice, and statutory waiting period requirements were satisfied. The Company was notified by the FTC that the Company’s request for early termination of the waiting period had been granted effective as of April 6, 2018. The Aegis Stockholder and the Company also provided notification to the United Kingdom Financial Conduct Authority (“FCA”) on April 24, 2018, in relation to the acquisition of control of Aegis and Aegis Outsourcing UK Limited, a wholly-owned subsidiary of Aegis, by the Company as a result of the Aegis Transactions. Finally, a notification to the Philippine Competition Commission (“PCC”) of the Republic of the Philippines was required and was submitted on April 16, 2018. Please see the information set forth in “Proposal 1—Governmental and Regulatory Approvals.”

Tax Consequences of the Aegis Transactions. Neither the Company nor its stockholders are expected to recognize federal income tax or gain as a result of the Aegis Transactions. However, as a result of the Aegis Transactions, the Company’s ability to use its net operating losses and certain other tax attributes generated prior to the Aegis Transactions will be subject to limitation.

Accounting Treatment. The Aegis Transactions will be accounted for under the purchase method of accounting as a reverse acquisition with the Aegis Stockholder being treated as having acquired the Company as of the date of the completion of the Aegis Transactions. For a more detailed description of the accounting treatment, see “Proposal 1—Accounting Treatment.”

Risk Factors. In evaluating the proposals included in this proxy statement, you should carefully read this proxy statement and the attached documents and especially consider the factors discussed in the section entitled “Risk Factors.”

The Amazon Warrant

The Amazon Transaction Agreement. On January 23, 2018, the Company and Amazon.com, Inc. (“Amazon”) entered into a Transaction Agreement (the “Amazon Transaction Agreement”), pursuant to which the Company issued to Amazon.com NV Investment Holding LLC, a wholly owned subsidiary of Amazon (“NV Investment”), a warrant (the “Amazon Warrant”) to acquire up to 4,000,000 shares (the “Amazon Warrant Shares”) of common stock, subject to adjustment in certain cases. The Company and Amazon entered into the Amazon Transaction Agreement in connection with existing commercial arrangements between the Company and Amazon under which Amazon and its affiliates have and may from time to time purchase services from the Company. The vesting of the Amazon Warrant is linked to gross revenues of the Company from Amazon or any of its affiliates in connection with the existing commercial arrangements, with full vesting tied to Amazon's payment of \$600 million to the Company .

Required Stockholder Approval. Pursuant to the Amazon Transaction Agreement, the Company is required to seek stockholder approval of the issuance of Amazon Warrant Shares in excess of the 3,222,681 shares that may be issued without stockholder approval in compliance with Section 312.03(c) of the New York Stock Exchange (“NYSE”) Listed

Company Manual (the “Excess Amazon Warrant Shares”). In the event such approval is not obtained at the Annual Meeting, the Company is required at the request of Amazon to seek such approval at a meeting of the stockholders at least once in each twelve-month period thereafter until such approval is obtained or the Amazon Warrant is no longer outstanding. For more information see “Proposal 2 - Amazon Issuance Proposal.”

The Annual Meeting

The Proposals to be Considered at the Annual Meeting. At the Annual Meeting, our stockholders will be asked to vote on proposals to:

approve the issuance of the Transaction Shares pursuant to the Transaction Agreement. Upon the closing of the Aegis Transactions, the Company will acquire all of the outstanding capital stock of Aegis from the Aegis Stockholder, in exchange for the issuance of 20,600,000 shares of the Company's common stock to the Aegis Stockholder. Concurrently, the Aegis Stockholder will purchase 833,333 newly issued shares of our common stock at a price of \$12.00 per share for a total cash payment to the Company of \$10,000,000. The number of shares of our common stock issued in the Aegis Transactions and the amount of the additional payment are subject to adjustment as set forth in the Transaction Agreement, including based on the relative net debt of the parties as of the closing. Upon consummation of the Aegis Transactions, the Aegis Stockholder is expected to be the majority owner of the Company. (see "Proposal 1 - Aegis Issuance Proposal");

approve the issuance by the Company of shares of our common stock representing 20% or more of the Company's issued and outstanding common stock upon the exercise of the Amazon Warrant (see "Proposal 2 - Amazon Issuance Proposal");

approve the amendment of our Certificate of Incorporation to:

increase the number of authorized shares of common stock from 32,000,000 to 60,000,000 shares (see "Proposal 3 - Authorized Shares Proposal");

renounce the Company's expectation of corporate opportunity with respect to certain of the Company's directors (see "Proposal 4 - Corporate Opportunity Proposal");

hold a non-binding, advisory vote to approve the compensation that will or may become payable to our named executive officers in connection with the Aegis Transactions (see "Proposal 5 - Transaction-Related Compensation Proposal");

elect five directors to hold office for a term of one year until the 2019 Annual Meeting of Stockholders and until their successors are elected and qualified or until such director's earlier death, resignation, disqualification or removal (see "Proposal 6 - Director Election Proposal");

hold a non-binding, advisory vote to approve the compensation of our named executive officers (see "Proposal 7 - Advisory Compensation Proposal");

ratify the appointment of EKS&H LLLP as our independent registered public accounting firm for the year ending December 31, 2018 (see "Proposal 8 - Accountant Ratification Proposal"); and

authorize the adjournment of the Annual Meeting to a later date or dates, if necessary, to permit further solicitation and vote of proxies if there are insufficient votes at the time of the Annual Meeting to adopt any of the foregoing proposals (see "Proposal 9 - Adjournment Proposal").

Vote Required; Abstentions and Broker Non-Votes

The required votes to approve the proposals are as follows:

Proposal	Vote Required
Proposal 1 - The Aegis Issuance Proposal	Affirmative vote of a majority of the votes cast.
Proposal 2 - The Amazon Issuance Proposal	Affirmative vote of a majority of the votes cast.
Proposal 3 - The Authorized Shares Proposal	Affirmative vote of the holders of at least a majority of the outstanding shares of common stock as of the record date.
Proposal 4 - The Corporate Opportunity Proposal	Affirmative vote of the holders of at least a majority of the outstanding shares of common stock as of the record date.
Proposal 5 - The Transaction-Related Compensation Proposal	Affirmative vote of the holders of a majority of the shares of our common stock present at the Annual Meeting.
Proposal 6 - The Director Election Proposal	Affirmative vote of a majority of the votes cast.
Proposal 7 - The Advisory Compensation Proposal	Affirmative vote of the holders of a majority of the shares of our common stock present at the Annual Meeting.
Proposal 8 - The Accountant Ratification Proposal	Affirmative vote of the holders of a majority of the shares of our common stock present at the Annual Meeting.
Proposal 9 - The Adjournment Proposal	Affirmative vote of the holders of a majority of the shares of our common stock present at the Annual Meeting.

Assuming the presence of a quorum, the approval of the Aegis Issuance Proposal and the Amazon Issuance Proposal requires the affirmative vote of a majority of the votes cast. If you fail to submit a proxy or attend the Annual Meeting, or fail to instruct your broker, nominee, fiduciary or other custodian or other nominee to vote, it will have no effect on the Aegis Issuance Proposal and the Amazon Issuance Proposal. Broker non-votes will have no effect on the outcome of the Aegis Issuance Proposal and the Amazon Issuance Proposal. If you mark your proxy or voting instructions to abstain, it will have the effect of a vote against the Aegis Issuance Proposal and the Amazon Issuance Proposal.

Assuming the presence of a quorum, the approval of the Authorized Shares Proposal and the Corporate Opportunity Proposal requires the affirmative vote of the holders of at least a majority of the outstanding shares of common stock as of the record date. Because approval is based on the affirmative vote of a majority of the outstanding shares of our common stock entitled to vote, if you fail to submit a proxy or attend the Annual Meeting, or fail to instruct your broker, nominee, fiduciary or other custodian or other nominee to vote, or mark your proxy or voting instructions to abstain, it will have the same effect of a vote against the Authorized Shares Proposal and the Corporate Opportunity Proposal. Broker non-votes will also have the effect of a vote against the Authorized Shares Proposal and the Corporate Opportunity Proposal.

The Transaction-Related Compensation Proposal and the Advisory Compensation Proposal are advisory and not binding on us. However, we will consider our stockholders to have approved the Transaction-Related Compensation Proposal and the Advisory Compensation Proposal if the proposal receives the affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting. If you fail to submit a proxy or attend the Annual Meeting, or fail to instruct your broker, nominee, fiduciary or other custodian or other nominee to vote, it will have no effect on the Transaction-Related Compensation Proposal and the Advisory Compensation Proposal. Broker non-votes will have no effect on the outcome of the Transaction-Related Compensation Proposal and the Advisory Compensation Proposal. If you mark your proxy or voting instructions to abstain, it will have the effect of a vote against the Transaction-Related Compensation Proposal and the Advisory Compensation Proposal.

Assuming the presence of a quorum, the election of the nominees listed in the Director Election Proposal requires the affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting. If you fail to submit a proxy or attend the Annual Meeting, or fail to instruct your broker, nominee, fiduciary or other custodian or other nominee to vote, it will have no effect on the Director Election Proposal. Broker non-votes will have no effect on the outcome of the Director Election Proposal. If you mark your proxy or voting instructions to abstain, it will not affect the outcome of the Director Election Proposal.

Assuming the presence of a quorum, the approval of the Accountant Ratification Proposal requires the affirmative vote of the holders of a majority of the shares of our common stock present at the Annual Meeting, whether in person or by proxy. If you fail to submit a proxy or attend the Annual Meeting, or fail to instruct your broker, nominee, fiduciary or other custodian or other nominee to vote, it will have no effect on the Accountant Ratification Proposal. Broker non-votes will have no effect on the outcome of the Accountant Ratification Proposal. If you mark your proxy or voting instructions to abstain, it will have the effect of a vote against the Accountant Ratification Proposal.

Assuming the presence of a quorum, the approval of the Adjournment Proposal requires the affirmative vote of the holders of a majority of the shares of our common stock present at the Annual Meeting, whether in person or by proxy. The chairman of the Annual Meeting may also (regardless of the outcome of the stockholder vote on adjournment) adjourn the meeting to another place, date and time. If a quorum is not present, a majority of the voting stock represented in person or by proxy, or the chairman of the meeting, may adjourn the meeting until a quorum is present. If you fail to submit a proxy or attend the Annual Meeting, or fail to instruct your broker, nominee, fiduciary or other custodian or other nominee to vote, it will have no effect on the Adjournment Proposal. Broker non-votes will have no effect on the outcome of any vote to adjourn the Annual Meeting if a quorum is present but will have the same effect as a vote against if no quorum is present. If you mark your proxy or voting instructions to abstain, it will have the effect of a vote against the adjournment of the Annual Meeting, whether or not a quorum is present.

See “Questions and Answers,” “Proposal 1—Vote Required for Approval,” “Proposal 2—Vote Required for Approval,” “Proposal 3—Vote Required for Approval” and “Proposal 4—Vote Required for Approval.”

SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION AND SELECTED PRO FORMA FINANCIAL INFORMATION

StarTek Selected Financial Data

The following table sets forth selected consolidated financial data for the Company. The data should be read in conjunction with the Company's audited consolidated financial statements and related notes for the three years ended December 31, 2017 and the Company's unaudited condensed consolidated financial statements for the three months ended March 31, 2018 and 2017 that are included in this proxy statement. The consolidated balance sheet data as of December 31, 2013, 2014 and 2015 and the consolidated statements of operations data for the fiscal years ended December 31, 2014 and 2013 are derived from the Company's consolidated financial statements that are not included in this proxy statement. The summary financial data as of March 31, 2018 and for the three months ended March 31, 2018 and 2017 are derived from the Company's unaudited condensed consolidated financial statements for such periods, but in the opinion of Management, reflect all adjustments of a normal recurring nature necessary for a fair statement of the Company's financial position and results of operations at the dates and for the periods indicated. The results for the three month period are not necessarily indicative of results that may be expected for any other interim period or the entire fiscal year. The Company's historical financial data may not be indicative of the results of operations or financial position to be expected in the future.

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Consolidated Statement of Operations Data	Three Months Ended March 31, (in thousands, except per share data)		Year Ended December 31, (in thousands, except per share data)				
	2018	2017	2017	2016	2015	2014	2013
Net revenue	\$66,614	\$77,652	\$292,604	\$307,200	\$282,134	\$250,080	\$231,257
Cost of services	61,156	67,638	260,242	270,779	257,830	219,608	206,932
Gross Profit	5,458	10,014	32,362	36,421	24,304	30,472	24,325
Selling, general and administrative expenses	8,656	7,882	32,584	33,196	34,427	31,397	28,828
Impairment losses and restructuring charges, net	4,453	—	520	364	3,890	3,965	94
Operating income (loss)	(9,440)	)2,132	(742)	2,681	(14,013)	)(4,890	)(4,597)
Interest and other (expense), net	(438)	)(367)	(970)	)(1,748)	(1,139)	)(6	)(1,579)
Income (loss) before income taxes	(9,878)	)1,765	(1,712)	)1,113	(15,152)	)(4,896	)(6,176)
Income tax expense (benefit)	148	(28)	(436)	)718	464	564	230
Net income (loss)	\$(10,026)	\$1,793	\$(1,276)	)\$395	\$(15,616)	\$(5,460)	)(6,406)
Net income (loss) per common share - basic	(0.62)	)0.11	(0.08)	)0.03	(1.01)	)(0.35	)(0.42)
Net income (loss) per common share - diluted	(0.62)	)0.11	(0.08)	)0.02	(1.01)	)(0.35	)(0.42)
Weighted average common shares outstanding - basic	16,195	15,815	15,966	15,731	15,529	15,394	15,339
Weighted average common shares outstanding - diluted	16,195	15,815	15,966	16,258	15,529	15,394	15,339
Balance Sheet Data							
Total assets	91,151	99,060	95,998	106,808	114,804	93,793	89,717
Long Term Liabilities	27,977	27,732	23,111	7,700	10,445	7,440	3,045
Total stockholders' equity	39,102	47,297	46,939	44,744	41,925	54,681	58,174
Other Selected Financial Data							
Capital expenditures, net of proceeds	1,944	1,113	7,185	3,797	7,722	11,661	8,843
Depreciation and amortization	2,643	2,962	11,080	12,250	13,261	10,379	12,527
Cash dividends declared per common share	—	—	—	—	—	—	—

Aegis Selected Financial Data

The following table sets forth selected consolidated financial data for Aegis. The data should be read in conjunction with Aegis' consolidated financial statements and notes included elsewhere in this proxy. The financial data for the nine-month period ended December 31, 2017 are derived from the unaudited consolidated financial statements included in this proxy statement. The financial data for the fiscal year ended March 31, 2017 and March 31, 2016 are derived from the audited consolidated financial statements included in this proxy statement. On June 1, 2016, Aegis obtained control of Contact Centre Company ("CCC"), a joint venture between Aegis and the Saudi Telecom Company. Accordingly, Aegis' subsequent financial data treats CCC as a subsidiary of Aegis. Refer to Note 31(a) in Aegis' consolidated financial statements for the fiscal year ended March 31, 2017, which is included elsewhere in this proxy. The following selected financial data is only a summary and should be read in conjunction with the section entitled "Aegis Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 159. The information set forth below is not necessarily indicative of the results of future operations or financial position.

	Successor Nov 22 - Dec 31	Predecessor Apr 1 - Nov 21	Predecessor Year Ended March 31,	
	(in \$ millions, except per share data)			
Consolidated Statement of Operations Data	2017	2017	2017	2016
	Unaudited	Unaudited	Audited	Audited
Revenue	57.57	306.92	414.82	304.19
Cost of sales	49.59	262.79	350.32	262.36
Gross profit	7.98	44.13	64.50	41.83
Selling, general and administrative Expenses	7.24	31.42	38.73	39.05
Operating income (loss)	0.74	12.71	25.77	2.78
Interest and other (expense), net	0.66	(4.21)	22.13	4.02
Income (loss) before income tax	1.40	8.50	47.90	6.80
Income tax expense (benefit)	1.07	3.08	11.54	2.65
Net income (loss)	0.33	5.42	36.36	4.15
Net income (loss) per common share - basic	(6,790)	27,070	297,047	42,024
Net income (loss) per common share - diluted	(6,790)	27,070	297,047	42,024
Weighted average common shares outstanding - basic	100	100	100	100
Weighted average common shares outstanding - diluted	100	100	100	100
Balance Sheet Data				
Total assets	469.79	-	272.79	558.00
Long Term Liabilities	149.66	-	71.39	12.31
Total stockholders' equity	199.23	-	9.68	7.96
Other Selected Financial Data				
Capital expenditures, net of proceeds	1.94	8.66	15.35	6.87
Depreciation and amortization	2.30	11.46	14.37	18.77
Impairment of goodwill	0	0	4.76	0
Cash dividends declared per common share	0	0	0	0

Selected Pro Forma Financial Data

The following unaudited pro forma condensed combined financial information gives effect to the Aegis Transactions which is to be accounted for as a reverse acquisition with the Aegis Stockholder treated as the accounting acquirer. The unaudited pro forma condensed combined statements of operations data for the year ended December 31, 2017 and for the three months ended March 31, 2018 reflects the Aegis Transaction as if it occurred on January 1, 2017. The unaudited pro forma condensed combined balance sheet data as of March 31, 2018 reflects the transaction as if it had occurred on March 31, 2018. The pro forma adjustments are based on the information available at the time of the preparation of this proxy statement. See the section entitled “Proposal 1—Unaudited Pro Forma Condensed Combined Financial Information” beginning on page 43.

The unaudited pro forma condensed combined financial information that follows is presented for informational purposes only and is not intended to represent or be indicative of the combined results of operations or financial position that would have been reported had the transaction been completed as of January 1, 2017 or March 31, 2018, and should not be taken as representative of the future consolidated results of operations or financial position of the combined company. In connection with the unaudited pro forma condensed combined financial information, the Aegis Stockholder allocated the preliminary purchase price to the acquired assets and liabilities based upon their estimated fair value. These estimates are based on financial information available at the time of the preparation of this proxy statement. Based on the timing of the closing of the transaction and other factors, we and the Aegis Stockholder cannot assure that the actual adjustments will not differ materially from the pro forma adjustments reflected in the unaudited pro forma condensed combined financial information. It is expected that, following the transaction, the Combined Company will incur expenses associated with the Aegis Transactions and integration of the operations of the two companies. These transaction and integration costs are not reflected in this unaudited pro forma condensed combined financial information. The unaudited pro forma condensed combined financial information also does not give effect to the potential impact of any anticipated synergies, operating efficiencies or cost savings that may result from the transaction.

	Three Months Ended March 31, 2018	Year Ended December 31, 2017
Statement of Operations Data		
Net revenue	\$ 181,304	\$ 769,184
Operating income	1,969	22,523
Income (loss) before incomes taxes	(1,829)	10,311
Net income (loss) attributable to shareholders	\$(5,613)	\$ 299

Balance Sheet Data (as of period end) (1)

Cash and cash equivalents	\$ 18,363
Current Assets	215,567
Total Assets	686,768
Current liabilities	136,812
Other liabilities	11,575
Long-term debt, net	155,032
Stockholder's equity	\$ 374,569

(1) Consolidated balance sheet data is only calculated as of March 31, 2018.

QUESTIONS AND ANSWERS

Q: Why am I receiving these materials?

A: You are receiving this proxy statement as a stockholder of the Company in connection with the solicitation of proxies by our Board in connection with the Annual Meeting. The matters to be voted on at the Annual Meeting are described below under “—What am I voting on at the Annual Meeting?”

Q: What am I voting on at the Annual Meeting?

A: At the Annual Meeting, you are voting on the following nine proposals: (i) a proposal to approve the issuance of the Transaction Shares pursuant to the Transaction Agreement (the Aegis Issuance Proposal) (ii) a proposal to approve the issuance of common stock of the Company representing 20% or more of the Company’s issued and outstanding common stock upon the exercise of the Amazon Warrant (the Amazon Issuance Proposal) (iii) a proposal to approve the amendment to the Company’s Certificate of Incorporation to increase the number of authorized shares of common stock from 32,000,000 to 60,000,000 (the Authorized Shares Proposal); (iv) a proposal to approve the amendment to the Company’s Certificate of Incorporation to renounce the Company’s expectation of corporate opportunity with respect to certain of the Company’s directors (the Corporate Opportunity Proposal); (v) a non-binding advisory vote to approve the compensation that will or may become payable to our named executive officers in connection with the Transactions (the Transaction-Related Compensation Proposal); (vi) a proposal to elect five directors to hold office for one year (the Director Election Proposal); (vii) a non-binding advisory vote to approve the compensation of our named executives (the Advisory Compensation Proposal); (viii) a proposal to ratify the appointment of EKS&H LLLP as our independent registered public accounting firm for the year ending December 31, 2018 (the Accountant Ratification Proposal); (ix) a proposal to authorize the adjournment of the Annual Meeting to a later date or dates, if necessary, to permit further solicitation and vote of proxies if there are insufficient votes at the time of the Annual Meeting to adopt any of the foregoing proposals (the Adjournment Proposal). You may also consider and act upon such other business as may properly come before the Annual Meeting.

Q: How does the Board recommend that I vote?

A: Our Board, by the unanimous vote of all directors voting, recommends that you vote:

- (1) “FOR” the Aegis Issuance Proposal;
- (2) “FOR” the Amazon Issuance Proposal;
- (3) “FOR” the Authorized Shares Proposal;
- (4) “FOR” the Corporate Opportunity Proposal;
- (5) “FOR” the Transaction-Related Compensation Proposal
- (6) “FOR” each of the nominees in the Director Election Proposal;
- (7) “FOR” the Advisory Compensation Proposal
- (8) “FOR” the Accountant Ratification Proposal; and
- (9) “FOR” the Adjournment Proposal.

Q: How do the Company’s directors and officers intend to vote?

A: The Company’s directors and executive officers have informed us that they intend to vote their shares of our common stock in favor of each of the nominees in the Director Election Proposal and in favor of the Aegis Issuance Proposal, the Amazon Issuance Proposal, the Authorized Shares Proposal, the Corporate Opportunity Proposal, the Transaction-Related Compensation Proposal, the Advisory Compensation Proposal, the Accountant Ratification Proposal and the Adjournment Proposal. The Company’s directors and executive officers are not obligated to vote in favor of such Proposals, however, Privet Fund Management LLC (“Privet”), at which Benjamin L. Rosenzweig is a

partner, entered into a support agreement on behalf of Privet committing to vote the shares held by Privet in favor of such proposals. As of , 2018, the record date for the Annual Meeting, our directors and executive officers owned and were entitled to vote, in the aggregate, approximately 320,646 shares of our common stock, or approximately 2.0% of the outstanding shares of our common stock entitled to vote at the Annual Meeting. In addition, our directors and executive officers beneficially owned an additional 1,559,238 shares of our common stock, or approximately 9.6% of the outstanding shares of our common stock, which shares such directors and executive officers had the right to acquire within 60 days of the record date. This percentage does not include any shares held by those stockholders of the Company who are not directors or officers and who have agreed to vote in favor of the Aegis Issuance Proposal, the Authorized Shares Proposal and the Corporate Opportunity Proposal.

Q: Have any stockholders already agreed to approve any of the proposals?

A: Yes. On March 14, 2018, A. Emmet Stephenson, Jr., Privet and Engine Capital, L.P. (together with the individual and entities listed in Schedule A of the Engine Support Agreement, attached hereto as Annex D, “Engine”), who collectively held approximately 29.9% of the outstanding Company common stock of the Company as of such date (together, the “Supporting Stockholders”) entered into support agreements with the Aegis Stockholder and Aegis, pursuant to which the Supporting Stockholders agreed, among other things, to vote the shares of our common stock over which they have voting power in favor of the Aegis Issuance Proposal, the Authorized Shares Proposal and the Corporate Opportunity Proposal. See the section of this proxy statement entitled “Proposal 1—Support Agreements.”

Q: What are the Aegis Transactions and what effects will they have on the Company?

A: If the Aegis Issuance Proposal and the Authorized Shares Proposal are approved and certain other conditions are satisfied pursuant to the Transaction Agreement, and the closing of the Aegis Transactions thereafter takes place, the Company will acquire all of the outstanding capital stock of Aegis from the Aegis Stockholder, in exchange for the issuance of 20,600,000 shares of the Company’s common stock to the Aegis Stockholder. Concurrently, the Aegis Stockholder will purchase 833,333 newly issued shares of our common stock at a price of \$12.00 per share for a total cash payment to the Company of \$10,000,000. The number of shares of our common stock issued in the Aegis Transactions and the amount of the additional payment are subject to adjustment as set forth in the Transaction Agreement, including based on the relative net debt of the parties as of the closing. Upon consummation of the Aegis Transactions, the Aegis Stockholder is expected to be the majority owner of the Company and will have the authority to designate a majority of the directors to the Board. The board of directors of the Combined Company is expected to have a total of nine directors, which will consist of six directors not designated by the Company and three independent directors designated by the Company as described further in “Proposal 1—Directors and Officers” and “Board of Directors and Management After the Aegis Transactions.” Our common stock will continue to be listed and traded on the NYSE.

For additional information about the Aegis Transactions, please review the Transaction Agreement, which is attached to this proxy statement as Annex A and incorporated by reference into this proxy statement. We encourage you to read the Transaction Agreement carefully and in its entirety, as it is the principal document governing the Aegis Transactions.

Q: What are the U.S. federal income tax consequences of the Aegis Transactions?

A: Neither the Company nor its stockholders are expected to recognize federal income tax or gain as a result of the Aegis Transactions. However, as a result of the Aegis Transactions, the Company’s ability to use its net operating losses and certain other tax attributes generated prior to the Aegis Transactions will be subject to limitation.

Q: Why am I being asked to consider and cast a non-binding, advisory vote on the compensation that will or may become payable to the Company’s named executive officers in connection with the Aegis Transactions?

A: The Securities and Exchange Commission, which we refer to as the SEC, requires publicly traded companies to seek a non-binding, advisory vote with respect to certain compensation that may be paid or become payable to their named executive officers that is based on or otherwise relates to business combination transactions that result in a change in control. For more information, see the section titled “Proposal 1—Interests of Directors and Officers in the Aegis Transactions” beginning on page 87.

Q: What happens if StarTek stockholders do not approve, on a non-binding, advisory basis, the Transaction-Related Compensation Proposal?

A: Approval of the change in control payments on a non-binding, advisory basis is not a condition to the completion of the Aegis Transactions, and it is non-binding and advisory in nature only, meaning it will not be binding on StarTek. While the Board intends to consider the vote resulting from the Transaction-Related Compensation Proposal, the vote is advisory and therefore not binding on StarTek, the Board or the Compensation Committee of the Board. Accordingly, because StarTek is contractually obligated to pay the compensation, if the Aegis Transactions are completed, the compensation will be payable, subject only to the conditions applicable to such compensation payments, regardless of the outcome of the non-binding, advisory vote.

Q: Are there risks associated with these matters of which I should be aware?

A: Yes. There are a number of risks associated with the Aegis Transactions, an investment in StarTek and an investment in the Combined Company. These risks are discussed in more detail in the section entitled “Risk Factors” beginning on page 22. You are encouraged to read this entire section carefully and to refer to the reports and documents filed by StarTek with the SEC from time to time. See the section entitled “Where You Can Find More Information” beginning on page 181.

Q: Where and when is the Annual Meeting?

A: The Annual Meeting will be held at the offices of StarTek, Inc., 8200 East Maplewood Ave., Suite 100, Greenwood Village, CO, 80111, on , 2018, at 8:00 a.m. local time.

Q: Who is entitled to vote and how do I vote?

A: All stockholders of record at the close of business on , 2018, the record date for the Annual Meeting, will be entitled to notice of and to vote at the Annual Meeting. As of the close of business on the record date, shares of our common stock were outstanding. Each share is entitled to one vote on each proposal presented at the Annual Meeting.

Carefully read this document and indicate on the proxy card how you want to vote. Sign, date and mail your proxy card in the enclosed return envelope as soon as possible. You may also vote electronically on the Internet or by telephone as instructed in the materials. To ensure that your vote is recorded promptly, please vote as soon as possible, even if you plan to attend the Annual Meeting in person. Submitting your vote now will not prevent you from later canceling or revoking your proxy, right up to the day of the Annual Meeting, and will ensure that your shares are voted if you later find you cannot attend the Annual Meeting.

Q: What if I submit a proxy and later change my mind?

A: If you have given your proxy and later wish to revoke it, you may do so at any time before your proxy is voted at the Annual Meeting, by (i) giving written notice to our Corporate Secretary at our principal executive offices at 8200 East Maplewood Ave., Suite 100, Greenwood Village, CO, 80111, stating that you would like to revoke your proxy, (ii) completing and submitting a new proxy card bearing a later date (in any of the permitted forms), or (iii) attending the Annual Meeting and voting in person. Simply attending the Annual Meeting will not, by itself, revoke your proxy. If your shares are held in the name of a broker, bank or other agent, you must follow instructions received from such broker, bank or agent with this proxy statement in order to revoke your vote or to vote in person at the Annual Meeting.

Q: What is the difference between a stockholder of record and a beneficial owner of shares held in “street name”?

A: Stockholder of Record. If, on the record date, your shares were registered directly in your name with our transfer agent, ComputerShare, then you are a stockholder of record, and we sent the proxy materials directly to you. As a stockholder of record, you may vote in person at the Annual Meeting or vote by proxy.

Beneficial Owner of Shares Held in “Street Name.” If, on the record date, your shares were held in an account at a brokerage firm, bank, dealer or similar organization, then you are the beneficial owner of shares held in “street name,” and these proxy materials were forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your broker or other agent on how to vote the shares in your account. You are also invited to attend the Annual Meeting. However, if your shares are held in “street name,” you are not the stockholder of record and you may not vote your shares in person at the Annual Meeting unless you request and obtain a valid legal proxy from your

broker or other agent. Shares of common stock held in an individual retirement account must be voted under the rules governing the account.

Q: Will my shares held in “street name” or another form of ownership be combined for voting purposes with shares I hold of record?

A: No. Because any shares you may hold in “street name” will be deemed to be held by a different stockholder than any shares you hold of record, any shares so held will not be combined for voting purposes with shares you hold of record. Similarly, if you own shares in various registered forms, such as jointly with your spouse, as trustee of a trust or as custodian for a minor, you will receive, and will need to sign and return, a separate proxy card for those shares because they are held in a different form of record ownership. Shares held by a corporation or business entity must be voted by an authorized officer of the entity. Shares held in an IRA must be voted under the rules governing the account. If you receive more than one proxy card because

you are a holder of record and your shares of our common stock are registered in more than one name, please complete and submit each proxy and voting instruction card that you receive.

Q: I share an address with another stockholder, and we received only one paper copy of the proxy materials. How may I obtain an additional copy of the proxy materials?

A: We have adopted a procedure approved by the SEC called “householding.” Under this procedure, stockholders of record who have the same address and last name and do not participate in electronic delivery of proxy materials may receive only one copy of this proxy statement unless we are notified that one or more of these stockholders wishes to receive individual copies. This householding procedure will reduce our printing costs and postage fees.

Stockholders who participate in householding will continue to receive separate proxy cards. If you are eligible for householding, but you and other stockholders of record with whom you share an address currently receive multiple copies of this proxy statement and any accompanying documents, or if you hold StarTek stock in more than one account, and, in either case, you wish to receive only a single copy of each of these documents for your household, please contact Broadridge Householding Department, by calling their toll free number, 1-866-540-7095 or by writing to: Broadridge, Householding Department, 51 Mercedes Way, Edgewood, NY 11717.

If you participate in householding and wish to receive a separate copy of this proxy statement and any accompanying documents, or if you do not wish to continue to participate in householding and prefer to receive separate copies of these documents in the future, please contact Broadridge Householding Department as indicated above. You will be removed from the householding program within 30 days of receipt of your instructions at which time you will then be sent separate copies of the documents.

If you are a beneficial owner of shares held in “street name,” you can request information about householding from your broker, bank or other holder of record.

Q: What constitutes a quorum for the Annual Meeting?

A: A quorum is required for stockholders to conduct business at the Annual Meeting. The quorum necessary to conduct business at the Annual Meeting consists of a majority of the outstanding shares of common stock as of the record date. On the record date, there were shares of our common stock outstanding. Abstentions and broker non-votes (i.e., when a broker does not have or exercise authority to vote on a specific issue) are counted as present in determining whether the quorum requirement is satisfied. Each stockholder is entitled to cast one vote per share on each matter.

In the event that a quorum is not present at the Annual Meeting, we expect that the Annual Meeting will be postponed or adjourned to solicit additional proxies, and the persons named as proxies may propose and vote for one or more postponements or adjournments of the Annual Meeting to the extent permitted under the Transaction Agreement.

Q: How are votes counted?

A: Each of the “FOR”, “AGAINST,” “WITHHOLD” and “ABSTAIN” categories will be tabulated separately. If you are a stockholder of record and vote your shares by submitting a proxy, your shares will be voted at the Annual Meeting as you indicated on your proxy card. If no instructions are indicated on your signed proxy card, all of your shares of common stock will be voted (i) FOR each of the nominees in the Director Election Proposal, (ii) FOR the Aegis Issuance Proposal, the Amazon Issuance Proposal, the Authorized Shares Proposal, the Corporate Opportunity Proposal, the Transaction-Related Compensation Proposal, the Advisory Compensation Proposal, the Accountant Ratification Proposal and the Adjournment Proposal and (iii) in the discretion of the proxy holders on any other matter which properly comes before the Annual Meeting. However, if your shares are held in “street name,” and you fail to

instruct your broker, bank or other agent on how to vote your shares, your broker may only be able to vote your shares on the Accountant Ratification Proposal. Failing to instruct your broker to vote your shares will have the same effect as voting “AGAINST” the Authorized Shares Proposal and the Corporate Opportunity Proposal, but will not have any effect on the remaining proposals.

Q: Who will count the vote?

A: will tabulate votes and act as the Inspector of Election at the Annual Meeting.

Q: What is a proxy?

A: A proxy is your legal designation of another person to vote your shares of our common stock. The written document describing the matters to be considered and voted on at the Annual Meeting is referred to as the proxy statement. The document used to designate a proxy to vote your shares of our common stock is referred to as a proxy card.

Q: What does it mean to vote by proxy?

A: It means that you give someone else the right to vote your shares in accordance with your instructions. In voting by proxy, you ensure that your vote will be counted even if you are unable to attend the Annual Meeting.

Q: My shares are held in “street name.” Will my broker vote my shares?

A: Your broker may be unable to vote your shares without instructions from you on each of the proposals other than the Accountant Ratification Proposal. If your shares are held in “street name,” you should have received a vote instruction form with these proxy materials from your broker, bank or other agent rather than from the Company. Simply complete and return the vote instruction form to your broker, bank or other agent to ensure your vote is counted. Alternatively, you may vote by telephone or over the Internet as instructed by your broker, bank or other agent. To vote in person at the Annual Meeting, you must obtain a valid legal proxy from your broker, bank or other agent. Follow the instructions from your broker, bank or agent included with these proxy materials, or contact your broker, bank or agent to request a legal proxy form.

The failure to instruct your broker, bank or agent on how to vote your shares will have exactly the same effect as voting “AGAINST” the adoption of the Authorized Shares Proposal and the Corporate Opportunity Proposal.

Q: How are “ABSTAIN” votes counted?

A: For purposes of the Aegis Issuance Proposal, the Amazon Issuance Proposal, the Authorized Shares Proposal, the Corporate Opportunity Proposal, the Transaction-Related Compensation Proposal, the Advisory Compensation Proposal, the Accountant Ratification Proposal, the Adjournment Proposal and any other matters properly brought before the Annual Meeting, abstentions will have the effect of a vote against the matter. For purposes of the Director Election Proposal abstentions will not affect the vote taken.

If your shares are held in “street name,” and you fail to instruct your broker, bank or other agent on how to vote your shares, your broker may use discretionary authority to vote your shares only on “routine” matters. If your shares are held in “street name,” and you fail to instruct your broker, bank or other agent on how to vote your shares with respect to the Aegis Issuance Proposal, the Amazon Issuance Proposal, the Authorized Shares Proposal, the Corporate Opportunity Proposal, the Transaction-Related Compensation Proposal, the Director Election Proposal, the Advisory Compensation Proposal or the Adjournment Proposal, your broker, bank or other agent cannot vote your shares with respect to such proposals. If you hold your shares in “street name” and fail to instruct your broker or nominee as to how to vote your shares of common stock on the Accountant Ratification Proposal, your broker, bank or other agent has discretionary voting authority to vote your shares on such proposals.

Q: What is a broker non vote?

A: A broker non vote occurs when a broker, bank or other agent holding shares on behalf of a stockholder does not receive voting instructions from the stockholder by a specified date before the Annual Meeting and the broker, bank or other agent is not permitted to vote those undirected shares on specified matters under applicable stock exchange rules. Thus, if you do not give your broker specific instructions, your shares may not be voted on those matters

(so called "broker non-votes"). Broker non-votes are not considered to be votes cast and, therefore, generally have no effect on the outcome of elections of directors or other matters submitted to the stockholders and subject to approval based on votes cast.

Q: What vote is required to approve the proposals?

A: The approval of the issuance of the Transaction Shares pursuant to the Transaction Agreement (the Aegis Issuance Proposal) and the issuance of shares of common stock representing 20% or more of the Company's issued and outstanding common stock upon the exercise of the Amazon Warrant (the Amazon Issuance Proposal), as well as the election of the nominees listed in the Director Election Proposal, require a majority (i.e., greater than 50%) of the votes cast in person or by proxy at the Annual Meeting. The affirmative vote of the holders of at least a majority of the outstanding shares of common stock is required (i) to approve the amendment of the Company's Certificate of Incorporation to increase the number of authorized shares of common stock (the Authorized Shares Proposal) and (ii) to approve the amendment to the Company's Certificate of Incorporation to

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renounce the Company's expectation of corporate opportunity with respect to certain of the Company's directors (the Corporate Opportunity Proposal). As of the close of business on the record date, there were _____ shares of our common stock outstanding. This means that under Delaware law and our organizational documents, _____ shares or more must vote in the affirmative to approve the Authorized Shares Proposal and the Corporate Opportunity Proposal.

The Transaction-Related Compensation Proposal, to approve the compensation that will or may become payable to our named executive officers in connection with the Aegis Transactions, and the Advisory Compensation Proposal, to approve our executive compensation, are advisory and not binding on us. However, we will consider our stockholders to have approved our executive compensation if the number of votes for these Proposals exceeds the number of votes against these Proposals. The affirmative vote of the holders of a majority of the shares of our common stock present at the Annual Meeting, whether in person or by proxy, is required to ratify the appointment of our independent registered public accounting firm (the Accounting Ratification Proposal) and to approve the Adjournment Proposal. While none of the proposals is contingent upon any other proposal, we will not be permitted to effectuate the Aegis Transactions unless both the Aegis Issuance Proposal and the Authorized Shares Proposal are approved. You may cast one vote for each share of our common stock that you owned at the close of business on the record date. For more information see the section entitled "Summary—Vote Required; Abstentions and Broker Non-Votes" beginning on page 8.

Q: What happens if the Aegis Transactions are not completed?

A: Under certain circumstances, upon termination of the Transaction Agreement, we may be obligated to pay to the Aegis Stockholder a termination fee of up to \$6.8 million. More information can be found in the section entitled "Proposal 1—Description of the Transaction Agreement—Termination Fees" beginning on page 83.

Q: Will stockholders have appraisal rights?

A: No. Under Delaware law, stockholders will not have any dissenters' or appraisal rights in connection with the Transaction Agreement or the Aegis Transactions.

Q: Do any of the Company's directors or executive officers have interests in the Aegis Transactions that may differ from or be in addition to my interests as a stockholder?

A: Our directors and executive officers have interests in the Aegis Transactions that are different from, or in addition to, those of our stockholders generally, as set forth below. Our Board was aware of and considered these interests, among other matters, in evaluating and negotiating the Transaction Agreement and the Aegis Transactions, and in recommending that the Aegis Issuance Proposal be approved by our stockholders. These interests include, but are not limited to, (i) accelerated vesting of outstanding equity-based awards granted prior to execution of the Transaction Agreement, (ii) the receipt of severance and other separation benefits in the event of certain terminations of employment on or following the consummation of the transactions, (iii) continuation of indemnification rights and coverage under our directors' and officers' liability insurance policies and (iv) the payment of bonuses upon consummation of the Aegis Transactions. For a description of these interests, see the section entitled "Proposal 1—Interests of Directors and Officers in the Aegis Transactions" beginning on page 87 for more information.

Q: When do you expect the Aegis Transactions to be completed?

A: We intend to complete the closing of the Aegis Transactions promptly after all of the conditions to completion of the Aegis Transactions are satisfied or waived, including the approval of the Aegis Issuance Proposal and the Authorized Shares Proposal by our stockholders. We currently expect the transactions to be completed in the third quarter of calendar year 2018, although we cannot assure completion by any particular date, if at all. We will issue a press release once the Aegis Transactions have been completed. See the section entitled "Proposal 1—Description of the Transaction Agreement—Conditions to the Closing of the Aegis Transactions" beginning on page 80 for more

information.

Q: Will the directors and officers of the Company change after the consummation of the Aegis Transactions?

A: Yes. Upon the closing of the Aegis Transactions, the number of directors constituting the entire Board shall be nine and shall consist of five directors designated by the Aegis Stockholder, the Company's chief executive officer and three independent directors. For more information see "Proposal 1—Stockholders Agreement." We expect that Mr. Benjamin L. Rosenzweig will continue as an independent director after the closing. Mr. Aparup Sengupta, Mr. Sanjay Chakrabarty, Mr. Mukesh Sharda and Mr. Bharat Rao will be appointed as directors designated by the Aegis Stockholder. The additional independent directors and an additional director designated by the Aegis Stockholder have not yet been determined. For more information regarding the

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director designees of the Aegis Stockholder and management of the Company following the closing, see the section entitled “Proposal 6 - The Director Election Proposal” and “Board of Directors and Management After the Aegis Transactions.” We expect the closing of the Aegis Transactions to occur shortly after the Annual Meeting, assuming that the Aegis Issuance Proposal and the Authorized Shares Proposal are approved and the other closing conditions in the Transaction Agreement are met. In that case, Mr. Chad A. Carlson, Mr. Jack D. Plating, Mr. Robert Sheft and Dr. Ed Zschau are expected to resign as directors at the closing notwithstanding their reelection to the Board at the Annual Meeting.

Q: What happens if I sell my shares of common stock before the Annual Meeting?

A: If you transfer your shares of our common stock after the record date but before the Annual Meeting, you will, unless special arrangements are made, retain your right to vote at the Annual Meeting.

Q: Who will solicit and pay the cost of soliciting proxies?

A: We will pay for the cost of soliciting proxies and may reimburse brokerage firms and others for their expenses in forwarding solicitation material to beneficial owners. Solicitation will be made primarily through the use of the mail but our officers, directors and employees may, without additional compensation, solicit proxies personally by telephone, facsimile, mail or the Internet or in person. We have retained Saratoga Proxy Consulting, LLC to assist us in soliciting proxies using the means referred to above. We will pay the fees of Saratoga Proxy Consulting, LLC, which we expect to be approximately \$10,000, plus reimbursement of certain out-of-pocket expenses.

Q: Where can I find the voting results of the Annual Meeting?

A: We intend to announce preliminary voting results at the Annual Meeting and publish final results in a Current Report on Form 8-K that will be filed with the SEC following the Annual Meeting. All reports that we file with the SEC are publicly available when filed on the SEC’s website at <https://www.sec.gov>.

Q: Whom should I contact with questions?

A: If you have questions about the proposals or how to vote your shares, you may contact our proxy solicitor, Saratoga Proxy Consulting, LLC toll-free at (888) 368-0379 or (212) 257-1311 or info@saratogaproxy.com.

OUTSTANDING STOCK AND VOTING RIGHTS

The only outstanding securities entitled to vote at the Annual Meeting are shares of our common stock, \$0.01 par value. Stockholders of record at the close of business on , 2018 will be entitled to vote at the Annual Meeting on the basis of one vote for each share held. On , 2018, there were shares of common stock outstanding.

Proxies will be voted according to the instructions received either on the proxy card or online via the Internet or telephone. In the absence of specific instructions, proxies will be voted (i) FOR each of the nominees in the Director Election Proposal, (ii) FOR the Aegis Issuance Proposal, the Amazon Issuance Proposal, the Authorized Shares Proposal, the Corporate Opportunity Proposal, the Transaction-Related Compensation Proposal, the Advisory Compensation Proposal, the Accountant Ratification Proposal and the Adjournment Proposal and (iii) in the discretion of the proxy holders on any other matter which properly comes before the Annual Meeting.

Stockholders who execute proxies retain the right to revoke them at any time before the shares are voted by proxy at the Annual Meeting. A stockholder may revoke a proxy by delivering a signed statement to our Corporate Secretary at or prior to the Annual Meeting or by timely executing and delivering, by mail, Internet, telephone, or in person at the Annual Meeting, another proxy dated as of a later date. We will pay the cost of solicitation of proxies.

The quorum necessary to conduct business at the Annual Meeting consists of a majority of the outstanding shares of common stock as of the record date. Abstentions and broker non-votes (i.e., when a broker does not have or exercise authority to vote on a specific issue) are counted as present in determining whether the quorum requirement is satisfied. Each stockholder is entitled to cast one vote per share on each matter.

The election of the directors requires a majority (i.e., greater than 50%) of the votes cast in person or by proxy at the Annual Meeting. If a nominee for director who is an incumbent director is not elected and no successor has been elected at the annual stockholder's meeting, the director will promptly tender his or her resignation to the Board. The Nominating and Governance

Committee of the Board shall make a recommendation to the Board whether to accept or reject the resignation. If accepted, the Board, at its sole discretion, may fill any resulting vacancy pursuant to the provisions of our bylaws. If the election of directors is contested, whereby the number of nominees for election exceeds the number of directors to be elected, then the directors shall be elected by the vote of a plurality of the votes cast. We do not expect the election of directors at the Annual Meeting to be contested and therefore directors will be elected by a majority of the votes cast. Cumulative voting is not permitted in the election of directors.

The approval of the Aegis Issuance Proposal and the Amazon Issuance Proposal requires a majority (i.e., greater than 50%) of the votes cast in person or by proxy at the Annual Meeting. The affirmative vote of the holders of at least a majority of the outstanding shares of common stock is required to approve the Authorized Shares Proposal and the Corporate Opportunity Proposal. The Transaction-Related Compensation Proposal and the Advisory Compensation Proposal, are advisory and not binding on us. However, we will consider our stockholders to have approved our executive compensation if the number of votes for these Proposals exceeds the number of votes against these Proposals. The affirmative vote of the holders of a majority of the shares of our common stock present at the Annual Meeting, whether in person or by proxy, is required to approve the Accountant Ratification Proposal and the Adjournment Proposal. You may cast one vote for each share of our common stock that you owned at the close of business on the record date.

For purposes of the Aegis Issuance Proposal, the Amazon Issuance Proposal, the Authorized Shares Proposal, the Corporate Opportunity Proposal, the Accountant Ratification, the Adjournment Proposal and any other matters properly brought before the Annual Meeting, abstentions will have the effect of a vote against the matter. For purposes of the election of directors, the Transaction-Related Compensation Proposal and the Advisory Compensation Proposal, abstentions will not affect the vote taken. Broker non-votes will not be considered present and do not affect the vote taken on any matter. Because brokers may not vote uninstructed shares on behalf of their customers for “non-routine” matters, which include the approval of the issuance of the Transaction Shares pursuant to the Transaction Agreement, the election of directors and approval of our executive compensation, it is critical that stockholders vote their shares or instruct their brokers on how to do so.

The Board has selected Dr. Zschau and Mr. Carlson, and each of them, to act as proxies with full power of substitution. Solicitation of proxies may be made by mail, personal interview, telephone and facsimile transmission by our officers and other management employees, none of whom will receive any additional compensation for their soliciting activities. The total expense of any solicitation will be borne by us and may include reimbursement paid to brokerage firms and others for their expenses in forwarding material regarding the Annual Meeting to beneficial owners. Unless otherwise noted in this definitive proxy statement, any description of “us,” “we,” “our,” “StarTek,” etc. refers to StarTek, Inc. and our subsidiaries.

Saratoga Proxy Consulting, LLC will serve as our proxy solicitor. If you have questions about the proposals or how to vote your shares, you may contact Saratoga Proxy Consulting, LLC toll-free at (888) 368-0379 or (212) 257-1311 or info@saratogaproxy.com.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement contains forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”). You can identify these forward looking statements by the fact they use words such as “aim,” “anticipate,” “believe,” “could,” “ensure,” “estimate,” “expect,” “forecast,” “intend,” “likely,” “may,” “might,” “outlook,” “plan,” “positioned,” “potential,” “predict,” “probable,” “project,” “shall,” “show,” “would,” and other words and terms of similar meaning and expression in connection with any discussion of future operating or financial performance. You can also identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. Such forward-looking statements are based on current expectations and involve inherent risks, uncertainties and assumptions, including factors that could delay, divert or change any of them,

and could cause actual outcomes to differ materially from current expectations. Although we believe we have been prudent in our plans and assumptions, we can give no assurance that any goal or plan set forth in forward-looking statements can be achieved and we caution readers not to place undue reliance on such statements, which speak only as of the date made. We undertake no obligation to release publicly any revisions to forward-looking statements as a result of new information, future events or otherwise. Actual results may differ materially from those projected as a result of certain risks and uncertainties. Certain risks associated with our business are discussed from time to time in the reports we file with the SEC, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K. In addition to the other factors and matters contained or incorporated in this proxy statement, we believe the following factors could cause actual results to differ materially from those discussed in the forward-looking statements:

the possibility that the Aegis Transactions will not be consummated or delays in consummating the Aegis Transactions;

the possibility that the closing conditions set forth in the Transaction Agreement will not be satisfied, including among others, (i) receipt of the required stockholder approval or (ii) receipt of the necessary regulatory approvals required to permit the Aegis Transactions

the amount of the costs, fees, expenses and charges related to the Aegis Transactions, including the risk that the Transaction Agreement may be terminated in certain circumstances that would require us to pay the Aegis Stockholder a termination fee of up to \$6,800,000, the payment of which could cause significant liquidity issues for the Company

adverse effects on the market price of our common stock and on our operating results because of a failure to complete the Aegis Transactions

the fact that, if the Aegis Transactions are completed, the Aegis Stockholder will control a majority of the common stock of the Company;

the fact that under the terms of the Transaction Agreement, the Company is unable to solicit other acquisition proposals or other potential alternative proposals during the pendency of the Aegis Transactions

negative effects relating to the announcement of the Aegis Transactions or any further announcements relating to the Aegis Transactions or the pendency or consummation of the Aegis Transactions on the market price of our common stock

unanticipated difficulties or expenditures relating to the Aegis Transactions

legal proceedings instituted against the Company and others in connection with the Aegis Transactions

disruptions of current plans and operations caused by the announcement and pendency of the Aegis Transactions, including risks related to the Aegis Transactions diverting Management's or employees' attention from ongoing business operations and ability to retain or recruit key employees

potential difficulties in employee retention as a result of the announcement and pendency of the Aegis Transactions and

the response of customers, distributors, suppliers and competitors to the announcement of the Aegis Transactions.

RISK FACTORS

Before voting on the Aegis Issuance Proposal, the Authorized Shares Proposal or the Corporate Opportunity Proposal, you should consider the following risks associated with the Aegis Transactions, the Corporate Opportunity Proposal and the business of the Combined Company following the Aegis Transactions, in addition to the other information included in this proxy statement.

Risk Factors Relating to the Aegis Transactions

The Aegis Transactions may not be completed on the terms or timeline currently contemplated, or at all, and failure to complete the Aegis Transactions may result in material adverse consequences to the Company's business and operations.

The Aegis Transactions are subject to several closing conditions, including the approval of the Aegis Issuance Proposal and the Authorized Shares Proposal by our stockholders. If any of these conditions is not satisfied or waived, the Aegis Transactions may not be completed. There is no assurance that the Aegis Transactions will be completed on the terms or timeline currently contemplated, or at all. See the section titled “Proposal 1—Description of the Transaction Agreement—Conditions to Closing of the Aegis Transactions” beginning on page 80.

If the Company’s stockholders do not approve the Aegis Issuance Proposal and the Authorized Shares Proposal or if the Aegis Transactions are not completed for any other reason, the Company would be subject to a number of risks, including the

following:

the Company and its stockholders would not realize the anticipated benefits of the Aegis Transactions, including any anticipated synergies from combining the businesses of the Company and Aegis;

the Company may be required to pay a termination fee of \$6.8 million if the Transaction Agreement is terminated under certain circumstances, including (i) a failure by the Board to reconfirm its recommendation of the Aegis Issuance Proposal upon request for such reconfirmation by the Aegis Stockholder after the Company receives an Alternative Proposal, (ii) the Board approves or recommends an Alternative Proposal to the Company's stockholders, (iii) the Board recommends to the Company's stockholders to tender their shares in any tender offer or exchange that may have commenced or fails to recommend against such tender within 10 business days after its commencement; or (iv) the Company materially breaches certain portions of the Transaction Agreement related to non-solicitation, Alternative Proposals and Superior Proposals; and

the Company may be required to pay a termination fee of \$3,000,000 in the event of the termination of the Transaction

Agreement due to failure to close the Aegis Transactions prior to July 23, 2018, in the event that (i) this date is not extended as a result of the failure to obtain a waiver or consent of any relevant third party to allow such extension; and (ii) the Company stockholder meeting has not been held; provided, that the Aegis Stockholder and Aegis are not then in material breach of any representation, warranty, covenant or agreement under the Transaction Agreement.

The Company is also exposed to general competitive pressures and risks, which could increase if the Aegis Transactions are not completed.

As a result of the Aegis Transactions, current stockholders' ownership interest in the Company will be diluted from 100% to approximately 45%.

If the Aegis Issuance Proposal is approved and the Company issues 21,433,333 shares of our common stock (subject to adjustment) in connection with the Aegis Transactions, the Company's stockholders will incur significant dilution of their interests in the Company. As of the record date, there were shares of our common stock outstanding. Assuming the issuance of 21,433,333 shares of our common stock (subject to adjustment) and that additional shares are not issued, the Aegis Stockholder will own approximately 55% of our outstanding common stock immediately after the closing. Stock outstanding as of the record date will constitute approximately 45% of our outstanding common stock immediately after the closing. As a result, in such a scenario current stockholders would experience substantial dilution of their ownership percentage and voting power. In addition, holders of common stock do not have preemptive rights to subscribe to additional securities that may be issued by the Company. This means that current stockholders do not have a prior right to purchase any new issue of our common stock in order to maintain their proportionate ownership interest. Stockholders should consider the potential dilution in determining whether to approve the Aegis Issuance Proposal.

The issuance of the Transaction Shares could have a negative effect on our stock price.

If the Aegis Issuance Proposal is approved, we will issue 21,433,333 shares of our common stock (subject to adjustment), representing approximately 55% of our outstanding common stock immediately after the closing, in exchange for all of the outstanding shares of capital stock of Aegis. We can offer no assurance that the Combined Company will generate the expected revenues or net income following the consummation of the Aegis Transactions. The issuance of common stock could have a negative effect on the market price of our common stock by increasing the number of shares of common stock outstanding. Such downward pressure could encourage short sales by certain investors, which could place further downward pressure on the price of the common stock.

We have agreed to grant registration rights to the Aegis Stockholder with respect to the Transaction Shares, requiring us to file a registration statement with the SEC covering the resale of the Transaction Shares, which means that such shares would become eligible for resale in the public markets shortly after the consummation of the Aegis Transactions. We have granted similar registration rights to Amazon with respect to the common stock issuable upon exercise of the Amazon Warrant. Any sales of those shares, or the anticipation of the possibility of such sales, could create downward pressure on the market price of our common stock.

As a result of the issuance of common stock in connection with the Aegis Transactions, the Aegis Stockholder is expected to own a majority of our common stock and will have the ability to control the Company.

As a result of the issuance of our common stock pursuant to the Aegis Transactions contemplated by the Aegis Issuance Proposal, the Aegis Stockholder is expected to own approximately 55% of our outstanding common stock. Thus, the Aegis Stockholder would be able to exercise significant influence over our business and affairs if it chooses to do so. The Aegis Stockholder will be able to designate and elect a majority of the Company's directors and would be able to affect the outcome of all matters brought before the shareholders, including the approval of mergers and other business combination transactions. As a result of the Aegis Stockholder's ownership of a majority of the voting power of our common stock, the Company will be a "controlled company" as defined in NYSE's listing rules and will, therefore, not be subject to certain NYSE requirements that would otherwise require the Company to have (i) a majority of independent directors, (ii) a nominating committee composed solely of independent directors, (iii) the compensation of its executive officers determined by a majority of the independent directors or a compensation committee composed solely of independent directors, and (iv) director nominees selected, or recommended for the Board's selection, either by a majority of the independent directors or a nominating committee composed solely of independent directors. Under the Stockholders Agreement, the new Company Board will generally have five directors designated by the Aegis Stockholder, constituting a majority of the Board, the CEO of the Company and three independent directors designated by the Company as described further in "Proposal 1—Description of the Transaction Agreement—Directors and Officers."

The integration of the businesses of the Company and Aegis following the closing will present challenges that may result in a decline in the anticipated benefits of the Aegis Transactions.

The Aegis Transactions involve the combination of two businesses that currently operate as independent businesses with different geographic focuses. The Company will be required to devote management attention and resources to integrating its business practices and operations. The pursuit of the Aegis Transactions and the preparation for the integration of the Company and Aegis have placed, and will continue to place, a significant burden on the management and internal resources of both the Company and Aegis. There is a significant degree of difficulty and management distraction inherent in the process of closing the Aegis Transactions and integrating the Company and Aegis, which could cause an interruption of, or loss of momentum in, the activities of each company's existing businesses, regardless of whether the Aegis Transactions are eventually completed. Before and immediately following closing of the Aegis Transactions, the management teams of the Company and Aegis will be required to devote considerable amounts of time to this integration process, which will decrease the time they will have to manage their respective existing businesses, service existing customers, attract new customers and develop new products, services or strategies. One potential consequence of such distractions could be the failure of Management to realize other opportunities that could be beneficial to the Company or Aegis, respectively. If the Company's or Aegis' senior management is not able to effectively manage the process leading up to and immediately following closing of the Aegis Transactions, or if any significant business activities are interrupted as a result of the integration process, the business of the Company or Aegis could suffer. Potential difficulties the Combined Company may encounter in the integration process include the following:

- the inability to successfully integrate the two businesses, including operations, technologies, products and services, in a manner that permits the Company to achieve the cost savings and operating synergies anticipated to result from the Aegis Transactions, which could result in the anticipated benefits of the Aegis Transactions not being realized partly or wholly in the time frame currently anticipated or at all;

- lost sales and customers as a result of certain customers of either or both of the two businesses deciding not to do business with the Company;

- the necessity of coordinating geographically separated organizations, systems and facilities;

potential unknown liabilities and unforeseen increased expenses, delays or regulatory conditions associated with the Aegis Transactions;

- integrating personnel with diverse business backgrounds and business cultures, while maintaining focus on providing consistent, high-quality services;

• consolidating and rationalizing information technology platforms and administrative infrastructures as well as accounting systems and related financial reporting activities; and

• preserving important relationships of both the Company and Aegis and resolving potential conflicts that may arise.

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Furthermore, it is possible that the integration process could result in the loss of key employees of the Company or Aegis. In addition, the Combined Company could be adversely affected by the diversion of Management's attention and any delays or difficulties encountered in connection with the integration of the Company and Aegis. If we are not able to successfully complete the combination of the business and fully realize the anticipated savings and synergies in a timely manner, or the cost to achieve these synergies is greater than expected, we may not fully realize the anticipated benefits of the Aegis Transactions, or it may take longer than expected to realize the benefits. The failure to fully realize the anticipated benefits could have a negative effect on the market price of our common stock.

Ownership interests will not be adjusted if there is a change in the value of the Company or Aegis and their respective assets before the Aegis Transactions are completed.

The Transaction Shares will not be adjusted if there is a change in the value or assets of the Company or Aegis prior to the consummation of the Aegis Transactions. The Company will not be required to consummate the Aegis Transactions if there has been any "Private Company Material Adverse Effect" (as this term is described in the section "Proposal 1—Description of the Transaction Agreement—Representations and Warranties" beginning on page 66) with respect to Aegis. However, the Company will not be permitted to terminate the Transaction Agreement or re-solicit the vote of the Company's stockholders because of any changes in the market price of the Company's common stock or any changes in the value of Aegis that do not constitute a material adverse effect with respect to Aegis.

We will incur significant transaction costs in connection with the Aegis Transactions, including all costs incurred by Aegis and the Aegis Stockholder in connection with the Aegis Transactions.

We have incurred and expect to incur significant, non-recurring costs in connection with consummating the Aegis Transactions. We may incur additional costs to retain key employees. Pursuant to the Transaction Agreement, the Company will, after the closing of the Aegis Transactions, pay, or reimburse Aegis or the Aegis Stockholder for, all expenses incurred in connection with the Transaction Agreement and the Aegis Transactions by the Company, Aegis or the Aegis Stockholder, including all legal, accounting, consulting, investment banking and other fees, expenses and costs.

The total transaction expenses that the Company expects to incur as a result of the Aegis Transactions, which include the transaction expenses that the Company expects to pay, or reimburse Aegis or the Aegis Stockholder for, are currently estimated at approximately \$12.5 million. While the Company has already incurred significant costs in connection with the Aegis Transactions, a substantial portion of the estimated costs will be incurred by the Company only if the stockholders approve the Aegis Issuance Proposal and the Authorized Share Increase Proposal and the Aegis Transactions are thereafter consummated.

The results of operations of the Company following the Aegis Transactions may differ significantly from the unaudited pro forma financial data included in this proxy statement.

This proxy statement includes unaudited pro forma condensed combined financial statements based upon the combined historical financial statements of StarTek and Aegis after giving effect to the Aegis Transactions and adjustments described therein. The unaudited pro forma condensed combined balance sheet as of March 30, 2018 reflects the Aegis Transactions as if they had occurred on March 30, 2018. The unaudited pro forma condensed combined statements of operations for the year ended December 31, 2017 and the three months ended March 30, 2018 reflect the Aegis Transactions as if they had occurred on January 1, 2017, the beginning of the earliest period presented.

The unaudited pro forma condensed combined financial statements are presented for illustrative purposes only, are based on certain assumptions, address a hypothetical situation and reflect limited historical financial data. Therefore,

the unaudited pro forma condensed combined financial statements are not necessarily indicative of the results of operations and financial position that would have been achieved had the Aegis Transactions been consummated on the dates indicated above, or the future consolidated results of operations or financial position of the Company following the completion of the Aegis Transactions. Accordingly, the Company's business, assets, cash flows, results of operations and financial condition following the completion of the Aegis Transactions may differ significantly from those indicated by the unaudited pro forma condensed combined financial statements included in this document. For more information, please see the section entitled "Proposal 1—Unaudited Pro Forma Condensed Combined Financial Information."

Aegis and the Aegis Stockholder are each Singapore incorporated companies and it may be difficult for the Company to enforce a judgment of U.S. courts against Aegis or the Aegis Stockholder or their respective directors or officers in Singapore.

Aegis and the Aegis Stockholder are incorporated under the laws of the Republic of Singapore, and all of their respective

directors are residents outside the United States. Moreover, a significant portion of Aegis and the Aegis Stockholder's consolidated assets are located outside the United States and, as a result, any judgment obtained in the United States against Aegis or the Aegis Stockholder may not be enforceable within the United States.

There is no treaty between the United States and Singapore providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters and a final judgment for the payment of money rendered by any federal or state court. A final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, would, therefore, not be automatically enforceable in Singapore.

Aegis' international operations will subject the Company to additional legal and regulatory regimes if the Aegis Transactions are completed.

Aegis currently has business operations in Argentina, Australia, India, Malaysia, Peru, Saudi Arabia, South Africa, Sri Lanka, United Arab Emirates and the United Kingdom. If the Aegis Transactions are consummated, the Company will become subject to the legal and regulatory regimes in each of these countries, and the portion of the Company's revenues that are generated outside of the United States will increase significantly. Compliance with diverse legal and regulatory requirements, e.g., in connection with the movement or repatriation of cash, may be costly, time-consuming and require significant resources. Violations could result in significant fines or monetary damages, criminal sanctions, prohibitions or restrictions on doing business and damage to our reputation. In addition, operating in additional countries around the world will require the Company to manage the potential conflicts between locally accepted business practices in any given jurisdiction and our obligations to comply with laws and regulations with respect to such jurisdictions, in addition to the jurisdictions where we currently operate, including anti-corruption laws or regulations applicable to us, such as the U.S. Foreign Corrupt Practices Act (the "FCPA") and the UK Bribery Act 2010 (the "UKBA"). The U.S., U.K. and other foreign agencies and authorities have a broad range of civil and criminal penalties they may seek to impose against companies for violations of export controls, the FCPA, the UKBA, and other laws, rules, sanctions, embargoes and regulations, including those established by the Office of Foreign Assets Control ("OFAC"). Any violation of these legal requirements, even if prohibited by our policies, procedures and controls, could subject us to criminal or civil enforcement actions, penalties for non-compliance or otherwise have an adverse effect on our business and reputation.

Each of the Company and Aegis will be subject to business uncertainties and contractual restrictions while the Aegis Transactions are pending that could adversely affect each of them.

Uncertainty about the effect of the Aegis Transactions on employees and customers may have an adverse effect on either or both of the Company and Aegis, regardless of whether the Aegis Transactions are eventually completed, and, consequently, on the Combined Company. These uncertainties may impair the Company's and Aegis' ability to attract, retain and motivate key personnel until the Aegis Transactions are completed, or the Transaction Agreement is terminated, and for a period of time thereafter, and could cause customers, suppliers and others that deal with the Company or Aegis to seek to change existing business relationships with the Company or Aegis. Employee retention and recruitment may be particularly challenging for the Company and Aegis during the pendency of the Aegis Transactions, as employees and prospective employees may experience uncertainty about their future roles with the Combined Company. For each of the Company and Aegis, the departure of existing key employees or the failure of potential key employees to accept employment with the Combined Company, despite the Company's and Aegis' retention and recruiting efforts, could have a material adverse impact on the Company's and the Combined Company's business, financial condition and operating results, regardless of whether the Aegis Transactions are eventually completed.

In addition, the Transaction Agreement restricts the Company and Aegis from making certain acquisitions and taking other specified actions without the consent of the other until the Aegis Transactions are consummated or the Transaction Agreement is terminated. These restrictions may prevent the Company and Aegis from pursuing otherwise attractive business opportunities and making other changes to their businesses before completion of the Aegis Transactions or termination of the Transaction Agreement. For a description of the restrictive covenants applicable to the Company, see the section titled "Proposal 1—Description of the Transaction Agreement—Covenants—Conduct of the Company's Business Prior to the Closing of the Aegis Transactions" beginning on

page 72.

Members of the Management and the Board of the Company have interests in the Aegis Transactions that are different from, or in addition to, those of other stockholders.

In considering whether to approve the Aegis Transactions, the Company's stockholders should recognize that members of the Company's Management and the Board have interests in the Aegis Transactions that differ from, or are in addition to, their interests as stockholders of the Company. For a description of these interests, see the section titled "Proposal 1—Interests of

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Directors and Officers in the Aegis Transactions” beginning on page 87.

Certain stockholders holding in the aggregate approximately 29.9% of the outstanding common stock of the Company entered into Support Agreements with Aegis and the Aegis Stockholder.

Concurrent with the execution of the Transaction Agreement, each of A. Emmet Stephenson, Privet and Engine, holders of approximately 29.9% of the outstanding common stock of the Company as of March 14, 2018, entered into support agreements with Aegis and the Aegis Stockholder, pursuant to which they have agreed to certain matters, including (i) to vote in favor of the Aegis Issuance Proposal, the Authorized Shares Proposal and the Corporate Opportunity Proposal, (ii) not to solicit, encourage or facilitate any Alternative Proposal nor enter into any negotiations or discussions regarding any Alternative Proposal, and (iii) to certain restrictions on the transfer of the shares of our common stock of which they are the beneficial owners. See the section entitled “Proposal 1—Support Agreements” beginning on page 85.

Risks Factors Relating to the Corporate Opportunity Proposal

If the Corporate Opportunity Proposal is approved, the Aegis Stockholder may pursue certain corporate opportunities without presenting them to the Company.

If approved, the Corporate Opportunity Proposal would, in part, renounce the Company’s right to certain corporate opportunities. In particular, the Corporate Opportunity Proposal provides that in the event an Aegis Designated Director acquires knowledge of a potential transaction or matter that may be a corporate opportunity for the Company, the Company will have no interest or expectancy in being offered such corporate opportunity, and the Company renounces any such interest or expectancy to the fullest extent permitted by law. However, the Company does not renounce any interest or expectancy in a corporate opportunity presented to an Aegis Designated Director if the opportunity is presented to the Aegis Designated Director solely in his or her capacity as a director of the Company. If the Corporate Opportunity Proposal is approved, the Aegis Stockholder would be permitted to pursue certain corporate opportunities without first presenting them to the Company.

Risks Factors Relating to the Business of the Combined Company Following the Aegis Transactions

The Combined Company’s expanded foreign operations will be subject to social, political and economic risks that differ from those in the United States.

The Combined Company is expected to conduct a significant portion of its business and employ a substantial number of people outside of the United States. For the year ended December 31, 2017 on a pro forma basis, the Combined Company generated approximately 77.4% or \$142.3 million of its revenue from operations located outside the United States. Circumstances and developments related to foreign operations that could negatively affect the Combined Company’s business, financial condition or results of operations include, but are not limited to, the following factors:

- difficulties and costs of staffing and managing operations in certain regions;
- differing employment practices and labor issues;
- local business and cultural factors that differ from United States standards and practices;
- volatility in currencies;
- currency restrictions, which may prevent the transfer of capital and profits to the United States;
- unexpected changes in regulatory requirements and other laws;
- potentially adverse tax consequences;

- the responsibility of complying with multiple and potentially conflicting laws;

the impact of regional or country-specific business cycles and economic instability;

political instability, uncertainty over property rights, civil unrest, political activism or the continuation or escalation of terrorist activities; and

restrictions on or unavailability of access to capital on favorable terms or at all in certain locations.

Our global growth (including growth in new regions in the United States) also subjects us to certain risks, including risks associated with funding increasing headcount, integrating new offices, and establishing effective controls and procedures to regulate the operations of new offices and to monitor compliance with regulations such as the FCPA and similar laws.

Although the Aegis Transactions constitute a commitment of substantial resources to the expansion of our global platform, if we are unable to successfully manage the risks associated with our global business or to adequately manage operational fluctuations, our business, financial condition and results of operations could be harmed.

A significant portion of the revenue of the Combined Company is expected to be generated by a limited number of clients. The loss or reduction in business from any of these clients would adversely affect our business and results of operations.

A significant percentage of the Combined Company's revenue is expected to be generated from a small number of clients. The Combined Company may not be able to retain its principal clients. If the Combined Company were to lose any of its principal clients, the Combined Company may not be able to replace the revenue on a timely basis. Loss of a principal client could result from many factors, including consolidation or economic downturns in the clients' industries, as discussed further below.

The future revenue the Combined Company generates from its principal clients may decline or grow at a slower rate than expected or than it has in the past. In the event the Combined Company loses any of its principal clients or does not receive call volumes anticipated from these clients, the Combined Company may suffer from the costs of underutilized capacity because of its inability to eliminate all of the costs associated with conducting business with that client, which could exacerbate the effect that the loss of a principal client would have on the Combined Company's operating results and financial condition. Additional productivity gains could be necessary to offset the negative impact that lower per-minute revenue at higher volume levels would have on the Combined Company's margins in future periods.

The Combined Company is expected to have a significant amount of indebtedness, which could adversely affect the Combined Company's business, financial condition, and results of operations following the Aegis Transactions.

As of March 31, 2018, the Combined Company had \$155.0 million in long term debt, net on a pro forma basis. This indebtedness could have significant consequences on our future operations, including:

events of default if the Combined Company fails to comply with the financial and other covenants contained in the agreements governing the Combined Company's debt instruments, which could result in all of the debt becoming immediately due and payable or require the Combined Company to negotiate an amendment to financial or other covenants that could cause the Combined Company to incur additional fees and expenses;

reducing the availability of the Combined Company's cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes, and limiting the Combined Company's ability to obtain additional financing for these purposes;

limiting the Combined Company's flexibility in planning for, or reacting to, and increasing the Combined Company's vulnerability to, changes in our business, the industries in which the Combined Company operates, and the overall economy;

placing the Combined Company at a competitive disadvantage compared to any of the Combined Company's competitors that have less debt or are less leveraged; and

increasing the Combined Company's vulnerability to the impact of adverse economic and industry conditions.

The Combined Company's ability to meet its payment and other obligations under its debt instruments will depend on the Combined Company's ability to generate significant cash flow in the future. This, to some extent, is subject to

general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond the Combined Company's control. The Company cannot assure that the combined businesses of the Company and Aegis will generate cash flow from operations, or that future borrowings will be available to the Combined Company, in an amount sufficient to enable the Combined Company to meet its indebtedness obligations and to fund other liquidity needs following the Aegis Transactions.

Additionally, under certain loan agreements to which Aegis and its subsidiaries are bound, if, among other things, the Aegis Stockholder ceases to own at least 50% of the voting securities of StarTek or ceases to have the ability to appoint or

remove a majority of the directors of StarTek, the loans under such facilities would become due and payable by Aegis and its affiliates, as applicable.

The Company's contracts generally do not contain minimum purchase requirements and can generally be terminated by its customers on short notice without penalty.

The Company enters into written agreements with each client for its services and seeks to sign multi-year contracts with its clients. However, these contracts generally permit termination upon 30 to 90 days' notice by the Company's clients, do not designate the Company as its clients' exclusive outsourced services provider, do not penalize the Company's clients for early termination, hold the Company responsible for work performed that does not meet predefined specifications and does not contain minimum purchase requirements or volume commitments.

Accordingly, we expect that the Combined Company will face the risk that its clients may cancel or renegotiate contracts we have with them, which may adversely affect the Combined Company's results. If a principal client canceled or did not renew its contract with the Combined Company, its results would suffer. In addition, because the amount of revenue generated from any particular client is generally dependent on the volume and activity of the Company's clients' customers, as described above, the Combined Company's business depends in part on the success of the Combined Company's clients' products. The number of customers who are attracted to the products of the Combined Company's clients may not be sufficient or the Combined Company's clients may not continue to develop new products that will require its services, in which case it may be more likely for the Combined Company's clients to terminate their contracts with the Combined Company. Clients can generally reduce the volume of services they outsource to the Combined Company without any penalties, which would have an adverse effect on the Combined Company's revenue, results of operations and overall financial condition.

The Combined Company will continue to depend on several large clients in the telecommunications industry and its strategy partially depends on a trend of telecommunications companies continuing to outsource services. If the telecommunications industry suffers a downturn or the trend toward outsourcing reverses, the Company's business will suffer.

The Company's key clients in the telecommunications industry include companies in the wire line, wireless, cable and broadband lines of business. The Combined Company's business is expected to be largely dependent on continued demand for its services from clients in this industry and on trends in this industry to purchase outsourced services. A significant change in this trend could have a material adverse effect on the Combined Company's financial condition and results of operations.

Client consolidation could result in a loss of business that would adversely affect the Combined Company's operating results.

The telecommunications industry has had a significant level of consolidation. We cannot assure you that additional consolidations will not occur in which the Combined Company's clients acquire additional businesses or are acquired themselves. Such consolidations may decrease the Combined Company's business volume and revenue, which could have an adverse effect on the Combined Company's business, results of operations and financial condition.

The Combined Company's operating results may be adversely affected if the Combined Company is unable to maximize its facility capacity utilization.

The Combined Company's profitability will be influenced by its facility capacity utilization. The majority of the Combined Company's business will involve technical support and customer care services initiated by its clients' customers, and as a result, the Combined Company's capacity utilization will vary, and demands on its capacity will be, to some degree, beyond its control. The Company has experienced, and in the future the Combined Company may experience, periods of idle capacity from opening new facilities where forecasted volume levels do not materialize. In addition, the Company has experienced, and in the future the Combined Company may experience, idle peak period capacity when it opens a new facility or terminates or completes a large client program. These periods of idle capacity may be exacerbated if the Combined Company expands its facilities or opens new facilities in anticipation of new client business because the Company generally does not have the ability to require a client to enter into a long-term contract or to require clients to reimburse the Company for capacity expansion costs if they terminate their relationship with the Company or do not provide the Company with anticipated service volumes. From time to time, the Company assesses the expected long-term capacity utilization of its facilities. Accordingly, the Combined

Company may, if deemed necessary, consolidate or close underperforming facilities in order to maintain or improve targeted utilization and margins.

The Combined Company may incur impairment losses and restructuring charges in future years as a result of closing facilities. There can be no assurance that the Combined Company will be able to achieve or maintain optimal facility capacity utilization.

If client demand declines due to economic conditions or otherwise, the Combined Company may not be able to leverage its

fixed costs as effectively, which would have a material adverse effect on its results of operations and financial condition.

If the Combined Company is not able to hire and retain qualified employees, its ability to service its existing customers and retain new customers will be adversely affected.

The Combined Company's success will be largely dependent on its ability to recruit, hire, train and retain qualified employees. The Combined Company's business will be labor-intensive and is expected to experience high personnel turnover. The Combined Company's operations, especially its technical support and customer care services, generally require specially trained employees, which, in turn, require significant recruiting and training costs. Such turnover may adversely affect the Combined Company's operating efficiency, productivity and ability to fully respond to client demand, thereby adversely impacting its operating results. Some of this turnover can be attributed to the fact that the Company competes for labor not only with other call centers but also with other similar-paying jobs, including retail, services industries, food service and other similar businesses. As such, improvements in the local economies in which the Company operates can adversely affect its ability to recruit agents in those locations. Further increases in employee turnover or failure to effectively manage high attrition rates would have an adverse effect on the Combined Company's results of operations and financial condition.

The addition of new clients or implementation of new projects for existing clients may require the Combined Company to recruit, hire, and train personnel at accelerated rates. The Combined Company may not be able to successfully recruit, hire, train, and retain sufficient qualified personnel to adequately staff for existing business or future growth, particularly if the Combined Company undertakes new client relationships in industries in which the Company or Aegis has not previously provided services. Because a substantial portion of the Combined Company's operating expenses are expected to consist of labor-related costs, labor shortages or increases in wages (including minimum wages as mandated in certain jurisdictions, employee benefit costs, employment tax rates, and other labor related expenses) could cause the Combined Company's business, operating profits, and financial condition to suffer. Economic and legislative changes in the U.S. may encourage organizing efforts in the future which, if successful, could further increase the Combined Company's recruiting and training costs and could decrease the Combined Company's operating efficiency and productivity.

The Combined Company's operating costs may increase as a result of higher labor costs.

The Company, like a number of companies in its industry, has sought to contain its labor costs by limiting salary increases and payment of cash bonuses to its employees. From time to time, the local economies in some of the locations in which the Combined Company will operate experience growth, which causes pressure on labor rates to remain competitive within the local economies. If these growth trends continue, the Combined Company may need to further increase salaries or otherwise compensate its employees at higher levels in order to remain competitive. Recent legislation with respect to raising the minimum wage has been passed in certain U.S. states in which the Combined Company will operate, which will likely lead to higher wages in certain facilities. Higher salaries or other forms of compensation are likely to increase the Combined Company's cost of operations. If such increases are not offset by increased revenue, they will negatively impact the Combined Company's financial results. In the past, some of the Company's employees have attempted to organize a labor union, and economic and legislative changes may encourage organizing efforts in the future, which, if successful, could further increase the Combined Company's recruiting and training costs and could decrease its operating efficiency and productivity.

Failure to attract and retain key management personnel may adversely impact the Combined Company's strategy execution and financial results.

The Combined Company's ability to attract, successfully integrate and retain key management personnel could have a significant impact on its ability to compete or to execute on its business strategy. Changes in key management personnel may temporarily disrupt our operations as the new management becomes familiar with our business. Accordingly, our future financial performance will depend to a significant extent on our ability to attract, motivate and retain key management personnel.

The Combined Company's strategy depends on companies continuing to outsource non-core services.

Some of the Company's clients have been decreasing the number of firms they rely on to provide outsourced services. Due to financial uncertainties and the potential reduction in demand for the Combined Company's clients' products and services, the Combined Company's clients and prospective clients may decide to further consolidate the number of

firms on which they rely for outsourced services. Under these circumstances, the Combined Company's clients may cancel current contracts, or the Combined Company may fail to attract new clients, which will adversely affect the Combined Company's financial condition.

The Combined Company's business will rely heavily on technology and computer systems, which will subject the Combined Company to various uncertainties.

The Company has invested in sophisticated and specialized telecommunications and computer technology and has focused on the application of this technology to meet its clients' needs. We anticipate that it will be necessary to continue to invest in and develop new and enhanced technology on a timely basis to maintain the Combined Company's competitiveness. Capital expenditures may be required to keep the Combined Company's technology up-to-date. There can be no assurance that any of the Combined Company's information systems will be adequate to meet the Combined Company's future needs or that the Combined Company will be able to incorporate new technology to enhance and develop our existing services. There can be no assurance that any technology or computer system will not encounter outages or disruptions. When outages occur the Combined Company may incur remediation expenses, penalties under customer contracts or loss of customer confidence. Moreover, investments in technology, including future investments in upgrades and enhancements to software, may not necessarily maintain the Combined Company's competitiveness. The Combined Company's future success will also depend in part on the Combined Company's ability to anticipate and develop information technology solutions that keep pace with evolving industry standards and changing client demands.

Increases in the cost of telephone and data services or significant interruptions in such services could adversely affect the Combined Company's business.

The Combined Company will depend on telephone and data services provided by various local and long distance telephone companies. Because of this dependence, any change to the telecommunications market that disrupts these services or limits the Combined Company's ability to obtain services at favorable rates could affect the Combined Company's business. The Company has taken steps to mitigate its exposure to the risks associated with rate fluctuations and service disruption by entering into long-term contracts with various providers for telephone and data services and by investing in redundant circuits. There is no obligation, however, for the vendors to renew their contracts with the Combined Company or to offer the same or lower rates in the future, and such contracts are subject to termination or modification for various reasons outside of the Combined Company's control. In addition, there is no assurance that a redundant circuit would not also be disrupted. A significant increase in the cost of telephone services that is not recoverable through an increase in the price of the Combined Company's services or any significant interruption in telephone services could adversely affect the Combined Company's business.

Unauthorized disclosure of sensitive or confidential client and customer data could expose the Combined Company to protracted and costly litigation and penalties and may cause the Combined Company to lose clients.

The Combined Company will be dependent on IT networks and systems to process, transmit and store electronic information and to communicate among its locations around the world and with its alliance partners and clients.

Security breaches of this infrastructure could lead to shutdowns or disruptions of the Combined Company's systems and potential unauthorized disclosure of confidential information. The Combined Company will also be required at times to manage, utilize and store sensitive or confidential client or customer data. As a result, the Combined Company will be subject to contractual terms and numerous U.S. and foreign laws and regulations designed to protect this information, such as various U.S. federal and state laws governing the protection of health or other individually identifiable information. If any person, including any of the Combined Company's employees, negligently disregards or intentionally breaches the Combined Company's established controls with respect to such data or otherwise mismanages or misappropriates that data, the Combined Company could be subject to monetary damages, fines and/or criminal prosecution. Although the Combined Company maintains cyber liability insurance, such insurance may not adequately or timely compensate the Combined Company for all losses it may incur. Unauthorized disclosure of sensitive or confidential client or customer data, whether through systems failure, employee negligence, fraud or misappropriation, could damage the Combined Company's reputation and cause the Combined Company to lose clients. Similarly, unauthorized access to or through the Combined Company's information systems or those the Combined Company develops for its clients, whether by its employees or third parties, could result in negative publicity, legal liability and damage to the Combined Company's reputation, business, financial condition, results of operations and cash flows.

The Combined Company processes, transmits and stores personally identifiable information and unauthorized access to or the unintended release of this information could result in a claim for damage or loss of business and create

unfavorable publicity.

The Combined Company will process, transmit and store personally identifiable information, both in its role as a service provider and as an employer. This information may include social security numbers, financial and health information, as well as other personal information. As a result, the Combined Company will be subject to certain contractual terms as well as federal, state and foreign laws and regulations designed to protect personally identifiable information. The Combined Company will take measures to protect against unauthorized access and to comply with these laws and regulations. The Combined Company

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will use the Internet as a mechanism for delivering its services to clients, which may expose the Combined Company to potential disruptive intrusions. Unauthorized access, system denials of service or failure to comply with data privacy laws and regulations may subject the Combined Company to contractual liability and damages, loss of business, damages from individual claimants, fines, penalties, criminal prosecution and unfavorable publicity, any of which could negatively affect the Combined Company's operating results and financial condition. In addition, third party vendors that the Combined Company engages to perform services for the Combined Company may have an unintended release of personally identifiable information.

The Combined Company will be required to comply with laws governing the transmission, security and privacy of protected health information.

The Combined Company will be required to comply with applicable laws governing the transmission, security and privacy of health information, including, among others, the standards of The Health Insurance Portability and Accountability Act ("HIPAA"). The failure to comply with any of these laws could make it difficult to expand the Combined Company's health care business process outsourcing business and/or cause it to incur significant liabilities. The failure to comply with debt collection and consumer credit reporting regulations could subject the Combined Company to fines and other liabilities, which could harm its reputation and business, and could make it more difficult for the Combined Company to retain existing customers or attract new customers.

The Fair Debt Collection Practices Act ("FDCPA") regulates persons who regularly collect or attempt to collect, directly or indirectly, consumer debts owed or asserted to be owed to another person, which includes the Combined Company's debt collection business. Many states impose additional requirements on debt collection communications and some of those requirements may be more stringent than the federal requirements. In addition, many U.S. states require a debt collector to apply for, be granted and maintain a license to engage in debt collection activities in a state. The Combined Company will be licensed (or exempt from licensing requirements) to provide debt collection services in most U.S. states. Moreover, regulations governing debt collection are subject to changing interpretations that may be inconsistent among different jurisdictions. The Combined Company could be subject to fines or other penalties if it is determined to have violated the FDCPA, the Fair Credit Reporting Act or analogous state laws, which could make it more difficult to retain existing customers or attract new customers and could otherwise harm the Combined Company's business.

If the Combined Company makes acquisitions, the Combined Company could encounter difficulties that harm its business.

The Combined Company may acquire companies, products, or technologies that it believes to be complementary to its business. If the Combined Company engages in such acquisitions, the Combined Company may have difficulty integrating the acquired personnel, operations, products or technologies. Acquisitions may dilute the Combined Company's earnings per share, disrupt the Combined Company's ongoing business, distract the Combined Company's Management and employees, increase the Combined Company's expenses, subject the Combined Company to liabilities, and increase the Combined Company's risk of litigation, all of which could harm the Combined Company's business. If the Combined Company uses cash to acquire companies, products, or technologies, it may divert resources otherwise available for other purposes or increase the Combined Company's debt.

The Company's stock price has been volatile and the Combined Company's stock price may decline significantly and unexpectedly.

The market price of the Company's common stock has been volatile, and the market price of the Combined Company's common stock could be subject to wide fluctuations, in response to quarterly variations in the Combined Company's operating results, changes in management, the degree of success in implementing the Combined Company's business and growth strategies, announcements of new contracts or contract cancellations, announcements of technological innovations or new products and services by the Combined Company or its competitors, changes in financial estimates by securities analysts, the perception that significant stockholders may sell or intend to sell their shares, or other events or factors we cannot currently foresee. The Combined Company will also be subject to broad market fluctuations, given the overall volatility of the current U.S. and global economies, where the market prices of equity securities of many companies experience substantial price and volume fluctuations that have often been unrelated to the operating performance of such companies. These broad market fluctuations may adversely affect the market price of the Combined Company's common stock. Additionally, because the Combined Company's common stock is

expected to trade at relatively low volume levels, any change in demand for the Combined Company's stock can be expected to substantially influence market prices thereof.

PROPOSAL 1. (THE AEGIS ISSUANCE PROPOSAL)

APPROVAL OF THE ISSUANCE OF THE TRANSACTION SHARES PURSUANT TO THE TRANSACTION AGREEMENT

Summary

On March 14, 2018, the Company, CSP Alpha Midco Pte Ltd, a Singapore private limited company (“Aegis”), and CSP Alpha Holdings Parent Pte Ltd, a Singapore private limited company (the “Aegis Stockholder”) entered into a Transaction Agreement (the “Transaction Agreement”), pursuant to which the Company, Aegis and the Aegis Stockholder agreed to, among other things: (1) the acquisition by the Company of all of the outstanding capital stock of Aegis from the Aegis Stockholder; (2) the issuance of 20,600,000 shares of the Company’s common stock to the Aegis Stockholder, subject to adjustment based on the relative net debt of the parties as of the closing in consideration of such acquisition; (3) the amendment of the Company’s Restated Certificate of Incorporation, as amended from time to time, in order to effect such issuance and the other transactions contemplated by the Transaction Agreement; and (4) in addition to the transactions set forth above, the Aegis Stockholder will purchase 833,333 newly issued shares of our common stock at a price of \$12.00 per share for a total cash payment to the Company of \$10,000,000, with the number of shares issued and amount of cash invested subject to adjustment as set forth in the Transaction Agreement, including based on the relative net debt of the parties at the closing.

Immediately following the consummation of the Aegis Transactions, Aegis will become a wholly-owned subsidiary of the Company and the Aegis Stockholder is expected to hold approximately 55% of our outstanding common stock.

Each of the Company, Aegis and the Aegis Stockholder has agreed to customary representations, warranties and covenants in the Transaction Agreement including, among others, covenants relating to (1) using commercially reasonable efforts to obtain the requisite approvals of the Company’s stockholders to the Aegis Issuance Proposal, the Authorized Shares Proposal and the Corporate Opportunity Proposal described below; (2) using commercially reasonable efforts to file the definitive version of the information to be supplied by or on behalf of the Company for inclusion in the proxy statement as promptly as practicable and cause the proxy statement to be mailed to the Company’s stockholders at the earliest practicable time after the SEC has completed its review of the preliminary filing; (3) not soliciting competing acquisition proposals by the Company; (4) using commercially reasonable efforts to maintain the existing listing of our common stock on the NYSE; and (5) carrying on the Company's and Aegis’ conducts of their respective businesses in the ordinary course during the period between the date of signing the Transaction Agreement and the closing of the Aegis Transactions.

Consummation of the Aegis Transactions is subject to certain closing conditions, including, among other things, (1) approval by the stockholders of the Company of the Aegis Issuance Proposal under the NYSE listing rules and the Authorized Shares Proposal; (2) the receipt of specified governmental approvals, including the termination or expiration of any waiting period applicable to the Aegis Transactions under the HSR Act, as amended, and the rules and regulations promulgated thereunder, the Philippine Competition Act (the “PCA”) and the UK Financial Services and Markets Act 2000 (the “FSMA”); (3) the absence of any order, executive order, stay, decree, judgment or injunction (preliminary or permanent) or statute, rule or regulation that makes the consummation of the Aegis Transactions illegal, or otherwise prohibits the consummations of the Aegis Transactions; (4) approval of the Supplemental Listing Application with the NYSE with respect to the shares of our common stock to be issued to the Aegis Stockholder pursuant to the Transaction Agreement; and (5) the Company having taken all action necessary to cause the composition of the Board to meet the composition requirements of the Transaction Agreement, including that a majority of the directors will be designated by the Aegis Stockholder.

The Transaction Agreement contains certain termination rights of the Company, on the one hand, and Aegis and the Aegis Stockholder, on the other hand, and provides that, under certain circumstances, upon the termination of the Transaction Agreement, the Company will be required to pay the Aegis Stockholder a termination fee of up to \$6.8

million.

The issuance of the common stock is exempt from the registration requirements of Section 5 of the Securities Act, and such shares of common stock will be issued to the Aegis Stockholder, who has represented that it is an accredited investor, as defined in Regulation D under the Securities Act, pursuant to Section 4(a)(2) of the Securities Act.

Parties to the Aegis Transactions

StarTek

StarTek, Inc. is a publically traded Delaware corporation that provides customer engagement business process outsourcing services. StarTek's common stock is currently listed on the NYSE under the symbol "SRT." The mailing address of StarTek's

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principal executive office is 8200 East Maplewood Ave., Suite 100, Greenwood Village, CO 80111 and our telephone number is (303) 262-4500.

Aegis

CSP Alpha Midco Pte Ltd is a Singapore private limited company and is a wholly owned subsidiary of the Aegis Stockholder. Aegis and its subsidiaries provide business process outsourcing services from locations in Asia, Australia, the Middle East, South America, South Africa and the United Kingdom. The mailing address of Aegis' principal executive office is 160 Robinson Road, Suite 10-01, SBF Center, Singapore 068914 and the telephone number is +65 6202-4734.

Aegis Stockholder

CSP Alpha Holdings Parent Pte Ltd is a Singapore private limited company and the sole stockholder of Aegis. The mailing address of the Aegis Stockholder's principal executive office is 160 Robinson Road, Suite 10-01, SBF Center, Singapore 068914 and the telephone number is +65 6202-4734.

Background of the Aegis Transactions

The Board and the Company's senior management team ("Management") regularly review our performance, future growth prospects and overall strategic direction and consider potential opportunities to strengthen our business and enhance shareholder value. These reviews have included consideration of potential transactions with third parties that would further the Company's strategic objectives, including potential commercial and strategic business partnerships, potential acquisitions, changes in our corporate structure, capitalization strategies and reorganizations. The Board and Management reviewed the potential benefits and risks of those transactions in light of, among other things, the business environment facing the portion of the business process outsourcing industry in which we operate and our competitive position. In addition, from time to time, members of Management meet with the senior management of other companies within the industry along with investment bankers with expertise in the business process outsourcing sector to discuss industry developments, service partnerships and potential strategic transactions.

During the second quarter of 2016, the Board and Management continued to assess the evolving business environment facing the business process outsourcing industry and the landscape relevant to the Company's business and long-term prospects, including potential merger, acquisition and other strategic opportunities. Although the Company had made significant progress in increasing its client roster and lessening client concentration risk, the Board and Management believed that the Company would be in a better position to achieve sustainable, predictable, profitable growth if it had a larger scale in revenue, clients and a footprint of locations with a larger global presence. As a result, members of the Board and Management concluded that it would be appropriate to consider strategic alternatives to address the issues of scale that had been identified. The Company thereafter engaged in discussions with William Blair regarding a possible engagement.

On May 2, 2016, the Board held a meeting at the Company's headquarters in Greenwood Village, Colorado at which Management briefed the Board on the discussions Management had with William Blair regarding a possible engagement. The Board discussed the merits of hiring an investment bank to assist the Company in an evaluation of the Company's business and possible strategic alternatives and opportunities. Chad Carlson, our President and CEO, summarized for the Board the terms of a proposed engagement of William Blair to serve as the Company's financial advisor. Following that discussion meeting, the Board unanimously approved the engagement of William Blair as the Company's financial advisor. On May 6, 2016, the Company executed an agreement to retain William Blair to assist the Company in exploring strategic alternatives. On May 25, 2016, Management conducted an initial meeting with William Blair to discuss the Company's business and possible strategic alternatives.

Between July and September 2016, the Board and Management met with William Blair a number of times to discuss a process to explore potential strategic options for the Company, including a potential sale of the Company. Following these discussions, the Board determined on September 12, 2016, to postpone any outreach to potentially interested

parties and requested additional information for further Board discussion at a later date. Based on the Company's then recent and expected financial results, the Board believed that the Company would attract more favorable valuations if the process was deferred until a later date to allow for the continuation of positive performance by the Company in order to maximize return.

Through January 2017, the Board continued to monitor the trends in the mergers and acquisitions market and public markets. At a meeting of the Board in January 2017, the Board approved a motion to authorize William Blair to prepare for an exploration of strategic alternatives that would commence in the middle of the second quarter.

On May 9, 2017, the Board held a telephonic meeting and William Blair presented to the Board an overview of a proposed process and timeline for reaching out to potentially interested strategic and financial parties related to the Company's proposed exploration of strategic alternatives. During May and June of 2017, the Board, working with Management and William Blair, prepared a preliminary confidential presentation and information memorandum describing the Company's business that included historical financial information. Working with William Blair, the Board and Management identified a broad group of potential strategic and financial buyers that they believed might be both interested in acquiring the Company and would have the requisite financial resources to do so.

On June 20, 2017, at the direction of the Board, William Blair began contacting potential buyers. William Blair contacted 104 potential buyers, of which 31 were strategic parties and 73 were financial sponsors. Of the 104 potential buyers, 38 parties, including 10 strategic parties and 28 financial sponsors, entered into nondisclosure agreements with the Company and received the preliminary confidential presentation.

On August 13, 2017, the Company provided financial results for the period ended June 30, 2017 to interested buyers. Three parties submitted initial indications of interest to acquire the business of the Company, including a submission from an affiliate of the Aegis Stockholder (which, for the purposes of this section, shall be referenced as the Aegis Stockholder) at an indicated value for the Company's common stock of \$13.34 to \$14.46 per share. The other two indications of interests were received from Company A and Company B, both of which were financial sponsors. Company A was a financial sponsor with no current investments in other similar businesses. Company B was a financial sponsor who was the majority shareholder in a business similar to the Company.

On August 22, 2017, the Board held a telephonic meeting and William Blair presented a status update of William Blair's activities and presented a summary of indications of interest received to date. Among other items, William Blair reviewed the historical trading volume and valuation of the Company's common stock, provided a timeline for the process, informed the Board of certain key feedback received from interested parties, and reviewed key due diligence topics.

On August 29, 2017, Company A was removed from the process due to a low indicated valuation for the Company. Company A's bid implied a price of \$8.15 to \$9.40 per share, which was significantly below the prevailing trading price at the time of bid submission and over the twelve months preceding. Company A was unwilling to increase their offer to a level that would meet or exceed the current market price or the trailing twelve month volume-weighted average price, citing the absence of synergy opportunities available to Company A.

On August 31, 2017, an additional party, Company C, submitted an initial indication of interest to acquire the business of the Company. Company C's bid implied a price of \$10.50 to \$11.50 per share. That same day, the Board held a telephonic meeting and William Blair presented a status update related to the Company's exploration of strategic alternatives.

On September 12, 2017, one additional party, Company D, submitted an initial indication of interest to acquire the business of the Company. Company D's bid implied a share price of \$9.09 to \$10.80 per share.

On September 14, 2017, the Board held a telephonic meeting and William Blair presented a status update of William Blair's activities, as well as a summary of the feedback received from prospective acquirers, including valuation discussions and initial indications of interest. In addition, William Blair provided an update as to the timeline for the process. Throughout September of 2017, William Blair held discussions with the four remaining interested potential buyers, which consisted of the Aegis Stockholder, Company B, Company C and Company D.

On September 18, 2017, the four remaining potential buyers were provided a form of merger agreement prepared by the Company with assistance from its counsel Sherman & Howard L.L.C. Following presentations with the Company's Management in September, Company C and Company D elected to exit the process due to concerns over the Company's valuation.

On October 5, 2017, the Aegis Stockholder submitted a revised bid in which the Aegis Stockholder proposed to join the Company with another business process outsourcing company, Aegis, that the Aegis Stockholder was then in the process of acquiring. Pursuant to the revised bid, the Aegis Stockholder, following the closing of its acquisition of Aegis, would transfer Aegis to the Company in exchange for common stock representing 58.7% of the Company's common stock, with the Company's existing stockholder owning 41.3% of the Company's common stock. The relative equity ownership would be further adjusted for a \$10 million common stock purchase by the Aegis Stockholder at closing. The Board held a series of

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telephonic meetings to discuss the bid by the Aegis Stockholder and the status of the exploration of strategic alternatives generally. After the discussion, the Board directed William Blair to respond to the Aegis Stockholder and to continue to negotiate with the Aegis Stockholder consistent with terms authorized by the Board.

On October 20, 2017, the last remaining previously interested party other than the Aegis Stockholder, Company B, elected to exit the process due to valuation concerns.

On November 7, 2017, the Board held a telephonic meeting and William Blair updated the Board as to the bid submitted by the Aegis Stockholder. Given that the parties had not yet reached an acceptable financial arrangement for a potential transaction, the Board was hesitant to incur significant expenses with respect to the Aegis Stockholder proposal. After a discussion between the Board and Management, the Board authorized a limited investigation of the Aegis Stockholder proposal to take place. During the rest of November 2017, the Company and its representatives began conducting preliminary due diligence of the Aegis Stockholder and further considered the Aegis Stockholder proposal.

On November 8, 2017, the Company reported its third quarter earnings for 2017, which was followed by a 15.7% drop in the price of the Company's common stock. During November, the Company and the Aegis Stockholder continued to discuss the Company's performance and 2018 outlook and Aegis' overall business and strategy and had initial discussions on potential synergy opportunities. In these discussions, Mr. Carlson and Mr. Norsworthy participated on behalf of the Company, and Sanjay Chakrabarty, Mukesh Sharda, Bharat Rao and Aparup Sengupta participated on behalf of the Aegis Stockholder, along with Lance Rosenzweig, as an advisor to the Aegis Stockholder.

On December 6, 2017, the Aegis Stockholder submitted a revised bid with an implied equity split (prior to the additional \$10 million common stock purchase by the Aegis Stockholder) of 52.9% to the Aegis Stockholder and 47.1%, to the Company's stockholders.

On December 13, 2017, William Blair and the Aegis Stockholder held a telephonic meeting to discuss the Aegis Stockholder's offer and the Board's response. William Blair conveyed the Board's position as follows: (i) the Company would issue shares representing an equity split (prior to the additional stock purchase) of 49.0% to the Aegis Stockholder and 51.0% to the Company's stockholders, (ii) the Aegis Stockholder would make a capital infusion to fund a post-closing share repurchase program at approximately a 10% premium to market, (iii) each party would cover its own expenses through signing, (iv) the parties would negotiate a mutually agreeable breakup fee, and (v) the Company expressed a willingness to provide four weeks of exclusivity, with the possibility of extension if the parties are working in good faith to complete the negotiations. That same day, the Company retained Jenner & Block LLP ("Jenner") as special counsel for the Company in connection with the Company's ongoing discussions with the Aegis Stockholder.

On December 14, 2017, the Aegis Stockholder responded telephonically to William Blair with certain follow up questions regarding share count, timeline, structure of the breakup fee and treatment of net debt, and stated that anything less than majority ownership by the Aegis Stockholder of the combined post-transactions company would trigger a re-financing of Aegis' debt, characterizing such a proposal as a major impediment to any potential deal. William Blair later provided responses to the Aegis Stockholder with respect to these follow up questions on behalf of the Company, providing information on the Company's fully diluted share count and the expected timing of a potential transaction as well as the Board's position on the structure of a breakup fee and a net debt adjustment.

On December 15, 2017, William Blair and the Aegis Stockholder held a telephonic meeting regarding the Aegis Stockholder's bid. The Aegis Stockholder offered a compromise on the equity ownership terms and proposed a \$5 million capital infusion to fund a common stock buyback at a 10% premium to the market price. The Aegis Stockholder also submitted additional follow up questions regarding the Company's share count. William Blair responded to these questions on December 16, 2017.

On December 18, 2017, William Blair personnel held a telephonic meeting with the Board during which William Blair and Mr. Carlson reviewed various counter-proposal alternatives. At the direction of the Board, William Blair subsequently submitted a counter proposal to the Aegis Stockholder with an implied equity split (prior to the additional stock purchase) of 49.7% to the Aegis Stockholder and 50.3% to the Company's stockholders, with the Aegis Stockholder making a \$10 million common stock buyback at a 10% premium to the market price.

On December 19, 2017, the Aegis Stockholder made a counterproposal reflecting (i) an implied equity split (prior to the additional stock purchase) of 50.1% to the Aegis Stockholder and 49.9% to the Company's stockholders, (ii) an investment by the Aegis Stockholder of \$5-10 million of additional shares at \$11.00 per share to fund a common stock buyback, and (iii) a request that stockholders approximating 40% of outstanding common stock (including current insiders and A. Emmet Stephenson, Jr., the Company's largest stockholder) provide an irrevocable commitment to support the transaction agreement

when it was submitted for a stockholder vote. The Aegis Stockholder also submitted a draft form of an exclusivity agreement to the Company.

On December 20, 2017, the Board held a telephonic meeting and William Blair updated the Board on discussions with the Aegis Stockholder. Specifically, William Blair reviewed the details of the then-current proposed bid, including the proposed transaction structure and equity split. William Blair also reviewed a potential cash component in which the Aegis Stockholder would provide cash for an additional issuance of common stock by the Company. After discussion and review of the bid, the Board authorized William Blair to submit a counteroffer on certain aspects of the Aegis Stockholder bid and to continue negotiating pursuant to the Board's instructions.

On December 21, 2017, William Blair submitted the counteroffer outlined by the Board to the Aegis Stockholder. This counteroffer called for an implied equity split (prior to the additional stock purchase) of 50.1% to the Aegis Stockholder and 49.9% to the Company's stockholders, a 3-4% breakup fee, and a \$10 million capital infusion at a 10% premium to the market price.

Between December 22 and December 26, 2017, Jenner and the Aegis Stockholder's counsel, Shearman & Sterling ("Shearman"), exchanged drafts of an exclusivity agreement, which was executed on December 27, 2017. The exclusivity agreement contained a non-binding term sheet which provided for (i) an implied equity split (prior to the additional stock purchase) of 50.1% to the Aegis Stockholder and 49.9% to our stockholders, (ii) a 3-4% breakup fee, (iii) a \$10 million capital infusion at a 10% premium to the market price, (iv) a net debt target of \$150 million for Aegis and \$25 million for the Company, with an adjustment mechanism to provide for differences in amounts delivered at closing, and (v) shareholder support agreements from the insider directors and Mr. Stephenson.

Throughout January of 2018, the Company continued to conduct and expanded its due diligence on Aegis and the Aegis Stockholder. Similarly, the Aegis Stockholder continued to conduct diligence on the Company. During this period, the Company engaged Deloitte Touche Tohmatsu Limited ("Deloitte") to perform accounting and tax due diligence on Aegis. As part of the Company's due diligence, Mr. Carlson and Doug Tackett, the Company's Senior Vice President and Chief Legal Officer, conducted on-site due diligence of Aegis in India and Malaysia. In addition, Mr. Tackett conducted on-site due diligence in Argentina and Mr. Norsworthy conducted on-site due diligence in Saudi Arabia.

On January 12, 2018, Jenner sent an initial draft of the Transaction Agreement to Shearman.

On January 21, 2018, Shearman sent a revised draft of the Transaction Agreement to Jenner, which included the issuance to the Aegis Stockholder of 50.1% of the Company's fully-diluted common stock, an additional cash payment of \$10,000,000 to be used to purchase shares of our common stock from the Company at a 10% premium to the volume weighted average price of the Company's common stock for the 20 day trading date period prior to the closing and a proposed termination fee payable by the Company in certain circumstances of \$7,200,000.

On January 23, 2018, the Company announced the Amazon Transaction Agreement (as defined in "Proposal 2 - Amazon Issuance Proposal" below), pursuant to which the Company issued to NV Investment, a wholly-owned subsidiary of Amazon, the Amazon Warrant. For additional discussion of the terms of the Amazon Transaction Agreement see "Proposal 2 - Amazon Issuance Proposal". That same day, Shearman sent an initial draft of the form of support agreement to Jenner.

On January 26, 2018, the Company executed an agreement to extend the exclusivity period with the Aegis Stockholder through February 2, 2018. That same day, Shearman sent an initial draft of the stockholders agreement to Jenner.

On February 5, 2018, Mr. Stephenson held a meeting with Mr. Chakrabarty, Mr. Sharda, Mr. Sengupta and Mr. L. Rosenzweig to discuss the business and prospects of the Company and Aegis and the proposed transaction structure.

On February 6, 2018, representatives of the Board held a meeting with Management, representatives of the Aegis Stockholder, Aegis senior management, and William Blair to conduct further due diligence on Aegis' financial model, operations and potential synergy opportunities for a combined entity. At that meeting, William Blair, on behalf of the Company, notified the Aegis Stockholder that, in light of the status of negotiations and the ongoing nature of the due diligence process, the Company intended to terminate exclusivity as of February 9, 2018. The Board held a telephonic meeting with William Blair the next day and discussed next steps in the sale process and a potential counterproposal to the Aegis Stockholder. The Board decided that it would be willing to extend exclusivity in the context of continued good faith negotiations between the parties.

On February 8, 2018, William Blair, on behalf of the Company, notified the Aegis Stockholder that exclusivity would be extended through February 19, 2018 and made a counterproposal that (i) Aegis be delivered with \$140 million in net debt and (ii) the Aegis Stockholder make a \$10 million capital infusion at \$13.00 per share.

On February 15, 2018, the Company presented a revised financial outlook to the Aegis Stockholder. The revised financial outlook included a discussion of the Company's fourth quarter results, which were lower than those projected results that had been previously provided to the Aegis Stockholder due to the Company's highgrading strategy.

On February 16, 2018, Jenner sent a revised draft of the Transaction Agreement, the stockholders agreement and the form of support agreement to Shearman. The revised Transaction Agreement contemplated the issuance of a fixed number of shares of the Company's common stock to the Aegis Stockholder.

On February 19, 2018, William Blair, on behalf of the Company, notified the Aegis Stockholder that exclusivity would be extended through February 23, 2018.

On February 21, 2018, following the revised financial outlook provided by the Company on February 15, 2018, the Aegis Stockholder submitted a revised bid which provided for (i) an issuance of shares representing an implied equity split (prior to the additional stock purchase) of 59.5% to the Aegis Stockholder and 40.5% to the Company's stockholders, (ii) a 3-4% breakup fee, (iii) an optional \$10 million capital infusion by the Aegis Stockholder, (iv) a net debt target of \$150 million for Aegis and \$25 million for the Company, with an adjustment mechanism for net debt amounts over the targets, (v) shareholder support agreements from the insider directors and Mr. Stephenson, (vi) a guarantee of the Aegis Stockholder's fund-level mezzanine debt, and (vii) anti-dilution adjustments to address potential dilutive effects of the Amazon Warrants.

On February 26, 2018, representatives of William Blair had a telephone call with Mr. Chakrabarty to discuss the Aegis Transactions and provided details regarding the constraint on the number of shares of the Company's common stock that the Company could issue to the Aegis Stockholder. The constraint was based upon a public float requirement set forth in the Amazon Investment Documents which if not complied with would accelerate the vesting of the Amazon Warrants.

On February 27, 2018, representatives of William Blair had a telephone call with Mr. Chakrabarty, and proposed terms providing for (i) an issuance of 20.6 million shares, corresponding to an implied equity split (prior to the additional stock purchase) of 54.2% to the Aegis Stockholder and 45.8% to our stockholders, (ii) a 3-4% breakup fee, (iii) a mandatory \$10 million capital infusion by the Aegis Stockholder at \$12.00 per share, (iv) a net debt target of \$150 million for Aegis and \$25 million for the Company, with an adjustment mechanism for net debt amounts over the targets, and (v) shareholder support agreements from the insider directors and Mr. Stephenson. The counteroffer did not contemplate the guarantee of the Aegis Stockholder's fund-level mezzanine debt or anti-dilution adjustments to address potential dilutive effects of the Amazon Warrants.

On February 28, 2018, William Blair, on behalf of the Company, sent the Aegis Stockholder an updated exclusivity agreement reflecting the terms discussed on February 27, 2018. In light of the status of negotiations and the absence of agreement in certain key transaction terms, this exclusivity agreement was not signed by the parties.

On March 3, 2018, Shearman sent revised drafts of the Transaction Agreement, the stockholders agreement and the form of support agreement to Jenner. From March 3 through March 9, 2018, both parties conducted additional follow up financial due diligence.

On March 7, 2018, William Blair had a telephone call with Mr. Chakrabarty to discuss the Company's estimated net debt levels at closing and potential mechanisms to address a debt level in excess of \$25 million. During that conversation, the Aegis Stockholder provided a proposal for treatment of the Company's debt which provided for

seeking a waiver from Amazon of the public float constraint in the Amazon Investment Documents or reducing the \$10 million capital infusion by the Aegis Stockholder. The Board later held a telephonic meeting with Management, Jenner and William Blair at which they discussed the Aegis Stockholder's counterproposal.

On March 8, 2018, Jenner sent revised drafts of the Transaction Agreement, the stockholders agreement and the form of support agreement to Shearman.

On March 9, 2018, Deloitte provided the Company with updated preliminary quality of earnings findings on Aegis, a draft due diligence report and draft tax diligence reports. That same day, Management, Jenner, William Blair, Shearman, and representatives of the Aegis Stockholder held a phone call to discuss key transaction terms, including (i) definition and treatment of net debt including discussion of a \$28 million target for the Company, a \$3 million band around each party's target

before any adjustment is made, and up to an additional 0.2 million shares of our common stock to be issued, and additional mechanisms to adjust for any excess Company net debt at closing, (ii) a termination fee of \$6.8 million, (iii) board size and composition, (iv) timing of the proxy statement, (v) required lender consents, (vi) the status of transaction documentation negotiations, and other transaction related matters.

Between March 11, 2018 and March 13, 2018, Shearman and Jenner exchanged multiple drafts of the Transaction Agreement, the stockholders agreement and the form of support agreement, addressing the remaining open issues, including the mechanics of the net debt adjustment, the amount of the termination fee payable by the Company under certain circumstances and the information that Aegis would be required to provide to the Company for inclusion in this proxy statement. During that time, Jenner and Shearman had multiple conference calls to discuss outstanding items regarding the Transaction Agreement, the stockholders agreement and the form of support agreement.

On March 14, 2018, the Board held a telephonic meeting together with certain members of Management, representatives of William Blair and representatives of Jenner. A representative of Jenner made a presentation to the Board that included a discussion of the Board's fiduciary duties under Delaware law. Jenner's representative then reviewed with the Board the legal terms of the transaction agreement. A representative of William Blair then presented to the Board William Blair's financial analysis summarized below under "—Opinion of the Financial Advisor to the Company". At the request of the Board, William Blair rendered to the Board an oral opinion, confirmed by delivery of a written opinion dated March 14, 2018 to the effect that, as of that date and based on and subject to the assumptions, procedures, factors, qualifications and limitations set forth therein, the consideration to be paid with respect to the share issuances pursuant to the terms and conditions set forth in the Transaction Agreement is fair from a financial perspective to the Company. A representative of Jenner discussed the proposed resolutions for the Board to consider and the Board's fiduciary duties under Delaware law. Following discussion and questions by the Board, the Board unanimously determined that the Transaction Agreement and the Aegis Transactions contemplated by the Transaction Agreement were fair and in the best interest of the Company and its stockholders, adopted, approved and declared advisable the Transaction Agreement and the Aegis Transactions contemplated by the Transaction Agreement, and recommended to the stockholders of the Company to approve the issuance of the Company's common stock contemplated by the Transaction Agreement.

Later in the day of March 14, 2018, the parties continued to finalize the Transaction Agreement and the other agreements. Late in the evening of March 14, 2018, Aegis, the Aegis Stockholder and the Company executed and delivered the Transaction Agreement and Aegis, the Aegis Stockholder and each of Mr. Stephenson, Privet and Engine executed and delivered the respective support agreements.

On March 15, 2018, the Company issued a press release announcing the transaction and held a conference call for investors.

Reasons for the Aegis Transactions

The Board considered a number of factors in making its determination that the Aegis Transactions are fair to and in the best interests of the Company and its stockholders, including the following (not necessarily in the order of relative importance):

Aegis EBITDA Contribution and Relative Enterprise Value. The Board considered the relative profitability and enterprise value of Aegis as compared to the Company, including that Aegis would be expected to account for 75% of the adjusted earnings before interest, tax, depreciation and amortization ("EBITDA") of the Combined Company and 64% of the enterprise value of the Combined Company, as compared to an equity split in the Aegis Transactions resulting in the Aegis Stockholder owning 55% of the Combined Company.

Strategic Alternatives. The Board considered the potential values, benefits, risks and uncertainties facing the Company's stockholders associated with possible strategic alternatives to the Aegis Transactions (including scenarios

involving the possibility of a sale of the Company), and the timing and likelihood of accomplishing certain alternatives. Additionally, the Board considered the fact that, following an extensive strategic review process, none of the other interested parties submitted an offer. Based on the foregoing, the Board considered that none of the alternatives to the Aegis Transactions, on a risk-adjusted basis, was reasonably likely to create value for our stockholders greater than the Aegis Transactions. The Board also considered the Company's ability, subject to the terms and conditions of the Transaction Agreement, to respond to, engage in discussions or negotiations regarding, and ultimately accept a Superior Proposal under certain circumstances and, in the case of accepting such a Superior Proposal, after paying a termination fee, as more fully described in the section entitled “—Description of the Transaction Agreement—No Solicitation of Acquisition Proposals;” “—Board Recommendation” beginning on page 76.

Fairness Opinion. The Board considered the financial analyses reviewed by William Blair with the Board and the opinion of William Blair rendered to the Board to the effect that, as of March 14, 2018 and based on and subject to the assumptions,

procedures, factors, qualifications and limitations set forth therein, the consideration to be paid with respect to the share issuances pursuant to the terms and conditions set forth in the Transaction Agreement is fair from a financial point of view to the Company. The opinion of William Blair is more fully described in the section entitled “—Opinion of the Financial Advisor to the Company” beginning on page 54 and the full text of such opinion is attached to this proxy statement as Annex E.

Negotiations with Aegis and the Aegis Stockholder. The Board considered the terms that the Company and its advisors were able to obtain during extensive negotiations with Aegis and the Aegis Stockholder and that the Transaction Agreement was the product of arm’s-length negotiations and contained terms and conditions that were, in the Board’s view, advisable and fair to, and in the best interests of, the Company and its stockholders.

Timing of the Aegis Stockholder’s Offer. The Board considered the timing and the risk that if the Company did not accept the Aegis Stockholder’s offer, which the Aegis Stockholder had indicated was the best offer it would make, the Board may not have another opportunity to do so. For more information, see the section entitled “Background on the Aegis Transactions” beginning on page 34.

The Company’s Current Condition. The Board considered information with respect to the Company’s financial condition, results of operation, competitive position and business strategy, on both historical and prospective bases, as well as current industry, regulatory, economic and market conditions, trends and cycles.

The Company’s Future Prospects. The Board considered the Company’s future prospects if it were to remain independent, including the competitive landscape and business, financial and execution risks, the Company’s relationship with customers, and other risks associated with continued independence discussed below.

Risks Associated with Continued Independence. While the Board remained supportive of the Company’s strategic plan and optimistic about the Company’s prospects on a standalone basis, it also considered the risks associated with operating as a standalone company, including the Company’s existing concentration risk, the potential execution risks associated with the strategic plan, the achievability of financial projections and the potential risk the market may not reflect such execution in the Company’s stock price. The Board also considered continuing headwinds and key industry trends facing the business, such as the competitive environment of the Company’s business, changes in customer preferences and changes in delivery mechanisms. The Board concluded that a combination of the Company’s business with the Aegis business presented the most attractive alternative to deal with the changing competitive environment.

Transaction Agreement. The Board considered, in consultation with counsel, the terms of the Transaction Agreement, including:

the right of the Company and the Board to respond to a competing Superior Proposal from any bidder prior to obtaining the stockholders’ approval if the Board determines in good faith, after considering advice from its financial advisor and outside legal counsel, that such Acquisition Proposal either constitutes a Superior Proposal or could reasonably be expected to result in a Superior Proposal, and that failure to take such action would reasonably be likely to be inconsistent with the directors’ fiduciary duties under applicable law, as well as the Company’s ability to terminate the Transaction Agreement to accept a Superior Proposal, subject to certain notice requirements and “negotiation rights” in favor of the Aegis Stockholder and provided that the Company pays the Aegis Stockholder the applicable termination fee;

the Board’s belief that termination fee provisions are customary for transactions of this type, and its belief that the termination fee of up to \$6,800,000 with respect to terminations made under certain circumstances was reasonable in the context of comparable transactions and the likelihood that a fee of such size would not be a meaningful deterrent to alternative acquisition proposals;

the Board's right to change its recommendation whether or not in connection with a Superior Proposal, prior to obtaining the stockholder approval if the Board has determined in good faith, after consultation with its financial advisor and outside legal counsel, that the failure to make such change in recommendation would be reasonably likely to be inconsistent with its fiduciary duties under applicable law, subject to certain notice requirements and "negotiation rights";

the representations, warranties and covenants of the parties, the limited conditions to the parties' obligations to complete the Aegis Transactions and their limited ability to terminate the Transaction Agreement;

the fact that the Company has sufficient operating flexibility to conduct its business in the ordinary course between the execution of the Transaction Agreement and consummation of the Aegis Transactions;

the fact that the definition of “Public Company Material Adverse Effect” (as defined in the Transaction Agreement) has a number of customary exceptions, as described in detail in the section entitled “—Description of the Transaction Agreement—Representations and Warranties” beginning on page 66, and is generally a very high standard as applied by the courts;

the restrictions on the conduct of the Company’s business prior to the completion of the Aegis Transactions, including restrictions on realizing certain business opportunities or taking certain actions with respect to the Company’s operations the Company may otherwise take absent the pending Aegis Transactions;

the restrictions on the incurrence of indebtedness pursuant to the Transaction Agreement and the fact that incurrence of additional indebtedness could result in the increase of the Company’s leverage and the issuance by the Company to the Aegis Stockholder of additional shares of our common stock or the reduction of the amount payable by the Aegis Stockholder to the Company in respect of the additional cash payment contemplated by the Transaction Agreement , as more fully described in the section entitled “—Description of the Transaction Agreement—Net Debt Adjustment” beginning on page 65; and

the Company’s right to specifically enforce Aegis and the Aegis Stockholder’s obligations under the Transaction Agreement.

Potential Financing Synergies. The Board considered the potential to refinance the existing indebtedness of the Company and Aegis in light of the increased size and geographic diversification of the Combined Company.

Likelihood of Consummation. The Board considered the likelihood that the Aegis Transactions would be completed, in light of, among other things, the conditions to the Aegis Transactions and the absence of a financing condition, the relative likelihood of obtaining required regulatory approvals, and the remedies available to the Company under the Transaction Agreement.

Aegis’ and the Aegis Stockholder’s Reputation. The Board considered the business reputation and capabilities of Aegis and its management as well as the reputation of the Aegis Stockholder in making investments of the type that would be represented by the Combined Company.

Stockholders’ Ability to Reject the Aegis Transactions. The Board considered the fact that, the amendment to the Company’s Certificate of Incorporation is subject to the approval by the affirmative vote of holders of a majority of the outstanding shares of our common stock entitled to vote thereon and the issuance of the Transaction Shares is subject to the approval by affirmative vote of the holders of a majority of the shares of our common stock entitled to vote thereon.

In the course of reaching its decision, the Board also considered a number of potentially negative factors with respect to the Aegis Transactions including, among others, the following (not necessarily in the order of relative importance):

Aegis Stockholder Majority Position. The Board considered the fact that, following the closing of the Aegis Transactions, the Aegis Stockholder would own a majority of our common stock and would have the ability to designate a majority of the directors on the Board and otherwise control the Company. The Company will also be a “controlled company” as defined in the NYSE’s listing rules and will, therefore, not be subject to certain NYSE requirements that would otherwise require the Company to have (i) a majority of independent directors, (ii) a nominating committee composed solely of independent directors, (iii) the compensation of its executive officers determined by a majority of the independent directors or a compensation committee composed solely of independent

directors, and (iv) director nominees selected, or recommended for the Board's selection, either by a majority of the independent directors or a nominating committee composed solely of independent directors.

Non-Solicitation Provision. The Board considered the fact that the Transaction Agreement precludes the Company from actively soliciting alternative proposals.

Risks Associated with a Failure to Consummate the Aegis Transactions. The Board considered the fact that there can be no assurance that all conditions to the parties' obligations to consummate the Aegis Transactions will be satisfied and as a result the possibility that the Aegis Transactions might not be completed. The Board noted the fact that, if the Aegis Transactions are not completed, (i) the Company will have incurred significant risk, transaction expenses and opportunity costs, including the possibility of disruption to the Company's operations, diversion of Management and employee attention, employee attrition and

a potentially negative effect on the Company's business and client relationships, (ii) depending on the circumstances that caused the Aegis Transactions not to be completed, it is likely that the price of our common stock will decline, potentially significantly and (iii) the market's perception of the Company's prospects could be adversely affected.

Termination Fee. The Board considered the possibility that the \$6.8 million termination fee payable to the Aegis Stockholder with respect to termination for a Superior Proposal might have the effect of discouraging alternative acquisition proposals or reducing the price of such proposals.

Regulatory Risk. The Board considered the risk that the necessary regulatory approvals, the receipt of which is beyond the Company's control, may be delayed, conditioned or denied.

No Appraisal Rights. The Board considered the fact that appraisal rights would not be available under applicable law in connection with the Aegis Transactions.

Stockholder Litigation. The Board considered the likelihood of litigation from stockholder suits in connection with the Aegis Transactions, which could distract our Management.

After considering potentially positive and potentially negative factors, the Board concluded that, overall, the potentially positive factors outweighed the potentially negative factors. Accordingly, the Board determined that the Transaction Agreement and the Aegis Transactions are fair to and in the best interests of the Company and its stockholders and to recommend that the stockholders vote in favor of the Aegis Transactions.

The foregoing discussion is not intended to be an exhaustive list of the information and factors considered by the Board in its consideration of the Aegis Transactions, but includes the material positive factors and material negative factors considered by the Board in that regard. In view of the number and variety of factors and the amount of information considered, the Board did not find it practicable to, nor did it attempt to, make specific assessments of, quantify, or otherwise assign relative weights to, the specific factors considered in reaching its determination. In addition, individual members of the Board may have given different weights to different factors. Based on the totality of the information presented, the Board, by the unanimous vote of all directors voting, reached the determination that the Transaction Agreement and the Aegis Transactions are fair and in the best interests of the Company and the stockholders, and approved, adopted and declared advisable the Transaction Agreement and the Aegis Transactions in light of the factors described above and other factors that the members of the Board deemed were appropriate.

Portions of this explanation of reasons for the Aegis Transactions and other information presented in this section are forward-looking in nature and, therefore, should be read in light of the section entitled "Cautionary Note Regarding Forward-Looking Statements" beginning on page 21.

Unaudited Pro Forma Condensed Combined Financial Information
(in thousands, except per share amounts)

The following unaudited pro forma condensed combined financial information presents the unaudited pro forma condensed combined balance sheet and unaudited pro forma condensed combined statements of operations based upon the combined historical financial statements of StarTek and Aegis, after giving effect to the Aegis Transactions and adjustments described in the accompanying notes. The Aegis Transactions will be accounted for as a reverse acquisition under the acquisition method of accounting, which requires determination of the accounting acquirer. The accounting guidance for business combinations, Accounting Standards Codification 805 (“ASC 805”), provides that in identifying the acquiring entity in a combination effected through an exchange of equity interests, all pertinent facts and circumstances must be considered, including but not limited to, the relative voting rights of the stockholders of the constituent companies in the Combined Company, the existence of a large minority voting interest in the Combined Company if no other owner or organized group of owners has a significant voting interest, the composition of the board of directors and senior management of the Combined Company, the relative size of each company and the terms of the exchange of equity securities in the business combination, including payment of any premium.

Because the Aegis Stockholder will be entitled to designate the majority of the board of directors of the Combined Company and will receive a majority of the equity securities and voting rights of the Combined Company, Aegis is considered to be the acquirer of StarTek for accounting purposes. This means that Aegis will allocate the purchase price to the fair value of StarTek’s assets acquired and liabilities assumed on the acquisition date, with any excess purchase price being recorded as goodwill.

The unaudited pro forma condensed combined balance sheet as of March 31, 2018 reflects the transaction as if it occurred on March 31, 2018. The unaudited pro forma condensed combined statements of operations for the year ended December 31, 2017 and the three months ended March 31, 2018 reflect the transaction as if it occurred on January 1, 2017, the beginning of the earliest period presented.

The unaudited pro forma condensed combined financial information should be read in conjunction with the audited and unaudited historical financial statements of each of Aegis and StarTek and the notes thereto, as well as the disclosures contained in each company’s Management’s Discussion and Analysis of Financial Condition and Results of Operations. Additional information about the basis of presentation of this information is provided in Note 1 hereto.

The unaudited pro forma condensed combined financial information was prepared in accordance with Article 11 of Regulation S-X. The unaudited pro forma adjustments reflecting the transactions have been prepared in accordance with the accounting guidance in ASC 805, and reflect the allocation of the preliminary purchase price to the assets acquired and liabilities assumed based upon their estimated fair values, using the assumptions set forth in the notes to the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information is provided for informational purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the transactions had been completed as of the dates set forth above, nor is it indicative of the future results or financial position of the Combined Company. The unaudited pro forma condensed combined financial information also does not give effect to the potential impact of current financial conditions, any anticipated synergies, operating efficiencies, cost savings, or any integration costs that may result from the transaction.

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StarTek, Inc.

Unaudited Pro Forma Condensed Combined Balance Sheet as of March 31, 2018

(\$ in thousands)	Aegis					
	StarTek Historical	Historical (IFRS) (Note 1)	Pro Forma reclassification adjustments (Note 3)	Pro Forma (US GAAP)	Pro Forma Adjustments (Note 5)	Pro Forma Condensed Combined
Current assets						
Cash and cash equivalents	\$ 1,196	\$ 17,780	\$ —	\$ 17,780	\$(613)	(a) \$ 18,363
Bank balances other than the above	—	5,410	(5,410)	—	—	—
Restricted cash	—	—	5,410	5,410	—	5,410
Trade accounts receivable, net	54,087	62,650	48,920	111,570	—	165,657
Unbilled revenue	—	48,920	(48,920)	—	—	—
Other financial assets	—	7,690	(7,690)	—	—	—
Prepaid expenses	2,166	—	11,038	11,038	—	13,204
Other current assets	591	15,690	(3,348)	12,342	—	12,933
Total current assets	\$ 58,040	\$ 158,140	\$ —	\$ 158,140	\$(613)	\$ 215,567
Long Term Assets						
Property, plant and equipment, net	\$ 17,508	\$ 27,290	\$ 130	\$ 27,420	—	\$ 44,928
Capital work in progress	—	130	(130)	—	—	—
Intangible assets, net	2,993	112,040	—	112,040	39,920	(b) 154,953
Goodwill	9,077	155,200	—	155,200	94,430	(c) 258,707
Equity-accounted investees	—	960	(960)	—	—	—
Other financial assets	—	2,120	(2,120)	—	—	—
Advance income tax, net	—	3,050	(3,050)	—	—	—
Deferred tax assets, net	—	2,080	—	2,080	—	2,080
Other long-term assets	3,533	870	6,130	7,000	—	10,533
Total assets	\$ 91,151	\$ 461,880	\$ —	\$ 461,880	\$ 133,737	\$ 686,768
Current liabilities						
Borrowings	\$ —	\$ 17,620	\$ (17,620)	\$ —	—	\$ —
Accounts payable	6,589	22,750	3,072	25,822	—	32,411
Other financial liabilities	—	46,460	(46,460)	—	—	—
Provisions	—	5,100	(5,100)	—	—	—
Current tax liabilities	—	900	(900)	—	—	—
Accrued employee compensation and benefits	10,217	—	23,329	23,329	—	33,546
Other accrued liabilities	3,157	—	23,388	23,388	—	26,545
Other current debt	2,556	—	23,843	23,843	—	26,399
Customer deposits	—	—	8,157	8,157	—	8,157
Other current liabilities	1,553	19,910	(11,709)	8,201	—	9,754
Total current liabilities	\$ 24,072	\$ 112,740	\$ —	\$ 112,740	\$ —	\$ 136,812
Long Term Liabilities						
Borrowings	—	\$ 127,830	(127,830)	\$ —	—	\$ —
Provisions	—	10,800	(10,800)	—	—	—
Deferred tax liabilities, net	\$ —	8,780	—	8,780	—	8,780
Line of credit	\$ 24,720	—	—	—	(24,720)	(e) —
Other debt	2,482	—	127,830	127,830	(130,312)	(e) —
Long term debt, net	—	—	—	—	155,032	(e) 155,032
Other liabilities	775	—	10,800	10,800	—	11,575
Total liabilities	\$ 52,049	\$ 260,150	\$ —	\$ 260,150	\$ —	\$ 312,199

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Equity					
Total Aegis equity	\$ —	\$ 154,280	—	\$ 154,280	\$ 172,839 (d)\$ 327,119
Total StarTek equity	39,102	—	—	—	(39,102)(d)—
Non-controlling interest	—	47,450	—	47,450	— 47,450
Total equity	\$ 39,102	\$ 201,730	\$ —	\$ 201,730	\$ 133,737 (d)\$ 374,569
Total liabilities and equity	\$ 91,151	\$ 461,880	\$ —	\$ 461,880	\$ 133,737 \$ 686,768

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StarTek, Inc.
 Unaudited Pro Forma Condensed Combined Statement of Operations
 For the three months ended March 31, 2018

In \$ thousands, except earnings per share	Aegis						
	Historical StarTek	Historical (IFRS) (Note 1)	Pro Forma acquisition adjustments (Note 2)	Pro Forma reclassification adjustments (Note 3)	Pro Forma (US GAAP)	Pro Forma Adjustments (Note 6)	Pro Forma Condensed Combined
Revenue	\$69,114	\$114,690	\$—	\$ —	\$114,690	\$—	\$183,804
Warrant contra revenue	(2,500)	—	—	—	—	—	(2,500)
Net revenue	66,614	114,690	—	—	114,690	—	181,304
Cost of services	61,156	83,020	—	—	83,020	868 (a)	145,044
Gross profit	5,458	31,670	—	—	31,670	(868)	36,260
Selling, general and administrative expenses	8,558	—	—	21,280	21,280	—	29,838
General and Administrative expenses	—	20,650	(3,280)	(17,370)	—	—	—
Selling and distribution expenses	—	3,910	—	(3,910)	—	—	—
Other operating income	—	—	—	—	—	—	—
Transaction related fees	1,887	—	—	—	—	(1,887)	(b) —
Impairment and restructuring charges, net	4,453	—	—	—	—	—	4,453
Operating income (loss)	(9,440)	7,110	3,280	—	10,390	1,019	1,969
Interest and other (expense), net	(438)	—	—	(3,360)	(3,360)	—	(3,798)
Exchange gain/(loss), net	—	(1,200)	—	1,200	—	—	—
Other income	—	1,020	—	(1,020)	—	—	—
Finance costs	—	(3,240)	—	3,240	—	—	—
Share of profit from associates, net	—	60	—	(60)	—	—	—
Income (loss) before income taxes	(9,878)	3,750	3,280	—	7,030	1,019	(1,829)
Income tax expense (benefit)	148	1,270	1,046	(c) —	2,316	—	(c) 2,464
Net income (loss)	(10,026)	2,480	2,234	—	4,714	1,019	(4,293)
Non-controlling Interest	—	1,320	—	—	1,320	—	1,320
Net income (loss) attributable to shareholders	\$(10,026)	\$1,160	\$2,234	\$ —	\$3,394	\$1,019	\$(5,613)
Net income per share attributable to StarTek shareholders:							
Basic	\$(0.62)						\$(0.15)
Diluted	\$(0.62)						\$(0.15)
Shares used in computing net income per share (in thousands):							
Basic	16,195					21,433	(d) 37,628
Diluted	16,195					21,433	(d) 37,628

StarTek, Inc.

Unaudited Pro Forma Condensed Combined Statement of Operations

For the year ended December 31, 2017

In \$ thousands, except earnings per share	Aegis							
	Historical StarTek	Successor Historical (IFRS)	Predecessor Historical (IFRS)	Pro Forma acquisition adjustments (Note 2)	Pro Forma reclassification adjustments (Note 3)	Successor Pro Forma (US GAAP)	Pro Forma Adjustments (Note 6)	Pro Forma Condensed Combined
Revenue	\$292,604	\$57,570	\$419,010	\$—	\$ —	\$476,580	\$—	\$769,184
Cost of services	260,242	49,590	359,410	1,256	(b) —	410,256	3,469	(a) 673,967
Gross profit	32,362	7,980	59,600	(1,256)	—	66,324	(3,469)	95,217
Selling, general and administrative expenses	32,584	—	—	—	39,590	39,590	—	72,174
General and Administrative expenses	—	6,470	25,810	(3,710)	(d) (28,570)	—	—	—
Selling and distribution expenses	—	770	10,150	—	(10,920)	—	—	—
Other operating income	—	—	100	—	(100)	—	—	—
Impairment and restructuring charges, net	520	—	—	—	—	—	—	520
Operating income (loss)	(742)	740	23,540	2,454	—	26,734	(3,469)	22,523
Interest and other (expense), net	(970)	—	—	—	(11,242)	(11,242)	—	(12,212)
Exchange gain/(loss), net	—	2,350	160	—	(2,510)	—	—	—
Other income	—	150	720	—	(870)	—	—	—
Finance costs	—	(1,830)	(6,780)	(7,412)	(a) 16,022	—	—	—
Share of profit from associates, net	—	—	1,400	—	(1,400)	—	—	—
Income (loss) before income taxes	(1,712)	1,410	19,040	(4,958)	—	15,492	(3,469)	10,311
Income tax expense (benefit)	(436)	1,070	6,020	(1,582)	(c) —	5,508	—	(c) 5,072
Net income (loss)	(1,276)	340	13,020	(3,376)	—	9,984	(3,469)	5,239
Non-controlling Interest	—	1,010	3,930	—	—	4,940	—	4,940
Net income (loss) attributable to shareholders	\$(1,276)	\$(670)	\$9,090	\$(3,376)	\$ —	\$5,044	\$(3,469)	\$299
Net income per share attributable to StarTek shareholders:								
Basic	\$(0.08)							\$0.01
Diluted	\$(0.08)							\$0.01
Shares used in computing net income per share:								
Basic	15,966						21,433	(d) 37,399
Diluted	15,966						23,805	(d) 39,771

1. Basis of presentation

The historical financial information has been adjusted to give pro forma effect to events that are (i) directly attributable to the Aegis Transactions or the ESM Acquisition, (ii) factually supportable, and (iii) with respect to the unaudited pro forma condensed combined statements of operations, expected to have a continuing impact on the combined results. The pro forma adjustments are preliminary and based on estimates. They have been prepared to illustrate the estimated effect of the Aegis Transactions, the ESM Acquisition, and certain other adjustments. The final determination of the purchase price allocation will be based on the fair values of assets acquired and liabilities assumed as of the closing date of the Aegis Transactions, and could result in a significant change to the unaudited pro forma condensed combined financial information, including goodwill.

StarTek's historical results are derived from StarTek's audited consolidated statement of operations and comprehensive income (loss) for the year ended December 31, 2017, unaudited condensed consolidated balance sheet as of March 31, 2018 and unaudited condensed consolidated statement of operations and comprehensive income (loss) for the three months ended March 31, 2018 under US GAAP.

Aegis' fiscal year end is March 31. For purposes of these unaudited pro forma condensed combined financial statements, Aegis prepared an unaudited pro forma balance sheet as of March 31, 2018 and an unaudited pro forma statement of profit and loss for the twelve months ended December 31, 2017. These pro forma statements were derived from Aegis' unaudited consolidated financial statements for the nine months ended December 31, 2017, and the audited consolidated financial statements of ESM Holdings Limited (Predecessor) ("ESM") for the fiscal year ended March 31, 2017 under IFRS in accordance with the International Accounting Standards Board. Aegis' historical results for the three months ended March 31, 2018 are derived from Aegis' unaudited consolidated balance sheet as of March 31, 2018 and unaudited consolidated statement of income for the three months ended March 31, 2018 under IFRS.

Description of the Transactions

On March 14, 2018 we entered into the Aegis Transaction Agreement with Aegis, and the Aegis Stockholder pursuant to which we, Aegis and the Aegis Stockholder agreed to, among other things: (1) the sale of all of the issued and outstanding shares of the capital stock of Aegis by the Aegis Stockholder to us; (2) the issuance of 20,600,000 shares, as may be adjusted for stock splits, consolidation and other similar corporate events, of our common stock in consideration of such sale; (3) the amendment of our Restated Certificate of Incorporation, as amended from time to time, in order to effect such issuance; and (4) in addition to the transactions set forth above, the purchase at the closing of 833,333 additional shares of our common stock by the Aegis Stockholder, for \$10 million at a price of \$12 per share. The number of shares of our common stock issued in the Aegis Transactions and the amount of the additional payment are subject to adjustment as set forth in the Transaction Agreement, including based on the relative net debt of the parties as of the closing.

On November 22, 2017, the Aegis Stockholder acquired ESM, the holding company of the Aegis group from AGC Holdings Limited, a wholly owned portfolio company of Essar Global Limited.

2. Aegis purchase accounting adjustments

The ESM Acquisition closed on November 22, 2017. Therefore, for purposes of the unaudited pro forma condensed combined statements of income for the year ended December 31, 2017, the following adjustments are made to give effect to the acquisition as if it occurred on January 1, 2017.

(a) To adjust historical interest expense as follows:

Description	Principal	Note
-------------	-----------	------

	Contractual Interest Rate		Year ended December 31, 2017
Incremental Senior Note	\$140,000	5.83 % (i)	\$ 8,162
Amortization of capitalized debt issuance costs		(ii)	1,380
Less historical interest expense		(iii)	(2,130)
Pro forma Adjustment to Interest Expense			\$ 7,412

(i) Borrowings under the agreement will bear interest at a rate per annum equal to the aggregate of the applicable margin and LIBOR. The margin added to LIBOR or the base rate will depend on Aegis' leverage ratio from time to time. Interest expense was calculated using the leverage ratio and margin rates which was 4.5%. The LIBOR rate used was 1.33%, which is the one month LIBOR rate as of November 22, 2017.

(ii) Debt issuance costs resulting from the new facility were amortized to interest expense on a straight line basis.

Elimination of historical interest expense represents interest accrued from January 1, 2017 through December 31, (iii) 2017 on debt that was extinguished in the transaction, as well as interest expense accrued on the incremental senior note for the period November 22, 2017 to December 31, 2017.

(b) The newly acquired intangible assets which consist of customer relationships and brand will be amortized on a straight line basis over their expected useful lives. Pro forma amortization expense includes amortization expense for newly identified intangible assets less the amortization expense on ESM's historical intangible assets.

Description	Estimated Fair Value	Useful life	Year ended December 31, 2017
Amortization expense for customer relationship	\$ 52,600	13.5 years	\$ 3,459
Amortization expense for brand	\$ 49,500	Indefinite	—
Less historical amortization			(2,203)
Pro forma adjustment to amortization expense			\$ 1,256

(c) To record income tax impact of the pro forma adjustments and historical ESM income utilizing a statutory tax rate of 31.9% percent.

Description	Three months ended March 31, 2018	Year ended December 31, 2017
Pro forma change in income (loss) before income tax	\$3,280	\$(4,958)
Statutory Tax Rate	31.9 %	31.9 %
Pro forma adjustment to income tax expense (benefit)	\$1,046	\$(1,582)

(d) Represents the elimination of non-recurring transaction costs incurred during the three months ended March 31, 2018 and the year ended December 31, 2017 of \$3.28 million and \$3.71 million, respectively, directly related to the acquisition of ESM.

3. Aegis reclassification adjustments

Aegis' historical financial statements were prepared in accordance with IFRS. During the preparation of this unaudited pro forma condensed combined financial information, Management performed an analysis of Aegis' financial information to identify differences between IFRS and US GAAP and accounting policies. The IFRS to US GAAP and accounting policy differences identified were immaterial and therefore were not adjusted herein.

Significant differences in financial statement presentation between Aegis' and StarTek's presentations were identified and adjusted. At the time of preparation, the Company believes all material differences have been adjusted herein. The adjustments below represent StarTek's best estimates based upon the information currently available and could be subject to change once more detailed information is available.

Included in the table below are the details of the reclassification adjustments made to conform Aegis' balance sheet as of March 31, 2018 with that of StarTek.

Balance Sheet

As of March 31, 2018

(In \$ thousands)	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	Pro Forma Reclassification Adjustments
Current assets										
Bank balances other than the above	\$(5,410)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$(5,410)
Restricted cash	5,410	—	—	—	—	—	—	—	—	5,410
Trade accounts receivable, net	48,920	—	—	—	—	—	—	—	—	48,920
Unbilled revenue	(48,920)	—	—	—	—	—	—	—	—	(48,920)
Other financial assets	—	—	—	—	—	—	—	(7,690)	—	(7,690)
Prepaid expenses	11,038	—	—	—	—	—	—	—	—	11,038
Other current assets	(11,038)	—	—	—	—	—	—	7,690	—	(3,348)
Long term assets										
Property, plant and equipment, net	—	—	130	—	—	—	—	—	—	130
Capital work in progress	—	—	(130)	—	—	—	—	—	—	(130)
Equity-accounted investees	—	—	—	—	—	—	—	(960)	—	(960)
Other financial assets	—	—	—	—	—	—	—	(2,120)	—	(2,120)
Advance income tax, net	—	—	—	—	—	—	—	(3,050)	—	(3,050)
Other long-term assets	—	—	—	—	—	—	—	6,130	—	6,130
Current liabilities										
Borrowings	(17,620)	—	—	—	—	—	—	—	—	(17,620)
Accounts payable	—	3,072	—	—	—	—	—	—	—	3,072
Other financial liabilities	—	(3,072)	—	(13,494)	(6,223)	(23,388)	(283)	—	—	(46,460)
Provisions	—	—	—	(5,100)	—	—	—	—	—	(5,100)
Current tax liabilities	(900)	—	—	—	—	—	—	—	—	(900)
Accrued employee compensation and benefits	—	—	—	23,329	—	—	—	—	—	23,329
Other accrued liabilities	—	—	—	—	—	23,388	—	—	—	23,388
Other current debt	17,620	—	—	—	6,223	—	—	—	—	23,843
Customer deposits	—	—	—	—	—	—	—	—	8,157	8,157
Other current liabilities	900	—	—	(4,735)	—	—	283	—	(8,157)	11,709
Long term liabilities										
Borrowings	(127,830)	—	—	—	—	—	—	—	—	(127,830)
Provisions	(10,800)	—	—	—	—	—	—	—	—	(10,800)
Other debt	127,830	—	—	—	—	—	—	—	—	127,830
Other liabilities	10,800	—	—	—	—	—	—	—	—	10,800

(a) Reclassifies certain items in Aegis' balance sheet to conform to StarTek's presentation.

(b) Reclassifies payments due to equipment suppliers historically recorded as other financial liabilities to accounts payable.

(c) Reclassifies costs capitalized in connection with the construction of assets not yet placed into service historically recorded as Capital work in progress to Property, plant and equipment, net.

(d) Reclassifies employee benefit obligations historically recorded as Other financial liabilities, Provisions, and Other current liabilities to Accrued employee compensation and benefits.

(e) Reclassifies the current portion of long term debt historically recorded in Other financial liabilities to Other current debt.

(f) Reclassifies other accrued expenses historically classified as Other financial liabilities to Other accrued liabilities.

(g) Reclassifies deferred revenue historically classified as Other financial liabilities to Other current liabilities.

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(h) Reclassifies assets historically recorded as Other financial assets, Equity-accounted investees, and Advance income tax, net to Other current assets and Other long-term assets as applicable.

(i) Reclassifies liabilities historically recorded as Other current liabilities to Customer deposits.

Included in the table below are the details of the reclassification adjustments made to conform Aegis' statements of operations with that of the Company.

Statements of Operations

(In \$ thousands)	Notes	Three months ended March 31, 2018	Year ended December 31, 2017
Selling, general and administrative expenses	(i)	\$21,280	\$ 39,590
General and Administrative expenses	(i)	(17,370)	(28,570)
Selling and distribution expenses	(i)	(3,910)	(10,920)
Other operating income	(ii)	—	(100)
Interest and other (expense), net	(ii)	(3,360)	(11,242)
Exchange gain/(loss), net	(ii)	1,200	(2,510)
Other income	(ii)	(1,020)	(870)
Finance costs	(ii)	3,240	16,022
Share of profit from associates, net	(ii)	(60)	(1,400)

(i) Reclassifies General and administrative and Selling and distribution expenses to Selling, general and administrative expenses.

(ii) Reclassifies Other operating income, Exchange gain/(loss), net, Other income, Finance costs, and Share of profit from associates, net to Interest and other (expense), net.

4. StarTek preliminary purchase price allocation

Because the Aegis Transactions are considered a reverse merger for accounting purposes, the fair value of the purchase consideration is calculated based on StarTek's stock price as it is considered to be more reliably determinable than the fair value of Aegis' private stock. Consideration is estimated based on the StarTek's closing stock price on May 2, 2018. The purchase price will be finalized based on the stock price on the closing date.

Consideration for the transaction was estimated as follows:

Calculation of consideration (\$ thousands)	Amount
Share consideration: Shares of StarTek	20,600,000
Share price of StarTek on May 2, 2018	\$ 8.42
Pro Forma Share Consideration	\$173,452

Cash		
Consideration:		
Shares of StarTek	833,333	
Price per share per Transaction agreement	\$ 12.00	
		\$ 10,000
Fair value of consideration transferred		\$ 183,452

The preliminary purchase price as shown in the table above is allocated to the tangible and intangible assets acquired and liabilities assumed by the Company based on their preliminary estimated fair values. The fair value assessments are preliminary and are based upon available information and certain assumptions which the Company believes are reasonable. Actual results may differ materially from the unaudited pro forma condensed combined financial statements.

Description	Note	Amount
Current assets	(a)	\$68,040
Property, plant and equipment, net	(b)	17,508
Identifiable intangible assets	(c)	42,913
Goodwill	(d)	103,507
Other non-current assets	(e)	3,533
Current liabilities	(e)	(24,072)
Non-current liabilities	(e)	(27,977)
Preliminary purchase price		\$183,452

(a) Reflects an increase of \$10 million to cash and cash equivalents for the issuance of 833,333 shares at \$12 per share.

(b) Preliminary fair value assessments are still in process, however, based on the information received to date, management does not believe the fair value will be materially different from the historical carrying value, therefore, the historical carrying value has been used in the preliminary purchase price allocation.

(c) Preliminary fair value adjustments were identified related to customer relationships, trademarks, favorable lease terms, developed technology, and non-compete agreements. Preliminary adjustments are under review and are subject to change.

(d) Goodwill is the remainder of the fair value of the consideration after all identifiable assets and liabilities have been adjusted.

(e) No changes were identified as a result of the preliminary fair value assessment performed.

5. Adjustments to the unaudited pro forma condensed combined balance sheet

(a) Sources and uses of funds relating to the Transactions:

Description	Note	Amount
Source:		
Cash consideration paid to the Company	(i)	\$10,000
Use:		
Cash paid for transaction costs	(ii)	(10,613)
Pro forma adjustment to cash and cash equivalents		\$(613)

(i) Upon closing, StarTek will issue 833,333 shares at \$12 per share, resulting in a \$10 million payment from the Aegis Shareholder to the Company.

(ii) Estimate of transaction costs expected to be paid following the closing date.

(b) Adjustments to identifiable intangible assets based on the preliminary fair value assessment:

Description	Amount
Fair value of customer relationships	\$24,360
Fair value of trademarks	16,430
Fair value of favorable lease terms	1,393
Fair value of developed technology and non-compete agreements	730
Less StarTek's historical intangible assets, net	(2,993)
Pro forma adjustment to intangible assets, net	\$39,920

(c) Adjustments to goodwill based on the preliminary purchase price allocation:

Description	Amount
Fair value of consideration transferred in excess of the preliminary fair value of assets acquired and liabilities assumed	\$103,507
Less StarTek's historical goodwill	(9,077)
Pro forma adjustment to goodwill	\$94,430

(d) Adjustments to StarTek's historical equity as follows:

Description	Amount
Fair value of consideration transferred	\$183,452
Less StarTek's historical equity	(39,102)
Transaction costs	(10,613)
Pro forma adjustment to total StarTek and Aegis equity	\$133,737

(e) Reclassifies long term debt balances of both companies from Line of credit and Other debt into Long term debt, net.

6. Adjustments to the unaudited pro forma condensed combined statements of operations

(a) The newly acquired intangible assets consisting of customer relationships, trademarks, developed technology, non-compete agreements, and favorable lease terms will be amortized on a straight line basis over their expected useful lives, outlined below. The fair value assessment is preliminary and any changes to the preliminary values will have a direct impact on future earnings via amortization expense.

Description	Estimated Fair Value	Estimated Useful life	Three months ended March 31, 2018	Year ended December 31, 2017
Amortization expense for Customer relationships	\$24,360	8 years	\$761	\$3,045
Amortization expense for Trademarks	16,430	15 years	274	1,095
Amortization expense for developed technology and non-compete agreements	730	1-5 years	91	362
Amortization expenses for favorable lease terms	1,393	13 years	27	107
Less historical amortization			(285)	(1,140)
Pro forma adjustment to amortization expense			\$868	\$3,469

(b) Represents the elimination of non-recurring transaction costs incurred by StarTek during the three months ended March 31, 2018 of \$1.9 million directly related to the Aegis Transactions.

(c) To record income tax impact of the proforma adjustments 6(a) and 6(b) above.

Description	Three months ended March 31, 2018	Year ended December 31, 2017
Proforma change in income (loss) before income tax	\$1,019	\$(3,469)
Statutory Tax Rate	21 %	35 %
Impact to income tax expense (benefit)	214	(1,214)
Impact to valuation allowance	(214)	1,214

Proforma adjustment to income tax expense (benefit) \$— \$—

(d) The pro forma basic and diluted earnings per share calculations are based on the basic and diluted weighted average shares of StarTek. The pro forma basic and diluted weighted average shares outstanding are a combination of historical weighted average StarTek shares and the share impact related to the Aegis Transactions as follows:

Shares in thousands	Three months ended March 31, 2018	Year ended December 31, 2017
Historical weighted average number of common shares outstanding		
Basic	16,195	15,966
Diluted	16,195	15,966
Impact of historically anti-dilutive securities on the pro forma diluted weighted average number of common shares outstanding	—	2,372
Impact of the Aegis Transactions on the weighted average number of common shares outstanding	21,433	21,433
Pro forma weighted average number of common shares outstanding		
Basic	37,628	37,399
Diluted	37,628	39,771

Opinion of the Financial Advisor to the Company

William Blair was retained to act as the financial advisor to the Board to render certain investment banking services, including soliciting offers for the possible sale of the Company, which ultimately included the Aegis Transactions, as set forth in the Transaction Agreement. As part of its engagement, the Board requested the opinion of William Blair as to the fairness, from a financial point of view, to the Company of (i) the issuance of 20,600,000 shares of common stock of the Company (the “Primary Share Issuance”) to the Aegis Stockholder and (ii) the issuance of additional shares of Common Stock to the Aegis Stockholder for cash at \$12.00 per share (the “Additional Share Issuance” and, together with the Primary Share Issuance, the “Share Issuances”). On March 14, 2018, William Blair delivered its oral opinion to the Board and subsequently confirmed in writing that, as of that date and based upon and subject to the assumptions, qualifications and limitations stated in its opinion, the consideration to be paid with respect to the Share Issuances was fair, from a financial point of view, to the Company.

William Blair provided its opinion for the use and benefit of the Board in connection with its consideration of the Aegis Transactions. As described above, William Blair’s opinion was only one of many factors taken into consideration by the Board in making its determination to recommend the approval of the Aegis Transactions and should not be viewed as determinative of the views of the Board or the Company’s Management with respect to the Aegis Transactions or the Share Issuances. The terms of the Transaction Agreement and the form and amount of the consideration payable in connection with the Aegis Transactions were determined through negotiations between the Company and the Aegis Stockholder. The Transaction Agreement and the Aegis Transactions were approved by the Board. William Blair did not recommend any form or amount of consideration to the Board or that any specific form or amount of consideration constituted the only appropriate consideration for the Aegis Transactions. The opinion described above delivered to the Board was reviewed and approved by William Blair’s Fairness Opinion Committee. William Blair has consented to the inclusion in this proxy statement of its opinion and the description of its opinion appearing under this heading “Opinion of the Financial Advisor to the Company”

THE FULL TEXT OF WILLIAM BLAIR’S WRITTEN OPINION, DATED MARCH 14, 2018, IS ATTACHED AS ANNEX E TO THIS PROXY STATEMENT AND INCORPORATED INTO THIS PROXY STATEMENT BY REFERENCE. YOU ARE URGED TO READ THE ENTIRE OPINION CAREFULLY AND IN ITS ENTIRETY TO LEARN ABOUT THE ASSUMPTIONS MADE, PROCEDURES FOLLOWED, MATTERS CONSIDERED AND LIMITS ON THE SCOPE OF THE REVIEW UNDERTAKEN BY WILLIAM BLAIR IN RENDERING ITS OPINION. WILLIAM BLAIR’S OPINION WAS DIRECTED SOLELY TO THE BOARD FOR ITS USE AND BENEFIT IN EVALUATING THE AEGIS TRANSACTIONS. WILLIAM BLAIR’S OPINION RELATES ONLY TO THE FAIRNESS, FROM A FINANCIAL POINT OF VIEW, TO THE COMPANY OF THE SHARE ISSUANCES, DOES NOT ADDRESS ANY OTHER ASPECT OF THE AEGIS TRANSACTIONS, AND DOES NOT CONSTITUTE A RECOMMENDATION TO ANY STOCKHOLDER AS TO HOW SUCH STOCKHOLDER SHOULD VOTE WITH RESPECT TO THE SHARE ISSUANCES. WILLIAM BLAIR DID NOT ADDRESS THE MERITS OF THE UNDERLYING DECISION BY THE COMPANY TO ENGAGE IN THE AEGIS TRANSACTIONS. THE FOLLOWING SUMMARY OF WILLIAM BLAIR’S OPINION IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FULL TEXT OF THE OPINION ATTACHED TO THIS PROXY STATEMENT AS ANNEX E.

In connection with William Blair’s review of the Aegis Transactions and the preparation of its opinion, William Blair examined or discussed, among other things:

- a draft of the Transaction Agreement dated March 11, 2018, and William Blair assumed that the Transaction Agreement would not differ from such draft in any material respects;
- the audited financial statements of the Company for the fiscal years ended December 31, 2015 and 2016;

- the unaudited financial statements of the Company for the fiscal year ended December 31, 2017;
- the audited financial statements of Aegis for the fiscal years ended March 31, 2016 and 2017;
- the unaudited financial statements of Aegis for the twelve months ended December 31, 2017;

the draft due diligence report issued by Deloitte & Touche LLP dated March 9, 2018, reflecting Aegis' financial results at and for the fiscal years ended March 31, 2016 and March 31, 2017, and the twelve months ended December 31, 2017;

certain internal business operating and financial information and forecasts of the Company and Aegis prepared by Management and senior management of Aegis, respectively, which we refer to as the “Forecasts” and which are defined below under “Certain Unaudited Financial Forecasts of the Company”;

information regarding the amount and timing of incremental revenue, cost savings and related expenses which Management expects will result from the Aegis Transactions, which we refer to as the “Expected Synergies”;

information regarding the strategic, financial and operational benefits anticipated from the Aegis Transactions and the prospects of the Company (with or without the Aegis Transactions) prepared by Management of the Company;

information regarding publicly available financial terms of certain other business combinations William Blair deemed relevant;

the financial position and operating results of the Company compared with those of certain other publicly traded companies William Blair deemed relevant;

current and historical market prices and trading volumes of the common stock of the Company; and

- certain other publicly available information on the Company and Aegis.

William Blair also held discussions with members of Management to discuss the foregoing, considered other matters that it deemed relevant to its inquiry, and took into account the accepted financial and investment banking procedures and considerations that it deemed relevant. In connection with William Blair’s engagement, it was requested to approach, and held discussions with, third parties to solicit indications of interest in a possible acquisition of the Company.

In rendering its opinion, William Blair assumed and relied, without any independent verification, upon the accuracy and completeness of all the information examined by or otherwise reviewed or discussed with William Blair for purposes of this opinion including, without limitation, the Forecasts and the Expected Synergies provided by the senior management of the Company and Aegis, as applicable. William Blair has not made or obtained an independent valuation or appraisal of the assets, liabilities or solvency of the Company or Aegis. William Blair has been advised by the senior management of the Company and Aegis that the Forecasts and the Expected Synergies examined by William Blair have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the senior management of the Company and Aegis, as the case may be. In that regard, William Blair assumed, with the consent of the Board, that (i) the Forecasts will be achieved and the Expected Synergies will be realized in the amounts and at the times contemplated thereby and (ii) all material assets and liabilities (contingent or otherwise) of the Company and Aegis are as set forth in the financial statements of the Company and Aegis, as applicable, or other information made available to William Blair. William Blair did not express an opinion with respect to the Forecasts or the Expected Synergies or the estimates and judgments on which they are based. William Blair did not consider and expressed no opinion as to the amount or nature of the compensation to any of the Company’s officers, directors or employees (or any class of such persons) relative to the compensation to other stockholders or the Company. William Blair’s opinion was based upon economic, market, financial and other conditions existing on, and other information disclosed to William Blair as of, the date of its opinion. It should be understood that, although subsequent developments may affect William Blair’s opinion, William Blair does not have any obligation to update, revise or reaffirm its opinion. William Blair relied as to all legal matters on advice of counsel to the Company, and assumed that the Aegis Transactions will be completed on the terms described in the draft Transaction Agreement dated as of March 11, 2018, without any amendment or waiver of any material terms or conditions by the Company.

William Blair expressed no opinion as to the price at which the common stock of the Company will trade at any future time or as to the effect of the Aegis Transactions on the trading price of the common stock of the Company. William Blair noted for the Board that the Company's financial statements were prepared under US GAAP, whereas Aegis's financial statements had not been prepared in accordance with US GAAP and, as a result, the financial statements of the two entities may not be directly comparable. William Blair assumed that any adjustments to the financial statements of Aegis to present them in accordance with US GAAP would not be material in amount or significance.

William Blair's investment banking services and its opinion were provided for the use and benefit of the Board in connection with their consideration of the Aegis Transactions. William Blair's opinion was limited to the fairness to the Company, from a financial point of view, of the consideration to be paid with respect to the Share Issuances, and William Blair did not address the merits of the underlying decision by the Company to engage in the Aegis Transactions and its opinion does not constitute a recommendation to any Company stockholder as to how such stockholder should vote with respect to the Aegis Transactions.

The following is a summary of the material analyses performed and material factors considered by William Blair in connection with its opinion. William Blair performed certain procedures, including each of the analyses described below, and reviewed with the Board the assumptions upon which such analyses were based, as well as other factors. Although the summary does not purport to describe all of the analyses performed or factors considered by William Blair in this regard, it does set forth those considered by William Blair to be material in arriving at its opinion. The order of the summaries of analyses described below does not represent the relative importance or weight given to those analyses by William Blair. The analyses summarized below include information presented in a tabular format. In order to fully understand the analyses performed by William Blair, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the analyses performed by William Blair. Considering the data set forth in the tables below without considering the full narrative description of the analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the analyses performed by William Blair.

Contribution Analysis

William Blair calculated the relative contributions of the Company and Aegis to the expected adjusted EBITDA, and net income of the Combined Company, after giving effect to the Primary Share Issuance, for the periods set forth below, based upon historical financial information and the Forecasts. William Blair then compared such contributions to the pro forma enterprise and equity values of the Combined Company, prior to giving effect to the Additional Share Issuance, and calculated certain values implied by such relative contributions. References to “LTM” refer to the last twelve month period. The following table summarizes the results of this analysis:

	StarTek Contribution	Aegis Contribution
Adjusted EBITDA (LTM period ended December 31, 2017)	25%	75%
Combined Company enterprise value split	37%	63%
Adjusted EBITDA (Forecasted LTM period ended March 31, 2018)	21%	79%
Combined Company enterprise value split	37%	63%
Net Income (Forecasted LTM period ended March 31, 2018)	(49)%	149%
Combined Company equity value split	46%	54%

William Blair noted that the Company is achieving a significantly greater share of enterprise value and equity value of the Combined Company than its respective adjusted EBITDA and net income contributions.

Selected Publicly Traded Companies Analysis

William Blair reviewed and compared certain financial information relating to the Company and Aegis to corresponding financial information, ratios and public market trading multiples for five publicly traded business process outsourcing companies that William Blair deemed relevant. The purpose of this analysis was to provide a comparison of the respective trading multiples of certain companies that operate in similar businesses and industries or with similar financial or operating conditions as the Company and Aegis with the multiples implied by the Aegis Transactions.

Although none of the selected companies is identical or directly comparable to the Company or Aegis, William Blair, using its professional judgment and experience, determined that such companies were the most appropriate for purposes of this analysis based on certain criteria that William Blair considered to be appropriate in light of the applicable facts and circumstances. Such criteria included, but was not limited to, the fact that, like the Company and

Aegis, the other companies were companies that operated in the business process outsourcing sector and that William Blair considered certain of such companies' business models and financial profiles to be similar to the business model and financial profile of the Company and Aegis. The group of selected publicly traded companies reviewed is listed below:

• Teleperformance SE

• Convergys Corporation

• TTEC Holdings Inc.

Sykes Enterprises, Incorporated

Atento SA

Among the information William Blair considered were revenue and adjusted EBITDA. William Blair adjusted the historical results of the selected publicly traded companies, where it deemed appropriate, to eliminate the impact of publicly disclosed unusual or non-recurring items included in their financial information. The equity value of each of the Company and Aegis was calculated using a price of \$11.07 per share, which was the closing price for the Company's shares on March 13, 2018. The operating results and the corresponding trading multiples derived for each of the selected publicly traded companies were based on each company's most recent available publicly disclosed financial information and closing share prices as of December 31, 2017 (except in the case of Atento SA, which information was as of September 30, 2017). Enterprise values were then divided by (i) the revenue and adjusted EBITDA for each company for the LTM period ended December 31, 2017 and (ii) the projected revenue and adjusted EBITDA for each company for calendar year 2018, in each case to arrive at certain multiples. The implied enterprise value of each of the Company and Aegis is based on the equity value implied by the Primary Share Issuance, plus the closing net debt target of each of the Company and Aegis as specified in the Transaction Agreement.

William Blair then compared the multiples implied for the Company and Aegis based on the Primary Share Issuance to the range of trading multiples for the aggregate group of selected public companies. Information regarding the multiples from William Blair's analysis of selected publicly traded companies is set forth in the following tables.

	Implied Transaction Multiple		Selected Public Company Valuation Multiples			
	StarTek	Aegis	Min	Median	Mean	Max
	Enterprise Value / Revenue					
LTM Revenue	0.76x	0.97x	0.57x	0.83x	1.13x	2.08x
CY 2018E Revenue	0.72x	0.93x	0.54x	0.88x	1.10x	2.03x
Enterprise Value / Adjusted EBITDA						
LTM Adjusted EBITDA	17.7x	9.9x	4.8x	7.4x	8.1x	12.5x
CY 2018E Adjusted EBITDA	12.5x	9.2x	4.7x	7.5x	8.0x	11.6x

William Blair noted that, with respect to the enterprise value / revenue valuation multiples, the analyzed implied valuation multiples for the Company and Aegis based on the Primary Share Issuance were within the range of multiples of the selected public companies. William Blair also noted that, with respect to the enterprise value / adjusted EBITDA valuation multiples, the analyzed implied valuation multiples for the Company and Aegis were within or above the range of multiples for the selected public companies.

Although William Blair compared the trading multiples of the selected public companies to those implied for the Company and Aegis, none of the selected public companies is identical to the Company or Aegis. Accordingly, any analysis of the selected publicly traded companies necessarily involved complex considerations and judgments concerning the differences in financial and operating characteristics and other factors that would necessarily affect the analysis of trading multiples of the selected publicly traded companies.

Selected Precedent Transactions Analysis

William Blair performed an analysis of selected recent business combinations consisting of transactions announced and closed subsequent to January 1, 2011 and focused primarily on the business process outsourcing sector with publicly disclosed transaction values and characteristics deemed to be most relevant by William Blair based on its

professional judgment. William Blair's analysis was based solely on publicly available information regarding such transactions. The selected transactions were not intended to be representative of the entire range of possible transactions in the business process outsourcing sector. The 13 transactions examined were (identified by target/acquirer and closing date):

EGS Customer Care, Inc. / NCO Group, Inc. (October 14, 2011)

Alpine Access, Inc. / Sykes Enterprises, Incorporated (August 20, 2012)

Atento Holding Telecomunicaciones / Bain Capital Private Equity, L.P. (December 12, 2012)

IBM Worldwide Customer Care Business / Concentrix Corporation (SYNNEX) (January 31, 2014)

Stream Global Services, Inc. / Convergys Corporation (March 3, 2014)

West Corporation (Agent Services Business) / Alorica Inc. (March 3, 2015)

Sitel Worldwide Corporation / Groupe Acticall SAS (September 18, 2015)

Serco Group Private Sector BPO / The Blackstone Group (December 31, 2015)

Clearlink Technologies / Sykes Enterprises, Incorporated (April 1, 2016)

Buw Holding GmbH / Convergys Corporation (August 1, 2016)

The Minacs Group Pte Ltd. / SYNNEX Corp. (August 1, 2016)

Atelka Enterprise Inc. / TeleTech Holdings, Inc. (November 9, 2016)

Novitex Holdings, Inc., SourceHOV, LLC / Apollo Global Management, Quinpario Acquisition Corp. 2 (July 12, 2017)

William Blair reviewed the consideration paid in the selected transactions in terms of the enterprise value of such transactions as a multiple of revenue and adjusted EBITDA for the LTM period prior to the closing of the applicable transaction. William Blair considered the transaction multiples of revenue and adjusted EBITDA for the Company and Aegis for the LTM period ended December 31, 2017 and compared them to the resulting range of transaction multiples of LTM revenue and LTM adjusted EBITDA for the selected transactions. Information regarding the multiples from William Blair's analysis of selected transactions, to the extent meaningful, is set forth in the following tables:

Multiple	Implied Transaction Multiple StarTek	Precedent Transaction Valuation Multiples			
		Min	Median	Mean	Max
Enterprise Value / LTM Revenue	0.97x	0.38x	0.79x	0.95x	1.87x
Enterprise Value / LTM Adjusted EBITDA	9.97x	5.7x	7.1x	7.3x	9.6x

William Blair noted that the implied valuation multiples of enterprise value / LTM revenue for the Company and Aegis based on the Primary Share Issuance were within the range of multiples of the selected transactions, and the implied valuation multiples of enterprise value / LTM adjusted EBITDA for the Company and Aegis based on the Primary Share Issuance were within or above the range of multiples of the selected transactions.

Although William Blair analyzed the multiples implied by the selected transactions and compared them to the implied transaction multiples of the Company and Aegis, none of these transactions or associated companies is identical to the Aegis Transactions, the Company or Aegis. Accordingly, any analysis of the selected transactions necessarily involved complex considerations and judgments concerning the differences in financial and operating characteristics,

parties involved and terms of their transactions and other factors that would necessarily affect the implied value of the Company or Aegis versus the values of the companies in the selected transactions.

Discounted Cash Flow Analysis

William Blair utilized the Forecasts to perform a discounted cash flow analysis of the projected future free cash flows for the Company and the Combined Company for the fiscal years ending December 31, 2018 through December 31, 2022, adjusted for income taxes at an assumed rate of approximately 20.0% for the Company on a standalone basis and 28.1% for the Combined Company. Using discounted cash flow methodology, William Blair calculated the present values of the projected free cash flows for the Company and the Combined Company. In this analysis, William Blair estimated terminal multiples of 2022 adjusted EBITDA ranging from 6.5x to 8.0x and assumed a discount rate of 12.0% to 16.0%. The terminal multiples range was derived from the relevant multiple ranges of the selected public companies analysis and selected precedent transaction analysis. The discount rate range was derived based upon a weighted average cost of capital analysis using the capital asset pricing model. In performing this analysis, William Blair assumed that 100% of the Expected Synergies would be realized by 2020.

William Blair aggregated the present value of the free cash flows over the applicable forecast period with the present value of the range of terminal values to arrive at an implied enterprise value range. William Blair derived a range of diluted equity value per share by deducting the Company's and the Combined Company's projected net debt as of June 30, 2018 from the resulting enterprise value range and by dividing by the Company's and the Combined Company's total diluted shares outstanding, based on information provided by Management. The implied share price calculation for the Company and the Combined Company gives effect to dilution from the issuance of the Amazon Warrants, and the implied share price for the Combined Company gives effect to both the Primary Share Issuance and the Additional Share Issuance. William Blair noted that the equity value implied by the discounted cash flow analysis, subject to the assumptions set forth above, ranged from \$8.90 per share to \$12.68 per share for the Company and from \$11.94 per share to \$17.80 per share for the Combined Company.

Leveraged Buyout Analysis

Based on the Forecasts, William Blair performed a leveraged buyout analysis and projected illustrative implied purchase prices at which a leveraged buyout of the Company and the Combined Company could occur for a potential investor. In this analysis, William Blair estimated a terminal value by utilizing a range of calendar year 2022 EBITDA multiples of 6.5x to 8.0x and assumed internal rate of returns ranging from 23.0% to 27.0%. The terminal multiples range was derived from the relevant multiple ranges of the selected publicly traded companies analysis and the selected precedent transactions analysis. The internal rate of return was derived by William Blair utilizing its professional judgment and experience. The Forecasts were adjusted for income taxes at an assumed rate of approximately 20.0% for the Company on a standalone basis and 28.1% for the Combined Company. For purposes of this analysis, William Blair assumed a valuation as of June 30, 2018, including total debt of (i) 3.0x senior debt to estimated LTM second quarter 2018 adjusted EBITDA with an interest rate of 6.0% and (ii) 1.0x second lien debt to estimated LTM second quarter 2018 adjusted EBITDA with an interest rate of 8.5%. In addition, William Blair assumed that 100% of the Expected Synergies would be realized by 2020. The implied share price for the Combined Company gives effect to both the Primary Share Issuance and the Additional Share Issuance. William Blair noted that the equity value implied by the leveraged buyout analysis, subject to the assumptions set forth above, ranged from \$6.51 per share to \$8.56 per share for the Company and \$12.08 per share to \$15.22 per share for the Combined Company.

Implied Future Share Price Analysis

William Blair utilized the Forecasts to analyze the present value of the implied future share price of the Company and the Combined Company in 2020 and 2022. In this analysis, William Blair estimated enterprise value / EBITDA multiples ranging from 6.5x to 8.0x, based on select precedent transactions and public company multiples, and assumed a discount rate of 12.0% to 16.0%. For purposes of this analysis, William Blair assumed that 100% of the Expected Synergies would be realized by 2020. The implied share price calculation for the Company and the Combined Company gives effect to dilution from the issuance of the Amazon Warrants, and the implied share price

for the Combined Company gives effect to both the Primary Share Issuance and the Additional Share Issuance. William Blair noted that, subject to the assumptions set forth above, the equity value of the Company implied by the implied future share price analysis ranged from \$5.74 per share to \$7.97 per share in 2020 and \$8.06 per share to \$11.33 per share in 2022, as compared to the implied per share equity value of the Combined Company which ranged from \$10.95 per share to \$15.14 per share in 2020 and \$12.47 per share to \$17.75 per share in 2022.

General

This summary is not a complete description of the analysis performed by William Blair but contains the material elements of the analysis. The preparation of an opinion regarding fairness is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances, and, therefore, such an opinion is not readily susceptible to partial analysis or summary description. The preparation of an opinion regarding fairness does not involve a mathematical evaluation or weighing of the results of the individual analyses performed, but requires William Blair to exercise its professional judgment, based on its experience and

expertise, in considering a wide variety of analyses taken as a whole. Each of the analyses conducted by William Blair was carried out in order to provide a different perspective on the financial terms of the Aegis Transactions and add to the total mix of information available. The analyses were prepared solely for the purpose of William Blair providing its opinion and do not purport to be appraisals or necessarily reflect the prices at which securities actually may be sold. William Blair did not form a conclusion as to whether any individual analysis, considered in isolation, supported or failed to support an opinion about the fairness of the consideration to be paid with respect to the Share Issuances. Rather, in reaching its conclusion, William Blair considered the results of the analyses in light of each other and ultimately reached its opinion based on the results of all analyses taken as a whole. William Blair did not place particular reliance or weight on any particular analysis, but instead concluded that its analyses, taken as a whole, supported its determination. Accordingly, notwithstanding the separate factors summarized above, William Blair believes that its analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all analyses and factors, may create an incomplete view of the evaluation process underlying its opinion. No company or transaction used in the above analyses as a comparison is identical or directly comparable to the Aegis Transactions or the Company. In performing its analyses, William Blair made numerous assumptions with respect to industry performance, business and economic conditions and other matters. The analyses performed by William Blair are not necessarily indicative of future actual values and future results, which may be significantly more or less favorable than suggested by such analyses.

William Blair has been engaged in the investment banking business since 1935. William Blair continually undertakes the valuation of investment securities in connection with public offerings, private placements, business combinations, estate and gift tax valuations and similar transactions. In the ordinary course of its business, William Blair may from time to time trade the Company's securities for its own account and for the accounts of customers, and accordingly may at any time hold a long or short position in such securities.

The Company hired William Blair based on its qualifications and expertise in providing financial advice to technology companies and its reputation as a nationally recognized investment banking firm as well as its knowledge of the Company. Pursuant to a letter agreement dated May 6, 2016 (as amended on February 6, 2018), a fee of \$500,000 became payable to William Blair upon delivery of its fairness opinion. Under the terms of the letter agreement, William Blair will be entitled to receive an additional fee of approximately \$2,150,000 upon completion of the Aegis Transactions. The Company previously paid William Blair a retainer of \$50,000 and a fee of \$400,000 for services William Blair provided in connection with the review of various financial and strategic alternatives for the Company. The Company also has agreed to reimburse William Blair for specified out-of-pocket expenses (including reasonable fees and expenses of its counsel and other independent experts retained by William Blair) incurred by it in connection with its services, and will indemnify William Blair against potential liabilities arising out of its engagement, including certain liabilities under the U.S. federal securities laws.

StarTek and Aegis Unaudited Prospective Financial Information

StarTek Prospective Financial Information

The Company does not, as a matter of policy, issue public guidance on projected financial results due to, among other reasons, the unpredictability and uncertainty of the underlying assumptions and estimates. The unaudited, non-public financial projections concerning the Company for the fiscal years 2018 through 2022 described below were not prepared with a view to public disclosure and are included in the proxy statement only because such information was made available in the course of due diligence in connection with the negotiation of the transaction to Aegis and William Blair, the Company's financial advisor. The forecasts of the Company were prepared by Management and are based upon certain internal financials forecasts that are based on reasonable expectations, beliefs, opinions and assumptions of Management at the time they were made and are subjective.

While the Company's forecasts are being included in the proxy statement, the Company's unaudited, non-public forecasts were not prepared with a view toward complying with US GAAP, the published guidelines of the SEC regarding projections and forward-looking statements, or the published guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of "prospective financial information." Neither the Company's independent registered public accounting firm, nor any other independent registered public accounting firms, have compiled, examined, or performed any procedures with respect to the Company's forecasts, nor have they expressed any opinion or any other form of assurance on such information or its achievability. In the view of Management, the forecasts were prepared on a reasonable basis and reflected the best then-currently available estimates and judgments of Management. The inclusion of the Company's forecasts in this proxy statement should not be regarded as an indication that the Company or any other recipient of this information considered, or now considers, this information to be necessarily predictive of actual future results, and does not constitute an admission or representation by any person that such information is material, or that the expectations, beliefs, opinions and

assumptions that underlie such the Company’s forecasts remain the same as of the date of this proxy statement, and readers are cautioned not to place undue reliance on the prospective financial information.

The development of the Company’s forecasts entailed numerous assumptions about the Company’s industry, markets, products and services at a point in time. Although the Company’s forecasts are presented with numerical specificity, the Company’s forecasts reflect assumptions, estimates and judgments as to future events made by Management that it believed were reasonable at the time the Company’s forecasts were prepared, taking into account the relevant information available to Management. The Company’s forecasts:

• Were originally prepared in the first quarter of 2018;

• Do not necessarily reflect current estimates or expectations, beliefs, opinions or assumptions Management may have about prospects for the Company’s business, changes in general business or economic conditions, or any other transactions or event that has occurred or that may occur and that was not anticipated at the time the forecasts were prepared;

• May not reflect estimates, beliefs, opinions or analysis about any other financial period and may not reflect current results, which may be significantly more favorable or unfavorable than as set forth below; and

• Are not, and should not be regarded as, a representation that any other expectations contained in, or forming a part of, the Company’s forecasts will be achieved.

Key assumptions underlying the Company’s forecasts include:

• Strong revenue growth primarily driven by the retail sector following the Company’s entering into a multiyear contract with a large global retail provider in January 2018, a robust sales pipeline weighted towards the growing healthcare sector;

• Successfully replacing substandard margin business in domestic sites with acceptable margin business (referred to as “highgrading”); and

• Certain incremental growth capital expenditures and startup costs related to opening sites in 2018, 2020 and 2021 along with required maintenance capital expenditures in each of the years 2018, 2019, 2020, 2021 and 2022.

	StarTek Forecasts (in millions)				
	Years Ended December 31,				
	2018	2019	2020	2021	2022
Revenue	\$307.7	\$332.9	\$351.9	\$372.3	\$393.7
Adjusted EBITDA ⁽¹⁾⁽²⁾	\$17.7	\$21.1	\$26.3	\$31.9	\$40.6
Capital Expenditures	\$26.1	\$11.6	\$13.1	\$13.2	\$7.7

EBITDA is defined as consolidated net income plus depreciation and amortization; gain (loss) on disposal of (1) assets; less stock-based compensation expense; gain (loss) on extinguishment of debt; provision for income taxes; interest expense; minus interest and other income and non-cash items increasing consolidated net income.

(2) Adjustments include restructuring costs, impairment of investment and gain/loss on sale of assets.

Possible Benefits of the Aegis Transactions

In connection with the Company’s and Aegis’ respective evaluations of the transaction, representatives of the Company and Aegis discussed various potential benefits of the transaction, including among other things, the cross-selling

opportunities with the existing client base of each respective company based on no geographical redundancy on call center locations between the two companies along with the resulting economic gain as a result of those selling efforts to fill empty seats in the existing call center sites. In addition, the prospect of savings associated with the combined purchasing power of the two companies on certain Information Technology hardware, software and services was discussed. Finally, the prospect of combining the two companies and realizing the redundancy of certain Selling, General and Administrative functions and associated costs were identified as a synergy savings when combined.

The Company believes the transaction could result in revenue synergies with an annual positive impact to revenue of \$70 million with a resulting gross profit yield of that increase in revenue of \$23.9 million and net of associated SGA, an EBITDA impact of \$20.4 million. The Company expects to realize cost synergy savings as a result of the purchasing power gains associated with Information Technology along with the elimination of redundant functions between the two companies to provide an additional \$10.0 million in cost saving synergy gains. There is no assurance that the Combined Company will be able to achieve the revenue synergies or the cost synergy savings or that if any potential synergies are realized, it will result in the financial benefits described above. Both the Company and Aegis were aware that the amounts of any benefits to the Combined Company as a result of the transaction were estimates, that may change, and that achieving any of the benefits would be subject to uncertainties. For additional information related to limitations on these benefits, see the section entitled “Risk Factors” beginning on page 22.

Aegis Prospective Financial Information

Aegis does not, as a matter of course, issue public guidance on projected financial results due to, among other reasons, the unpredictability and uncertainty of the underlying assumptions and estimates. However, in the course of due diligence in connection with the negotiation of the transaction, Aegis provided certain unaudited, non-public financial forecasts with respect to Aegis for the fiscal years ending March 31, 2018, 2019, 2020, 2021 and 2022, which we refer to as the Aegis forecasts, to its financial advisors and to StarTek and its financial advisors. The Aegis forecasts were prepared by Aegis’ management based upon certain internal financial forecasts that are based on reasonable expectations, beliefs, opinions and assumptions of StarTek’s and Aegis’ management at the time they were made and are subjective.

While the Aegis forecasts are being included in this proxy statement, the Aegis forecasts were not prepared with a view toward complying with US GAAP, the published guidelines of the SEC regarding projections and forward-looking statements, or the published guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of “prospective financial information.” Neither Aegis’ independent registered public accounting firm, nor any other independent registered public accounting firms, have compiled, examined, or performed any procedures with respect to the Aegis forecasts, nor have they expressed any opinion or any other form of assurance on such information or its achievability. In the view of Aegis’ management, the Aegis forecasts were prepared on a reasonable basis and reflected the best then-currently available estimates and judgments of Aegis’ management. The inclusion of the Aegis forecasts in this proxy statement should not be regarded as an indication that Aegis or any other recipient of this information considered, or now considers, this information to be necessarily predictive of actual future results, and does not constitute an admission or representation by any person that such information is material, or that the expectations, beliefs, opinions and assumptions that underlie the Aegis forecasts remain the same as of the date of this proxy statement, and readers are cautioned not to place undue reliance on the prospective financial information.

The development of the Aegis forecasts entailed numerous assumptions about the Aegis’ industry, markets, products and services at a point in time. Although the Aegis forecasts are presented with numerical specificity, it reflects assumptions, estimates and judgments as to future events made by Aegis’ management that it believed were reasonable at the time the Aegis forecasts were prepared, taking into account the relevant information available to Aegis’ management at the time. Aegis forecasts:

• Were originally prepared in the fourth quarter of 2017;

Do not necessarily reflect current estimates or expectations, beliefs, opinions or assumptions Aegis’ management may have about prospects for Aegis’ business, changes in general business or economic conditions, or any other transactions or event that has occurred or that may occur and that was not anticipated at the time the forecasts were prepared;

• May not reflect estimates, beliefs, opinions or analysis about any other financial period and may not reflect current results, which may be significantly more favorable or unfavorable than as set forth below; and

• Are not, and should not be regarded as, a representation that any other expectations contained in, or forming a part of, the Aegis forecasts will be achieved.

Key assumptions underlying the Aegis forecasts include:

- Strong revenue growth largely driven by growth from existing customers' accounts and acquisition of new accounts through renewed marketing and business development efforts.

Successfully improving EBITDA by providing premium services that command higher margins.

- Depreciation of currencies (Australian dollar, South African rand, Argentine peso, Indian rupee, Malaysian ringgit, British pound, Sri Lankan rupee, Peruvian sol, Saudi riyal and Philippine peso) going forward, is assumed to be in line with the last 5 years historical trend.

Customer due diligence with Aegis' key clients which yields positive feedbacks on the Company's account, service level, wallet share and relationship.

In computing the forecasts below, Aegis included only 51% of the revenues and expenses of CCC, reflective of Aegis' percentage ownership in CCC. Accounting treatment of CCC financials may differ from Aegis' assumption.

	Aegis Forecasts (in millions)				
	Years Ended March 31,				
	2018	2019	2020	2021	2022
Revenue	\$404.9	\$405.6	\$431.6	\$456.5	\$485.0
EBITDA ⁽¹⁾	\$39.4	\$41.4	\$50.1	\$58.9	\$68.1
Capital Expenditures	\$11.0	\$10.0	\$9.0	\$9.0	\$7.0

EBITDA is defined as consolidated net income plus depreciation and amortization; gain (loss) on disposal of (1) assets; less stock-based compensation expense; gain (loss) on extinguishment of debt; provision for income taxes; interest expense; minus interest and other income and non-cash items increasing consolidated net income.

Listing on the NYSE

Our common stock is currently listed on the NYSE. As a condition to the closing of the Aegis Transactions, the Company has agreed to file an additional listing application with the NYSE to list the Transaction Shares.

Stockholder Approval Requirement

Section 312.03(c) of the NYSE Listed Company Manual requires stockholder approval prior to any issuance or sale of common stock in any transaction or series of related transactions if (1) the common stock to be issued has voting power equal to or in excess of 20% of the voting power outstanding before the issuance of the common stock or (2) if the number of shares of common stock to be issued is equal to or in excess of 20% of the number of shares of common stock outstanding before the issuance of the common stock. Section 312.03(d) of the NYSE Listed Company Manual also requires stockholder approval prior to the issuance of securities that will result in a "change of control" of the issuer.

As of the record date, we had shares of common stock outstanding. Because the issuance of 21,433,333 shares of common stock (subject to adjustment in accordance with the terms of the Transaction Agreement) would exceed the 20% threshold set forth in 312.03(c) of the NYSE Listed Company Manual, we are requesting stockholder approval. Moreover, while the NYSE rules do not define a "change of control," we believe that the Aegis Stockholder's acquisition of 21,433,333 shares of common stock, which is expected to represent approximately 55% of our outstanding common stock immediately following the consummation of the Aegis Transactions, would constitute a "change of control." Therefore, stockholder approval of the issuance of common stock in the private placement will also constitute approval of a "change of control," to the extent implicated under the NYSE rules. Accordingly, at the Annual Meeting, holders of shares of our common stock will be asked to consider and vote on the Aegis Issuance Proposal.

No Dissenters' Rights

Under Delaware law, stockholders will not have any dissenters' or appraisal rights in connection with the Aegis Transactions.

Governmental and Regulatory Approvals

Under the HSR Act, the Aegis Stockholder and the Company could not complete the transactions until they notified and furnished information to the FTC and the Antitrust Division of the U.S. Department of Justice, and statutory waiting period requirements were satisfied. The Aegis Stockholder and the Company filed the notification and report forms under the HSR Act with the U.S. Federal Trade Commission and the Antitrust Division on March 28, 2018 and received notice of the early

termination of the waiting period effective as of April 6, 2018.

Section 178 of the FSMA required notification to the FCA in relation to the acquisition of control of Aegis and Aegis Outsourcing UK Limited, a wholly-owned subsidiary of Aegis, by the Company as a result of the Aegis Transactions. The Aegis Stockholder and the Company filed the notification with FCA on April 24, 2018.

The PCA required a notification be made to the PCC of the Republic of the Philippines, which was submitted on April 16, 2018. Pursuant to the PCA, the transactions may not be consummated until the PCC has given its approval of the Aegis Transactions. As of May 1, 2018, the Company, Aegis and the Aegis Stockholder are in the process of completing the submission to the PCC. Once the submission has been completed and the PCC has issued a Notice of Sufficiency, a 30-calendar day period of review will commence. The review period may be extended for an additional 60 calendar days if the PCC identifies serious competition concerns.

Litigation Relating to the Aegis Transactions

To the Company's knowledge, as of May 1, 2018, there is no pending litigation against the Company, Aegis or the Aegis Stockholder related to the Aegis Transactions.

Description of the Transaction Agreement

The following summary describes certain material provisions of the Transaction Agreement. This summary is not complete and is qualified in its entirety by reference to the complete text of the Transaction Agreement, which is attached to this proxy statement as Annex A and incorporated into this proxy statement by reference. We urge you to read carefully the Transaction Agreement in its entirety because this summary may not contain all the information about the Transaction Agreement that is important to you.

The Transaction Agreement and the following description have been included to provide you with information regarding the terms of the Transaction Agreement. It is not intended to provide any other factual information about the Company, Aegis or the Aegis Stockholder. Such information can be found elsewhere in this proxy statement and in the other public filings we make with the SEC, which are available, without charge, at <https://www.sec.gov>.

The representations and warranties described below and included in the Transaction Agreement were made for the purposes of the Transaction Agreement by the Company, Aegis and the Aegis Stockholder to each other as of specific dates. The assertions embodied in those representations and warranties were made solely for purposes of the Transaction Agreement and may be subject to important qualifications and limitations agreed to by the Company, Aegis and the Aegis Stockholder in connection with negotiating the terms of that agreement. Moreover, the representations and warranties may be subject to a contractual standard of materiality that may be different from what may be viewed as material to stockholders, or may have been made for the purpose of allocating risk between the Company, Aegis and the Aegis Stockholder rather than establishing the matters addressed by such representations and warranties as facts. The Transaction Agreement is described in this proxy statement and included as Annex A only to provide you with information regarding its terms and conditions, and not to provide any other factual information regarding the Company, Aegis and the Aegis Stockholder or their respective businesses.

The Aegis Transactions

Subject to the terms and conditions of the Transaction Agreement, upon the closing of the Aegis Transactions, the Company will acquire all of the outstanding capital stock of Aegis from the Aegis Stockholder, in exchange for the issuance of 20,600,000 shares of the Company's common stock to the Aegis Stockholder. Concurrently, the Aegis Stockholder will purchase 833,333 newly issued shares of our common stock at a price of \$12.00 per share for a total cash payment to the Company of \$10,000,000. The number of shares of our common stock issued in the Aegis

Transactions and the amount of the additional payment are subject to adjustment based on the relative net debt of the parties as of the closing. In addition, the number of shares of our common stock to be issued is subject to further adjustment for stock splits, consolidation and other similar corporate events. Upon consummation of the Aegis Transactions, the Aegis Stockholder is expected to be the majority owner of the Company.

Closing

The Aegis Transactions will close upon the delivery of various certificates, instruments and documents by the Company, Aegis and the Aegis Stockholder on a date to be agreed by the Company and Aegis, which shall not be later than the fifth business day after satisfaction or waiver of the conditions to the closing of the Aegis Transactions set forth in the Transaction Agreement and

described in this proxy statement, subject to extension as described in “—Net Debt Adjustment” below. Although we expect to complete the Aegis Transactions as soon as possible following the Annual Meeting (if the Company’s stockholders approve the Aegis Issuance Proposal, the Authorized Shares Proposal and the Corporate Opportunity Proposal), the Company cannot specify when or assure that the Company, Aegis and the Aegis Stockholder will satisfy or waive all of the conditions to the closing of the Aegis Transactions. See “—Conditions to the Closing of the Aegis Transactions” beginning on page 80.

Sale and Issuance

In exchange for all the shares of capital stock of Aegis, the Company will issue 20,600,000 shares of our common stock to the Aegis Stockholder; as may be adjusted as described in “—Net Debt Adjustment” below and further adjusted for stock splits, consolidations and other similar corporate events.

Additional Cash Payment and Additional Shares

The Aegis Stockholder will also purchase from the Company 833,333 additional shares of our common stock for an amount equal to \$10,000,000, as may be adjusted as described in “—Net Debt Adjustment” below and further adjusted for stock splits, consolidations and other similar corporate events.

Net Debt Adjustment

The Transaction Agreement provides for an adjustment to the Transaction Shares and the additional cash payment of \$10,000,000 to be paid by the Aegis Stockholder to the Company based on the relative net debt of the Company and Aegis as of 11:59 p.m. (Eastern Time) on the business day immediately prior to the third business day prior to the closing date of the Aegis Transactions.

The net debt of each of the Company and Aegis shall be an amount equal to their respective indebtedness minus cash. The net debt target of the Company means an amount equal to \$28,000,000 plus \$3,000,000 and the net debt target of Aegis means an amount equal to \$150,000,000 plus \$3,000,000. The net debt excess of the Company will be an amount equal to the excess, if any, of the Company’s net debt over the Company’s net debt target or \$0 if the Company’s net debt target is equal to or greater than the Company’s net debt. The net debt excess of Aegis will be an amount equal to the excess, if any, of Aegis’ net debt over the Aegis net debt target or \$0 if Aegis’ net debt target is equal to or greater than Aegis’ net debt.

If the Company’s net debt excess less the Aegis net debt excess is a positive number, the number of Transaction Shares shall be increased by a number of shares (rounded up or down to the nearest whole share) equal to such positive number divided by \$12, provided that, if the number of Transaction Shares would be increased by more than 200,000 shares then the Company shall proceed in the following order:

the Company shall use its reasonable best efforts to obtain any waiver or consent of any relevant third party to allow, without requiring any material amendment to any existing agreement with any such relevant third party, an increase in such 200,000 share limit to permit the full adjustment and increase to the number of Transaction Shares, in which case, the adjustment to the number of Transaction Shares shall be made without the limitation of the 200,000 share limit;

the Company may, in its sole discretion, waive the application of the 200,000 share limit and issue a number of additional shares of our common stock in respect of all or part of the positive debt amount, with each share being valued at \$12 (provided that such waiver shall not conflict with, or result in any violation or breach of, constitute a default, or give rise to the vesting of any right by any third party or the acceleration of any material benefit for any third party, pursuant to any of the terms, conditions or provisions of any contract or other agreement, instrument or

obligation of the Company); and

if such consent or waiver referenced in the first bullet above is not obtained on or prior to the closing date of the Aegis Transactions, as extended to permit the Company to attempt to obtain such consent, and the waiver contemplated by the second bullet, if made, does not result in the issuance of an additional number of shares of our common stock equal to the positive debt amount divided by \$12, then;

the \$10,000,000 payment to be made by the Aegis Stockholder to the Company shall be reduced to an amount (but not less than zero) equal to \$10,000,000 minus the difference between the positive debt amount and \$2,400,000, subject to increase to the extent the Company waives the 200,000 share limit as set in the second bullet above, and the number of additional shares to be issued to the Aegis Stockholder in respect of such \$10,000,000 payment shall equal such payment as so reduced divided by \$12, and

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the number of Transaction Shares shall be adjusted to equal 20,800,000 (as may be adjusted for stock splits, consolidation and other similar corporate events) plus the number of shares obtained by dividing the positive debt amount minus the \$2,400,000 cap, as increased pursuant to the first sub-bullet above, by \$12 (with any fractional shares rounded up or down to the nearest whole share).

If the Company's net debt excess less the Aegis net debt excess is a negative number, the number of Transaction Shares shall be decreased by a number of shares (rounded up or down to the nearest whole share) equal to the absolute value of such negative number divided by \$12. If the Company's net debt excess is equal to Aegis' net debt excess, there shall be no adjustment in the number of Transaction Shares. If neither party has a net debt excess, there shall be no adjustment in the number of Transaction Shares.

Appraisal Rights

The Transaction Agreement does not, and will not, give rise to any dissenters', appraisal, or similar rights applicable to the stockholders of the Company with respect to common stock, including pursuant to Section 262 of the Delaware General Corporation Law (the "DGCL").

Treatment of Equity Awards

Certain outstanding equity based awards of the Company will vest according to their terms upon the closing of the transactions. The Company Employee Stock Purchase Plan will continue to hold shares in the Company according to its terms. The Company's other equity based awards including the awards under the Company 2008 Equity Incentive Plan will continue according to their terms.

Directors and Officers

The Transaction Agreement requires the Company to take necessary action to cause the Board, effective as of the closing, to consist of nine members, comprised of (a) five directors (including the chairman) designated by the Aegis Stockholder, (b) the Chief Executive Officer designated by the Aegis Stockholder, and (c) three directors designated by the Company and acceptable to the Aegis Stockholder that are independent for purposes of the NYSE's listing rules. The Transaction Agreement also requires the Company and the Aegis Stockholder to use their reasonable best efforts to obtain any necessary third party consents or waivers to allow, in lieu of the nine member Board described in the preceding sentence, the Board to consist of seven members, comprised of (a) four directors (including the chairman), designated by the Aegis Stockholder, (b) the Chief Executive Officer designated by the Aegis Stockholder, and (c) two directors designated by the Company and acceptable to the Aegis Stockholder that are independent for purposes of the NYSE's listing rules.

Upon the closing of the Aegis Transactions, the number of directors constituting the entire Board shall be nine and shall consist of five directors designated by the Aegis Stockholder, the Company's chief executive officer and three independent directors. For more information see "Proposal 1—Stockholders Agreement." We expect that Mr. B. Rosenzweig will continue as an independent director after the closing. Mr. Sengupta, Mr. Chakrabarty, Mr. Sharda and Mr. Rao will be appointed as directors designated by the Aegis Stockholder. The additional independent directors and an additional director designated by the Aegis Stockholder have not yet been determined. For more information regarding the director designees of the Aegis Stockholder and management of the Company following the closing, see the section entitled "Proposal 6 - The Director Election Proposal" and "Board of Directors and Management After the Aegis Transactions." We expect the closing of the Aegis Transactions to occur shortly after the Annual Meeting, assuming that the Aegis Issuance Proposal and the Authorized Shares Proposal are approved and the other closing conditions in the Transaction Agreement are met. In that case, Mr. Carlson, Mr. Plating, Mr. Sheft and Dr. Zschau are expected to resign as directors at the closing notwithstanding their reelection to the Board at the Annual Meeting.

Representations and Warranties

We have made a number of representations and warranties to Aegis and the Aegis Stockholder in the Transaction Agreement regarding aspects of our business and other matters pertinent to the transactions. The topics covered by these representations and warranties include the following:

- our and our subsidiaries' organization, good standing and qualification and similar corporate matters

- our capitalization, including the number of shares of our common stock and other equity interests issued and outstanding

the absence of preemptive or other similar rights and the absences of debt securities that give their holders the right to vote with our stockholders

matters regarding the Company's subsidiaries;

our corporate power and authority to execute and deliver the Transaction Agreement, to consummate the Aegis Transactions and to comply with the terms of the Transaction Agreement

the absence of any violation of our charter documents, certain contracts or laws or judgments to which we are subject as a result of our execution and delivery of the Transaction Agreement and our consummation of the Aegis Transactions

the enforceability of the Transaction Agreement against us

the consents, approvals, notices and other similar actions with respect to governmental entities and other third parties required as a result of our execution and delivery of the Transaction Agreement and our consummation of the Aegis Transactions

our Board's approval of the Transaction Agreement

the filing of required reports and other documents by us with the SEC, the compliance of such reports and documents with the applicable requirements of the federal securities laws, rules and regulations, the compliance of our financial statements included in such reports and documents with applicable accounting requirements and the rules and regulations of the SEC, the absence of any outstanding or unresolved comments received by us from the SEC and the absence of certain types of undisclosed liabilities

the preparation of our financial statements included in our reports and documents filed with the SEC in accordance with US GAAP

- the accuracy of the information supplied by us in connection with this proxy statement
- compliance with the applicable provisions of the Sarbanes-Oxley Act of 2002, as amended;

the maintenance by us of internal controls over financial reporting and disclosure controls and procedures designed to ensure timely and adequate reporting

compliance with the applicable listing rules and governance rules of the NYSE

the absence of actual knowledge, of any substantive material complaint, allegation, assertion or claim that the Company has engaged in questionable accounting or auditing practices;

the absence of certain undisclosed liabilities

the absence of a Public Company Material Adverse Effect that is continuing since December 31, 2017 and the conduct of our and our subsidiaries' respective businesses in the ordinary course of business consistent with past practice since December 31, 2017

tax matters

- real property and leases

intellectual property and data privacy

material contracts

certain pending and threatened litigation

environmental matters

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- employee benefits matters;
- our compliance with applicable laws and judgments
- compliance with certain domestic and foreign corruption laws
- holding of necessary permits and applicable regulatory authorizations;
- insurance policies and claims;
- labor matters
- opinions from financial advisors
- inapplicability of DGCL Section 203;
- agreements with affiliates;
- relationships with brokers and other advisors
- acknowledgment of our independent investigation into Aegis;
- lack of appraisal rights;
- customer and supplier matters; and
- non-reliance on the Aegis Stockholder's and Aegis' estimates or on representations and warranties not set forth in the Transaction Agreement.

Some of our representations and warranties are qualified by a material adverse effect standard. The Transaction Agreement provides that a "Public Company Material Adverse Effect" means any effect, fact, circumstance, occurrence, event, development, change or condition, either individually or together with one or more other contemporaneously existing effects, facts, circumstances, occurrences, events, developments, changes or conditions that is, or would reasonably be expected to be, materially adverse to the business or financial condition of the Company and its subsidiaries, taken as a whole; provided, however, that no effect, fact, circumstance, occurrence, event, development, change or condition (by itself or when aggregated or taken together with any and all other effects, facts, circumstances, occurrences, events, developments, changes or conditions) directly or indirectly resulting from, arising out of, attributable to, or related to any of the following shall be deemed to be or constitute a "Public Company Material Adverse Effect," and no effect, fact, circumstance, occurrence, event, development, change or condition (by itself or when aggregated or taken together with any and all other such effects, facts, circumstances, occurrences, events, developments, changes or conditions) directly or indirectly resulting from, arising out of, attributable to, or related to any of the following shall be taken into account when determining whether a "Public Company Material Adverse Effect" has occurred or may, would or could occur:

- (i) general economic conditions (or changes in such conditions) in any country or region in the world, or conditions in the global economy generally;

conditions (or changes in such conditions) in the securities markets, credit markets, currency markets or other financial markets in any country or region in the world, including (A) changes in interest rates in any country or (ii) region in the world and changes in exchange rates for the currencies of any countries and (B) any suspension of trading in securities (whether equity, debt, derivative or hybrid securities) generally on any securities exchange or over-the-counter market operating in any country or region in the world;

(iii) conditions (or changes in such conditions) in the industries in which the Company and its subsidiaries conduct business;

political conditions (or changes in such conditions) in any country or region in the world or acts of war (whether (iv) or not declared), sabotage or terrorism (including any escalation or general worsening of any such acts of war, sabotage or terrorism) in the United States or any other country or region in the world;

(v) earthquakes, hurricanes, tsunamis, tornadoes, floods, mudslides, wild fires or other natural disasters, weather conditions and other force majeure events in any country or region in the world;

the announcement or pendency of the Transaction Agreement or the anticipated consummation of the transactions, (vi) including the identity of Aegis (including, to the extent resulting from the foregoing, any effect on any of the Company's or any of its subsidiaries' relationships with their respective customers, suppliers or employees);

any actions taken or any failure to take action, in each case, which Aegis has approved, consented to or requested; (vii) or compliance with the terms of, or the taking of any action required or contemplated by, the Transaction Agreement, or the failure to take any action prohibited by the Transaction Agreement;

changes in law or other legal or regulatory conditions, or the interpretation thereof, or changes in US GAAP or (viii) other accounting standards (or the interpretation thereof), or effects that result from any action taken for the purpose of complying with any of the foregoing;

(ix) any fees or expenses incurred in connection with the transactions;

changes in the Company's stock price or the trading volume of the Company's stock, or any failure by the Company to meet any public estimates or expectations of the Company's revenue, earnings or other financial performance or results of operations for any period, or any failure by the Company or any of its subsidiaries to meet any internal (x) budgets, plans or forecasts of its revenues, earnings or other financial performance or results of operations (but not, in each case, the underlying cause of such changes or failures, unless such changes or failures would otherwise be excepted from this definition);

(xi) any legal proceedings made or brought by any of the current or former stockholders of the Company (on their own behalf or on behalf of the Company) against the Company arising out of the transactions;

(xii) any events resulting from or arising out of any actions taken by the Company or any of its subsidiaries, on the one hand, and Aegis or any of its subsidiaries, on the other hand, as required by the Transaction Agreement; or

any action or omission explicitly required under the Transaction Agreement or any action taken or omitted to be taken at the specific request of Aegis or any omission caused by the failure of Aegis to provide a consent under the Transaction Agreement (other than any such consent with respect to which Aegis has reasonably withheld such consent pursuant to and consistent with the Transaction Agreement); except to the extent such effects directly or indirectly resulting from, arising out of, attributable to or related to the matters described in the (xiii) foregoing clauses (i) through (v) and (viii) disproportionately adversely affect in a material respect the Company and its subsidiaries, taken as a whole, as compared to other companies that conduct business in the countries and regions in the world and in the industries in which the Company and its subsidiaries conduct business (in which case, such adverse effects (if any) shall be taken into account when determining whether a "Public Company Material Adverse Effect" has occurred or may, would or could occur solely to the extent they are disproportionate in a material respect).

The Aegis Stockholder has made a number of representations and warranties to the Company regarding various matters pertinent to the transaction. The topics covered by these representations and warranties include the following:

• the Aegis Stockholder's organization and good standing

• the Aegis Stockholder's corporate power and authority to execute and deliver the Transaction Agreement, to consummate the Aegis Transactions and to comply with the terms of the Transaction Agreement

the enforceability of the Transaction Agreement against the Aegis Stockholder

the consents, approvals, notices and other similar actions with respect to governmental entities and other third parties required as a result of the Aegis Stockholder's execution and delivery of the Transaction Agreement and the Aegis Stockholder's consummation of the Aegis Transactions

the absence of any violation of the Aegis Stockholder's organizational documents, certain contracts or laws or judgments to which they are subject as a result of the Aegis Stockholder's execution and delivery of the Transaction Agreement and consummation of the Aegis Transactions

the Aegis Stockholder's ownership of the Aegis stock;

the Aegis Stockholder's lack of ownership of our common stock;

the absence of pending or threatened litigation regarding the Aegis Transactions;

the Aegis Stockholder's financial and business sophistication and acquisition of shares for its own account;

the Aegis Stockholder's acceptance of the Transaction Shares as restricted securities and the accompanying legends;

the Aegis Stockholder's status as an accredited investor;

the Aegis Stockholder's acknowledgment of its independent investigation into the Company; and

the Aegis Stockholder's non-reliance on the Company's estimates or on representations and warranties not set forth in the Transaction Agreement.

Aegis has made a number of representations and warranties to us regarding various matters pertinent to the transactions. The topics covered by these representations and warranties include the following:

Aegis' organization and good standing

- Aegis' corporate power and authority to execute and deliver the Transaction Agreement, to consummate the Aegis Transactions and to comply with the terms of the Transaction Agreement

the enforceability of the Transaction Agreement against Aegis

the consents, approvals, notices and other similar actions with respect to governmental entities and other third parties required as a result of Aegis' execution and delivery of the Transaction Agreement and Aegis' consummation of the Aegis Transactions

the absence of any violation of Aegis' organizational documents, certain contracts or laws or judgments to which they are subject as a result of Aegis' execution and delivery of the Transaction Agreement and consummation of the Aegis Transactions

Aegis' capitalization, including the number of shares of common stock and other equity interests issued and outstanding

the absence of preemptive or other similar rights or debt securities that give their holders the right to vote with Aegis stockholders

matters regarding Aegis' subsidiaries;

financial statements and information pertaining thereto;

•

the accuracy of information supplied by Aegis for inclusion in this proxy statement

the absence of certain undisclosed liabilities

the absence of a material adverse effect that is continuing since December 31, 2017 and the conduct of Aegis' and its subsidiaries respective businesses in the ordinary course of business consistent with past practice

tax matters

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• real property

• intellectual property and data privacy

• material contracts

• certain pending and threatened litigation

• environmental matters

- employee benefits matters;

• Aegis' compliance with all applicable laws and judgments

• Aegis' compliance with certain domestic and foreign corruption laws

• Aegis' holding of necessary permits and applicable regulatory authorizations;

• insurance policies and claims;

• labor matters

• Aegis' agreements with affiliates;

• relationships with brokers and other advisors

• Aegis' maintenance of disclosure controls and procedures designed to ensure timely and adequate reporting

• extensions of credit by Aegis to or for directors or executives;

• customer and supplier matters; and

warranties as to the inapplicability to Aegis of the noncompetition and nonsolicitation provisions of that certain Purchase Agreement, dated as of July 9, 2014, by and among TPUSA, Inc., Essar Services (Mauritius), Aegis USA, Inc., AGC Holdings Limited, Aegis Services Australia Pty Limited and Aegis Outsourcing UK Ltd.

Some of Aegis' representations and warranties are qualified by a material adverse effect standard. The Transaction Agreement provides that a "Private Company Material Adverse Effect" means any effect, fact, circumstance, occurrence, event, development, change or condition, either individually or together with one or more other contemporaneously existing effects, facts, circumstances, occurrences, events, developments, changes or conditions that is, or would reasonably be expected to be, materially adverse to the business or financial condition of Aegis and its subsidiaries, taken as a whole; provided, however, that no effect, fact, circumstance, occurrence, event, development, change or condition (by itself or when aggregated or taken together with any and all other effects, facts, circumstances, occurrences, events, developments, changes or conditions) directly or indirectly resulting from, arising out of, attributable to, or related to any of the following shall be deemed to be or constitute a "Private Company Material Adverse Effect," and no effect, fact, circumstance, occurrence, event, development, change or condition (by itself or when aggregated or taken together with any and all other such effects, facts, circumstances, occurrences, events, developments, changes or conditions) directly or indirectly resulting from, arising out of, attributable to, or related to any of the following shall be taken into account when determining whether a "Private Company Material

Adverse Effect” has occurred or may, would or could occur:

(i) general economic conditions (or changes in such conditions) in any country or region in the world, or conditions in the global economy generally;

conditions (or changes in such conditions) in the securities markets, credit markets, currency markets or other financial markets in any country or region in the world, including (A) changes in interest rates in any country or (ii) region in the world and changes in exchange rates for the currencies of any countries and (B) any suspension of trading in securities (whether equity, debt, derivative or hybrid securities) generally on any securities exchange or over-the-counter market operating in any country or region in the world;

(iii) conditions (or changes in such conditions) in the industries in which Aegis and its subsidiaries conduct business;

(iv) political conditions (or changes in such conditions) in any country or region in the world or acts of war (whether or not declared), sabotage or terrorism (including any escalation or general worsening of any such acts of war, sabotage or terrorism) in the United States or any other country or region in the world;

(v) earthquakes, hurricanes, tsunamis, tornadoes, floods, mudslides, wild fires or other natural disasters, weather conditions and other force majeure events in any country or region in the world;

(vi) the announcement or pendency of the Transaction Agreement or the anticipated consummation of the transactions, including the identity of the Company (including, to the extent resulting from the foregoing, any effect on any of Aegis' or any of its subsidiaries' relationships with their respective customers, suppliers or employees);

(vii) any actions taken or any failure to take action, in each case, which the Company has approved, consented to or requested or compliance with the terms of, or the taking of any action required or contemplated by, the Transaction Agreement; or the failure to take any action prohibited by the Transaction Agreement;

(viii) changes in law or other legal or regulatory conditions, or the interpretation thereof, or changes in IFRS or other accounting standards (or the interpretation thereof), or effects that result from any action taken for the purpose of complying with any of the foregoing;

(ix) any fees or expenses incurred in connection with the transactions;

(x) any failure by Aegis or any of its subsidiaries to meet any internal budgets, plans or forecasts of its revenues, earnings or other financial performance or results of operations (but not, in each case, the underlying cause of such changes or failures, unless such changes or failures would otherwise be excepted from this definition);

(xi) any events resulting from or arising out of any actions taken by the Company or any of its subsidiaries, on the one hand, and Aegis or any of its subsidiaries, on the other hand, as required by the Transaction Agreement; or

(xii) any action or omission explicitly required under the Transaction Agreement or any action taken or omitted to be taken at the specific request of the Company or any omission caused by the failure of the Company to provide a consent under the Transaction Agreement (other than any such consent with respect to which the Company has reasonably withheld such consent pursuant to and consistent with the Transaction Agreement); except to the extent such effects directly or indirectly resulting from, arising out of, attributable to or related to the matters described in the foregoing clauses (i) through (v) and (viii) disproportionately adversely affect in a material respect Aegis and its subsidiaries, taken as a whole, as compared to other companies that conduct business in the countries and regions in the world and in the industries in which Aegis and its subsidiaries conduct business (in which case, such adverse effects (if any) shall be taken into account when determining whether a "Private Company Material Adverse Effect" has occurred or may, would or could occur solely to the extent they are disproportionate in a material respect).

Covenants

Conduct of the Company's Business Prior to the Closing of the Aegis Transactions

In the Transaction Agreement, the Company has agreed that prior to the closing of the Aegis Transactions, subject to certain exceptions, the Company will carry on its, and the Company will cause each of its subsidiaries to carry on their, business in the ordinary course, and use reasonable best efforts to make necessary SEC filings, pay debts when they come due, comply in all material respects with all applicable laws and the requirements of all material contracts

and leases, and preserve intact its current business organization and goodwill with all suppliers, customers, landlords, creditors, licensors and licensees.

In addition, the Company has agreed, with specified exceptions, to various restrictions, including restrictions on the Company's and its subsidiaries ability to:

(i) declare, set aside or pay any dividends on, or make any other distributions (whether in cash, securities or other property) in respect of, any of the Company's capital stock (other than dividends and distributions by a direct or indirect wholly owned subsidiary to its parent), (ii) split, combine or reclassify any of the Company's capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for shares of its

capital stock or any of its other securities or (iii) purchase, redeem or otherwise acquire any shares of the Company's capital stock or any of its other securities or any rights, warrants or options to acquire any such shares or other securities, except for the acquisition of shares of our common stock (A) from holders of the Company's stock options in full or partial payment of the exercise price or (B) from holders of the Company's stock options in full or partial payment of any applicable taxes payable by such holder upon exercise thereof, as applicable, to the extent required or permitted under the terms thereof;

issue, deliver, sell, grant, pledge or otherwise dispose of or encumber any shares of capital stock, any other voting securities or any securities convertible into or exchangeable for, or any rights, warrants or options to acquire, any such shares, voting securities or convertible or exchangeable securities, in each case other than the issuance of shares of our common stock upon the exercise of the Company's stock options, or upon the exercise or vesting of any other equity based awards or the Amazon Warrant, or rights under the employee stock purchase plan;

amend the Company's Certificate of Incorporation, bylaws or other comparable charter or organizational documents;

acquire (i) by merging or consolidating with, or by purchasing all or a substantial portion of the assets or any stock of, or by any other manner, any business or any corporation, partnership, joint venture, limited liability company, association or other business organization or division thereof or (ii) any assets, in each case, (A) in excess of \$100,000 in any single transaction or series of related transactions or if such acquisition would prevent, materially delay or materially impede the satisfaction of the conditions set forth in the Transaction Agreement, other than pursuant to existing contracts or commitments, and (B) except purchases of property, plant and equipment, inventory and raw materials in the ordinary course of business;

assign, sell, lease, sublease, license, pledge, or otherwise dispose of, encumber or convey any right, title or interest in any of the Company leased properties or any material assets owned, leased or otherwise operated by the Company or any of its subsidiaries other than in the ordinary course of business;

adopt any stockholder rights plan;

(i) incur any indebtedness for borrowed money or guarantee any such indebtedness of another person (other than letters of credit or similar arrangements issued to or for the benefit of suppliers or incurrences of indebtedness under the Company's existing credit agreement, in each case, in the ordinary course of business that would not result in the Company having net debt exceeding \$43,400,000), (ii) issue, sell or amend any debt securities or warrants or other rights to acquire any debt securities of the Company or any of its subsidiaries, guarantee any debt securities of another person, enter into any "keep well" or other agreement to maintain any financial statement condition of another person or enter into any arrangement having the economic effect of any of the foregoing, (iii) make any loans, advances (other than routine advances to employees in the ordinary course of business) or capital contributions to, or investment in, any other person, other than the Company or any of its direct or indirect wholly owned subsidiaries or (iv) other than in the ordinary course of business, enter into any hedging agreement or other financial agreement or arrangement designed to protect the Company or its subsidiaries against fluctuations in exchange rates;

make any capital expenditures or other expenditures with respect to property, plant or equipment in excess of \$1,000,000 in the aggregate for the Company and its subsidiaries, taken as a whole, other than as included in the Company's budget for capital expenditures; the Company must notify Aegis in writing of any capital expenditures or other expenditures with respect to property, plant or equipment in excess of \$500,000 in the aggregate and must discuss with Aegis in good faith the need and optimization of such expenditure;

make any material changes in accounting methods, principles or practices, except insofar as may be required by a change in US GAAP;

(i) adopt, enter into, terminate or amend any employment, severance or similar agreement or benefit plan for the benefit or welfare of any current or former director or executive officer or any collective bargaining agreement (except in the ordinary course of business and only if such arrangement is terminable on 60 days' or less notice without either a penalty or a termination payment), (ii) increase the compensation or fringe benefits of, or pay any bonus to, any director or executive officer (except for annual increases of salaries in the ordinary course of business and bonuses), except that the Company and its subsidiaries may hire new employees and promote employees in the ordinary course of business, (iii) accelerate the payment, right to payment or vesting of any

material compensation or benefits, including any outstanding options or restricted stock awards, other than as contemplated by the Transaction Agreement or (iv) grant any stock options, restricted stock units, stock appreciation rights, stock based or stock related awards, performance units or restricted stock;

(A) amend in any material respect or terminate any material contract or lease, or (B) enter into, amend, or terminate any agreement that would be a material contract or lease;

waive, release, assign, settle, compromise or otherwise resolve any investigation, claim (excluding customer claims in the ordinary course of business that have not resulted in litigation), action, litigation or other legal proceedings, except where such waivers, releases, assignments, settlements or compromises are with a third party (who is not an executive officer of the Company) and involve only the payment of monetary damages in amounts not in excess of \$50,000 individually;

adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of the Company or any subsidiary;

take any action that would reasonably be expected to (A) result in any inaccuracy of a representation or warranty in the Transaction Agreement that would allow for a termination thereof, (B) cause any of the conditions precedent to the transactions contemplated by the Transaction Agreement to fail to be satisfied, or (C) prevent, materially delay or materially impede the consummation of the transactions;

make, change or revoke any tax elections, or change any material method of tax accounting, file any amended tax return or any tax return inconsistent with past practices, file any claims for material tax refunds, enter into any closing agreement or similar agreement with respect to taxes, settle or compromise any tax liability or surrender any right to claim a tax refund, offset or other reduction in tax liability or change or agree to any change of the value of any real, personal or intangible property for tax assessment or other tax purposes; or

authorize any of, or commit or agree, in writing or otherwise, to take any of, the foregoing actions.

Aegis has agreed that prior to the closing of the Aegis Transactions, subject to certain exceptions, Aegis will carry on its, and Aegis will cause each of its subsidiaries to carry on their, business in the ordinary course, and use reasonable best efforts to pay debts when they come due, comply in all material respects with all applicable laws and the requirements of all material contracts and leases, preserve intact its current business organization and goodwill with all suppliers, customers, landlords, creditors, licensors and licensees.

In addition, Aegis has agreed, with specified exceptions, to various restrictions, including restrictions on Aegis' and its subsidiaries ability to:

(i) declare, set aside or pay any dividends on, or make any other distributions (whether in cash, securities or other property) in respect of, any of Aegis' capital stock (other than dividends and distributions by a direct or indirect wholly owned subsidiary to its parent), (ii) split, combine or reclassify any of Aegis' capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock or any of its other securities or (iii) purchase, redeem or otherwise acquire any shares of Aegis' capital stock or any of its other securities or any rights, warrants or options to acquire any such shares or other securities;

issue, deliver, sell, grant, pledge or otherwise dispose of or encumber any shares of capital stock, any other voting securities or any securities convertible into or exchangeable for, or any rights, warrants or options to acquire, any such shares, voting securities or convertible or exchangeable securities;

amend Aegis's articles of association or other comparable charter or organizational documents;

acquire (i) by merging or consolidating with, or by purchasing all or a substantial portion of the assets or any stock of, or by any other manner, any business or any corporation, partnership, joint venture, limited liability company, association or other business organization or division thereof or (ii) any assets, in each case, (A) in excess of \$100,000 in any single transaction or series of related transactions or if such acquisition would prevent, materially delay or materially impede the satisfaction of the conditions set forth in the Transaction Agreement, other than pursuant to existing contracts or commitments, and (B) except purchases of property, plant and equipment, inventory and raw materials in the ordinary course of business;

assign, sell, lease, sublease, license, pledge, or otherwise dispose of, encumber or convey any right, title or interest in any of Aegis leased properties or any material assets owned, leased or otherwise operated by Aegis or any of its subsidiaries other than in the ordinary course of business;

(i) incur any indebtedness for borrowed money or guarantee any such indebtedness of another person (other than letters of credit or similar arrangements issued to or for the benefit of suppliers or incurrences of indebtedness under Aegis' existing credit agreement, in each case, in the ordinary course of business that would not result in Aegis having net debt exceeding \$163,000,000), (ii) issue, sell or amend any debt securities or warrants or other rights to acquire any debt securities of Aegis or any of its subsidiaries, guarantee any debt securities of another person, enter into any "keep well" or other agreement to maintain any financial statement condition of another person or enter into any arrangement having the economic effect of any of the foregoing, (iii) make any loans, advances (other than routine advances to employees in the ordinary course of business) or capital contributions to, or investment in, any other person, other than Aegis or any of its direct or indirect wholly owned subsidiaries or (iv) other than in the ordinary course of business, enter into any hedging agreement or other financial agreement or arrangement designed to protect Aegis or its subsidiaries against fluctuations in exchange rates;

make any capital expenditures or other expenditures with respect to property, plant or equipment in excess of \$1,000,000 in the aggregate for Aegis and its subsidiaries, taken as a whole, other than as included in Aegis' budget for capital expenditures; Aegis must notify the Company in writing of any capital expenditures or other expenditures with respect to property, plant or equipment in excess of \$500,000 in the aggregate and must discuss with the Company in good faith the need and optimization of such expenditure;

make any material changes in accounting methods, principles or practices, except insofar as may be required by a change in IFRS;

(i) adopt, enter into, terminate or amend any employment, severance or similar agreement or benefit plan for the benefit or welfare of any current or former director or executive officer or any collective bargaining agreement (except in the ordinary course of business and only if such arrangement is terminable on 60 days' or less notice without either a penalty or a termination payment), (ii) increase the compensation or fringe benefits of, or pay any bonus to, any director or executive officer (except for annual increases of salaries in the ordinary course of business and bonuses), except that Aegis and its subsidiaries may hire new employees and promote employees in the ordinary course of business, (iii) accelerate the payment, right to payment or vesting of any material compensation or benefits, including any outstanding options or restricted stock awards, other than as contemplated by the Transaction Agreement or (iv) grant any stock options, restricted stock units, stock appreciation rights, stock based or stock related awards, performance units or restricted stock;

(A) amend in any material respect or terminate any material contract or lease, or (B) enter into, amend, or terminate any agreement that would be a material contract or lease;

waive, release, assign, settle, compromise or otherwise resolve any investigation, claim (excluding customer claims in the ordinary course of business that have not resulted in litigation), action, litigation or other legal proceedings, except where such waivers, releases, assignments, settlements or compromises are with a third party (who is not an executive officer of Aegis) and involve only the payment of monetary damages in amounts not in excess of \$50,000 individually;

adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of Aegis or any subsidiary;

take any action that would reasonably be expected to (A) result in any inaccuracy of a representation or warranty in the Transaction Agreement that would allow for a termination thereof, (B) cause any of the conditions precedent to

the transactions contemplated by the Transaction Agreement to fail to be satisfied, or (C) prevent, materially delay or materially impede the consummation of the transactions;

make, change or revoke any tax elections, or change any material method of tax accounting, file any amended tax return or any tax return inconsistent with past practices, file any claims for material tax refunds, enter into any closing agreement or similar agreement with respect to taxes, settle or compromise any tax liability or surrender any right to claim a tax refund, offset or other reduction in tax liability or change or agree to any change of the value of any real, personal or intangible property for tax assessment or other tax purposes; or

authorize any of, or commit or agree, in writing or otherwise, to take any of, the foregoing actions.

No Solicitation of Acquisition Proposals

The Company has agreed that it will not and will cause its subsidiaries and its and their directors and officers not to, and will instruct and use its reasonable best efforts to cause its employees, agents, attorneys, consultants, contractors, accountants, financial advisors and other authorized representatives (“Representatives”) not to, directly or indirectly:

solicit, seek or initiate or knowingly take any action to facilitate (including by way of furnishing information) or encourage any offers, inquiries or the making of any proposal or offer that constitutes, or could reasonably be expected to lead to, any Alternative Proposal (as defined in the Transaction Agreement and below);

enter into, continue or otherwise participate or engage in any discussions or negotiations regarding any Alternative Proposal, or furnish to any person any nonpublic information or afford any person other than Aegis access to such party’s property, books or records (except pursuant to a request by a governmental entity) in connection with any Alternative Proposal;

take any action to make the provisions of any takeover statute inapplicable to any transaction contemplated by an Alternative Proposal;

approve or enter into a letter of intent, memorandum of understanding, agreement in principle, acquisition agreement, merger agreement or similar agreement with any person, other than Aegis or its affiliates, for, constituting or otherwise relating to an Alternative Proposal;

grant any waiver or release under or knowingly fail to enforce any confidentiality, standstill or similar agreement in respect of a proposed Alternative Proposal, unless the Board concludes in good faith that a failure to take any such action would be reasonably likely to be inconsistent with the directors’ fiduciary obligations to the Company’s stockholders under applicable law; or

publicly propose to do any of the foregoing described above.

However, the Company may (A) furnish non-public information with respect to itself and its subsidiaries to any person making an unsolicited, bona fide, written third party Alternative Proposal that the Board determines in good faith (after consultation with outside counsel and its financial advisor) is, or could reasonably be expected to lead to, a Superior Proposal (as defined in the Transaction Agreement and below), and such Alternative Proposal has not resulted from a material breach by the Company of its obligations above, pursuant to a confidentiality agreement not materially less restrictive with respect to the confidentiality obligations of the person than the confidentiality agreement executed by the Aegis Stockholder, or (B) engage in discussions or negotiations (including solicitation of revised Alternative Proposals) with any such person (and their representatives) regarding any Alternative Proposal.

Board Recommendation

Additionally, the Company may not,

withhold, withdraw or modify in a manner adverse to Aegis, or propose to withhold or modify in a manner adverse to Aegis, the approval or recommendation by the Board with respect to the Aegis Issuance Proposal, the Authorized Shares Proposal or the Corporate Opportunity Proposal pursuant to the Transaction Agreement;

adopt, approve or recommend, or publicly propose to adopt, approve or recommend, any Alternative Proposal;

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fail to include its recommendation “FOR” the Aegis Issuance Proposal, the Authorized Shares Proposal and the Corporate Opportunity Proposal in the proxy statement; or

resolve, propose or agree to do any of the foregoing.

The Board may not (A) recommend, adopt or approve, or propose publicly to recommend, adopt or approve, or allow the Company or any subsidiaries to execute or enter into, any alternative acquisition agreement constituting or related to, or that is intended to or could reasonably be expected to lead to, any Alternative Proposal or that would require the Company to abandon, terminate or fail to consummate the transactions contemplated by the Transaction Agreement or (B) resolve, agree or propose to

do any of the foregoing.

The Board may change its recommendation to stockholders as to the Aegis Transactions if (i) it determines in good faith that the failure to change its recommendation would be reasonably likely to be inconsistent with its fiduciary obligations to the Company stockholders under applicable law; (ii) the Company has provided at least four business days' prior written notice to the Aegis Stockholder that it intends to change its recommendation, including a description in reasonable detail of the reasons for such recommendation change, and written copies of any relevant proposed Transaction Agreement with any party making a potential Superior Proposal; (iii) the Company has complied in all material respects with the requirements of the Transaction Agreement in connection with any potential Superior Proposal; and (iv) if the Aegis Stockholder shall have delivered to the Company a written, binding and irrevocable offer to alter the terms or conditions of the Transaction Agreement during the four business day period referred to above, the Board shall have determined in good faith (after consultation with outside legal counsel and its financial advisors), after considering the terms of such offer by the Aegis Stockholder, that the failure to effect a recommendation change would still be reasonably likely to be inconsistent with its fiduciary obligations to the Company stockholders under applicable law. In the event of any material amendment to any Superior Proposal (including any revision in the amount, form or mix of consideration the Company's stockholders would receive as a result of such proposal), the Company is required to provide the Aegis Stockholder with notice of such material amendment and there shall be a new four business day period following such notification during which the Company shall comply again with the requirements of the Transaction Agreement and the Board shall not make a recommendation change prior to the end of any such period.

The Company has agreed that it will, as promptly as reasonably practicable (within twenty-four hours) after receipt of any Alternative Proposal, (i) notify the Aegis Stockholder of its receipt of any Alternative Proposal and (ii) provide to the Aegis Stockholder a copy of such Alternative Proposal (if written), or a summary of the material terms and conditions of such Alternative Proposal (if oral), including the identity of the person making such Alternative Proposal, and copies of all written communications with such person with respect to such actual or potential Alternative Proposal (including a copy of the executed confidentiality agreement with such person). The Company shall notify the Aegis Stockholder, in writing, of any decision of the Board as to whether to consider any Alternative Proposal or to enter into discussions or negotiations concerning any Alternative Proposal or to provide non-public information with respect to such to any person, which notice shall be given as promptly as practicable after such determination was reached (no later than twenty-four hours after such determination was reached). The Company will (A) provide the Aegis Stockholder with written notice setting forth such information as is reasonably necessary to keep the Aegis Stockholder informed in all material respects of the status and material terms of any such Alternative Proposal and of any material amendments or modifications thereto, (B) keep the Aegis Stockholder informed as promptly as practicable with respect to any changes to the material terms of an Alternative Proposal submitted to the Company (within twenty-four hours following any such changes), including by providing a copy of all written proposals and a summary of all oral proposals or material oral modifications to an earlier written proposal, in each case relating to any Alternative Proposal, (C) prior to, or substantially concurrently with, the provision of any non-public information of the Company to any such person, provide such information to the Aegis Stockholder, to the extent such information has not previously been made available to the Aegis Stockholder, and (D) promptly (within twenty-four hours of such determination) notify the Aegis Stockholder of any determination by the Board that such Alternative Proposal constitutes a Superior Proposal.

However, the Board may take and disclose to the Company's stockholders a position with respect to a tender offer contemplated by Rule 14d-9 or Rule 14e-2 promulgated under the Exchange Act and may issue a "stop, look and listen" statement pending disclosure of its position thereunder, and the Company may make any disclosure to the Company's stockholders if, in the good faith judgment of the Board (after consultation with outside legal counsel and its financial advisors), the failure to disclose would be reasonably likely to be inconsistent with its fiduciary obligations to the Company's stockholders under applicable law; provided, the Board may not take any action prohibited elsewhere in the Transaction Agreement.

The Company must, and must direct its representatives to, terminate and cease immediately all discussions and negotiations that commenced prior to the date of the Transaction Agreement regarding any proposal that constitutes, or could reasonably be expected to lead to, an Alternative Proposal. The Company must immediately revoke or withdraw access of any person (other than the Aegis Stockholder and its representatives) to any non-public information with respect to the Company and request from each third party (other than the Aegis Stockholder and its representatives) the prompt return or destruction of all non-public information with respect to the Company previously provided to such person.

An "Alternative Proposal" means any bona fide proposal or offer for (A) a direct or indirect acquisition or purchase by any person of more than 25% of the voting or economic interests of the Company, (B) a merger, consolidation or sale of all or a material portion of the assets of one or more of the Company or its subsidiaries involving 25% or more of the consolidated assets of the Company, or (C) a recapitalization, liquidation or similar transaction involving one or more of the Company or its subsidiaries and 25% or more of the consolidated assets of the Company, in each case, which is from a third party and is not related to the transactions contemplated by the Transaction Agreement.

A “Superior Proposal” means any Alternative Proposal received by the Company after the date of the Transaction Agreement that (A) is on terms that the Board determines in good faith (after receiving the advice of its financial advisor and outside legal counsel and after taking into account all the terms and conditions of the transactions and of such Alternative Proposal (including any conditions to and expected timing of consummation thereof, and all legal, financial, regulatory and other aspects of such Alternative Proposal and the Transaction Agreement)) are more favorable to the Company’s stockholders from a financial point of view than the Transaction Agreement (taking into account any proposed amendment or modification proposed by the Aegis Stockholder and Aegis); and (B) the Board determines (after receiving the advice of its financial advisor and outside legal counsel) is reasonably capable of being consummated in accordance with its terms, taking into account all financial, regulatory, legal, timing and other aspects (including certainty of closing, certainty of financing and the identity of the person making the Alternative Proposal) of such proposal.

Required Filings

Each of the Company, Aegis and the Aegis Stockholder shall promptly make all filings that it is required to make with respect to the Aegis Transactions under the Securities Act, the Exchange Act, applicable state blue sky laws and the rules and regulations thereunder.

Stockholder Approval

The Company has agreed that the Company and the Board shall take all actions in accordance with applicable law, the Company’s Certificate of Incorporation and bylaws and NYSE rules to:

duly call, give notice of, convene and hold as promptly as practicable, after the SEC has completed its review of this proxy statement, a stockholder meeting for the purpose of considering and voting upon the matters set forth in the Aegis Issuance Proposal, the Authorized Shares Proposal and the Corporate Opportunity Proposal; and

include in this proxy statement the recommendation of the Board in favor of approval of the Aegis Issuance Proposal, the Authorized Shares Proposal and the Corporate Opportunity Proposal and use commercially reasonable efforts to solicit from our stockholders proxies in favor of the Aegis Issuance Proposal, the Authorized Shares Proposal and the Corporate Opportunity Proposal.

The Company, after consultation with the Aegis Stockholder and Aegis and after receiving advice from the Company’s outside legal counsel, may adjourn or postpone the stockholder meeting to the extent necessary to ensure that any required supplement or amendment to this proxy statement is provided to the Company’s stockholders or, if as of the time for which the stockholder meeting is originally scheduled (as set forth in this proxy statement), there are insufficient shares of our common stock represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of the stockholder meeting. The Company’s obligations shall not be affected by (A) the commencement, public proposal, public disclosure or communication to the Company of any Alternative Proposal or (B) the withdrawal or modification by the Board of its recommendation in favor of approval of the Aegis Issuance Proposal, the Authorized Shares Proposal or the Corporate Opportunity Proposal or the Board’s approval of the Transaction Agreement and the Aegis Transactions.

NYSE Listing

The Company has agreed to use its commercially reasonable efforts to continue the listing of our common stock on the NYSE and to cause the shares issued in connection with the Transaction Agreement to be approved for listing, including by filing a supplemental listing application with NYSE. The Company, the Aegis Stockholder and Aegis have agreed to cooperate and provide necessary information as may be required or reasonably requested in connection

with this process.

Reasonable Best Efforts

The Company, the Aegis Stockholder and Aegis have agreed to use their reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under the Transaction Agreement and applicable laws and regulations to consummate and make effective the transactions and to use their respective reasonable best efforts to cause the conditions to each party's obligation to consummate and make effective the transactions to be satisfied as promptly as reasonably practicable after the date thereof, including:

- (i) as promptly as reasonably practicable, preparing and filing, in consultation with the other parties, all documentation to effect all necessary applications, notices, petitions, filings, tax ruling requests and other

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documents and to obtain any consents, licenses, permits, waivers, approvals, authorizations, or orders required to be obtained by such party (or any of its subsidiaries) from any governmental entity in connection with the authorization, execution and delivery of the Transaction Agreement and the consummation of the transactions; provided, however, no party, nor any subsidiaries or affiliates shall be required to pay any monies or agree to any material undertaking in connection with any of the foregoing, unless otherwise expressly provided in the Transaction Agreement;

- contest and resist any action, including any administrative or judicial action, and seek to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order (whether temporary, preliminary or permanent) which has the effect of making the transactions illegal or otherwise prohibiting consummation of the transactions; and
- (iii) execute or deliver any additional instruments necessary to consummate the transactions contemplated by, and to fully carry out the purposes of, the Transaction Agreement.

The Company, the Aegis Stockholder and Aegis agree to cooperate with each other in connection with the making of all such filings and submissions contemplated by the foregoing, including providing copies of all such documents to the non-filing person and its advisors prior to filing and, if requested, accepting reasonable additions, deletions or changes; provided that each party shall be entitled to redact (a) as necessary to comply with contractual arrangements or applicable law, (b) as necessary to address reasonable attorney-client or other privilege or confidentiality concerns, and (c) to remove references relating to valuation and similar matters relating to the transactions. Each party agrees to use its reasonable best efforts to furnish to each other all information required for any application or other filing to be made pursuant to any applicable law in connection with the transactions.

The Company has further agreed that:

the Company shall make or cause to be made, in consultation and cooperation with the Aegis Stockholder and Aegis, the notification to the FCA and as promptly as reasonably practicable and advisable to make appropriate filings pursuant to the HSR Act, as amended and all other necessary registrations, declarations, notices and filings relating to the transactions with other governmental entities under any other antitrust law with respect to the transactions;

each party agrees not to extend any waiting period under the HSR Act or any other antitrust law or make any agreement with a government entity that would delay the consummation of the transactions without the prior written consent of the other parties;

all parties agree to respond to any inquiries received and supply as promptly as reasonably practicable any additional information and documentary material that may be requested pursuant to the HSR Act and any other antitrust law and to take such actions as are necessary or advisable to obtain all requisite approvals, clearances and authorizations of any governmental entity and cause the expiration or early termination of the applicable waiting periods under the HSR Act and any other antitrust law as promptly as reasonably practicable;

the Company and the Aegis Stockholder or Aegis shall be equally responsible for paying filing fees under HSR Act or any other antitrust law;

the Aegis Stockholder shall control and lead all communications and strategy relating to HSR Act and any related litigation matters, subject to good faith consultations with the Company with respect to any discussion related to the Aegis Transactions under the HSR Act;

each party shall promptly notify the other parties of any communication it or any of its representatives receives from any governmental entity relating to the matters that are the subject of the Transaction Agreement and permit the other parties to review in advance and consider in good faith the views of the other parties regarding any proposed

communication by such party to any governmental entity;

neither the Company, the Aegis Stockholder nor Aegis shall agree to participate in any meeting or discussion with any governmental entity in respect of any filings, investigation (including any settlement of an investigation), litigation or other inquiry unless it consults with the other party in advance and, unless prohibited by such governmental entity, gives the other party the opportunity to attend and participate at such meeting or discussion;

the Company, the Aegis Stockholder and Aegis (or their subsidiaries) shall promptly; (i) give any notices to third parties, other than governmental entities, that are required in connection with the transactions or are necessary to consummate the transactions, (ii) use their respective reasonable best efforts to obtain any consents from third parties, other than governmental entities, that are required in connection with the transactions or are necessary to consummate the transactions, (iii) keep the other parties reasonably informed of the status and progress on these consents, and (iv) promptly notify (within two business days) the other parties if it in good faith believes a consent may not be obtained; and

if the Company's stockholders approve the charter amendments described in more detail in the Authorized Shares Proposal and the Corporate Opportunity Proposal, the Company agrees to file them in accordance with the DGCL prior to closing.

Conditions to the Closing of the Aegis Transactions

The Company's, the Aegis Stockholder's and Aegis' obligations to effect the transactions are subject to the satisfaction or waiver of the following conditions:

the approval of this Aegis Issuance Proposal and the Authorized Shares Proposal by our stockholders

the expiration of any waiting period (and any extension thereof) applicable to the transactions under the HSR Act or the PCA of the Republic of the Philippines;

approval by the UK FCA of the transactions without any conditions, obligations or restrictions on the Company, the Aegis Stockholder or Aegis that are material to their business or the transactions;

the absence of any order, executive order, stay, decree, judgment or injunction (preliminary or permanent) or statute, rule or regulation enacted, issued, promulgated, enforced or entered by any government entity of competent jurisdiction which has the effect of making the transactions illegal or otherwise prohibiting the consummation of the transactions;

the approval of the NYSE supplemental listing application discussed in "—NYSE Listing" above;

- the filing of the charter amendment attached hereto as Annex F (insofar as the same relates to the increase of the Company's authorized shares of common stock in accordance with the DGCL.

The obligations of the Aegis Stockholder and Aegis to effect the transactions are subject to the satisfaction by us or waiver by them, at or prior to the closing, of the following conditions:

our representations and warranties regarding certain matters relating to our capitalization must be true and correct (except for de minimis inaccuracies) in all respects as of the date of the Transaction Agreement and as of the closing date (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct (except for de minimis inaccuracies) as of such earlier date only)

- our other representations and warranties must be true and correct as of the date of the Transaction Agreement and as of the closing date (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date only), except where the failure of such representations or warranties to be true and correct (without giving effect to any limitation as to "materiality" or "Public Company Material Adverse Effect" set forth in such representations and warranties, other than our representation that no material adverse event has occurred) has not had, and would not reasonably be expected to have, individually or in the aggregate, a material adverse

effect;

our performance, in all material respects, of all covenants and obligations required to be performed by us under the Transaction Agreement at or prior to the closing date

Aegis' receipt of a certificate dated as of the closing date and signed on our behalf by either the Company's Chief Executive Officer or Chief Financial Officer, stating that certain of the closing conditions have been satisfied;

the continued listing of the Company's common stock on the NYSE;

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the Aegis Stockholder's receipt of executed copies of the Stockholders Agreement discussed below in "—Stockholders Agreement";

the Company having taken action necessary to cause the Board to consist of the number and composition of directors described above in "—Directors and Officers";

the Company having obtained the necessary consents to consummate the Transaction Agreement and delivery of evidence of these consents to Aegis;

lack of any fact, circumstance, occurrence, event, development, change or condition which, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on the Company.

The Company's obligations to effect the transactions are subject to the satisfaction by the Aegis Stockholder and Aegis or waiver by the Company, at or prior to the closing, of the following conditions:

their representations and warranties regarding certain matters relating to their capitalization must be true and correct (except for de minimis inaccuracies) in all respects as of the date of the Transaction Agreement and as of the closing date (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct (except for de minimis inaccuracies) as of such earlier date only)

their other representations and warranties must be true and correct as of the date of the Transaction Agreement and as of the closing date (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date only), except where the failure of such representations or warranties to be true and correct (without giving effect to any limitation as to "materiality" or "Private Company Material Adverse Effect" set forth in such representations and warranties, other than their representation that no material adverse event has occurred) has not had, and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect;

their performance, in all material respects, of all covenants and obligations required to be performed by them under the Transaction Agreement at or prior to the closing date

the Company's receipt of a certificate dated as of the closing date and signed on their behalf by either the Aegis Chief Executive Officer or Chief Financial Officer, stating that certain of the closing conditions have been satisfied;

the Company's receipt of executed copies of the Stockholders Agreement discussed below in "—Stockholders Agreement";

their provision of evidence of termination of certain affiliate agreements described in the Transaction Agreement;

their having obtained the necessary consents to consummation of the Transaction Agreement and delivery of evidence of these consents to us;

lack of any fact, circumstance, occurrence, event, development, change or condition which, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on Aegis.

No party to the Transaction Agreement may invoke the failure or nonsatisfaction of any aforementioned condition if the failure of such party (or any affiliate of such party) to fulfill any obligation under the Transaction Agreement has been a principal cause of or resulted in the failure or nonsatisfaction of such condition.

Termination of the Transaction Agreement

The Transaction Agreement may be terminated under the following circumstances:

- by the Company, Aegis and the Aegis Stockholder's mutual written consent;

by either the Company or the Aegis Stockholder if:

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the Aegis Transactions shall not have closed by July 23, 2018; however, the right to terminate shall not be available to any party if the failure of said party to fulfill any obligation under the Transaction Agreement has been a principal cause of or resulted in the failure of the closing to occur; the date may be extended to

- September 21, 2018 upon mutual consent of the Company and the Aegis Stockholder or if any waiver or consent of any relevant third party to allow such extension, without providing for the accelerated vesting of any outstanding unvested warrants (the Company must use its reasonable best effort to obtain any such necessary waivers or consents) has been obtained;

a government entity of competent jurisdiction shall have issued a nonappealable final order, decree or ruling or taken any other nonappealable final action, in each case having the effect of permanently restraining, enjoining or otherwise prohibiting consummation of the transactions; provided, however, that a party shall not be permitted to terminate if the failure of such party (or, in the case of the Aegis Stockholder, the failure of Aegis) to fulfill any obligation under the Transaction Agreement has been a principal cause of or resulted in the issuance of any such order, decree, ruling or the taking of such other action; or

- if the Company's stockholders fail to approve the Aegis Issuance Proposal and the Authorized Shares Proposal, provided, however, that a party shall not be permitted to terminate if the failure of such party (or, in the case of the Aegis Stockholder, the failure of Aegis) to fulfill any obligation under the Transaction Agreement has been a principal cause of or resulted in the failure to obtain such approval.

by the Aegis Stockholder if:

prior to the Company stockholder vote to approve the Aegis Issuance Proposal and the Authorized Shares Proposal, the Board shall have failed to give its recommendation "FOR" the Aegis Issuance Proposal and the Authorized Shares Proposal;

after receipt by the Company of an Alternative Proposal the Board fails to reconfirm its recommendation of the Transaction Agreement within 10 business days (upon request for such confirmation from the Aegis Stockholder);

the Board approves or recommends an Alternative Proposal to the Company's stockholders;

the Board recommends to the Company's stockholders to tender their shares in any tender offer or exchange that may have commenced or fails to recommend against such tender within 10 business days after its commencement;

the Company materially breaches certain portions of the Transaction Agreement related to non-solicitation, Alternative Proposals and Superior Proposals; or

the Company breaches any representation, warranty, covenant or agreement in the Transaction Agreement which would cause certain closing conditions to not be satisfied and is not cured within 20 business days following receipt by us of notice of such breach from the Aegis Stockholder, provided that neither the Aegis Stockholder nor Aegis is then in breach of any representation, warranty, covenant or agreement in the Transaction Agreement.

by the Company if:

the Aegis Stockholder or Aegis breaches any representation, warranty, covenant or agreement in the Transaction Agreement which would cause certain closing conditions to not be satisfied and is not cured within 20 business days following receipt by the Aegis Stockholder and Aegis of notice of such breach from the Company, provided that the Company is not then in breach of any representation, warranty, covenant or agreement in the Transaction Agreement; or

each of the following occur (a) the Company receives a Superior Proposal, (b) the Company has complied with certain portions of the Transaction Agreement related to non-solicitation Alternative Proposals and Superior Proposals in accepting such Superior Proposal, (c) the Board approves and enters into a definitive agreement with respect to such Superior Proposal concurrently with the termination, and

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(d) prior to or concurrently with such termination, the Company pays to Aegis the termination fee described below in “—Termination Fees”.

Fees and Expenses

Upon closing, the Company shall pay or promptly reimburse, on behalf of the Company, the Aegis Stockholder and Aegis, all transaction expenses and fees incurred by such parties.

Termination Fees

The Company shall pay the Aegis Stockholder a termination fee of \$6,800,000 in the event of the termination of the Transaction Agreement:

by the Aegis Stockholder if the Company and the Board (i) fail to recommend the Aegis Issuance Proposal and the Authorized Shares Proposal, (ii) fail to reconfirm its recommendation of the Aegis Transactions within 10 business days after a request for such reconfirmation by the Aegis Stockholder after the Company receives an Alternative Proposal, (iii) approve or recommend an Alternative Proposal to the Company’s stockholders, (iv) recommend to the Company’s stockholders to tender their shares in any tender offer or exchange that may have commenced or fails to recommend against such tender within 10 business days after its commencement, or (v) the Company materially breaches certain portions of the Transaction Agreement related to non-solicitation, Alternative Proposals and Superior Proposals;

by the Company if it receives and approves a Superior Proposal;

by either the Company or the Aegis Stockholder, as applicable, if the Aegis Transactions have not closed by July 23, 2018 (and the failure to close does not result from an act or omission of the terminating party) or due to a breach by the Company of any representation, warranty, covenant or agreement in the Transaction Agreement and failure to cure said breach within 20 business days, provided prior to the termination, any person makes an Alternative Proposal or amends an Alternative Proposal made prior to the date of the Transaction Agreement with respect to the Company; and (B) within twelve months after such termination the Company enters into a definitive agreement to consummate, or consummates, any Alternative Proposal (regardless of whether made before or after the termination of the Transaction Agreement); provided that, the references to 25% in the definition of Alternative Proposal shall be deemed to be 50%.

The Company shall pay the Aegis Stockholder a termination fee of \$3,000,000 in the event of the termination of the Transaction Agreement due to failure to close the Aegis Transactions prior to July 23, 2018, in the event that (i) this date is not extended as a result of the failure to obtain a waiver or consent of any relevant third party to allow such extension; and (ii) the Company stockholder meeting has not been held; provided, that the Aegis Stockholder and Aegis shall have provided all of the required financial information to the Company on or before, April 28, 2018, the forty-fifth day following the date of the Transaction Agreement and are not then in material breach of any other representation, warranty, covenant or agreement under the Transaction Agreement.

In no event will the Company be required to pay more than one termination fee (however if the Aegis Stockholder is entitled to both the \$6,800,000 or the \$3,000,000 fee, the Company must pay the \$6,800,000 fee).

The parties agreed that payment of the termination fees shall constitute the sole and exclusive remedy of the Aegis Stockholder and Aegis in connection with any termination of the Transaction Agreement in the circumstances in which such fees became payable. In the event that the Aegis Stockholder shall receive the payment of a termination fee, the receipt of such termination fee shall be deemed to be liquidated damages for any and all losses or damages suffered or incurred by the Aegis Stockholder, Aegis and any of their affiliates in connection with the Transaction

Agreement (and the termination hereof), the transactions thereby (and the abandonment thereof) or any matter forming the basis for such termination, and neither the Aegis Stockholder, Aegis nor any of their affiliates, shall be entitled to bring or maintain any other claim, action or proceeding against us or any of our affiliates arising out of the Transaction Agreement, any of the transactions or any matters forming the basis for such termination.

Indemnification and Insurance

For six years after the closing of the Aegis Transactions, the Company and Aegis shall, jointly and severally, indemnify and hold harmless each person who was at the date of the Transaction Agreement, has been at any time prior to the date of the

Transaction Agreement or who becomes prior to the closing, a director or officer of the Company, Aegis or any of their respective subsidiaries (“Indemnified Persons”), against all claims, losses, liabilities, damages, judgments, fines and reasonable fees, costs and expenses, including attorneys’ fees and disbursements, incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of or pertaining to the fact that the indemnified person is or was an officer, director, employee or agent of Aegis, the Company or any of their respective subsidiaries, or, while a director or officer of Aegis, the Company or any of their respective subsidiaries, is or was serving at the request of Aegis, the Company or any of their respective subsidiaries as a director, officer, employee or agent of another person, whether asserted or claimed prior to, at or after the closing, to the fullest extent permitted by applicable law. Each indemnified person will be entitled to advancement of expenses (including attorneys’ fees) incurred in the defense of any such claim, action, suit, proceeding or investigation from each of the Company and Aegis within ten business days following receipt by the Company and Aegis from the indemnified person of a request therefor; provided, however, that any indemnified person to whom expenses are advanced provides an undertaking, to the extent then required by the Delaware law, to repay such advances if it is determined by a final determination of a court of competent jurisdiction (which determination is not subject to appeal) that such indemnified person is not entitled to indemnification under applicable law.

For six years after the closing of the Aegis Transactions, the Certificate of Incorporation and bylaws of the Company are required to contain, and the Company must cause the articles of association of Aegis to so contain, provisions no less favorable with respect to indemnification, advancement of expenses and exculpation of present and former directors and officers than are set forth in the Certificate of Incorporation and bylaws of the Company (in the case of the Certificate of Incorporation and bylaws of the Company) or Aegis (in the case of the articles of association of Aegis) as in effect on the date of the Transaction Agreement.

These provisions are intended to be in addition to the rights otherwise available to any indemnified person by law, charter, statute, bylaw or agreement, and shall operate for the benefit of, and shall be enforceable by, each of the indemnified persons, their heirs and their representatives.

Benefits Matters

For twelve months following the closing, the Company and its subsidiaries are required to provide each of the Company’s employees who are employed immediately prior to the closing and who remain in the employ of the Company or any of the Company’s subsidiaries immediately after the closing compensation (other than equity compensation) and employee benefits that are substantially comparable, in the aggregate, to the compensation (other than equity compensation) and employee benefits provided to such employee immediately prior to the closing. Nothing in the Transaction Agreement (a) requires us to pay annual incentive compensation if the applicable targets are not achieved, (b) is to be treated as the creation or an amendment of any of the Company’s employee benefit plans, (c) gives any third party any right to enforce the employee benefits provisions, or (d) obligates the Company to (i) maintain any of the Company’s employee benefit plans, or (ii) retain the employment of or maintain the duties or position of any employee.

Additional Agreements

We agreed with the Aegis Stockholder and Aegis to issue a joint press release announcing the Transaction Agreement and consult with and provide each other the reasonable opportunity to review and comment upon prior to issuance any press release or other public statement, filing or comment relating to the Transaction Agreement or the transactions and not to issue any such press release or other public statement, filing or comment prior to such consultation except, in each case, as may be required by applicable law or by obligations pursuant to any requirement of the NYSE. However, neither the Aegis Stockholder's nor Aegis’ consent shall be required, nor shall we be required to consult with either in connection with, or provide either an opportunity to review or comment upon, any press release or other public statement, filing or comment to be issued or made with respect to any Alternative Proposal, Superior Proposal,

Board recommendation change. Without the prior consent of the other parties, each party (a) may communicate with customers, vendors, suppliers, financial analysts, investors and media representatives in a manner consistent with its past practice in compliance with applicable law and (b) may disseminate the information included in a press release or other document previously approved for external distribution by the parties.

Before closing, each of the parties has agreed to give prompt notice to the other parties upon becoming aware of the occurrence or failure to occur, of any event, which occurrence or failure to occur is reasonably likely to result in the failure of that party to comply with certain closing conditions.

The parties have agreed that the Company shall have the right to control the defense and settlement of any litigation related to the Transaction Agreement or the Aegis Transactions brought by any of the Company's stockholders against the Company and/or the Company's directors or officers; provided, however, that the Company has agreed to promptly notify the Aegis

Stockholder and Aegis of any such litigation and shall give the Aegis Stockholder and Aegis the opportunity to participate, at their expense, in the defense of any such litigation and to consider their advice with respect to such litigation; provided, further, that no settlement with respect to such litigation shall be agreed to without the Aegis Stockholder's consent (which it shall not reasonably withhold).

Amendment, Extension, Waiver and of the Transaction Agreement

The Company, the Aegis Stockholder and Aegis may amend the Transaction Agreement at any time prior to the closing of the Aegis Transactions if agreed upon in writing. However, after the approval of the matters submitted for stockholder approval with respect to the Aegis Transactions by the Company's stockholders, no amendment can be made that by law requires approval by the Company's stockholders without obtaining such approval.

The Company, the Aegis Stockholder or Aegis may extend the time for performance of any of the obligations or acts of any other party to the Transaction Agreement, waive any inaccuracies in another party's representations and warranties in the Transaction Agreement or any other document delivered with it, and waive compliance with any of the agreements contained in the Transaction Agreement, in each case if agreed upon in writing by the parties. Any such extension or waiver shall apply only to the performance, inaccuracy or condition specified in the extension or waiver. The failure of any party to assert any of its rights under the Transaction Agreement or otherwise shall not constitute a waiver of such rights.

Support Agreements

On March 14, 2018, A. Emmet Stephenson, Privet and Engine (together, the "Supporting Stockholders"), each executed a Support Agreement (together, the "Support Agreements") with Aegis and the Aegis Stockholder. As of the date of the Support Agreements (i) Mr. Stephenson was the beneficial owner of 2,914,382 shares, representing approximately 18.0% of our common stock as of such date, (ii) Privet was the beneficial owner of 1,312,907 shares, representing approximately 8.1% of our outstanding common stock as of such date, (iii) Engine was the beneficial owner of 613,428 shares, representing approximately 3.8% of our outstanding common stock as of such date. The Support Agreements are attached hereto as Annexes B, C and D.

The Supporting Stockholders each agreed to:

vote or cause to be voted all shares of our common stock of which they are the beneficial owner in support of the Transaction Agreement and the transactions contemplated thereby as well as the Authorized Shares Proposal and the Corporate Opportunity Proposal;

not solicit, encourage or facilitate any Alternative Proposal (including by providing any non-public information regarding the Company) or enter into any negotiations or discussions regarding any Alternative Proposal;

vote or cause to be voted all shares of our common stock of which they are the beneficial owner against any Alternative Proposal or any action, proposal, transaction or agreement (a) which would reasonably be expected to impede, interfere with, delay, discourage, adversely affect or inhibit the timely consummation of the transactions or the fulfillment of the Aegis', the Aegis Stockholder's, or the Company's conditions under the Transaction Agreement or change in any manner the voting rights of any security of the Company (including by any amendments to the Company's Certificate of Incorporation or bylaws other than the Authorized Shares Proposal and the Corporate Opportunity Proposal) and (b) of which the Aegis Stockholder has notified the Supporting Stockholders of such effect prior to the date such vote is taken;

not deposit any of the common stock of which they are the beneficial owner into a voting trust or enter into any voting arrangement, whether by proxy, voting agreement, voting trust, power-of-attorney, attorney-in-fact, agent or

otherwise, except as contemplated by the Support Agreements; and

not take any action that would make any representation or warranty in the Support Agreements untrue nor take any action that would otherwise restrict, limit or interfere in any material respect with their performance under the Support Agreements.

Privet agreed it would not, directly or indirectly, sell, transfer, pledge, assign or otherwise encumber or dispose of, or enter into any agreement, option or other arrangement (including any profit sharing agreement) or understanding with respect to, any of shares it beneficially owns, other than by operation of law.

Mr. Stephenson agreed that if in any privately negotiated transaction he sells, transfers, pledges, assigns or otherwise encumbers or disposes of, or enters into any agreement, option or, except for the Support Agreement, other arrangement or understanding with respect to any of the shares he beneficially owns, he shall use reasonable best efforts to cause such transferee or applicable counterparty to agree in a writing reasonably acceptable to the Aegis Stockholder to be bound by the terms and conditions of the Support Agreement.

Engine agreed that, with respect to shares owned by Mr. Ajdler only, Engine would cause Mr. Ajdler not to, directly or indirectly, sell, transfer, pledge, assign or otherwise encumber or dispose of, or enter into any agreement, option or other arrangement (including any profit sharing agreement) or understanding other than by operation of law.

The Support Agreements will terminate upon the earlier of:

• the closing date of the Transaction Agreement;

• the date upon which the Transaction Agreement is terminated in accordance with its terms;

• the date of any change in recommendation regarding the transactions by the Company Board (a “Public Company Board Recommendation Change” as defined in the Transaction Agreement);

• the making of any material change, by amendment, waiver or other modification to any provision of the Transaction Agreement that decreases the amount or changes the form of consideration to be received by the Company (other than in connection with any adjustments set forth in the Transaction Agreement); or

• the mutual written agreement of the Supporting Stockholder, Aegis and the Aegis Stockholder.

Stockholders Agreement

In connection with the entry into the Transaction Agreement, the Aegis Stockholder and the Company agreed to the terms of a Stockholders Agreement (the “Stockholders' Agreement”). The Stockholders' Agreement (i) sets forth certain rights, duties and obligations of the Aegis Stockholder and the Company as a result of the transactions contemplated by the Transaction Agreement and (ii) provides for certain aspects of the management, operation and governance of the Company after consummation of the Aegis Transactions.

The Stockholders Agreement outlines various corporate governance matters including board composition, director nomination rights and committees of our Board after consummation of the transactions. It provides that the Board shall consist of nine members comprised initially of (i) five directors (including the chairman), to be designated by the Aegis Stockholder, (ii) the Company’s chief executive officer, and (iii) three independent directors, reasonably acceptable to the Aegis Stockholder (the “Non-Stockholder Directors”), however if the Company and the Aegis Stockholder are able to obtain any necessary third party consents or waivers to allow the Board to consist of seven members, the Board will be comprised of (a) four directors (including the chairman) designated by the Aegis Stockholder, one of whom will be an independent director, (b) the Chief Executive Officer designated by the Aegis Stockholder, and (c) two directors designated by the Company and acceptable to the Aegis Stockholder that are independent for purposes of the NYSE’s listing rules (the “Alternative Board Composition”). This Board composition shall continue so long as the Aegis Stockholder or its affiliates own 50% or more of the outstanding shares of our common stock. If the Aegis Stockholder’s ownership falls below 50%, the Aegis Stockholder shall designate (i) four directors so long as it owns 35% or more, but less than 50%, (ii) three directors, so long as it owns 25% or more, but less than 35%; (iii) two directors, so long as it owns 15% or more, but less than 25%; and (v) one director, so long as it owns 10% or more, but less than 15%. In the event the Company implements the Alternative Board Composition at closing, the Aegis Stockholder shall be entitled to designate (x) three directors so long as it owns 35% or more, but less than 50%, (y) two directors so long as it owns 20% or more, but less than 35% and (z) one director so long as it

owns 10% or more, but less than 20%. If the Aegis Stockholder ceases to beneficially own the minimum percentage of outstanding shares of our common stock necessary to nominate the corresponding number of directors (as defined above), the Aegis Stockholder shall cause the necessary number of its designated directors to offer to resign from the Board, so that their number is consistent with the Aegis Stockholder's ownership percentage.

If the size of the Board is increased or decreased, the Aegis Stockholder shall have the right to designate one or more directors to the Board such that the total number of Aegis Stockholder designated directors shall be proportional to the number set forth in the preceding paragraph. In the event of a vacancy on the Board for a Non-Stockholder Director, the Governance and Nominating Committee shall have the sole right to fill such vacancy or designate a person for nomination.

The Company shall avail itself of all “controlled company” exceptions to the corporate governance listing rules of the NYSE for so long as the Aegis Stockholder owns more than 50% of the voting power for the election of directors, and thereafter the Company and the Aegis Stockholder shall take all necessary actions to comply with the corporate governance listing rules of the NYSE. The committees of the Board will be comprised of an Audit Committee consisting of three Non-Stockholder Directors as well as a Compensation Committee and a Governance and Nominating Committee each consisting three directors, including at least one Non-Stockholder Director. The number of Non-Stockholder Directors on all other committees are required to be proportional to the number of Non-Stockholder Directors on the Board; provided that each such committee shall have at least one Non-Stockholder Director.

Pursuant to the Stockholders Agreement, the Company renounces the expectation of corporate opportunities other than those expressly offered to such Aegis Stockholder designated director or their affiliates solely in, and as a direct result of, their capacity as director of the Company. The Aegis Stockholder is required to (and cause its affiliates to) maintain the confidentiality of and not use or otherwise exploit for its own or any third party’s benefit, any of the Company’s confidential information. To the extent permitted by NYSE rules, and for so long as the Aegis Stockholder owns 50% or more of the Company’s outstanding common stock, the Aegis Stockholder shall have a right to purchase its pro rata portion of any securities the Company may propose to issue apart from any Excluded Securities (as defined in the Stockholders’ Agreement).

The Company agrees to keep accurate books, records and accounts and for so long as the Aegis Stockholder owns 10% or more of the outstanding shares of the Company’s common stock, (a) permit the Aegis Stockholder and its designated representatives reasonable access to the books and records of the Company and to discuss the affairs, finances and condition of the Company with the Company’s officers and (b) provide reasonable access to (i) the Company’s auditors and officers, (ii) copies of all materials provided to the Board, (iii) the Company’s appropriate officers and directors and (iv) operating and capital expenditure budgets and periodic information packages relating to the operations and cash flows of the Company and its subsidiaries.

The Stockholders Agreement also includes provisions regarding registration rights. The Company has agreed that the Aegis Stockholder and any subsidiary of the Aegis Stockholder that holds registrable securities shall have the right to make no more than four demands for the registration of registrable securities then held by such stockholders. The Company has also agreed to provide customary piggyback registration rights to the Aegis Stockholder. The Aegis Stockholder and any subsidiary of the Aegis Stockholder that holds registrable securities may require the Company to file a Form S-3 relating to the offer and sale of registrable securities then held by such stockholders. The Stockholders Agreement requires the Aegis Stockholder and any subsidiary of the Aegis Stockholder that holds registrable securities to enter into customary agreements restricting the sale or distribution of certain company securities to the extent required by the lead managing underwriter(s) with respect to certain underwritten securities offerings in which the Aegis Stockholder or such subsidiary participates.

Interests of Directors and Officers in the Aegis Transactions

When you consider the recommendation of the Board in favor of the proposals included in this proxy statement, you should be aware that certain of the Company’s directors and executive officers have interests in the Aegis Transactions that are different from, or in addition to, those of our stockholders generally.

These interests include the following:

Transaction Bonuses

On March 14, 2018, in connection with the signing of the Transaction Agreement, the Company approved transaction bonus awards for each of Mr. Carlson, Mr. Norsworthy, Mr. Martino, and Mr. Kirksey granting each a right to a

one-time payment of \$515,000, \$325,000, \$156,000 and \$139,050, respectively, to be paid in cash subject to (i) the consummation of the Aegis Transactions and (ii) the recipient's continued employment with the Company through such consummation (or, if earlier, the recipient's involuntary termination of service for reasons other than cause).

Vesting of Equity

Following the Aegis Transactions, each outstanding award under the 2008 EIP that is not yet vested will immediately vest with respect to 50% of the shares that were unvested immediately before the Aegis Transactions. If, within two years after the closing of the Aegis Transactions, a participant is involuntarily terminated other than for cause (or, for certain awards, termination with good reason), then each remaining outstanding award that is unvested will immediately become vested and exercisable in full and will remain exercisable for the remainder of the original option term. See “—Golden Parachute Compensation” below on page 89 for the individual impact of this provision on our named executive officers.

Potential Severance Payments

Under the terms of their Employment Agreements, if a named executive officer's employment with the Company is terminated without cause or such named executive officer resigns for good reason upon, or within two years after, the consummation of an event resulting in a change of control, including the Aegis Transactions, such named executive officer will receive a lump sum payment equal to twelve months (twenty-four months for the Chief Executive Officer) of his then-current annual base salary, as well as the health insurance benefits described above for a period of twelve months (eighteen months for the Chief Executive Officer). These payments are summarized under "Employment Agreements—Potential Payments Upon Termination or Change of Control" on page 119 and under "—Golden Parachute Compensation" on page 89.

Indemnification Rights

The Transaction Agreement provides that for six years after the closing of the Aegis Transactions, the Company and Aegis will, jointly and severally, indemnify and hold harmless each Indemnified Person, against all claims, losses, liabilities, damages, judgments, fines and reasonable fees, costs and expenses, including attorneys' fees and disbursements, incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of or pertaining to the fact that the indemnified person is or was an officer, director, employee or agent of Aegis, the Company or any of their respective subsidiaries, or, while a director or officer of Aegis, the Company or any of their respective subsidiaries, is or was serving at the request of Aegis, the Company or any of their respective subsidiaries as a director, officer, employee or agent of another person, whether asserted or claimed prior to, at or after the closing, to the fullest extent permitted by applicable law. Each indemnified person will be entitled to advancement of expenses (including attorneys' fees) incurred in the defense of any such claim, action, suit, proceeding or investigation from each of the Company and Aegis within ten business days following receipt by the Company and Aegis from the indemnified person of a request therefor; provided, however, that any indemnified person to whom expenses are advanced provides an undertaking, to the extent then required by the Delaware law, to repay such advances if it is determined by a final determination of a court of competent jurisdiction (which determination is not subject to appeal) that such indemnified person is not entitled to indemnification under applicable law.

For six years after the closing of the Aegis Transactions, the Certificate of Incorporation and bylaws of the Company are required to contain, and the Company must cause the articles of association of Aegis to so contain, provisions no less favorable with respect to indemnification, advancement of expenses and exculpation of present and former directors and officers than are set forth in the Certificate of Incorporation and bylaws of the Company (in the case of the Certificate of Incorporation and bylaws of the Company) or Aegis (in the case of the articles of association of Aegis) as in effect on the date of the Transaction Agreement.

These provisions are intended to be in addition to the rights otherwise available to any indemnified person by law, charter, statute, bylaw or agreement, and shall operate for the benefit of, and shall be enforceable by, each of the indemnified persons, their heirs and their representatives.

Board of Directors and Management of the Combined Company

We expect that Mr. B. Rosenzweig will continue as an independent director, and Mr. Sengupta, Mr. Chakrabarty, Mr. Sharda and Mr. Rao will be appointed as directors designated by Aegis after the closing. While certain of the Company's executive officers may be employed by the Combined Company following the completion of the Aegis Transactions, as of the date of this proxy statement, neither the Company nor the Aegis Stockholder have entered into any new employment agreements or amended or modified any existing employment agreements with any of the Company's executive officers in connection with the Aegis Transactions. Following the closing of the Aegis

Transactions, Mr. L. Rosenzweig is expected to serve as the Chief Executive Officer of the Company and Mr. Carlson is expected to continue with the Company in the role of Chief Innovation Officer. The terms and conditions of Mr. L. Rosenzweig's and Mr. Carlson's services have not yet been finalized.

Management Services Agreement

On March 1, 2018, Aegis and the Aegis Stockholder entered into a Management Services Agreement pursuant to which the Aegis Stockholder provides general assistance and management services and advice to Aegis in exchange for an annual management fee of \$400,000 and reimbursement of reasonable expenses paid to the Aegis Stockholder by Aegis.

Golden Parachute Compensation

The table below sets forth for each of StarTek's named executive officers estimates of the amounts of compensation that are based on or otherwise relate to the Aegis Transactions and that will or may become payable to the executive officer either immediately at closing (i.e., on a "single trigger" basis) or on a qualifying termination of employment following, or prior to and in connection with, the Aegis Transactions (i.e., on a "double trigger" basis). StarTek stockholders are being asked to approve the Transaction-Related Compensation Proposal (see below under the section entitled "Proposal 5 - Transaction-Related Compensation" beginning on page 101). Because the vote to approve the Transaction-Related Compensation Proposal is advisory only, it will not be binding on StarTek. Accordingly, if the Aegis Issuance Proposal is adopted by our stockholders and the Aegis Transactions are completed, the compensation will be payable regardless of the outcome of the vote to approve such compensation, subject only to the conditions applicable thereto, which are described in the footnotes to the table and above under the section above titled "—Interests of Directors and Officers in the Aegis Transactions" beginning on page 87.

The estimates in the table assume that the Aegis Transactions had become effective on May 1, 2018 and that the employment of each of the executive officers had been terminated by StarTek immediately after closing without "cause" or by the executive for "good reason" (see definitions under the section below entitled "Proposal 6—Employment Agreements—Summary of 'Good Reason,' 'Cause' and 'Change of Control; in Employment Agreements and 2008 EIP" beginning on page 120).

	Cash (\$) ⁽¹⁾	Equity (\$) ⁽²⁾	Pension/ NQDC (\$)	Perquisites/ Tax Benefits ⁽³⁾ (\$)	Reimbursement (\$) ^(a)	Total (\$)
Chad A. Carlson	1,545,000	188,177	0	20,539	0	1,753,716
Donald Norsworthy	608,250	496,484	0	15,420	0	1,120,154
Stephen C. White	250,000	451,500	0	13,693	0	715,193
Peter F. Martino	416,000	34,560	0	13,693	0	464,253
Jaymes D. Kirksey	370,800	30,077	0	0	0	400,877

The amounts in this column reflect the sum of (a) a lump sum payment in respect of a single trigger transaction bonus award payable to the executive officer upon the consummation of the Aegis Transactions and (b) a lump sum severance payment that the executive officer would be entitled to receive on a termination of employment by the Company without "cause" or by the executive for "good reason" upon, or within two years after, the closing of the (1) Aegis Transactions, contingent upon compliance with non-compete and non-solicit covenants contained in the applicable employment agreement. Severance and other benefits payable to Mr. Carlson in connection with a change of control may be reduced if such benefits would be subject to taxation under Section 280G of the Internal Revenue Code to provide the greatest after-tax benefits. The following table breaks down the amounts referred to in clauses (a) and (b):

	Transaction Bonus Award (\$)	Severance (\$)	Total (\$)
Chad A. Carlson	515,000	1,030,000	1,545,000
Donald Norsworthy	325,000	283,250	608,250
Stephen C. White	-	250,000	250,000
Peter F. Martino	156,000	260,000	416,000
Jaymes D. Kirksey	139,050	231,750	370,800

Severance and other benefits payable to Mr. Carlson in connection with a change of control may be reduced if such benefits would be subject to taxation under Section 280G of the Internal Revenue Code to provide the greatest

after-tax benefits.

This amount represents the amount of the outstanding awards under the 2008 EIP that are not yet vested. 50% of the shares that were unvested will vest immediately before the closing of the Aegis Transactions (“single trigger”). The remaining 50% will vest, to the extent unvested, if within two years after the closing of the Aegis Transactions, the executive officer is involuntarily terminated other than for “cause” (“double trigger”) and, in such case, all options will remain exercisable for the remainder of the original option term. Stock options are valued at the excess of the price per share of the Company’s common stock over the applicable exercise price. For purposes of these calculations, because the Company’s stockholders will not receive a fixed price per share in respect of their common stock in connection with the Aegis Transactions, the

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Company has (as required under Item 402(t) of Regulation S-K) used the average closing price per share over the five-business-day period following the first public announcement of the Aegis Transactions. All other stock options were either fully vested or had exercise prices below such average price.

The following table breaks down the "single trigger" and "double trigger" amounts described above.

	Single Trigger (\$)	Double Trigger (\$)	Total (\$)
Chad A. Carlson	94,089	94,089	188,177
Donald Norsworthy	248,242	248,242	496,484
Stephen C. White	225,750	225,750	451,500
Peter F. Martino	17,280	17,280	34,560
Jaymes D. Kirksey	15,039	15,039	30,077

Represents the value of health insurance benefits for a period of twelve months (eighteen months for the Chief Executive Officer) that the executive officer would be entitled to receive on a termination of employment by the (3) Company without "cause" or by the executive for "good reason" upon, or within two years after, the closing of the Aegis Transactions, contingent upon compliance with non-compete and non-solicit covenants contained in the applicable employment agreement.

Tax Consequences of the Aegis Transactions

Neither the Company nor its stockholders are expected to recognize federal income tax or gain as a result of the Aegis Transactions. However, as a result of the Aegis Transactions, the Company's ability to use its net operating losses and certain other tax attributes generated prior to the Aegis Transactions will be subject to limitation.

Anticipated Accounting Treatment

The acquisition of Aegis by the Company will be accounted for under the purchase method of accounting as a reverse acquisition. Under this method of accounting, Aegis will be treated as having acquired the Company as of the date of the completion of the Aegis Transactions. The financial statements prepared after the completion of the merger will be a continuation of the financial statements of Aegis and will include the operations of the Company from the date of completion of the Aegis Transactions. The fair value of the Company's assets and liabilities as of the consummation date of the Aegis Transactions will be consolidated with the balance sheet of Aegis. The purchase price will be allocated to the net assets of the Company based upon their estimated fair values as of the consummation date of the Aegis Transactions.

Deferred tax assets and liabilities will be adjusted for the difference between the tax basis of the assets and liabilities and their estimated values. The excess, if any, of the total acquisition cost over the sum of the assigned fair values of the tangible and identifiable intangible assets acquired, less liabilities assumed, will be recorded as goodwill and periodically evaluated for impairment. Financial statements issued after completion of the acquisition will reflect these values. Historical data published after the completion of the merger will be of Aegis and will not be restated retroactively to reflect the combined historical financial position or results of operations of the Company. Because the number of shares outstanding following the reverse acquisition will be significantly different from the number of shares outstanding prior to the reverse acquisition, the weighted average shares outstanding for purposes of presenting earnings per share on a comparative basis will be retroactively restated to the earliest period presented in order to reflect the effect of the recapitalization that will occur as a result of the reverse acquisition. For additional information please see the sections of this proxy statement entitled "StarTek Business and Other Information" and "Aegis Business and Other Information."

Vote Required for Approval

Approval of the issuance of the Transaction Shares pursuant to the Transaction Agreement requires the affirmative vote a majority of the votes cast, in person or by proxy. This means that abstentions will have the same effect as votes against the proposal. Broker non-votes will have no impact on the outcome of the vote.

Impact of Failure to Approve the Proposal

The Aegis Issuance Proposal is a condition to the closing of the Aegis Transactions and if it is not approved by stockholders of the Company, the Aegis Transactions could not be completed as the Company would not be permitted to issue the Transaction Shares to the Aegis Stockholder under the NYSE rules.

The Board recommends that stockholders vote FOR the approval of the issuance of the Transaction Shares pursuant to the Transaction Agreement.

PROPOSAL 2. (THE AMAZON ISSUANCE PROPOSAL)
APPROVAL OF THE AMAZON WARRANT SHARE ISSUANCE

Background Information

On January 23, 2018, the Company and Amazon entered into the Amazon Transaction Agreement, pursuant to which the Company issued to NV Investment, the Amazon Warrant to acquire up to 4,000,000 shares of common stock, subject to certain vesting events described below and adjustment in certain cases. The Company and Amazon entered into the Amazon Transaction Agreement in connection with existing commercial arrangements between the Company and Amazon under which Amazon and its affiliates have and may from time to time purchase services from the Company. The vesting of the Amazon Warrant is linked to gross revenues of the Company from Amazon or any of its affiliates in connection with the existing commercial arrangements. The Board believes that the transactions contemplated by the Amazon Warrant and the Amazon Transaction Agreement (together, the “Amazon Investment Documents”) help to align the Company's and Amazon's interests in the context of the parties' commercial relationship and will result in significant benefits to the Company and its stockholders over the long-term. As a result, the Board has approved the transactions contemplated by the Amazon Investment Documents and recommends that stockholders vote in favor of this proposal.

The Amazon Warrant Shares will vest based on Amazon's payment of up to \$600 million to the Company in connection with Amazon's purchase of services from the Company. The first tranche of 425,532 Amazon Warrant Shares vested upon the execution of the Amazon Investment Documents. The remaining Amazon Warrant Shares will vest from time to time if and as certain revenue thresholds are met. The Amazon Warrant has an exercise price of \$9.96 per share and is exercisable through January 23, 2026. The exercise price and the Amazon Warrant Shares issuable upon exercise of the Amazon Warrant are subject to customary anti-dilution adjustments.

The Amazon Warrant may, subject to the terms of the Amazon Warrant, be exercisable for up to 4,000,000 shares of common stock, representing approximately 24.7% of the 16,194,378 shares of common stock issued and outstanding on January 23, 2018. The issuance of the Amazon Warrant and the exercise thereof may result in NV Investment owning 20% or more of the common stock and voting power outstanding immediately prior to the Company entering into the Amazon Investment Documents (the “NYSE Share Limitation”). Accordingly, the Amazon Transaction Agreement provides that the exercise of the Amazon Warrant is initially limited to 3,222,681 Amazon Warrant Shares, subject to the applicable vesting requirements, consistent with the NYSE Share Limitation. The exercise of the other 777,319 Amazon Warrant Shares is subject to the approval of the Company's stockholders, as required by the rules of the NYSE, in addition to the vesting requirements.

Pursuant to the Amazon Transaction Agreement, the Company is required to seek stockholder approval of the issuance of Amazon Warrant Shares in excess of the 3,222,681 shares that may be issued without stockholder approval in compliance with the NYSE Share Limitation. In the event such approval is not obtained at the Annual Meeting, the Company is required at the request of Amazon to seek such approval at a meeting of the stockholders at least once in each twelve-month period thereafter until such approval is obtained or the Amazon Warrant is no longer outstanding.

The Amazon Transaction Agreement and the Amazon Warrant are attached as exhibits to the Company's quarterly report on Form 10-Q filed with the SEC on May 8, 2018.

The Amazon Investment Documents

The following is a summary of the key terms of the Amazon Investment Documents:

Amazon Transaction Agreement

The Amazon Transaction Agreement sets forth certain governance arrangements and provisions relating to Amazon's equity interest in the Company.

The Amazon Transaction Agreement includes customary representations and warranties of the Company, including representations and warranties relating to the following:

• the organization and authority of the Company;

• the Company's capital structure;

the due authorization and enforceability of the Amazon Warrant, the Amazon Transaction Agreement and any other applicable agreements with Amazon;

the valid issuance of the Amazon Warrant Shares upon the exercise of the Amazon Warrant;

the absence of conflicts with, or violations of, organizational documents, other contracts and applicable laws;

required regulatory filings and approvals of governmental entities;

documents filed with the SEC and financial statements;

internal controls and disclosure controls and procedures;

the absence of a material adverse effect;

the absence of certain litigation and liabilities;

the inapplicability of anti-takeover statutes or provisions in the Company's organizational documents;

the disclosure of related party transactions;

compliance with the Foreign Corrupt Practices Act and other applicable anti-bribery, anti-corruption and anti-money laundering rules; and

the absence of broker's fees payable in connection with the transactions.

The Amazon Transaction Agreement includes customary representations and warranties of Amazon, including those relating to the organization and authority of Amazon, the due authorization and enforceability of the agreements with the Company, the absence of conflicts with, or violations of, organizational documents, other contracts and applicable laws, required regulatory filings and approvals of governmental entities, Amazon's lack of ownership of our common stock or securities representing rights to acquire our common stock and the absence of broker's fees payable in connection with the transactions.

The Amazon Transaction Agreement includes customary covenants and agreements between the Company and Amazon, including, but not limited to, covenants relating to:

the Company not taking any action that would cause the transactions to be subject to anti-takeover provisions or any stockholder rights plan;

the efforts required by the parties to obtain any required regulatory approvals;

cooperation between the Company and Amazon in connection with public announcements;

unless otherwise provided, the responsibility of each party to bear and pay costs and expenses incurred by it in connection with the transactions;

the tax treatment of the issuance of the Amazon Warrant; and

compliance with applicable securities laws.

The Amazon Transaction Agreement requires that the Company seek stockholder approval of the issuance of the Excess Amazon Warrant Shares at the Annual Meeting. The Company has agreed to use its reasonable best efforts to

obtain stockholder approval of the issuance of the Excess Amazon Warrant Shares at the Annual Meeting.

The Amazon Transaction Agreement contains certain restrictions on Amazon's ability to transfer the Amazon Warrant and the Amazon Warrant Shares. Other than Permitted Transfers (as defined below), Amazon may not transfer (i) the Amazon Warrant, (ii) any Amazon Warrant Shares to a person that owns more than 10% of the outstanding common stock (other than transfers of Amazon Warrant Shares in an open market sale of common stock or pursuant to an underwritten offering), or (iii) Amazon Warrant Shares that represent greater than 10% of the outstanding common stock in a single transaction (other than transfers of Amazon Warrant Shares in an open market sale of common stock or pursuant to an underwritten offering). For purposes of the Amazon Transaction Agreement, the term "Permitted Transfer" means transfers: (1) to a wholly owned subsidiary that executes

a joinder to the Amazon Transaction Agreement; (2) in connection with certain acquisition transactions approved by the Board, (3) required by or reasonably necessary in order for Amazon to obtain governmental approval for an acquisition, (4) required under applicable law or (5) with respect to which the Company has consented.

The Amazon Transaction Agreement contains certain customary standstill restrictions that remain in effect during the period from the execution of the Amazon Transaction Agreement until such time as Amazon and its affiliates beneficially own less than ten percent (10%) of the outstanding shares of common stock (the "Standstill Period"). Among other things, the standstill restrictions prohibit Amazon, during the Standstill Period, from:

acquiring equity securities, derivative instruments, or debt securities of the Company other than (i) the Amazon Warrant Shares acquired in accordance with the Amazon Transaction Agreement, (ii) securities acquired as a result of a stock split, stock dividend or distribution, other subdivision, reorganization, reclassification or similar capital transaction involving equity securities of the Company or (iii) securities acquired by a transfer of the Amazon Warrant to Amazon or a wholly owned subsidiary of Amazon;

engaging in a proxy solicitation with respect to the Company;

calling or seeking to call a meeting of Company stockholders or initiating any stockholder proposal;

nominating or seeking to nominate any person to the Board;

depositing voting securities of the Company into a voting trust or entering into a voting agreement or granting a proxy to any other person;

announcing, entering into, or proposing a merger, business combination, recapitalization, restructuring, change in control transaction or other similar extraordinary transaction involving the Company or any of its subsidiaries other than as set forth in the Amazon Transaction Agreement;

either alone or in concert with others, seeking to control or influence the management or the policies of the Company;

taking actions that would reasonably be expected to make public disclosure of any of the events listed above;

advising or knowingly assisting or encouraging or entering into any discussions, negotiations or arrangements with any other persons in connection with the foregoing;

forming, joining or in any way participating in a group (other than a group consisting solely of Amazon and/or any of its affiliates) with respect to any voting securities of the Company; or

publicly disclosing any intention, plan or proposal with respect to any of the foregoing.

Notwithstanding any of the standstill restrictions, Amazon is not prohibited from making confidential proposals to the Company or the Board regarding an acquisition of the Company. In addition, the standstill restrictions terminate upon the public announcement by the Company that it has entered into a definitive agreement regarding specified business combination transactions involving the Company or upon the commencement of certain tender or exchange offers.

During the Standstill Period, Amazon and its affiliates may vote their shares of common stock for which they are entitled to vote, up to 19.9% of the Company's outstanding shares of common stock, in their sole and absolute discretion, provided that Amazon and its affiliates are required to vote all of their shares of common stock for which they are entitled to vote in excess of 19.9% of the Company's outstanding shares of common stock in accordance with the recommendation of the Board. Amazon has granted the Company, including our Chief Executive Officer and

Chairman of the Board, a proxy to vote its shares of common stock in the manner described above. The proxy is irrevocable during the term of the Amazon Transaction Agreement.

The Amazon Transaction Agreement requires that Amazon provide the Company with a valuation of the Amazon Warrant for tax purposes within 90 days after the Amazon Warrant is issued, which valuation shall account for the vesting provisions and any other relevant economic assumptions or inputs and shall be binding on the Company and Amazon. The Amazon Transaction Agreement requires that the Company and Amazon treat the issuance of the Amazon Warrant (i) as a closed, taxable transaction occurring on the date of the Amazon Warrant issuance, rather than as an open transaction, for U.S. tax purposes, and (ii) not as a transaction in connection with the performance of services within the meaning of Section 83 of the Code. Pursuant

to the Amazon Transaction Agreement, neither the Company nor Amazon may take any position for tax purposes that is inconsistent with the foregoing, unless required by applicable law.

The Amazon Transaction Agreement obligates both the Company and Amazon, as promptly as reasonably practicable after written notice from Amazon, to file the appropriate notices and take such action as may be required to comply with the HSR Act.

The Amazon Transaction Agreement also contains certain registration right provisions. Under the Amazon Transaction Agreement, Amazon has up to four (4) demand registration rights, in addition to shelf registration rights and piggyback registration rights.

The Amazon Transaction Agreement may be terminated with the consent of both parties, or by Amazon unilaterally in the event that (1) clearance under the HSR Act (if required) is not obtained within six months of filing or (2) stockholder approval of the issuance of the Excess Amazon Warrant Shares is not obtained at the Annual Meeting. If Amazon elects to terminate the Amazon Transaction Agreement as a result of the failure of the stockholders to approve the issuance of the Excess Amazon Warrant Shares at the Annual Meeting, Amazon must give prior written notice of such termination not later than the 90th day after the date of the Annual Meeting (or the date to which such Annual Meeting is postponed or adjourned). In the event of the termination of the Amazon Transaction Agreement, Amazon would retain the Amazon Warrant, which would be exercisable with respect to all Amazon Warrant Shares vested as of such time, and no further Amazon Warrant Shares would vest.

Amazon Warrant

Pursuant to the Amazon Transaction Agreement, on January 23, 2018, the Company issued the Amazon Warrant to NV Investment. If fully vested, the Amazon Warrant is exercisable for up to 4,000,000 shares of common stock, subject to adjustment in certain cases. The Amazon Warrant Shares will vest based on Amazon's payment of up to \$600 million to the Company in connection with Amazon's receipt of commercial services from the Company. The first tranche of 425,532 Amazon Warrant Shares vested upon the execution of the Amazon Investment Documents. The remaining Amazon Warrant Shares will vest from time to time if and as the revenue thresholds are met over the life of the Amazon Warrant. The Amazon Warrant has an exercise price of \$9.96 per share and is exercisable through January 23, 2026.

The Amazon Warrant may be exercised by payment of the exercise price in cash or, without payment of cash, by reducing the number of Amazon Warrant Shares obtainable upon the exercise of Amazon Warrant so as to yield a number of Amazon Warrant Shares obtainable upon such exercise equal to the product of (x) the number of Amazon Warrant Shares otherwise issuable upon such exercise (either in full or in part) and (y) a fraction, the numerator of which is the excess of the 30-Day VWAP immediately preceding the exercise date over the exercise price, and the denominator of which is the 30-Day VWAP immediately preceding such exercise date.

The Amazon Warrant is subject to restrictions on transfer as provided in the Amazon Transaction Agreement. Subject to certain exceptions, the exercise price and the number of Amazon Warrant Shares issuable upon exercise of the Amazon Warrant are subject to adjustment as a result of stock splits, reclassifications or combinations involving common stock or the issuance of shares of common stock or other securities or rights exercisable or convertible into or exchangeable for shares of common stock, without consideration or at a consideration per share (or having a conversion price per share) that is less than the exercise price for the Amazon Warrant Shares. Subject to certain exceptions, the exercise price and the number of Amazon Warrant Shares issuable upon exercise of the Amazon Warrant are also subject to adjustment in connection with dividends or other distributions by the Company on shares of common stock and repurchases by the Company of outstanding common stock.

Except with respect to an Excluded Transaction (as defined below), upon the consummation of Change of Control Transaction (as defined below), the Amazon Warrant will automatically vest in full and become non-forfeitable. A "Change of Control Transaction" is defined generally as (a) a transaction in which a person or group becomes the beneficial owner, directly or indirectly, of 40% or more of the outstanding equity interests of the Company; (b) with certain exceptions, a transaction in which the stockholders immediately prior to such transaction cease to beneficially own, directly or indirectly, at least 60% of the outstanding equity of the Company; (c) a Business Combination (as defined below) as a result of which at least 40% ownership of the Company is transferred to another person or group; (d) individuals who constitute the Continuing Directors (as defined below) of the Company, taken together, ceasing for any reason to constitute at least a majority of the Board; (e) any sale, lease, exchange, license, transfer or disposition of 40% or more of the consolidated assets, business, revenues, net income, or deposits of the Company; or (f) any action, transaction or series of related transactions as a result of which the common stock is no longer traded on the NYSE or, unless otherwise agreed in writing by Amazon and the Company the Public Float (as defined below) of the Company constitutes less than 40% of the outstanding common stock. A "Business Combination" is defined as a merger, consolidation, statutory share exchange, reorganization, recapitalization or similar extraordinary

transaction involving the Company. "Continuing Directors" are defined as the directors of the Company as of the date of the Amazon Warrant issuance and each other director, if, in each case, such other director's nomination for election to the Board is recommended by more than 50% of the Continuing Directors or more than 50% of the members of the Nominating and Governance Committee of the Board who are Continuing Directors. "Public Float" is defined generally as the outstanding common stock beneficially owned by stockholders of the Company other than (a) any person or group that beneficially owns more than 10% of the outstanding common stock, (b) directors and executive officers and (c) other affiliates of the Company, with shares underlying stock options and other equity awards issued to directors or executive officers excluded unless and until such options or other equity awards are exercised or settled; provided, however, that the common stock beneficially owned by any stockholder of the Company in excess of 10% of the outstanding common stock who continues to own in excess of 10% of the outstanding common stock as of the date of the Amazon Investment Documents shall be included in the definition of Public Float for so long as such stockholder does not increase such stockholder's beneficial ownership of common stock through the acquisition of additional equity interests in the Company from or after the date of the Amazon Investment Documents in an aggregate amount that exceeds 2% of all outstanding common stock.

Notwithstanding the foregoing, an Excluded Transaction (as defined below) will not constitute a Change of Control Transaction or result in the accelerated vesting of the Amazon Warrant. "Excluded Transaction" is defined generally as a single transaction, series of related transactions, a Business Combination or other negotiated transaction approved by the Board and occurring on or prior to July 23, 2018 (i.e., during the first six months following January 23, 2018, the date of the Amazon Transaction Agreement) where (a) the stockholders of the Company immediately prior to such transaction continue to hold not less than 40% of the fully diluted common stock after the consummation of such transaction, (b) the common stock continues to be traded on the NYSE and (c) unless otherwise agreed in writing by Amazon and the Company, the Public Float remains no less than 40% of the outstanding common stock (the foregoing being collectively referred to as the "Excluded Transaction Conditions"). If following an Excluded Transaction there occurs any subsequent event or transaction as a result of which the Excluded Transaction Conditions are no longer met, such subsequent event or transaction will constitute a Change of Control Transaction. The Aegis Transactions as structured are intended to constitute an Excluded Transaction. However, if the Aegis Transactions were to close after July 23, 2018 and Amazon does not agree to extend such date, then the Aegis Transaction would constitute a Change of Control Transaction and consummation of the Aegis Transactions would result in the accelerated vesting of the Amazon Warrant.

NV Investment is prohibited from exercising any portion of the Amazon Warrant to the extent that, as a result of any such exercise, NV Investment would beneficially own more than 4.999% of the number of shares of common stock outstanding immediately after giving effect to the issuance of shares of common stock upon exercise of such portion of the Amazon Warrant. The terms of the Amazon Warrant provide that this 4.999% beneficial ownership limitation may be increased by the holder thereof upon written notice to the Company, which notice will not be effective until the 61st day after such notice is given.

Summary of the Proposal

The Board is seeking approval of the issuance of the Excess Amazon Warrant Shares in order to comply with Section 312.03(c) of the NYSE Listed Company Manual and recommends that the stockholders approve the issuance of the Excess Amazon Warrant Shares. As a company listed on the NYSE, the Company is subject to Section 312.03(c) of the NYSE Listed Company Manual, which requires stockholder approval prior to any issuance or sale of common stock, or securities convertible into or exercisable for common stock, in a transaction other than a public offering or a bona fide private financing for cash in an amount that equals or exceeds 20% of the common stock or voting power outstanding immediately prior to such issuance. As described above, the issuance of the Amazon Warrant Shares subject to the Amazon Warrant may result in Amazon owning more than 20% of the shares of common stock outstanding immediately prior to the Company's entry into the Amazon Investment Documents, and accordingly stockholder approval for the issuance of the Excess Amazon Warrant Shares is required.

Vote Required for Approval

Approval of the issuance of the Excess Amazon Warrant Shares requires the affirmative vote of the holders of a majority of the votes cast in person or by proxy. Under applicable NYSE rules, abstentions will be deemed votes cast and will have the same effect as votes against the proposal. Broker non-votes will not be counted as votes cast and therefore will have no impact on the outcome of the vote.

Impact of Failure to Approve the Proposal

If the issuance of the Excess Amazon Warrant Shares is not approved by stockholders, then the Amazon Warrant will be exercisable for, and the Company will be permitted to issue, only up to 3,222,681 Amazon Warrant Shares, representing 19.9% of the outstanding shares of common stock as of the close of business on January 23, 2018. The Company will not have authority to issue more than 3,222,681 Amazon Warrant Shares until such time, if any, as the stockholders approve the issuance of the Excess Amazon Warrant Shares. As set forth above, the Company has agreed to use its reasonable best efforts to obtain stockholder approval for the issuance of the Excess Amazon Warrant Shares including, but not limited to (a) recommending that stockholders vote in favor of this proposal, (b) soliciting proxies in favor of this proposal, (c) obtaining commitments from directors and executive officers to vote in favor of this proposal and (d) at the request of Amazon, resubmitting this proposal to stockholders at least once every 12 months until approved.

If the stockholders do not approve the issuance of the Excess Amazon Warrant Shares, Amazon will have the right to terminate the Amazon Transaction Agreement as described above, in which case Amazon would retain the Amazon Warrant, which would be exercisable with respect to all Amazon Warrant Shares vested as such time, and no further Amazon Warrant Shares would vest.

If the stockholders do not approve the issuance of the Excess Amazon Warrant Shares and Amazon does not exercise its right to terminate the Amazon Transaction Agreement, payments made by Amazon and its affiliates to the Company under the existing commercial agreements may result in the vesting of all 4,000,000 Amazon Warrant Shares but the Company will be permitted to issue no more than 3,222,681 Amazon Warrant Shares until such time, if any, as the stockholders approve the issuance of the Excess Amazon Warrant Shares.

The Board recommends that stockholders vote FOR the approval of the Amazon Warrant Share issuance.

PROPOSAL 3. (THE AUTHORIZED SHARES PROPOSAL)

APPROVAL OF AN AMENDMENT TO OUR CERTIFICATE OF INCORPORATION TO INCREASE THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK

Summary

Article IV of the Company's Certificate of Incorporation currently authorizes the Company to issue 32,000,000 shares of common stock. The Board has approved and recommends that stockholders of the Company approve an amendment to Article IV of the Company's Certificate of Incorporation (the "Authorized Capital Charter Amendment") to increase the number of authorized shares of common stock from 32,000,000 to 60,000,000. The Authorized Capital Charter Amendment is set forth as Annex F to this proxy statement.

As of May 1, 2018, the Company has 16,216,297 shares of common stock issued and outstanding, 52,026 shares of common stock reserved for issuance under the StarTek, Inc. Employee Stock Purchase Plan ("ESPP"), 215,726 shares of common stock reserved for issuance under the Company's other stock incentive or equity-related plans, other than the ESPP, and 4,000,000 shares of common stock reserved for issuance with respect to the Amazon Warrant. Pursuant to the Transaction Agreement, the Company has agreed to issue 20,600,000 shares of common stock to the Aegis Stockholder as consideration for the purchase of Aegis and to issue an additional 833,333 shares of common stock to the Aegis Stockholder at a cash price of \$12.00 per share, or \$10,000,000 in the aggregate. The number of shares of common stock to be issued to the Aegis Stockholder is subject to adjustment based on the relative net debt of the parties as of the closing. Because the Company currently has insufficient authorized but unissued shares of common stock to complete the Aegis Transactions, the obligations of the Company and the Aegis Stockholder to close the Aegis Transactions are conditioned, among other things, on the approval of the Authorized Shares Proposal and the filing of the Authorized Capital Charter Amendment in accordance with the DGCL. See "Proposal 1—Description of the Transaction Agreement—Conditions to the Closing of the Aegis Transactions".

The Board believes it is in the best interest of the Company to increase the authorized shares of common stock to enable the Company to complete the Aegis Transactions. In addition, following the completion of the Aegis Transactions, the Board believes it is in the best interest of the Company to have a sufficient number of authorized shares of common stock to give the Company flexibility in considering and planning for future corporate needs, including, but not limited to financings, compensation plans, potential strategic transactions, including mergers, acquisitions, and business combinations, as well as other general corporate transactions. The Board believes that having a sufficient number of authorized shares of our common stock allows the Company to engage in strategic activities without using the Company's cash and provides flexibility to raise cash to carry out the Company's overall strategy. Accordingly, in addition to enabling the Company to complete the Aegis Transactions, the Authorized Capital Charter Amendment is intended to facilitate future financings, compensation plans, strategic transactions and other general corporate transactions from time to time as the Board may approve. Unless required by applicable law or stock exchange rules, no further vote of the holders of common stock will be required for such future issuances.

The additional shares of common stock for which authorization is sought would be identical to the shares of common stock the Company now has authorized. The Authorized Capital Charter Amendment will not affect the relative rights of current holders of our common stock.

Insofar as the Company will be controlled by the Aegis Stockholder following the closing of the Aegis Transactions, the Board has not proposed the increase in the amount of authorized shares with the intention of discouraging tender offers or takeover attempts of the Company. However, at such future time, if any, as the Company no longer has a controlling stockholder, the availability of additional authorized shares for issuance may have the effect of discouraging a merger, tender offer, proxy contest or other attempt to obtain control of the Company.

Vote Required for Approval

Approval of the Authorized Capital Charter Amendment requires the affirmative vote of holders of at least a majority of the outstanding shares of common stock as of the record date. This means that abstentions and broker non-votes will have the same effect as votes against this proposal.

Impact of Failure to Approve the Proposal

The Authorized Capital Charter Amendment is a condition to the closing of the Aegis Transactions and if it is not approved by stockholders of the Company, the Aegis Transactions could not be completed as the Company would not have sufficient authorized shares of common stock to allow for the Aegis Issuance.

The Board recommends that stockholders vote FOR the approval of the Authorized Capital Charter Amendment.

PROPOSAL 4. (THE CORPORATE OPPORTUNITY PROPOSAL)
APPROVAL OF AN AMENDMENT TO OUR CERTIFICATE OF INCORPORATION TO RENOUNCE THE
COMPANY'S EXPECTATION OF CORPORATE OPPORTUNITY

General

Following the closing of the Aegis Transactions and for so long as the Aegis Stockholder and its affiliates continue to own common stock in excess of specified levels, the Aegis Stockholder will have the ability to designate members of our Board (the "Aegis Designated Directors"). The Aegis Designated Directors may be executives or employees of, or have other relationships with, the Aegis Stockholder, Aegis and their respective affiliates. The Aegis Stockholder is a private equity fund manager that invests in buyouts and control investments across a variety of industry sectors, including Telecom and Technology, Consumer, Services and Healthcare. As such, the Aegis Designated Directors may from time to time be presented with corporate opportunities of potential interest to both the Company and other entities with respect to which such Aegis Designated Directors serve as directors, officers, partners, members, managers, representatives, agents, advisors, fiduciaries or employees, including the Aegis Stockholder, Aegis and their respective affiliates. In recognition of the foregoing, the Board has approved and recommends that the stockholders of the Company approve an amendment to the Company's Certificate of Incorporation (the "Corporate Opportunity Charter Amendment") that would have the effect of renouncing the Company's expectancy regarding certain corporate opportunities presented to the Aegis Designated Directors (the "Corporate Opportunity Waiver"). Because the Company's Certificate of Incorporation does not currently address the renouncement of corporate opportunities, the Corporate Opportunity Charter Amendment would add a new Article X to the Company's Certificate of Incorporation to enact the Corporate Opportunity Waiver. The Corporate Opportunity Charter Amendment is not, however, a condition to the closing of the Aegis Transactions. The Corporate Opportunity Charter Amendment is set forth as Annex G to this proxy statement.

Directors and officers of a corporation, as part of their duty of loyalty to the corporation and its stockholders, generally have a fiduciary duty to disclose to the corporation opportunities that are related to its business and are prohibited from pursuing those opportunities unless such corporation determines that it is not going to pursue them. Section 122(17) of the DGCL expressly permits a Delaware corporation, such as the Company, to renounce in its Certificate of Incorporation or by action of its board of directors any interest or expectancy of the corporation in certain opportunities. The proposed Corporate Opportunity Waiver would, in part, renounce the Company's right to certain corporate opportunities in order to more clearly delineate the responsibilities of Aegis Designated Directors with respect to corporate opportunities of which they may become aware. In particular, the Corporate Opportunity Charter Amendment provides that in the event an Aegis Designated Director acquires knowledge of a potential transaction or matter that may be a corporate opportunity for the Company, the Company will have no interest or expectancy in being offered such corporate opportunity, and the Company renounces any such interest or expectancy to the fullest extent permitted by law. However, the Company does not renounce any interest or expectancy in a corporate opportunity presented to an Aegis Designated Director if the opportunity is presented to the Aegis Designated Director solely in his or her capacity as a director of the Company.

Vote Required for Approval

Approval of the Corporate Opportunity Charter Amendment requires an affirmative vote of holders of at least a majority of the outstanding shares of common stock as of the record date. This means that abstentions and broker non-votes will have the same effect as votes against this proposal.

The Board recommends that stockholders vote FOR the approval of the Corporate Opportunity Charter Amendment.

PROPOSAL 5. (THE TRANSACTION-RELATED COMPENSATION PROPOSAL)
APPROVAL ON A NON-BINDING, ADVISORY BASIS OF THE COMPENSATION THAT WILL OR MAY
BECOME PAYABLE TO OUR NAMED EXECUTIVE OFFICERS IN CONNECTION WITH THE AEGIS
TRANSACTIONS

General

As required by Section 14A of the Exchange Act and the applicable SEC rules issued thereunder, the Company is required to submit a proposal to the Company's stockholders for a non-binding, advisory vote to approve the payment of certain compensation to the Company's named executive officers that is based on or otherwise relates to the Aegis Transactions. This proposal gives the Company's stockholders the opportunity to vote, on a non-binding, advisory basis, on the compensation that the named executive officers will or may be entitled to receive from the Company (or, following the Aegis Transactions, Combined Company) that is based on or otherwise relates to the Aegis Transactions. This compensation is summarized in the table (including the footnotes to the table) under "Proposal 1—Golden Parachute Compensation" beginning on page 89.

The Board encourages you to review carefully the named executive officer transaction-related compensation information disclosed in this proxy statement. The Board unanimously recommends that the Company's stockholders approve the following resolution:

"RESOLVED, that the stockholders of StarTek, Inc. hereby approve, on a non-binding, advisory basis, the compensation that will or may become payable to the Company's named executive officers that is based on or otherwise relates to the Aegis Transactions, as disclosed pursuant to Item 402(t) of Regulation S-K in the table set forth under "Proposal 1—Golden Parachute Compensation" and the related footnotes and narrative disclosures."

The vote on the Transaction-Related Compensation Proposal is a vote separate and apart from the vote on the Aegis Issuance Proposal and the Authorized Shares Proposal. Accordingly, you may vote to approve the Aegis Issuance Proposal and the Authorized Shares Proposal and vote not to approve the Transaction-Related Compensation Proposal and vice versa. Because the vote on the Transaction-Related Compensation Proposal is advisory only, it will not be binding on the Company. Therefore, if the Aegis Issuance Proposal and the Authorized Shares Proposal are approved and the Aegis Transactions are completed, the compensation will be payable, subject only to the conditions applicable thereto, regardless of the outcome of the non-binding, advisory vote of the Company's stockholders.

Vote Required for Approval

The affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting and entitled to vote on the proposal will be required to approve the Transaction-Related Compensation Proposal. Broker non-votes will have no effect on the outcome of the Transaction-Related Compensation Proposal. If you mark your proxy or voting instructions to abstain, it will have the effect of a vote against the Transaction-Related Compensation Proposal.

The Board unanimously recommends that you vote FOR the compensation that will or may become payable to the Company's named executive officers in connection with the Aegis Transactions.

PROPOSAL 6. (THE DIRECTOR ELECTION PROPOSAL)

ELECTION OF DIRECTORS

Our bylaws provide that our Board must consist of at least one but no more than nine directors. Each director serves a one-year term (and until his or her successor is elected and qualified or until such director's earlier death, resignation, disqualification or removal). At the Annual Meeting, our stockholders will elect five directors to serve until the 2019 Annual Meeting of Stockholders and until their successors are duly elected and qualified or until such director's earlier death, resignation, disqualification or removal.

The Board, upon recommendation of the Governance and Nominating Committee, has nominated existing directors Mr. Chad A. Carlson, Mr. Jack D. Plating, Mr. Benjamin L. Rosenzweig, Mr. Robert Sheft and Dr. Ed Zschau for re-election to serve as directors until their terms expire in 2019. The names of the nominees, their principal occupations, the years in which they became directors and certain other biographical information is set forth below. In the event any nominee declines or is unable to serve, proxies will be voted in the discretion of the proxy holders. We have no reason to anticipate that this will occur. Upon consummation of the Aegis Transaction, the Aegis Stockholder will have the authority to designate a majority of the directors of the Board. After the Aegis Transactions, the new Board is expected to have a total of nine directors, which will consist of six directors designated by the Aegis Stockholder and three independent directors designated by the Company as described further in the sections entitled "Proposal 1—Stockholder Agreement." and "Board of Directors and Management After the Aegis Transactions."

We expect that Mr. B. Rosenzweig will continue as an independent director after the closing. The additional independent directors and an additional director designated by the Aegis Stockholder have not yet been determined. Mr. Sengupta, Mr. Chakrabarty, Mr. Sharda and Mr. Rao will be appointed as directors designated by the Aegis Stockholder. Assuming that the Aegis Issuance Proposal and the Authorized Shares Proposal are approved and the other closing conditions in the Transaction Agreement are met, we expect the closing of the Aegis Transactions to occur shortly after the Annual Meeting. In that case, Mr. Carlson, Mr. Plating and Mr. Sheft are expected to resign as directors at the closing notwithstanding their re-election to the Board at the Annual Meeting. For more information regarding the director designees of the Aegis Stockholder and management of the Company following the closing, see the section entitled "Proposal 6 - The Director Election Proposal" and "Board of Directors and Management After the Aegis Transactions."

When considering whether directors and nominees have the experience, qualifications, attributes and skills, taken as a whole, to enable the Board to satisfy its oversight responsibilities effectively in light of the Company's business and structure, the Governance and Nominating Committee and the Board considered the information in the individual biographies set forth below as well as the record of service to the Company of each director nominated for re-election.

Biographical information and qualifications regarding the Board nominees seeking election is as follows:

Chad A. Carlson Director since 2011 Age 52

Mr. Carlson has served as our President and Chief Executive Officer since June 2011, prior to which he served as our Executive Vice President and Chief Operating Officer from June 2010 to June 2011. Previously, Mr. Carlson served as Executive Vice President of Global Operations at Sitel, a global business process outsourcing company. From 2007 to 2008, Mr. Carlson served as Chief Operating Officer of the Americas and Asia Pacific operations for Sitel and from 2003 to 2007 he served in the same role for ClientLogic, a global business process outsourcing company, prior to its acquisition of Sitel. Mr. Carlson has over fifteen years of experience in the business process outsourcing industry, serving in a variety of roles. Mr. Carlson received his B. S. in Business Logistics from Pennsylvania State University. The Board believes that Mr. Carlson's strong business background as an operational leader in the business process outsourcing industry is valuable to his service on the Board. The Board also considered his strong leadership and team building skills demonstrated during his tenure as Chief Executive Officer of our Company.

Jack D. Plating
 Director since
 2011
 Age 65

Chairman of the
 Compensation
 Committee
 Member of the
 Audit Committee
 Member of the
 Governance and
 Nominating
 Committee

Mr. Plating served as Executive Vice President and Chief Operating Officer (COO) of Verizon Wireless (NYSE: VZ), a leading wireless service provider, from 2007 through 2009. Mr. Plating oversaw Verizon Wireless' nationwide sales and customer service operations, product development and marketing. Prior to serving as the Executive Vice President and COO of Verizon Wireless, Mr. Plating served as the President of Verizon Wireless's South Area from 2000 through 2007. From 1989 to 2000, Mr. Plating held several executive management positions with Bell Atlantic Mobile, one of Verizon Wireless' predecessor companies, including as the company's Executive Vice President and COO. Prior to Bell Atlantic Mobile, Mr. Plating held various other management positions within the telecommunications industry, including with Digital Paging Systems, A+ Communications, Metro Mobile CTS and Motorola Communications and Electronics. Mr. Plating holds a B.S. in Business Administration and Marketing from the University of Arkansas.

The Board believes that Mr. Plating's experience in the telecommunications industry and his experience overseeing customer service operations brings valuable experience to the Board and assists the Company with its global growth and operational improvement initiatives. The Board also believes Mr. Plating's extensive leadership experience in senior management positions brings valuable expertise to the Board.

Benjamin L.
 Rosenzweig
 Director since
 2011
 Age 33

Chairman of the
 Audit Committee
 Member of the
 Governance and
 Nominating
 Committee

Mr. B. Rosenzweig is currently a Partner at Privet Fund Management LLC. Prior to joining Privet in September 2008, Mr. B. Rosenzweig served as an investment banking analyst in the corporate finance group of Alvarez and Marsal from June 2007 until May 2008, where he completed multiple distressed mergers and acquisitions, restructurings, capital formation transactions and similar financial advisory engagements across several industries. He has considerable financial expertise, including extensive involvement with capital market transactions and turnaround situations. Mr. B. Rosenzweig graduated Magna Cum Laude from Emory University with a Bachelor of Business Administration degree in Finance and a second major in Economics. Mr. B. Rosenzweig is currently a director of PFSweb, Inc. (NASDAQ: PFSW), Potbelly Corp. (NASDAQ: PBBP) and Hardinge, Inc. (NASDAQ:HDNG) and formerly served on the Board of Directors of RELM, Wireless Corporation (NYSE MKT: RWC).

The Board believes that Mr. B. Rosenzweig's experience, background and financial expertise, including extensive involvement with capital markets transactions and turnaround situations, allows Mr. B. Rosenzweig to bring valuable expertise to the Board.

Robert Sheft
 Director since
 2011
 Age 57

Chairman of the
 Governance and
 Nominating
 Committee
 Member of the
 Compensation
 Committee

Mr. Sheft is currently the Chairman and CEO of Installation Made Easy, Inc., an innovative home improvement company offering shop-at-home services for a broad offering of home improvement products on behalf of retailers nationwide, a position he has held since August 2012. Mr. Sheft also currently serves as a senior advisor at Roark Capital Group, a private equity firm based in Atlanta, which he joined in August 2012. Mr. Sheft was the Founder, President and Chief Executive Officer of Simply Floored LLC, an innovative home improvement company offering shop-at-home services for flooring and insulation, from its founding in 2004 until August 2012. Prior to starting Simply Floored in 2004, Mr. Sheft was the Founder, President and Chief Executive Officer of RMA Home Services, Inc. (“RMA”), from 1997 until its acquisition by The Home Depot in December 2003. Mr. Sheft built RMA into one of the largest providers of installed siding and window services in the country, with revenues of more than \$200 million, customers in more than 1,000 Home Depot stores nationwide, and 1,200 associates operating out of 22 branch offices and a support center in Atlanta. Prior to founding RMA, Mr. Sheft served for five years as a Managing Director of merchant banking at First Southwest. He began his career as an attorney in the mergers and acquisitions practice of Skadden, Arps, Slate, Meagher & Flom LLP. From 2006 until 2008, Mr. Sheft served on the board of Marathon Acquisition Corp., a special purpose acquisition company. Mr. Sheft graduated Magna Cum Laude with a Bachelor of Science in Finance from the University of Pennsylvania’s Wharton School and as a James Kent Scholar from the Columbia University School of Law.

The Board believes that Mr. Sheft’s experience, background and financial expertise, including extensive experience founding, developing and managing companies, allows Mr. Sheft to bring valuable expertise to the Board. In particular, his mergers and acquisitions and legal experience provide the Board with sound advice regarding business development and strategic growth opportunities and corporate governance matters.

Dr. Ed Zschau
 Director since
 1997
 Age 78

Chairman of the
 Board
 Member of the
 Audit Committee
 Member of the
 Compensation
 Committee
 Member of the
 Governance and
 Nominating
 Committee

Dr. Zschau retired as Visiting Lecturer with rank of Professor in the Department of Electrical Engineering at Princeton University in June 2013, a position he held since 2000. However, he continues to serve as a Senior Research Specialist at Princeton and also served as a Lecturer in Engineering at the California Institute of Technology from April through June 2017. Additionally, he has served as a Lecturer in Engineering at the University of Nevada, Reno from September, 2015 to the present. Prior to joining the Princeton faculty, he was a Professor of Management at Harvard Business School from September 1997 to August 2000. From April 1993 to July 1995, Dr. Zschau was General Manager, IBM Corporation Storage Systems Division. Earlier in his career, he was Founder and CEO of System Industries, Inc. which became a public company in 1980. From 1999 to 2007, Dr. Zschau was a director of the Reader’s Digest Association, Inc., a publicly traded company at the time, and he chaired its Finance Committee. Dr. Zschau is a graduate of Princeton University and received his M.B.A., M.S., and Ph.D. degrees from Stanford University.

The Board believes that Dr. Zschau's experience in building a technology company, leading a major division of a large multinational corporation, and teaching in the areas of business and technology at world-class universities brings valuable insight to all significant aspects of our business and to leading our Board as our Chairman. The Board also considers Dr. Zschau to be a financial expert because of his experience as a public company CEO, an IBM division General Manager, and as a professor at Harvard Business School teaching courses in managerial economics and entrepreneurial finance. With twenty-one years on our Board, Dr. Zschau is our longest serving director and has developed a deep knowledge of our business. His long history with our Company, combined with his leadership skills and operating experience, makes him particularly well suited to be our Chairman.

CORPORATE GOVERNANCE

The Board

The Board is comprised of Mr. Chad A. Carlson, Mr. Jack D. Plating, Mr. Benjamin L. Rosenzweig, Mr. Robert Sheft and Dr. Ed Zschau. During 2017, the Board held fourteen meetings, our Audit Committee met four times, our Compensation Committee met three times and our Governance and Nominating Committee met once. Each director attended at least 75% of the meetings of the Board and the committees on which they serve. We do not require that our directors attend our annual meetings of stockholders; however, all of our directors attended the 2017 Annual Meeting.

The Board has nominated all incumbent directors to stand for re-election to the Board.

Our Board has determined that each of Mr. Plating, Mr. B. Rosenzweig, Mr. Sheft and Dr. Zschau are "independent" under the NYSE's listing rules. None of these directors has any relationship or has been party to any transactions that the Board believes could impair the independent judgment of these directors in considering matters relating to us.

Leadership Structure of our Board

Dr. Zschau has served as our non-executive Chairman since May 2006. We have maintained a leadership structure since that time with the non-executive Chairman separate from the Chief Executive Officer, although the Board has no formal policy with respect to the separation of such offices. The independent directors meet regularly without Management present, and Dr. Zschau, our Chairman, presides at these meetings.

Our Board believes that it is the proper responsibility of the Board to determine who should serve as Chairman and/or Chief Executive Officer and whether the offices should be combined or separated. The Board members have considerable experience and knowledge about the challenges and opportunities we face. The Board, therefore, is in the best position to evaluate our current and future needs and to judge how the capabilities of our directors and Management from time to time can be most effectively organized to meet those needs. The Board believes that the separate offices of the Chairman and Chief Executive Officer currently function well and is the optimal leadership structure for us. While the Board may combine these offices in the future if it considers such a combination to be in our best interests, it currently intends to retain this structure.

The Board has three standing committees: the Audit Committee, Compensation Committee and Governance and Nominating Committee, as described below. The charters for our Audit Committee, Compensation Committee and Governance and Nominating Committee are available on the Behind STARTEK - Investors - Corporate Governance page on our website at www.startek.com.

Audit Committee

Our Board has an Audit Committee that assists the Board in fulfilling its oversight responsibility relating to our financial statements and financial reporting process and our systems of internal accounting and financial controls. The Audit Committee is also responsible for the selection and retention of our independent auditors, reviewing the scope of the audit function of the independent auditors and approving non-audit services provided to us by our auditors, and reviewing audit reports rendered by our independent auditors. The members of the Audit Committee are Mr. B. Rosenzweig (Chairman of the Audit Committee), Mr. Plating and Dr. Zschau, each of whom is an “independent director” as defined by the NYSE’s listing rules and is financially literate. Our Board has determined that Dr. Zschau qualifies as an “audit committee financial expert” under SEC rules.

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Compensation Committee

Our Board also has a Compensation Committee, which reviews our compensation programs and exercises authority with respect to payment of direct salaries and incentive compensation to our executive officers. In addition, the committee is responsible for oversight of our equity incentive plans. The members of the Compensation Committee are Mr. Plating (Chairman of the Compensation Committee), Mr. Sheft, and Dr. Zschau, each of whom is an “independent director” as defined by the NYSE’s listing rules.

Governance and Nominating Committee

The Governance and Nominating Committee of our Board is responsible for the nomination of candidates for election to our Board, including identification of suitable candidates, and also oversees our corporate governance principles and recommends the form and amount of compensation for directors to the Board for approval. The Governance and Nominating Committee also administers annual self-evaluations of the Board and all committees of the Board. The members of the Governance and Nominating Committee are Mr. Sheft (Chairman of the Governance and Nominating Committee), Mr. Plating, Mr. B. Rosenzweig and Dr. Zschau, each of whom is an “independent director” as defined by the NYSE’s listing rules.

Director Nominations

The Governance and Nominating Committee does not have an express policy with regard to the consideration of any director candidates recommended by our stockholders because our bylaws permit any stockholder to nominate director candidates, and the committee believes that it can adequately evaluate any such nominees on a case-by-case basis. The committee will consider director candidates proposed in accordance with the procedures set forth on page 176 under “Stockholder Proposals” and will evaluate stockholder-recommended candidates under the same criteria as other candidates.

Although the committee does not currently have formal minimum criteria for director nominees, it considers a variety of factors such as a nominee’s independence, prior board experience, relevant business and industry experience, leadership experience, ability to attend and prepare for Board and committee meetings, ethical standards and integrity, cultural fit with the Company’s existing Board and Management, and how the candidate would add to the diversity in backgrounds and skills of the Board. The Governance and Nominating Committee takes into account diversity considerations in determining our director nominees and believes that, as a group, the nominees bring a diverse range of perspectives to the Board’s deliberations; however, we do not have a formal policy on Board diversity. Any candidate must state in advance his or her willingness and interest in serving on our Board. In identifying prospective director candidates, the Governance and Nominating Committee seeks referrals from other members of the Board, Management, stockholders and other sources. The Governance and Nominating Committee also may, but need not, retain a professional search firm in order to assist it in these efforts. The Governance and Nominating Committee utilizes the same criteria for evaluating candidates regardless of the source of the referral. When considering director candidates, the Governance and Nominating Committee seeks individuals with backgrounds and qualities that, when combined with those of our incumbent directors, provide a blend of skills and experience to further enhance the Board’s effectiveness.

Board’s Role in Risk Oversight

The Board takes an active role in risk oversight of our Company, both as a full Board and through its committees. The agendas for the Board and committee meetings are specifically designed to include an assessment of opportunities and risks inherent in our Company’s strategies and compensation plans. In 2017, at each regularly scheduled Audit Committee meeting, Management presented a summary of enterprise risks, mitigation strategies and progress on

previously identified risks and mitigation steps. The Audit Committee then determined whether the mitigation activities were sufficient and whether our Company's overall risk management process or control procedures required modification or enhancement. The objectives for the risk assessment included (i) facilitating the NYSE governance requirement that the Audit Committee discuss policies around risk assessment and risk management; (ii) developing a defined list of key risks to be shared with the Audit Committee, Board and Management; and (iii) determining whether there are risks that require additional or higher priority mitigation efforts. We plan on continuing this iterative process in 2018.

Corporate Governance Guidelines

Our Board has adopted Corporate Governance Guidelines, in accordance with applicable rules and regulations of the SEC and NYSE, to govern the responsibilities and requirements of the Board. A current copy of our Corporate Governance Guidelines is available on the Behind STARTEK - Investors - Corporate Governance page on our website at www.startek.com.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics that applies to all of our directors and employees, including our principal executive officer, principal financial officer, and principal accounting officer. The Code of Business Conduct and Ethics is available on the Behind STARTEK - Investors - Corporate Governance page on our website at www.startek.com. We intend to disclose on our website any amendments to or waivers of the code applicable to our directors, principal executive officer, principal financial officer, chief accounting officer, controller, treasurer and other persons performing similar functions within four business days following the date of such amendment or waiver.

Related Person Transaction Approval Policy

Our Audit Committee reviews and pre-approves transactions we may enter into with our directors, executive officers, principal stockholders (greater than 5%) or persons affiliated with our directors, executive officers or principal stockholders. Our Audit Committee has adopted formal procedures for these reviews. We have a written related person transaction approval policy, which the Audit Committee is responsible for applying. A related person includes (1) all of our directors and executive officers, (2) any nominee for director, (3) any immediate family member of a director, nominee for director or executive officer and (4) any holder of more than five percent of our common stock, or an immediate family member of such holder. The standards for approval by the Audit Committee include (i) whether the terms are fair to the Company, (ii) whether the transaction is material to the Company, (iii) the role that the related person has played in arranging the transaction, (iv) the structure of the related person transaction and (v) the interests of all related persons in the transaction. Furthermore, our Code of Business Conduct and Ethics requires directors and executive officers to disclose any transaction with us in which they may have a direct or indirect interest.

Available Information

Copies of our key corporate governance documents, including the committee charters, described previously, are available on the Behind STARTEK - Investors - Corporate Governance page on our website at www.startek.com. Any stockholder that wishes to obtain a hard copy of any of these corporate governance documents may do so without charge by writing to: Chief Financial Officer, 8200 East Maplewood Ave., Suite 100, Greenwood Village, CO, 80111.

EXECUTIVE OFFICERS

Set forth below is information regarding our executive officers as of May 1, 2018:

Officer
Joined StarTek
Name

Chad

A.

Carlson;

age

52

2010
President

and

Chief

Executive

Officer

~~Donald~~

Norsworthy;

age

59;
Senior
Vice
President,
Chief
Financial
Officer
and
Treasurer
Peter
F.
Martino; age
51;
General
Manager
~~2014~~
Senior
Vice
President,
Customer
Support
Services
Jaymes
D.
Kirksey;
age
62;
~~Senior~~
Vice
President,
Global
Human
Resources
Stephen
C.
White;
age
45;
2016
Chief
Sales
and
Marketing
Officer

Mr. Carlson's biography appears under the heading "—Election of Directors."

Donald Norsworthy; age 59; Senior Vice President, Chief Financial Officer and Treasurer

Mr. Norsworthy currently serves as our Senior Vice President, Chief Financial Officer and Treasurer. Prior to this, he served as Chief Financial Officer of ACCENT Marketing Services, a business process outsourcing company providing contact center services and customer engagement solutions, a position he held from April 2014 until it was acquired

by the Company in June 2015. Prior to ACCENT, Mr. Norsworthy was Chief Financial Officer of CKS Packaging, a plastic container manufacturer, from June 2013 to March 2014, and Chief Financial Officer of Integrity Solution Services, a third-party collections company, from August 2011 to June 2013. He served as Chief Financial Officer of Protocol Services Acquisition Corp., a contact center company, from 2006 to 2008 and then served as its Chief Executive Officer from 2008 to 2011.

Peter F. Martino; age 51; General Manager and Senior Vice President, Customer Support Services

Prior to joining the Company in 2014, Mr. Martino held various positions at Sitel, a global business process outsourcing company, since 2006. Most recently, he served as General Manager of North America, in which position he led operations in North America with 25 locations and more than 10,000 employees and oversaw over \$400 million in annual revenue. From 2007 to 2012, Mr. Martino served as Senior Vice President of Operations for Sitel, and from 2006 to 2007, he served in the same role for ClientLogic, a global business process outsourcing company, prior to its merger with Sitel. Prior to Sitel, Mr. Martino served as a Senior Director of Global Outsourcing with Microsoft where he was responsible for placement of large-scale global support programs. Mr. Martino has over 20 years' experience in the BPO industry that includes client and outsourcing senior leadership roles.

Jaymes D. Kirksey; age 62; Senior Vice President, Global Human Resources

Mr. Kirksey joined the Company in February 2013 as Senior Vice President of Global Human Resources. Mr. Kirksey served as Senior Vice President of Human Resources at Pendum, LLC, the nation's largest independent provider of ATM services, from 2010 to 2013. Prior to this role, he served in executive Human Resources positions at a variety of professional services and manufacturing businesses, including Quovadx, Digital Lighthouse, ADT Security Services and United Technologies. Additionally, Mr. Kirksey led his own Human Resources consulting practice for over five years representing clients such as Hewlett-Packard, Frontier Airlines and Webroot Software, among others.

Stephen C. White; age 45; Chief Sales and Marketing Officer

Mr. White joined the Company in June 2016 as Chief Sales and Marketing Officer. Prior to joining the Company, Mr. White served as Vice President and Vertical Leader for Healthcare and Government at Convergys. Prior to joining Convergys, Mr. White served as the Senior Vice President of Sales for Xerox (formerly ACS, Inc). His career background includes sales and operational leadership roles of increasing responsibility for ACS, Inc. and ACS Recovery Services, Inc.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Design and Objectives

The Compensation Committee of our Board (the "Committee") believes in providing an overall compensation structure that attracts, motivates, rewards and retains top talent engaged in achieving our business objectives, which are designed to create value for our stockholders. The principal components of that structure include a base salary, an annual cash incentive, in some cases with the right to convert such cash incentives into stock options, and periodic grants of long-term equity incentives that encourage long-term commitment. A significant portion of our compensation structure is performance-based and reflects our desire to encourage progressive thinking and balanced risk-taking. We believe that this blend of components provides our executive leadership team with the incentives to create long-term value for stockholders while taking thoughtful and prudent risks in the short term.

As noted below, our compensation programs are intended to provide a link between the creation of stockholder value through execution of the Company’s business strategy and the compensation earned by our executive officers and certain key personnel. The objectives of our compensation programs are to:

- attract, motivate, reward and retain top talent;
- ensure that compensation is commensurate with our overall performance and increases to stockholder value over the long term; and
- ensure that our executive officers and certain key personnel have enough financial incentive to motivate them to achieve sustainable, profitable growth in stockholder value.

Compensation Components	Objectives
Base Salary	Provides a fixed salary reflective of individually negotiated arrangements and individual performance
Annual Incentive	Motivates executives to achieve pre-determined, financial and/or strategic goals
Equity Awards	Motivates executives to make sound business decisions that focus on long-term stockholder value creation

We seek to become the trusted partner to our clients and provide meaningful, impactful customer engagement business process outsourcing ("BPO") services. Our approach is to develop relationships with our clients that are truly collaborative in nature where we are focused, flexible and proactive to their business needs. The end result is the delivery of the highest quality customer experience to our clients’ customers. To achieve sustainable, predictable, profitable growth, our strategy is to:

- grow our existing client base by deepening and broadening our relationships,
- diversify our client base by adding new clients and verticals,
- improve our market position by becoming the leader in customer engagement services,
 - improve profitability through operational improvements, increased utilization and higher margin accounts,
- expand our global delivery platform to meet our clients' needs, and
- broaden our service offerings through more innovative, technology-enabled and added-value solutions

Most of our executive officers have been with our Company for a relatively short period of time, and much of their compensation is based on arrangements that were negotiated in connection with their hire. The executive officers listed in the Summary Compensation Table include the individuals named below (referred to as “named executive officers”).

• Chad A. Carlson, President and Chief Executive Officer - Mr. Carlson joined our Company in 2010 and was promoted to his current position in June 2011.

• Donald Norsworthy, Senior Vice President, Chief Financial Officer and Treasurer - Mr. Norsworthy joined our Company on November 16, 2015.

•

Peter F. Martino, General Manager and Senior Vice President, Customer Support Services - Mr. Martino joined our Company in January 2014.

Jaymes D. Kirksey, Senior Vice President, Global Human Resources - Mr. Kirksey joined our Company in February 2013.

Stephen C. White, Chief Sales & Marketing Officer - Mr. White joined our Company in June 2016.

Stockholder Approval of Executive Compensation

At our 2017 Annual Meeting, our stockholders approved our executive compensation by a vote of 99.7% of the votes cast. Our Compensation Committee considered this high level of stockholder approval as an indication that our stockholders approved our compensation philosophy and program. Accordingly, our Compensation Committee determined that no changes needed to be considered as a result of the vote. The incremental changes in our executive compensation for fiscal 2017 were made on the basis of the factors described in this Compensation Discussion and Analysis and are consistent with the same general philosophy that stockholders supported last year.

Elements of the Executive Compensation Structure

Our compensation structure is significantly performance-based, but also reflects our desire to discourage excessive short-term risk-taking. The structure rewards our executives with a blend of fixed base salary, short-term incentives, and long-term rewards. We believe that this blend of components provides the executive leadership team with the incentives to create value for stockholders while taking thoughtful and prudent risks to grow the value of our Company. The Compensation Committee and Audit Committee work closely to ensure that there is a shared risk assessment view.

Our executive compensation structure is composed of three elements of remuneration:

Base pay, along with a suite of retirement, health, and welfare benefits. Our executives receive the same retirement, health, and welfare benefits package as provided to all of our exempt employees. The tier of remuneration for supplemental Company-paid life insurance, long-term disability and accidental death and dismemberment insurance, given market and economic conditions, is viewed by the Compensation Committee as appropriate to attract and retain high-quality executives.

Short-term incentives are focused on a combination of Company financial performance and achievement of key strategic initiatives.

Long-term incentives are designed to reward the achievement of sustainable growth in stockholder value. These long-term incentives are typically in the form of stock options and/or restricted stock awards granted under our 2008 Equity Incentive Plan with time and/or performance vesting triggers.

Our approach to allocating between long-term and short-term compensation is based on the following key assumptions:

The majority of an executive's cash compensation comes in the form of a base salary. The cash from these base salaries can be enhanced by the payment of a bonus that is based on achievement of financial and/or strategic objectives. By linking the annual incentive bonus to Company performance, we can provide incentive for our executives to improve key business drivers and, thus, revenue and profitability.

We expect that in the long run, the bulk of executive officer compensation will come from stock price appreciation and other long-term incentives. Executives are allocated equity upside to ensure that they will be rewarded for sustained increases in stock value. We believe that we can drive increases in stock value through sustainable growth and improvement in profitability, as well as by maintaining credibility in the marketplace. Through these means, we hope to motivate our executives to create the kind of sustained increase in share value that will reward stockholders and executives alike.

Short-Term Incentive Plan Structure

The short-term incentive plan is designed to keep executives focused on improving revenue growth and operational efficiencies while decreasing our non-operating expenses. In 2017, short-term performance goals for executives were a combination of Company financial goals and four key objectives focused on creating long-term stockholder value.

Determining Long-Term Incentive Awards

Long-term incentives provided to our executives consist of equity grants in the form of stock options or restricted stock grants that are designed to retain key personnel and keep executives focused on increasing long-term stockholder value through sustainable improvements in our business as reflected in our stock price. Pressure, real or perceived, to achieve short-term earnings goals could create a temptation to slow longer-term growth. However, the combination of growth and sustained improvement in profitability is necessary for sustained improvement in our stock value. Accordingly, the long-term incentives

keep executives focused on both our short- and long-term success.

To align long-term incentives with performance, the grant date fair value of annual long-term incentive awards, which have been granted in the form of stock options with three-year cliff vesting, was set at 30% (or, 50% in the case of the CEO) of the executive's short-term incentive payout. Accordingly, stock options granted in 2017 had a grant date fair value equal to 30% (or, 50% in the case of the CEO) of the executive's short-term incentive payout for fiscal 2016. For stock options to be granted with respect to fiscal 2017 short-term incentive payouts, the stock options to be granted as annual long-term incentives would have been 60% (or, 100% in the case of the CEO) of the executive's short-term incentive payout for fiscal 2017 if we achieved the target level of financial performance under the short-term incentive plan. However, the financial metrics for fiscal 2017 were not achieved, so the stock options granted in 2018 for fiscal 2017 performance were equal to 30% (or, 50% in the case of the CEO) of the executive's short-term incentive payout for fiscal 2017.

In addition, the Compensation Committee may approve other equity awards from time to time for various purposes, including awards made to newly hired employees.

2017 Compensation Decisions

Benchmarking of Compensation and Determination of Base Pay

We did not engage in any specific benchmarking when setting executive compensation for fiscal year 2017. Since most of our executives have been with us for less than five years, their compensation, particularly their base salaries, are the result of arrangements individually negotiated when the executive officers were hired and are reflected in their employment agreements or offer letters. Adjustments to compensation levels are based on Company and individual performance and changes in position responsibilities or promotions to reflect the Compensation Committee's subjective assessment of the impact of those changes on compensation levels. We did not make any significant changes in compensation levels for fiscal 2017, and the only changes we did make to short-term incentive plan levels were modest adjustments to reflect the executives' tenure and better alignment with the Compensation Committee's general sense of market pay levels.

2017 Executive Incentive Plan

The Compensation Committee approves the Executive Incentive Plan, which is our short-term incentive plan, based on related corporate financial targets set annually by the Board. The Executive Incentive Plan can be changed, suspended or eliminated, in whole or in part, at any time, with or without notice to participants. All named executive officers participate (or will participate) in the Executive Incentive Plan with the exception of Stephen C. White.

Payments made under the 2017 Executive Incentive Plan were subject to Company financial objectives and certain strategic objectives. For 2017, the overall incentive payment potentials for the executive officers identified in the Summary Compensation Table below who received payouts ranged from 60% to 100% of each executive officer's base salary, as follows:

President and Chief Executive Officer	100%	
Senior Vice President, Chief Financial Officer & Treasurer	75%	
General Manager and Senior Vice President, Customer Support Services	60%	
Senior Vice President, Global Human Resources	60%	

Earned incentives for 2017 were paid for full-year performance in March 2018. The incentive plan targets reward those results that support our strategy to grow and improve the profitability of our business. Of the total, 50% was based on Adjusted EBITDA (defined as net income (loss) plus income tax expense (benefit), interest expense

(income), impairment losses and restructuring charges, depreciation and amortization expense, (gains) losses on disposal of assets and stock compensation expense), 35% was based on Revenue, and 15% was based on four key strategic objectives:

• D Power agreement utilizing Ideal Dialogue analytics to support their Customer Engagement Site Certification

• Enterprise Process Library - 85% usage in year-end survey

• Implementation of XSOL back office workflow platform

• Ideal Dialogue QA deal or retail deal

For 2017, we established the following financial targets with sliding scales from minimum to maximum for Adjusted EBITDA and Revenue, and the following strategic objectives. No payments can be earned if minimum thresholds are not met. (Dollars in millions.)

Financial Metric	Goal	Threshold to Earn Payout	% / \$ Achieved	% Payout	% Weighting of Goals	Overall % Earned Payout
Adjusted EBITDA	\$22.1	\$17.9	\$12.5	0%	50%	0%
Revenue	\$340.0	\$315.0	\$292.6	0%	35%	0%
Strategic Objective						
JD Power Agreement	N/A	N/A	100%	100%	4%	4%
Enterprise Process Library	85%	N/A	100%	100%	4%	4%
XSOL Backoffice Workflow Platform	N/A	N/A	100%	100%	4%	4%
Ideal Dialogue QA or Retail Deal	N/A	N/A	100%	100%	3%	3%
Total Earned:						15%

Based on achievement of financial targets and strategic objectives, the following payouts were earned by our named executive officers under the Executive Incentive Plan for operational performance in 2017:

Mr. Carlson	\$76,973
Mr. Norsworthy	\$31,751
Mr. Martino	\$23,289
Mr. Kirksey	\$20,783

Settlement of Bonuses in Stock Options

To further encourage alignment with the interests of our stockholders, our Compensation Committee permitted our executive officers to elect to receive all or a portion of their bonus payments under the 2017 Executive Incentive Plan in the form of stock options. The number of stock options granted to each executive who elected stock options was based on the Black-Scholes value of a share of our common stock subject to the award on the date the payouts were approved. The options are immediately vested upon issuance and have a term of ten years. For the 2017 plan year, no executives elected to receive a portion of their bonus payment in the form of options.

2016 Chief Sales Officer Sales Commission Plan

In connection with his position within our Company, Mr. White is eligible to earn certain commissions under our 2016 Chief Sales Officer Sales Commission Plan. The 2016 Sales Commission Plan provides that Mr. White is eligible to earn a monthly commission for each qualifying Statement of Work (SOW) or amendment to an SOW that is a source of new revenue for us. The commissions are paid quarterly and calculated as the net new revenue we recognize from a qualifying SOW for the month, multiplied by Mr. White's applicable target incentive percentage. Commissions can be earned for up to two years following execution of the SOW.

2017 Long-Term Compensation

The Compensation Committee has awarded stock options and restricted stock awards under our 2008 Equity Incentive Plan. Thus far, other equity-based incentives have not been considered, but they may be considered in the future. Options and restricted stock awards bear a relationship to the achievement of our long-term goals in that both increase in value as our stock increases in value. A significant portion of Management's compensation package is equity-based; as such, Management bears significant exposure to downside equity risk as the income they derive from these stock-based awards is contingent upon our stock's appreciation in the marketplace. The Compensation Committee has

carefully evaluated the cost of the grants of stock options and restricted stock awards to our executive officers. It will continue to evaluate the cost of stock options and restricted stock awards and other forms of equity compensation vehicles against the benefit those vehicles are likely to yield in building sustainable share value.

In 2017, the Compensation Committee made grants to eligible executives of stock options as described above under “Determining Long-Term Incentive Awards.” As described above, the stock options granted to all executive officers had a grant date fair value equal to 30% of the executive officer’s short-term incentive payout for fiscal 2016 (or, 50% in the case of the CEO). These grants were in addition to any stock options the executive officers received in connection with their election to receive a portion of their annual incentive payout in the form of stock options.

Long-term incentive equity grants made to our executive officers during 2017 were in the form of stock options and were with respect to the following number of underlying shares:

Mr. Carlson 41,266
Mr. Norsworthy 10,213
Mr. Martino 7,427
Mr. Kirksey 6,685

All of the long-term incentive stock option awards cliff vest three years from the date of grant and have a term of ten years. The three-year cliff vesting is intended to incentivize retention and long-term performance.

Equity Grants and Market Timing

We have not granted equity awards in coordination with the release of material, non-public information, and our equity award grant practices are separate from discussions regarding the release of such information. The Compensation Committee makes the decision to grant stock options or restricted stock awards when new hires occur and when the Compensation Committee determines that additional equity grants are appropriate to reward and motivate performance or necessary to retain key talent. The Compensation Committee has approved guideline ranges for new hires by level of position to ensure our ability to attract and retain key employees. Grants are made on the date the Compensation Committee approves the grants and are not matched to other specific Company events, except, in the case of a grant to a new hire whose employment has not commenced, the grant date is the date he or she commences employment.

Except as stated below, we have no program, plan, or practice of awarding options and setting the exercise price based on any price other than the fair market value of our stock on the grant date. Our 2008 Equity Incentive Plan defines “fair market value” as the closing price of one share of our common stock on the trading day on which such fair market value is determined (i.e., the grant date).

Compensation Committee Discretion

The Compensation Committee retains the authority to review executive officer base compensation and approve increases based on general performance and market norms. The Compensation Committee also retains the authority to make long-term incentive grants (historically, stock options and restricted stock) based on several factors described in this Compensation Discussion and Analysis. The Committee intends to retain the discretion to make decisions about executive officer base compensation and certain levels of stock option grants without predetermined performance goals.

Policy Regarding Adjustment of Awards if Relevant Performance Measures Are Restated or Adjusted

Our Board may request disgorgement from an executive officer should a restatement occur that would have materially affected the amount of a previously paid award.

Severance Arrangements

We have entered into employment agreements with each of our named executive officers. The Compensation Committee believes that it is in the best interests of the Company and our stockholders to design compensation programs that assist us in attracting and retaining qualified executive officers, assure that we will have the continued dedication of our executive officers in the event of a pending, threatened or actual change of control, provide certainty about the consequences of terminating certain executive officers' employment, protect us by obtaining non-compete covenants from certain executive officers that survive a termination of employment not involving a change of control, and to obtain a release of any claims from those former executive officers. Accordingly, the agreements generally provide for certain benefits if the executive officer's employment or executive officer's service is terminated involuntarily by us without cause, or in the case of the Chief Executive Officer and Chief Financial Officer, if they resign for good reason. In June 2011, the Committee instructed that any future agreements be limited to six month's severance. In November 2015, the Committee provided enhanced severance benefits for our named executive officers and certain other members of our senior leadership team in the event the executive's employment is

terminated without cause or for good reason upon, or within two years after, the consummation of a change of control. The severance arrangements of our named executive officers are further described below under “Employment Agreements.”

Impact of Accounting and Tax Treatment on Various Forms of Compensation

We take into account the impact of accounting and tax treatment on each particular form of compensation. Certain of our incentive payments are designed so that they may be deductible under Section 162(m) of the Internal Revenue Code (the “Code”). Code Section 162(m) limits deductibility of compensation in excess of \$1 million paid to the Company’s covered employees. Until the tax reform legislation commonly referred to as the Tax Cuts and Jobs Act (the “Tax Reform Act”) was signed into law, performance-based compensation was deductible, even if it caused the covered employee to have compensation in excess of \$1 million. The Tax Reform Act eliminated this performance-based compensation deduction going forward, but provided limited transition relief for compensation paid pursuant to binding arrangements in effect as of November 2, 2017 that is not materially modified after such date. This means that certain outstanding performance-based compensation may continue to be deductible under this grandfathered relief, and where applicable, the Company will seek deductions for performance-based compensation under the transition relief consistent with applicable law. The Committee will continue to view the tax deductibility of executive compensation as one factor to be considered in the context of its overall compensation philosophy, and evaluates the impact of tax law and other changes as they arise. The Committee reviews each material element of compensation on a continuing basis to determine whether deductibility can be accomplished without sacrificing flexibility and other important elements of the overall executive compensation program. However, our Compensation Committee retains the right to grant compensation that may not be fully deductible. We believe that the amount of any non-deductible compensation is not material. Where possible, we seek to administer our programs in such a manner that they do not constitute deferred compensation under Code Section 409A. Consistent with our practice over the last several years, we no longer provide tax gross-ups in the event of a change of control in which excise taxes are due pursuant to Section 280G and related sections of the Code. We closely monitor the accounting treatment of our equity compensation plans, and in making future grants, we consider the applicable accounting treatment.

Ownership Requirements and Policies Regarding Hedging Risk in Company’s Equity Securities

We have, from time to time, had stock ownership guidelines for outside directors and executives; however, in February 2013, our Compensation Committee suspended the guidelines as the Company has recently experienced significant changes in leadership and most directors and executives have not been around for the five-year period during which they had to comply with the guidelines. The Compensation Committee will revisit the issue of stock ownership guidelines periodically in light of its compensation philosophy and application to our directors and executives serving at the time. We do not have any policies regarding hedging economic risk and ownership of Company stock, but also have not had directors or executives engage in hedging or pledging activities.

The Role of Executive Officers in Determining Compensation

The Compensation Committee has an annual process for CEO evaluation, which includes input by all of the independent directors. The CEO makes no recommendation for his own pay, but does provide the Compensation Committee with compensation recommendations for his direct reports based on their overall performance.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with Management.

Based on the review and discussion referred to above, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in the Company's 2018 Notice of Annual Meeting and Proxy Statement.

By the Compensation
Committee:

Mr. Jack D. Plating, Chairman

Mr. Robert Sheft

Dr. Ed Zschau

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Option Awards (\$) (a)	Non-Equity Incentive Plan Compensation (\$) (b)	All Other Compensation (\$) (c)	Total (\$)
Chad A. Carlson, President, CEO and Director	2017	512,577	—	201,250	76,973	13,564	804,364
	2016	501,923	—	49,145	402,500	13,938	967,506
	2015	488,462	—	164,738	98,290	12,934	764,424
Donald Norsworthy, Senior Vice President, Chief Financial Officer and Treasurer	2017	281,352	—	49,809	31,751	8,272	371,184
	2016	276,058	25,000 ^(d)	—	166,031	3,616	470,705
	2015	35,962	—	180,773	—	231	216,966
Stephen C. White, Chief Sales and Marketing Officer	2017	479,430 ^(e)	—	—	—	55,596	535,026
	2016	138,549 ^(e)	70,000 ^(f)	—	—	7,403	215,952
Peter F. Martino, General Manager and Senior	2017	307,856 ^(g)	—	36,225	23,289	13,674	381,044
	2016	322,647 ^(g)	—	9,000	120,750	13,474	465,871
	2015	316,426 ^(g)	—	31,144	30,000	12,439	390,009
Jaymes D. Kirksey, Senior Vice President, Global Human Resources	2017	230,140	—	32,603	20,783	8,862	292,388
	2016	225,866	—	8,049	108,675	10,033	352,623
	2015	223,077	—	24,345	26,829	10,251	284,502

The amounts shown in this column reflect the aggregate grant date fair value of options granted to each named executive officer during 2017, 2016 and 2015, respectively, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718. This does not reflect amounts paid to or realized (a) by the named executive officers. See Note 11 “Share-Based Compensation and Employee Benefit Plans,” to our Consolidated Financial Statements, attached hereto, beginning on page F - 1 - 20 for more information on the assumptions used in accounting for equity awards.

The amounts disclosed under Non-Equity Incentive Plan Compensation reflect payouts under the annual Executive Incentive Plan. For certain years, Messrs. Carlson and Kirksey elected to receive a portion of their total non-equity incentive plan compensation payout in the form of stock options. In fiscal 2017, neither elected to receive a portion of their non-equity incentive plan compensation payout in the form of stock options. For fiscal 2016, they elected to receive 50% of their total non-equity incentive plan compensation payout amount above in the form of stock (b) options and 50% in cash. As a result, Mr. Carlson received an option to purchase 15,187 shares of our common stock and Mr. Kirksey received an option to purchase 4,145 shares of our common stock, each at \$4.62 per share. In fiscal 2015, Mr. Carlson elected to receive 25% of his total non-equity incentive plan compensation payout amount above in the form of stock options and 75% in cash. As a result, Mr. Carlson received an option to purchase 13,340 shares of our common stock at \$8.85 per share. The options hereunder were fully vested upon grant and expire ten years from the grant date.

(c) Included in All Other Compensation for 2017 are employer contributions related to our 401(k) Plan (Mr. Carlson, \$10,060; Mr. White, \$1,251; Mr. Martino, \$10,800; Mr. Kirksey, \$7,056; and Mr. Norsworthy, \$5,502), health insurance premiums (Mr. Carlson, \$2,874; Mr. White, \$2,635; Mr. Norsworthy, \$2,770; Mr. Martino, \$2,874), and

premiums for group term and disability insurance (Mr. Carlson, \$630; and Mr. Kirksey, \$1,806); and relocation reimbursement (Mr. White, \$51,710).

(d) Mr. Norsworthy was paid a signing bonus of \$25,000, less deductions, paid in two equal payments in January 2016 and April 2016 as an inducement to join the Company.

(e) Mr. White's salary included commissions of \$239,045 in fiscal 2017, \$87 in fiscal 2016.

- (f) Mr. White was paid a signing bonus of \$70,000, less deductions, in 2016 as an inducement to join the Company.
 (g) Mr. Martino's salary included commissions of \$50,241 in fiscal 2017, \$71,686 in fiscal 2016 and \$66,426 in fiscal 2015.

Grants of Plan-Based Awards in 2017

The following table includes plan-based awards made to named executive officers in 2017.

Name ^(d)	Grant Date	Estimated Potential Payouts Under Non-Equity Incentive Plan Awards ^(a)			All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Share)	Aggregate Grant Date Fair Value of Stock and Option Awards (\$)
		Threshold (\$)	Target (\$)	Maximum (\$)			
Chad A. Carlson	(b) 2/23/2017		515,000	772,500	41,266 ^(c)	9.17	201,250
Donald Norsworthy	2/23/2017	(b)	212,438	318,656	10,213 ^(c)	9.17	49,809
Peter F. Martino	(b) 2/23/2017		156,000	234,000	7,427 ^(c)	9.17	36,225
Jaymes D. Kirksey	(b) 2/23/2017		139,050	208,575	6,685 ^(c)	9.17	32,603

(a) Non-equity incentive plan refers to our 2017 Executive Incentive Plan.

(b) See "Compensation Discussion and Analysis—2017 Executive Incentive Plan" for a discussion of the levels of achievement of various metrics that could yield a partial payout.

(c) These stock options were granted as annual long-term incentives. The grant date fair value is equal to 30% (or, 50% in the case of Mr. Carlson) of the executive's fiscal 2016 short-term incentive payout. The stock options cliff vest three years from the date of grant.

(d) Mr. White is not a participant in the 2017 Executive Incentive Plan and therefore is not included in this table.

(e) This amount represents the aggregate grant date fair value computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718. See Note 11 "Share-Based Compensation and Employee Benefit Plans," to our Consolidated Financial Statements, attached hereto, beginning on page F - 1 - 20 for more information on the assumptions used in accounting for equity awards.

Outstanding Equity Awards at 2017 Fiscal Year End

The following table identifies the exercisable and unexercisable option awards for each of the named executive officers as of December 31, 2017.

Name	Grant Date	Option Awards		Option Exercise Price (\$)	Option Expiration Date	
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable			
Chad A. Carlson	2/23/2017	—	41,266	9.17	2/23/2027	(b)
	2/22/2016	15,187	—	4.62	2/22/2026	(a)
	2/22/2016	—	17,952	4.62	2/22/2026	(b)
	2/17/2015	13,340	—	8.85	2/17/2025	(a)
	2/17/2015	—	29,124	8.85	2/17/2025	(b)
	3/7/2014	20,905	—	7.00	3/7/2024	(a)
	3/7/2014	22,884	—	7.00	3/7/2024	(b)
	2/25/2013	42,477	—	4.56	2/25/2023	(a)
	2/25/2013	42,477	—	4.56	2/25/2023	(b)
	2/14/2013	200,000	—	4.42	2/14/2023	(b)
	6/24/2011	157,440	—	3.80	6/24/2021	(c)
	6/14/2010	71,747	—	4.79	6/14/2020	(c)
Donald Norsworthy	2/23/2017	—	10,213	9.17	2/23/2027	(b)
	11/16/2015	—	75,000	3.80	11/16/2025	(b)
Stephen C. White	6/1/2016	—	75,000	4.25	6/1/2026	(b)
Peter F. Martino	2/23/2017	—	7,427	9.17	2/23/2027	(b)
	2/22/2016	—	3,287	4.62	2/22/2026	
	2/17/2015	—	5,506	8.85	2/17/2025	(b)
	1/20/2014	85,000	—	6.75	1/20/2024	(b)
Jaymes D. Kirksey	2/23/2017	—	6,685	9.17	2/23/2027	(b)
	2/22/2016	4,145	—	4.62	2/22/2026	(a)
	2/22/2016	—	2,940	4.62	2/22/2026	(b)
	2/17/2015	3,286	—	8.85	2/17/2025	(a)
	2/17/2015	—	4,304	8.85	2/17/2025	(b)
	3/7/2014	9,025	—	7.00	3/7/2024	(a)
	2/4/2013	50,000	—	4.23	2/4/2023	(b)

(a) Options vest immediately.

(b) Options fully vest after three years.

(c) Options vest as to 25% of the option shares on the first anniversary of the date of grant and 2.0833% of the shares each month thereafter for 36 months.

EMPLOYMENT AGREEMENTS

Chad A. Carlson

On June 24, 2011, we entered into an Employment Agreement with Chad A. Carlson that replaced the previous employment agreement with Mr. Carlson, dated May 26, 2010. The Employment Agreement provides for an initial annual salary of \$415,000, subject to periodic review and adjustment by the Compensation Committee.

Pursuant to Mr. Carlson's Employment Agreement, he is eligible to participate in the Company's annual incentive bonus plan with a bonus potential of 100% of his then-current annual base salary at 100% target attainment pursuant to the Company's incentive bonus plan.

Mr. Carlson's employment with the Company can be terminated at any time for any reason by the Company or Mr. Carlson. However, if Mr. Carlson's employment is terminated without cause, or if Mr. Carlson resigns with good reason, he will be entitled to receive the equivalent of twelve months of his then-current annual base salary, payable on the same basis and at the same time as previously paid, and he will be entitled to receive his annual bonus for the year of termination, pro-rated for time and performance. In addition, if Mr. Carlson timely elects continuation of health insurance pursuant to COBRA, the Company will reimburse Mr. Carlson for a portion of his COBRA premiums that is equal to the Company's monthly percentage contribution toward his health benefit premiums as of the date of termination for a period of eighteen months. In addition, pursuant to an amendment to his Employment Agreement approved by the Compensation Committee on November 23, 2015, if Mr. Carlson's employment with the Company is terminated without cause or he resigns for good reason upon, or within two years after, the consummation of a change of control, Mr. Carlson will receive a lump sum payment equal to twenty-four months of his then-current annual base salary, as well as the health insurance benefits described above for a period of eighteen months. Severance and other benefits payable in connection with a change of control may be reduced if such benefits would be subject to taxation under Section 280G of the Internal Revenue Code to provide the greatest after-tax benefits. All payments are contingent upon compliance with non-compete and non-solicit covenants.

The Employment Agreement also provides for non-disclosure by Mr. Carlson of the Company's confidential or proprietary information and includes covenants by Mr. Carlson not to compete with the Company or hire or solicit its employees, suppliers and customers, in each case for a restricted period equal to twelve months following termination of employment. Mr. Carlson also assigned to the Company any rights he may have to intellectual property that may be conceived in the scope of his employment.

Other Named Executive Officers

We are parties to Employment Agreements with each of the other named executive officers (Messrs. Norsworthy, White, Martino and Kirksey) that provide for the executive's initial base salary and annual incentive bonus plan, expressed as a percentage of base salary. The Employment Agreements also provide for any initial equity grants.

Each named executive officer's employment with the Company can be terminated at any time for any reason by the Company or the executive. However, if the executive's employment is terminated without cause, he will be entitled to receive six months of his then-current annual base salary payable on the same basis and at the same time as previously paid, commencing on the first regularly scheduled pay date following termination. In addition, pursuant to an amendment to the Employment Agreements approved by the Compensation Committee on November 23, 2015, if the executive's employment with the Company is terminated without cause or the executive resigns for good reason upon, or within two years after, the consummation of a change of control, the executive will receive a lump sum payment equal to twelve months of his then-current annual base salary, as well as the health insurance benefits described above for a period of twelve months.

The Employment Agreements also provide for non-disclosure by the executives of the Company's confidential or proprietary information and includes covenants by the executives not to compete with the Company or hire or solicit its employees, suppliers and customers, in each case for a restricted period equal to twelve months following termination of employment.

Acceleration of Equity Awards upon Change of Control

The options that have been granted to each of the named executive officers have been granted under the 2008 Equity Incentive Plan, as amended ("2008 EIP"). Unless otherwise provided in an award agreement, if a change of control (generally defined as a transaction involving a merger or consolidation of the Company or a sale of substantially all of the Company's assets) occurs, then each outstanding award under the 2008 EIP that is not yet vested will immediately vest with respect to 50% of the shares that were unvested immediately before the change of control. If, in connection with a change of control, the awards under the

2008 EIP were either continued in effect or assumed or replaced by the surviving corporation, and within two years after the change of control, a participant is involuntarily terminated other than for cause (or, for certain awards, termination with good reason), then each such outstanding award will immediately become vested and exercisable in full and will remain exercisable for the remainder of the original option term. In the event that awards will be cancelled because they are not assumed or replaced by the surviving corporation, they will immediately vest.

Potential Payments Upon Termination or Change of Control

A summary of the potential payments that each of our named executive officers would have received upon involuntary termination without “cause” or resignation for “good reason” (as described in each respective named executive officer’s Employment Agreement summary, above) and upon a termination related to change of control (as described in each respective named executive officer’s Employment Agreement summary, above), assuming that each triggering event occurred on December 31, 2017, is set forth below.

	Involuntary termination without “cause” (or, for Messrs. Carlson and Norsworthy, resignation for “good reason”) absent change of control ^(a)			
	Continuation of Salary Compensation/ (\$)	Non-Equity Incentive Plan Bonus (\$)	Continuation of Health Benefits (\$)	Total (\$)
Chad A. Carlson	515,000	76,973	20,539	612,512
Donald Norsworthy	141,625	N/A	7,710	149,335
Stephen C. White	125,000	N/A	6,846	131,846
Peter F. Martino	130,000	N/A	6,846	136,846
Jaymes D. Kirksey	115,875	N/A	—	115,875

Under the terms of Mr. Carlson’s Employment Agreement, if Mr. Carlson’s employment is terminated without cause, or if Mr. Carlson resigns for good reason, he will be entitled to receive (i) the equivalent of twelve months of his then-current annual base salary, (ii) his annual non-equity incentive plan bonus for the year of termination, pro-rated for time and performance, and (iii) if timely elected, reimbursement for a portion of his COBRA premiums equal to the Company’s monthly percentage contribution toward his health benefit premiums as of the date of termination for a period of eighteen months. The amounts listed above under Non-Equity Incentive Plan Compensation/Bonus represent the amounts earned under the non-equity incentive bonus plan during 2017. Under the terms of each other executive’s Employment Agreement, if the executive’s employment is terminated without cause (or, in the case of Mr. Norsworthy, if he resigns for good reason), he will be entitled to receive (i) the equivalent of six months of his then-current annual base salary and (ii) if timely elected, reimbursement for a portion of his COBRA premiums that is equal to the Company’s monthly contribution toward his health benefit premiums as of the date of termination for a period of six months.

Change of control ^(a)	Involuntary termination without “cause” or resignation for “good reason” upon, or within two years after, a “change of control” ^(b)		
	Acceleration of Equity Awards (\$) ^(c)	Continuation of Health Benefits (\$)	Acceleration of Equity Awards (\$) ^(a)

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Chad A. Carlson	80,837	1,030,000	20,539	80,837	1,131,376
Donald Norsworthy	235,460	283,250	15,420	235,460	534,130
Stephen C. White	214,500	250,000	13,693	214,500	478,193
Peter F. Martino	14,847	260,000	13,693	14,847	288,540
Jaymes D. Kirksey	12,949	231,750	—	12,949	244,699

Unless otherwise provided in an award agreement, if a change of control (generally defined as a transaction involving a merger or consolidation of the Company or a sale of substantially all of the Company's assets) occurs, then each outstanding award under the 2008 EIP that is not yet vested will immediately vest with respect to 50% of (a) the shares that were unvested immediately before the change of control. If, in connection with a change of control, the awards under the 2008 EIP were either continued in effect or assumed or replaced by the surviving corporation, and within two years after the change of control, a participant is involuntarily terminated other than for cause, then each such

outstanding award will immediately become vested and exercisable in full and will remain exercisable for the remainder of the option term. The table above shows the value as of December 31, 2017 of the acceleration of equity awards (i.e., 50% of unvested shares) if a change of control occurred on December 31, 2017.

- Under the terms of their Employment Agreements, if a named executive officer's employment with the Company is terminated without cause or such named executive officer resigns for good reason upon, or within two years after, the consummation of a change of control, such named executive officer will receive a lump sum payment equal to twelve months (twenty-four months for the Chief Executive Officer) of his then-current annual base salary, as well as the health insurance benefits described above for a period of twelve months (eighteen months for the Chief Executive Officer).
- (b) All other stock options were either fully vested or had exercise prices below the market value at December 31, 2017.
- (c)

Summary of "Good Reason," "Cause" and "Change of Control" in Employment Agreements and 2008 EIP

In general, "good reason" includes:

- (a) reduction of base salary, bonus, or benefits except as part of across-the-board reductions of all of our executive officers;
- (b) assignment of duties that are substantially inconsistent with their position with us and not a reasonable advancement for them; or
- (c) the executive's principal place of performing services for us being relocated more than 60 miles from its current location.

In general, the definition of "cause" includes:

- (a) incompetence;
- (b) failure or refusal to perform required duties;
- (c) violation of law (other than traffic violations, misdemeanors or similar offenses), court order, regulatory directive, or agreement;
- (d) material breach of the executive's fiduciary duty to us; or
- (e) dishonorable or disruptive behavior that would be reasonably expected to harm us or bring disrepute to us, our business, or any of our customers, employees or vendors.

In general, the definition of "change of control" includes:

- (a) an acquisition by any person of beneficial ownership of 30% or more of our then outstanding shares of common stock or the combined voting power of our then outstanding voting securities;
- (b) incumbent members of our Board ceasing for any reason to constitute at least a majority of the board; our consummation of a reorganization, merger or consolidation with or into another entity, unless our stockholders immediately prior to such transaction own at least a majority of the outstanding shares of common stock and the combined voting power of the outstanding voting securities of the surviving or acquiring entity resulting from the transaction;
- (c) our consummation of the sale or other disposition of all or substantially all of our assets; or
- (e) approval by the stockholders of our complete liquidation or dissolution.

CEO Pay Ratio

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of Regulation S-K, we are providing the following information about the relationship of the annual total compensation of our employees and the annual total compensation of Mr. Chad A. Carlson, our Chief Executive Officer (our "CEO"):

For 2017, our last completed fiscal year:

the annual total compensation of the employee identified at median of our company (other than our CEO), was \$9,889 (under the Summary Compensation Table definition); and

the annual total compensation of our CEO under the same definition was \$804,364.

Based on this information, for fiscal year 2017, the ratio of the annual total compensation of our CEO, to the annual total compensation of our median employee was estimated to be 81:1.

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This pay ratio is a reasonable estimate calculated in a manner consistent with SEC rules based on our payroll and employment records and the methodology described below. The SEC rules for identifying the median compensated employee and calculating the pay ratio based on that employee’s annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their compensation practices. As such, the pay ratio reported by other companies may not be comparable to the pay ratio reported above, as other companies may have different employment and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.

To determine the annual total compensation of the “median employee,” the methodology and the material assumptions, adjustments, and estimates that we used were as follows:

We determined that, as of December 31, 2017, our employee population consisted of approximately 13,280 individuals globally. We selected December 31, 2017, which is within the last three months of 2017, as the date upon which we would identify the “median employee” to reflect a full fiscal year of global workforce compensation.

Our employee population, after taking the 5% “De Minimis Exemption” adjustment as permitted under SEC rules (described below), consisted of approximately 12,892 individuals.

De Minimis Exemption:

Total US Employees	4,724
Total Non-US Employees	8,556 (no exemptions)
Total Global Workforce	13,280
Total Exemptions:	
Jamaica	388
Total Exclusions:	388
Total US Employees	4,724
Total non-US. Employees	8,168 (excluding 388 employees)
Total Workforce for Median Calculation	12,892

In total, we excluded less than 5% of our total global workforce (approximately 388 individuals) from the identification of the “median employee,” as permitted by SEC rules.

To identify the “median employee” from our employee population, we established a consistently applied compensation measure inclusive of actual base salary, bonus paid, and any overtime paid during the 12-month period ending December 31, 2017. Non-US compensation was converted to US dollars based on applicable exchange rates as of December 31, 2017.

In making this determination, we annualized the compensation of all newly hired permanent employees during this period.

Compensation of Directors

The following table presents the total compensation for each non-employee director who served as a member of our Board during 2017. In 2017, we did not pay any other compensation to the members of our Board.

Name	Stock Awards ^(a)	Option Awards ^(a)	Total
	(\$)	(\$)	(\$)
Arnaud Ajdler	90,000	—	90,000
Jack D. Plating	—	90,113	90,113
Benjamin L. Rosenzweig	90,000	—	90,000
Robert Sheft	—	90,113	90,113
Ed Zschau	—	90,113	90,113

(a) The amounts shown in these columns reflect the aggregate grant date fair value of stock awards and options granted to each director during 2017. This does not reflect amounts paid to or realized by the directors. See Note 11 to our consolidated financial statements for the year ended December 31, 2017 for information on the assumptions used in accounting for equity awards.

Members of the Board are compensated entirely with equity awards. At the start of each quarter, members of the Board, at their option, may elect to receive (1) stock options to purchase shares of common stock with a fair value equivalent to \$22,500 (calculated using the Black-Scholes pricing model), (2) common stock with a grant date fair value of \$22,500, (3) deferred stock units with a fair value equivalent to \$22,500 or (4) any combination of options, stock and deferred stock units. Upon the date of grant, the members of the Board are immediately vested in the stock options, stock and deferred stock units.

As of December 31, 2017, our current non-employee directors had the following outstanding equity awards:

Name	Aggregate number of stock options	Aggregate number of deferred stock units
Arnaud Ajdler	—	41,234
Jack D. Plating	133,041	—
Benjamin L. Rosenzweig	196,054	8,891
Robert Sheft	208,682	—
Ed Zschau	223,682	—

CERTAIN TRANSACTIONS

Review, Approval and Ratification of Related Party Transactions

Pursuant to the Audit Committee Charter, the Audit Committee of the Board reviews periodically, but at least annually, a summary of our transactions with our directors and executive officers and with firms that employ directors, as well as any other material related party transactions, for the purpose of recommending to the disinterested members of the Board that the transactions are fair, reasonable and within Company policy and should be ratified and approved. This list of transactions is compiled via questionnaires that are distributed annually to all our directors and officers and upon initial employment and/or election to the Board. The Audit Committee has adopted a related person transaction approval policy, described on page 11, which sets forth guidelines for the review and approval of related party transactions.

Investor Rights Agreement

We entered into an investor rights agreement with A. Emmet Stephenson, Jr. that took effect on June 9, 2004 and terminates if Mr. Stephenson ceases to beneficially own at least 10% of our common stock. The agreement provides that, subject to the Board's fiduciary duties under applicable law, we will nominate for election to our Board designees named by Mr. Stephenson representing (i) a number of directors equal to one less than a majority of the Board if there is an odd number of directors, or two less than a majority if there is an even number of directors, so long as Mr. Stephenson, together with members of his family, beneficially owns 30% or more of our outstanding common stock or (ii) one director, so long as Mr. Stephenson, together with members of his family, beneficially owns between 10% and 30% of our outstanding common stock. The agreement also required that we amend Article II, Section 6 of our bylaws to provide that a holder of 10% or more of our outstanding common stock is entitled to call a special stockholders meeting. The investor rights agreement provides that so long as Mr. Stephenson, together with members of his family, beneficially owns 10% or more of our outstanding common stock, Article II, Section 6 of the bylaws, as amended, may not be further amended by our Board without Mr. Stephenson's consent.

On February 1, 2014, we entered into an amendment to the investor rights agreement removing the inclusion of shares of common stock held by members of Mr. Stephenson's family in determining beneficial ownership. Mr. Stephenson owned approximately 18.4% of our outstanding common stock as of February 13, 2018. Accordingly, Mr. Stephenson currently has the right to elect one director; however, none of the nominees named in the Director Election Proposal were nominated by Mr. Stephenson.

Mr. Stephenson's nominees under these provisions need not be independent or meet other specific criteria, so long as a majority of the members of our Board are independent under the rules of the SEC and the NYSE.

The rights provided to Mr. Stephenson in the investor rights agreement may not be transferred to any third party other than to Mrs. Stephenson, upon the death or incompetence of Mr. Stephenson and to her estate, upon the subsequent death or incompetence of Mrs. Stephenson. Mr. Stephenson does not have the right to vote shares of stock held by other members of the Stephenson family.

Settlement and Standstill Agreement with Privet and A. Emmet Stephenson, Jr.

On May 5, 2011, the Company entered into a Settlement and Standstill Agreement with Privet Fund LP, Privet Fund Management LLC, Ryan Levenson, Benjamin L. Rosenzweig, A. Emmett Stephenson, Jr. and Toni E. Stephenson pursuant to which Mr. B. Rosenzweig and Mr. Sheft were appointed to our Board. Pursuant to the agreement, Privet Fund LP, Privet Fund Management LLC, Mr. Levenson and Mr. B. Rosenzweig agree that neither they, nor any of their respective affiliates will, while Messrs. B. Rosenzweig and Sheft serve on the Board, engage in, among other things, any proxy solicitation with respect to the securities of the Company or any tender offer, business combination

or restructuring with respect to the Company, and will not to seek to place a representative on the Board, seek the removal of any member of the Board or change the size or composition of the Board.

PROPOSAL 7. (THE ADVISORY COMPENSATION PROPOSAL)

ADVISORY VOTE ON EXECUTIVE COMPENSATION

Pursuant to the Exchange Act, our stockholders have an opportunity to cast an advisory vote on the compensation of our named executive officers, as disclosed in this proxy statement. This proposal, commonly known as a “say on pay” proposal, gives stockholders the opportunity to approve, reject or abstain from voting with respect to our executive compensation programs and policies and the compensation paid to our named executive officers.

As discussed in the “Proposal 6—Compensation Discussion and Analysis” section of this proxy statement, the primary objectives of our compensation program, including our executive compensation program are to:

- attract, motivate, and retain superior talent;
- ensure that compensation is commensurate with our overall performance and increases to stockholder value over the long term; and
- ensure that our executive officers and certain key personnel have enough financial incentive to motivate them to achieve sustainable growth in stockholder value.

Accordingly, we are asking that our stockholders approve, on an advisory basis, the compensation paid to our named executive officers, as disclosed in the “Proposal 6—Compensation Discussion and Analysis” and the compensation tables and narrative discussion contained in the “Proposal 6—Summary Compensation Table” section in this proxy statement.

This proposal allows our stockholders to express their opinions regarding the decisions of the Compensation Committee on the prior year’s annual compensation to our named executive officers. Your advisory vote will serve as an additional tool to guide our Board and the Compensation Committee in continuing to improve the alignment of our executive compensation programs with the interests of the Company and our stockholders, and is consistent with our commitment to high standards of corporate governance.

The Board unanimously recommends that our stockholders vote FOR the executive compensation of our named executive officers as disclosed in this proxy statement.

Because the vote on this proposal is advisory in nature, it will not affect any compensation already paid or awarded to any named executive officer and will not be binding on or overrule any decisions by the Board, it will not create or imply any additional fiduciary duty on the part of the Board, and it will not restrict or limit the ability of stockholders to make proposals for inclusion in proxy materials related to executive compensation. If there are a significant number of negative votes, we will seek to understand the concerns that influenced the vote, and the Compensation Committee will consider them in making future decisions about executive compensation arrangements.

PROPOSAL 8. (THE ACCOUNTANT RATIFICATION PROPOSAL)

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

General

EKS&H LLLP served as our independent registered public accounting firm for the year ended December 31, 2017. We anticipate that a representative of EKS&H LLLP will attend the Annual Meeting, will have the opportunity to make a statement if he or she desires, and will be available to respond to appropriate questions. The Audit Committee and the Board has appointed EKS&H LLLP to serve as our independent registered public accounting firm for the year ending December 31, 2018.

AUDIT AND NON-AUDIT FEES

The aggregate fees billed for services rendered by EKS&H LLLP during the years ended December 31, 2017 and 2016 were as follows:

	2017	2016
Audit fees ^(a)	\$290,113	\$279,430
Audit related fees ^(b)	81,640	74,447
Tax fees ^(c)	18,400	34,300
All other fees	—	—
Total	\$390,153	\$388,177

(a) Audit fees for services consisted of audits of our annual financial statements and internal controls over financial reporting and reviews of our Quarterly Reports on Form 10-Q.

(b) Audit-related fees consisted of services related to our SOC 2 audit.

(c) Tax fees for 2017 and 2016 consisted of services related to review of U.S. Federal and state tax returns, review of non-US tax returns, and certain other tax related services in foreign countries.

In accordance with our Audit Committee Charter, the Audit Committee approves in advance any and all services provided by our independent registered public accounting firm, including audit engagement fees and terms and non-audit services provided to us by our independent auditors (subject to the de minimis exception for non-audit services contained in the Exchange Act), all as required by applicable law or listing standards. The independent auditors and our Management are required to periodically report to the Audit Committee the extent of services provided by the independent auditors and the fees associated with these services.

The Audit Committee has determined that the non-audit services provided by EKS&H LLLP were compatible with maintaining the firms' independence.

The Audit Committee and the Board unanimously recommend that our stockholders vote FOR ratification of EKS&H LLLP as our independent registered public accounting firm for the year ending December 31, 2018.

AUDIT COMMITTEE REPORT

The Audit Committee oversees our financial reporting process on behalf of the Board. Management has the primary responsibility for the consolidated financial statements and the reporting process, including the systems of internal controls and disclosure controls and procedures. In fulfilling its oversight responsibilities, the Audit Committee reviewed the audited consolidated financial statements included in our Annual Report on Form 10-K for the year

ended December 31, 2017 with Management, which review included a discussion of the application of generally accepted accounting principles, the reasonableness of significant estimates and judgments, and the clarity and completeness of disclosures in the financial statements.

The Audit Committee discussed with our independent registered public accounting firm, who is responsible for expressing an opinion on the conformity of those audited financial statements with generally accepted accounting principles, its judgments as to the application of generally accepted accounting principles and such other matters as are required to be discussed between the Audit Committee and the independent registered public accounting firm under Public Company Accounting Oversight

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Board standards. The Audit Committee has received from the independent registered public accounting firm the written disclosures and letter required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence, and has discussed with our independent registered public accounting firm its independence. In addition, the Audit Committee has considered the effect that all other fees paid to the independent registered public accounting firm may have on its independence.

The Audit Committee discussed with our independent registered public accounting firm the overall scope and plans for their respective audits. The Audit Committee meets with the independent registered public accounting firm, with and without Management present, to discuss the results of its examinations, its evaluations of our internal controls, and the overall quality of our financial reporting. The Audit Committee held four meetings during 2017.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board (and the Board has approved) that the audited consolidated financial statements be included in the Annual Report on Form 10-K for the year ended December 31, 2017, for filing with the SEC.

By the Audit Committee:

Mr. Benjamin L. Rosenzweig, Chairman

Mr. Jack D. Plating

Dr. Ed Zschau

PROPOSAL 9. (THE ADJOURNMENT PROPOSAL)

ADJOURNMENT PROPOSAL

In the event there are not sufficient votes at the time of the Annual Meeting to adopt the Aegis Issuance Proposal, the Amazon Issuance Proposal or the Authorized Shares Proposal the Board may submit a proposal to adjourn the Annual Meeting to a later date, or dates, if necessary, to permit further solicitation of proxies.

The adoption of the Adjournment Proposal will require the affirmative vote of the holders of a majority of the shares of the Company's common stock represented in person or by proxy and entitled to vote at the Annual Meeting.

The Board recommends that stockholders vote FOR the approval of the Adjournment Proposal.

BOARD OF DIRECTORS AND MANAGEMENT AFTER THE AEGIS TRANSACTIONS

New StarTek Board

Immediately following the closing of the Aegis Transactions, the new board of directors of StarTek (the “New StarTek Board”) is expected to consist of nine members, comprised of (a) five directors (including the chairman) designated by the Aegis Stockholder (the “Aegis Designated Directors”), (b) the Chief Executive Officer designated by the Aegis Stockholder, and (c) three directors designated by the Company and acceptable to the Aegis Stockholder that are independent for purposes of the NYSE’s listing rules (the “Non-Aegis Directors”).

The Aegis Stockholder only has the right to designate five directors to the New StarTek Board for so long as it and its affiliates either beneficially own 50% or more of our common stock. If the Aegis Stockholder and its affiliates beneficially own less than 50% of our common stock, the nomination rights are reduced pursuant to the Stockholders Agreement. See “Proposal 1—Stockholders Agreement” for further information.

After the closing of the Aegis Transactions, (a) the Audit Committee will consist of three Non-Aegis Directors, (b) the Compensation Committee will consist of three directors, including at least one Non-Aegis Director, and (c) the Governance and Nominating Committee will consist of three directors, including at least one Non-Aegis Director. The composition of the committees of StarTek after the closing of the Aegis Transactions has not yet been determined.

The table below lists the persons expected to be nominated and elected to the New StarTek Board following the closing of the Aegis Transactions, along with the party expected to nominate each person, and any other position that such nominee will hold with the Company after the closing of the Aegis Transactions.

Three of the nine positions (one Aegis Designated Directors and two Non-Aegis Director) have not yet been determined at this time.

Name	Expected Position	Nominated By
Aparup Sengupta	Chairman of the New StarTek Board	Aegis Stockholder
Sanjay Chakrabarty	Director	Aegis Stockholder
Mukesh Sharda	Director	Aegis Stockholder
Bharat Rao	Director	Aegis Stockholder
Lance Rosenzweig	Chief Executive Officer and Director	Aegis Stockholder
Benjamin L. Rosenzweig	Director	StarTek

The following is a brief biography of each director nominee of the New StarTek Board that is known as of the date of this proxy statement and is not previously included in this proxy statement. The biography of Mr. B. Rosenzweig can be found on page 103. Mr. L. Rosenzweig and Mr. B. Rosenzweig are not related.

Aparup Sengupta Age 54 Chairman of the New StarTek Board	Mr. Sengupta is the Operating Partner of Capital Square Partners (Management) Pte Ltd. (“CSP”) and is on the board of Aegis. Previously, he was the Executive Chairman of The Minacs Group (“Minacs”), a business solutions company, from 2014. Prior to joining Minacs, Mr. Sengupta was the Global CEO and Managing Director at Aegis from 2005 to 2012. Mr. Sengupta holds a Bachelor’s degree in Electrical Engineering from the Indian Institute of Engineering Science and Technology, formally known as the Bengal Engineering and Science University.
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Mr. Chakrabarty is the Founder and Managing Partner of CSP and has been serving on the board of ESM, since March 2018. In addition, he has been a director on the board of CSS Corp, since June 2013 and Indecomm Holdings, Inc. (d/b/a Indecomm Global Services) (“Indecomm”), a leading global provider of digital engineering and engagement solutions to clients in various industries, since January 2016. Mr. Chakrabarty was previously a board member of Minacs, prior to its sale to SYNEX Corporation (NYSE: SNX). Prior to founding CSP, Mr. Chakrabarty served as the President and Venture Partner of Columbia Capital’s India and SE Asia investments from late 2007 to December 2012. Before his investment role, Mr. Chakrabarty was the Founder & CEO of MobiApps Holdings, a technology company that built products and services based on a patent protected radio frequency semiconductor for satellite communications. Mr. Chakrabarty holds a dual B.S. degree in Computer Engineering and Mathematics from Pennsylvania State University at Slippery Rock and an M.B.A. from Carnegie Mellon University.

Mr. Sharda is the Founder and Managing Partner of CSP and is currently on the Board of Aegis and Indecomm. Prior to co-founding CSP, Mr. Sharda was the Executive Director and Country Head for Avenue Capital Group from 2005 through 2012, an investment manager with billions of assets under management and dedicated funds raised to invest in Asia. Mr. Sharda covered investments in South East Asia and India. Prior to joining Avenue Capital Group, Mr. Sharda worked in investment banking (Structured Finance and M&A) from 1997 through 2004 in Singapore and Hong Kong at Deutsche Bank. Mr. Sharda also previously served on the board of directors at National Citizen Bank in Vietnam. Mr. Sharda is a Chartered Accountant from the Institute of Chartered Accountants in India, and holds a Bachelor of Commerce degree from Gujarat University, India.

Mr. Rao is the Managing Partner of CSP and has been serving on the board of ESM, since March 2018, and Indecomm, since December 2016. Prior to joining CSP, he was a Managing Director with the investment banking arm of Credit Suisse in Asia from November 2012 to June 2016. Prior to joining Credit Suisse Mr. Rao was a Managing Director and managed client relationships, origination and financial sponsors group for ING Bank in South East Asia from August 2010 to November 2012. Before transitioning to investment banking, Mr. Rao served as the Country Manager for Indonesia at Actis Capital Partners, a leading emerging market focused growth and buyout fund, and was responsible for financial services investments in South East Asia from August 2006 to March 2009. Prior to this role in private equity, Mr. Rao was a Partner with the Australasian practice of PricewaterhouseCoopers, and focused on providing transactions advisory services from February 1999 to July 2006. Mr. Rao holds a Bachelor’s degree with honors in Electrical Engineering from the Indian Institute of Technology and an M.B.A. from the Indian Institute of Management.

Mr. L. Rosenzweig has been serving on the board of Boingo Wireless, a leading WiFi and DAS provider since July 2014, and of Quality Systems, Inc., a leading healthcare IT and revenue cycle management company, since May 2012. From 2015 through 2016, Mr. L. Rosenzweig was an Operating Executive of Marlin Operations Group, working with Marlin Equity Partners, a global investment firm, where he served as Chairman of the board of Duncan Solutions and GiftCertificates.com and Chairman of the board and interim Chief Executive Officer of Domo Tactical Communications. Mr. L. Rosenzweig served as the Chief Executive Officer and President, Global Markets for Aegis USA, Inc., a leading business process outsourcing company with over 18,000 employees, from 2013 through the company's sale in 2014. Mr. L. Rosenzweig also co-founded and served as Chairman of PeopleSupport, Inc. since its inception in 1998 and as Chief Executive Officer from 2002 through the company's IPO in 2004 and subsequent sale in 2008. He also served as President of Aegis Business Development Group from 2008 to 2010. Mr. L. Rosenzweig co-founded other wireless, manufacturing and finance companies including UniSite, which was acquired by American Tower; Newcastle Group, which was acquired by Tyco, and 24/7 Card. Prior to 1993, Mr. L. Rosenzweig was a divisional Vice President at GE Capital, a Vice President in the investment banking group of Dean Witter (now Morgan Stanley), a Vice President of Capel Court Pacific and a Corporate Planning Manager of Jefferson Smurfit. Mr. L. Rosenzweig received a B.S. in Industrial Engineering from Northwestern University and an M.B.A. from Northwestern University Kellogg School of Management.

Director Independence

Under the NYSE's listing rules, a "controlled company" is defined as a listed company of which more than 50% of the voting power for the election of directors is held by an individual, a group or another company. It is expected that, after the closing of the Aegis Transactions, StarTek will be a controlled company within the meaning of the NYSE's listing rules.

As a result of the Stockholders Agreement and the Aegis Stockholder's voting power, after the closing of the Aegis Transactions, we expect StarTek to be exempt from complying with the NYSE's requirements that (i) a majority of the New StarTek Board consist of independent directors, (ii) the Governance and Nominating Committee consist entirely of independent directors, and (iii) the Compensation Committee be composed entirely of independent directors. StarTek will elect to use these exemptions available to controlled companies.

Board Procedures and Committees

Other than the changes to the directors to be named to the committees of StarTek after the closing of the Aegis Transactions, no material changes are currently contemplated to the procedures of the board of directors or any committees established thereby.

Director Compensation

Following the closing of the Aegis Transactions, compensation for directors of the New StarTek Board will be determined by the New StarTek Board. We anticipate that compensation for service on the New StarTek Board will generally be consistent with the compensation provided to the current non-employee directors of StarTek. The New StarTek Board will periodically assess the amount and terms of any compensation paid to directors.

Post-Closing Management and Executive Officers

Following the closing of the Aegis Transactions, Lance Rosenzweig is expected to serve as the Chief Executive Officer of StarTek. The terms and conditions of his service have not yet been finalized. Aegis expects to enter into an employment agreement with Mr. L. Rosenzweig that will be assumed by StarTek after the closing of the Aegis Transactions, the effectiveness of which will be subject to the approval of the New StarTek Board. Mr. L. Rosenzweig's biography can be found on page 130. No other directors, including the Chairman of the New StarTek Board, are expected to hold an executive position. No other material changes to executive officers have been determined at this time.

STARTEK BUSINESS AND OTHER INFORMATION

Business Overview

The Company is a customer engagement business process outsourcing (“BPO”) services provider, delivering customer care solutions in a different and more meaningful way. We use “engagement” design principles vs. traditional contact center methods, resulting in added value services that create deeper customer relationships through better customer insights and interactions for our clients. Our unique approach to Omni Channel design and service, and training innovation and analytics, allows the Company to deliver full life-cycle care solutions through our engagement centers around the world. Our employees, whom we call Brand Warriors, are at the forefront of our customer engagement services and represent our greatest asset. For over 30 years, StarTek Brand Warriors have been committed to enhancing the customer experience, providing higher value and making a positive impact for our clients’ business results.

Our vision is to be the most trusted global service provider to customer-centric companies who are looking for more effective ways to engage their customers, on their terms and preferred channels with solutions that are not always available via traditional “contact center” companies.

The StarTek Advantage System, the sum total of our customer engagement culture, customized solutions, and processes, allows us to always remain focused on enhancing our clients’ customer experience, increasing customer lifetime value and reducing total cost of ownership. The Company has proven results for the multiple services we provide, including sales, order management and provisioning, customer care, technical support, receivables management, and retention programs. We service client programs using a variety of multi-channel customer interaction capabilities, including voice, chat, email, social media, interactive voice response, and back-office support. The Company has engagement centers in the United States, Canada, Honduras, Jamaica, and the Philippines.

We operate our business within three reportable segments, based on the geographic regions in which our services are rendered: Domestic, Nearshore, and Offshore. As of December 31, 2017, our Domestic segment included the operations of thirteen facilities in the United States and one facility in Canada our Offshore segment included the operations of four facilities in the Philippines and our Nearshore segment included the operations of two facilities in Honduras and one facility in Jamaica. The segment information is included in Note 16 of the Notes to Consolidated Financial Statements, attached hereto.

Service Offerings

We provide customer experience management throughout the life cycle of our clients’ customers. These service offerings include customer care, sales support, inbound sales, complex order processing, accounts receivable management, technical and product support, up-sell and cross-sell opportunities, customer intelligence analytics and other industry-specific processes. We provide these services by leveraging the principles of human communication science, technology, agent performance tools, analytics omni-channel services and self-help applications to enable and empower our Brand Warriors.

Technical and Product Support. Our technical and product support service offering provides our clients’ customers with high-end technical support services through customer preferred channels (telephone, e-mail, chat, facsimile and Internet), 24 hours per day, seven days per week. Technical support inquiries are generally driven by a customer’s purchase and use of a product or service, or by a customer’s need for ongoing technical assistance.

Sales Support. Our revenue generation service supports every stage of the customer life cycle and includes end-to-end pre-sales and post-sales programs. Lead generation, direct sales, account management, retention programs, and

marketing analysis and modeling are all available. We have the ability to increase customer purchasing levels, implement product promotion programs, introduce new products and enhanced service offerings, secure additional customer orders and handle inquiries related to post-sales support including social media monitoring. Unique service offerings are tailored to meet the specific needs of consumers.

Provisioning and Order Processing. Our suite of order processing services ranges from enterprise level large-scale project management to direct-to-consumer order processing. Complex order processing services provide clients with large-scale project management and direct relationship management for their large enterprise customers. These services include full life cycle order management and technical sales support for high-end telecommunications services, such as wire line, wireless, data and customer premise equipment. In addition, we process order fallout from our clients' automated systems, complete billing review and revenue recovery and perform quality assurance. Direct-to-consumer services include provisioning, order processing and transfer of accounts between client service providers.

Receivables Management. We provide first and third party collections services directly for our clients. We provide these services for our clients in the telecommunication, cable and media and healthcare industries. Our Brand Warriors help our clients reduce bad debt write-offs and recover past due balances in an efficient, compliant and empathetic manner, which promotes and protects our clients' brand and helps them retain customers.

Healthcare Services. Healthcare services focus on four major segments of the market: providers, payers, pharmaceutical and medical devices. Our service offerings include customer care, sales support, accounts receivable management, remote patient care and medical triage. Our healthcare professionals include licensed RN's who support patients and doctors with their healthcare service needs.

Up-sell and Cross-sell Programs. Whether providing direct response services for marketing campaigns or enabling companies to test new offerings with existing customers, the Company is an expert at converting opportunities to sales. Companies invest time and money to develop up-sell and cross-sell opportunities with their customers and we consistently outsell other internal and external providers.

Our goal is to provide higher conversion rates and improve the average revenue per sale. We select managers and representatives who not only have a sales mentality, but are dedicated to helping customers. We utilize a proven sales training methodology that all sales and service representatives employ and they are supported by dedicated management teams. By working with our clients and providing a true sales team culture, we are able to achieve superior results.

Customer Intelligence Analytics. Our suite of customer intelligence solutions provides clients with insights and actionable information at every stage of the customer lifecycle. We map the journey and assess the customer experience to design the ideal engagement model. We also select and train our Brand Warriors, applying proven principles of dialogue across engagement specialists and channels to analyze conversations, quality management and customer satisfaction. Additional services include Customer Lifetime Value modeling, Forecast modeling, Customer Segmentation and Profiling, Text Analytics, and Operational modeling.

Additional Services. We provide other industry-specific processes, including training curriculum development, workforce management, customer analytics, quality monitoring services, and dispositions. These services include technology enabled and human interactions. Our Solutions Team engages with clients to understand their specific goals and anticipate the needs of their customers. By leveraging the StarTek Advantage System, the Team customizes solutions to meet clients' goals.

Customer Trends

Our clients are increasingly focused on improving customer engagement and reducing total overall cost of ownership. The Company delivers a high level of customer satisfaction, as evidenced by our clients' customer service awards and our ranking relative to other outsourced partners. Our clients also value a combination of onshore, nearshore, and offshore delivery platforms to optimize customer support costs.

Clients are also trying to decrease the number of contacts it takes for their customers to enjoy their products or services as well as increasing the channel options that are available. Process improvement and a push for more omni-channel solutions have driven further efficiencies for resolution of those contact issues. We are committed to delivering solutions through which we partner with our clients to achieve and deliver these efficiency gains. We believe we are positioned to benefit from this trend as we have developed a comprehensive suite of services and multi-channel solutions that will drive continuous improvement and customer experience on front and back-office transactions.

Key Competitive Differentiators

StarTek Advantage System. Our culture, “Customer Engagement” Operating Platform and custom solutions for every client program combined with our continuous improvement process is the sum total of our StarTek Advantage System. The StarTek Advantage System empowers and enables our leaders to constantly look for new ways to deliver consistent execution of operational results while meeting and/or exceeding our clients’ current and future critical business requirements.

The Company’s culture is built on trust and servant leadership. Servant leadership puts the employees first and leads with a focus on solving problems and promoting personal development. We are a gathering of like-minded professionals determined to make a positive impact for our employees, our clients and our stakeholders.

The Company’s “Customer Engagement” Operating Platform provides the core processes that allow us to be consistent in our service offering across sites and geographies. It includes execution and innovation in every area of the operation including on-

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boarding and enabling employees, executing against goals, evaluating and improving performance, and enhancing the total experience of our clients' customers.

The Company deploys solutions that leverage what we know, what we have learned from experience across a breadth of clients and industries, and what we hear and understand from the market and most importantly our clients. We will deliver the right people with the right leadership enabled by the right technology and empowered by the right tools to make a meaningful impact on each and every one of our clients' businesses. Our customer engagement philosophy offers a solution for improving customer interactions and, subsequently, customer satisfaction. We have developed a unique methodology for training and measuring how we can better engage with customers to improve the customer experience.

We offer a variety of customer engagement management solutions that provide front-to-back-office capabilities utilizing the right delivery platform including onshore, nearshore, and offshore alternatives. We also offer multi-channel customer interactions, including voice, chat, email and social media. We believe that we are differentiated by our client-centric culture, operational flexibility, customer engagement methodology, insights and analytics capabilities, added-value approach and most importantly, the quality of execution and results.

Customization. The Company is passionate about our client's current and future objectives. Our solution configuration is aligned with our clients' unique requirements but more importantly, the desired outcomes they are looking for on optimizing customer satisfaction and retention. We are flexible and keenly aware that designing solutions around clients' strategic goals is critical. Not only do we provide experienced management teams that bring together a trained, productive workforce, equipped with the right tools and technology, we provide front and back end analytics to develop the right solution and proprietary quality assurance tools that ensure a "closed loop" improvement cycle that is easy to measure and manage.

Consistent Performance. Performance is core to the StarTek Operating Platform. Our clients expect consistent performance against the fundamentals of the business no matter the location or method of the service delivery. The operating platform sets the stage for us to drive continuous improvement and focus on the added-value aspects of our clients' businesses.

Cost Competitive. We are confident in our ability to be cost competitive with solutions that meet our clients' needs. Through clearly understanding their needs and striving to reach goal congruency, we can assure that our collective financial goals are aligned in the most efficient way.

Strategy

The Company views successful outsourcing partnerships as those that strike a balance by delivering a better customer experience to clients through an efficient, effective and ever improving support model while generating a fair return for our stakeholders. The StarTek Advantage System and Brand Warrior mindset is behind everything we do. Our managers and customer engagement specialists all have a StarTek Brand Warrior mindset, because they are on the front lines for our clients' brands and have the opportunity to create and improve loyalty for our clients' products and services each and every day. Our mission is to return value to our stakeholders by promoting and protecting our clients' brands by enabling and empowering us, as Brand Warriors, through servant leadership. Our clients' business objectives become our business objectives, as we seek to become their trusted partner. Every day, we strive to better understand our clients' markets and competitive challenges so that we can play a more effective role as trusted partner and success driver in their businesses. We seek to build customer loyalty and reduce clients' costs through specific actionable continuous improvement efforts in all areas. We believe that empowering and enabling our engagement center management and front line employees is the most important way we can deliver the best possible consistent customer experience. The Company's leadership team is committed to driving year-over-year continuous improvement and constantly striving for the success of our clients' businesses.

We seek to become the trusted partner to our clients and provide meaningful customer engagement BPO services. Our approach is to develop relationships with our clients that are truly collaborative in nature where we are focused, flexible and proactive to their business needs. The end result is the delivery of the highest quality customer experience to our clients' customers. To achieve sustainable, predictable, profitable growth, our strategy is to:

- grow our existing client base by deepening and broadening our relationships
- diversify our client base by adding new clients and verticals
- improve our market position by becoming the leader in customer engagement services
 - improve profitability through operational improvements, increased utilization and higher margin accounts

expand our global delivery platform to meet our clients' needs and

broaden our service offerings through more innovative, technology-enabled and added-value solutions.

We have made a number of strategic acquisitions in the past few years that have enabled us to expand the scope of our service offerings while also bringing expertise to a wider range of verticals. This has driven improvement in revenue diversity, and provided the potential for increased revenue from new high-growth verticals such as financial services, retail and healthcare.

During 2015, the Company acquired Accent Marketing Services, L.L.C. (“ACCENT”), a business process outsourcing company with a business model that focuses on data, analytics, and interaction with customers and their constituents to provide excellent service. ACCENT's business model and attention to customer engagement provides an excellent complement to the Company's Ideal Dialogue practice. Additionally, the acquisition of ACCENT expands our footprint into Jamaica and enhances our flexibility in meeting customer demands, including more use of internet-based customer service delivery.

History of the Business

The Company was founded in 1987. At that time, our business was centered on supply chain management services, which included packaging, fulfillment, marketing support and logistics services. After our initial public offering on June 19, 1997, we continued to focus on operating customer care contact centers and grew to include our current suite of offerings as described in the “—Business Overview” section of this proxy statement.

Seasonality

Our business can be seasonal, dependent on our clients' marketing programs and product launches, which are often geared toward the end of summer and the winter holiday buying season. Healthcare and Educational clients also have some seasonal demands which are somewhat counter to retail.

Industry

The worldwide outsourced customer care services industry is now projected to be over \$70 billion and growing at over 5% per year. Over the past several years, the number of companies handling their own customer care requirements has continued to decrease. Clients are recognizing the value and expertise that can be found by outsourcing activities, such as those we provide. Outsourcing allows them to focus on core competencies, leverage economies of scale and control variable costs of their business while accessing new technology and expert personnel. We believe outsourced service providers, including ourselves, will continue to benefit from these outsourcing trends. The industry continues to be very fragmented with the five largest competitors combined capturing less than 20% of the global market.

Competition

We compete with a number of companies that provide similar services on an outsourced basis, including business process outsourcing companies such as Teleperformance, Convergys Corporation, Transcom, Sitel Corporation, Sykes Enterprises, Incorporated, TeleTech Holdings, Inc. and Alorica. Many of these competitors are significantly larger than us in revenue, income, number of contact centers and customer service agents, number of product offerings and market capitalization. We believe that while smaller than many of our competitors, we are able to compete because of our focus and scale as well as our ability to add value to our clients' business. We believe our success is contingent more on our targeted service offering and performance delivery to our clients than our overall size. Several of our

competitors merged during recent years, which may affect our competitive position. There are also many companies actively pursuing sales, indicating further consolidation in the industry is likely. There are integration challenges involved in consolidations, which may provide us with an opportunity to deliver superior customer service to existing and new clients. We have maintained an opportunistic view of acquisitions, primarily focused on diversification and value in line with our strategic plan.

Some competitors offer a broader range of services than we do, which may result in clients and potential clients consolidating their use of outsourced services with larger competitors, rather than using our services. We primarily compete with the aforementioned companies on the basis of price and quality. As such, our strategy is to execute the StarTek Advantage System on our clients' metrics and rank among the top of all of their outsourced vendors, while continuing to be a cost-effective solution and driving year over year improvement. We view our competitive advantage as being a large enough company to offer the breadth of service offerings that are often requested by clients while being agile enough to respond quickly to their needs.

Clients

We provide service to clients from locations in the United States, Canada, Honduras, Jamaica, and the Philippines. Approximately 51% of our revenue is derived from clients within the telecommunications industry and 22% from clients within the cable and media industry. These percentages have decreased slightly from the previous year as we continue to focus on diversifying the industries that we serve by targeting sales efforts to verticals such as technology, retail or ecommerce, financial services, education, and healthcare.

Our three largest customers, T-Mobile USA, Inc., Sprint / United Management Co. (“Sprint”), and AT&T Inc., account for a significant percentage of our revenue. While we believe that we have good relationships with these clients, a loss of a large program from one of these clients, a significant reduction in the amount of business we receive from a principal client, renegotiation of pricing on several programs simultaneously for one of these clients, the delay or termination of a principal client's product launch or service offering, or the complete loss of one or more of these principal clients would adversely affect our business and our results of operations.

We enter into master service agreements (MSAs) that cover all of our work for each client. These MSAs are typically multi-year contracts that include auto-renewal provisions. They typically do not include contractual minimum volumes and are generally terminable by the customer without penalty upon prior written notice.

Government and Environmental Regulation

We are subject to numerous federal, state, and local laws in the states and territories in which we operate, including tax, employment, environmental and other laws that govern the way we conduct our business. There are risks inherent in conducting business internationally, including significant changes in domestic government programs, policies, regulatory requirements, and taxation with respect to foreign operations unexpected changes in foreign government programs, policies, regulatory requirements and labor laws and difficulties in staffing and effectively managing foreign operations.

Employees

As of December 31, 2017, we employed approximately 13,300 employees. Approximately 4,700 were employed in the United States and approximately 8,600 were employees in foreign countries. None of our employees were members of a labor union or were covered by a collective bargaining agreement during 2017. We believe the overall relations with our workforce are good.

Properties

As of December 31, 2017, we had operating centers in the following cities, containing in the aggregate approximately 1,010,000 square feet:

Properties	Approximate Square Feet
Domestic:	
U.S. Facilities	
Bismarck, North Dakota	5,200
Colorado Springs, Colorado	41,000
Farmington, Missouri	33,800
Grand Junction, Colorado	54,500
Greeley, Colorado	35,000
Greenwood Village, Colorado (Headquarters)	13,300
Hamilton, Ohio	40,200
Hot Springs, Arkansas	38,800
Jeffersonville, Indiana	34,000
Lutz, Florida	6,300
Lynchburg, Virginia	41,300
Mansfield, Ohio	50,000
Myrtle Beach, South Carolina	54,500
San Antonio, Texas	35,700
Canadian Facilities	
Kingston, Ontario	49,000
Offshore:	
Philippine Facilities	
Angeles City, Philippines	62,200
Frontera Verde, Philippines	93,400
Iloilo, Philippines	96,400
Makati City, Philippines	99,690
Nearshore:	
Honduras Facilities	
San Pedro Sula, Honduras	65,200
Tegucigalpa, Honduras	34,800
Jamaican Facility	
Kingston, Jamaica	25,300

All the above facilities are leased. Sites that are not currently operating as of December 31, 2017 are not included in the list above.

Substantially all of our facility space can be used to support any of our business process outsourced services. We believe our existing facilities are adequate for our current operations. We intend to maintain efficient levels of excess capacity to enable us to readily provide for needs of new clients and increasing needs of existing clients.

Legal Proceedings

There are no legal proceedings pending which we consider to be material.

Corporate Information

Our principal executive offices are located at 8200 East Maplewood Ave., Suite 100, Greenwood Village, CO 80111. Our telephone number is (303) 262-4500. Our website address is www.startek.com. Our stock currently trades on the NYSE under the symbol SRT. Copies of 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) and 15(d) of the Exchange Act are available free of charge through our website (www.startek.com) as soon as practicable after we furnish it to the SEC. We also make available on the “Investor Relations” page of our corporate website, the charters for the Compensation Committee, Audit Committee and Governance and Nominating Committee of our Board, as well as our Corporate Governance Guidelines and our Code of Ethics and Business Conduct.

None of the information on our website or any other website identified herein is part of this report. All website addresses in this report are intended to be inactive textual references only.

STARTEK MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The following discussion and analysis of the results of operations and financial condition should be read in conjunction with the accompanying Consolidated Financial Statements included elsewhere in this proxy statement.

Overview

The Company is a business process outsourcing services company with employees we call Brand Warriors who, for over 30 years, have been committed to making a positive impact on our clients’ business results. Our mission is to enable and empower our Brand Warriors to promote our clients’ brands every day and bring value to our stakeholders. We accomplish this by aligning with our clients’ business objectives.

The Company has proven results for the multiple services we provide, including sales, order management and provisioning, customer care, technical support, receivables management, and retention programs. We manage programs using a variety of multi-channel customer interactions, including voice, chat, email, social media and back-office support. The Company has facilities in Canada, Honduras, Jamaica, United States, and the Philippines.

We operate our business within three reportable segments, based on the geographic regions in which our services are rendered: Domestic, Nearshore and Offshore. For the year-ended December 31, 2017, our Domestic segment included the operations of thirteen facilities in the U.S. and one facility in Canada. Our Nearshore segment included the operations of two facilities in Honduras and one facility in Jamaica. Our Offshore segment included the operations of four facilities in the Philippines.

We primarily evaluate segment operating performance in each reporting segment based on revenue and gross profit. Certain operating expenses are not allocated to each reporting segment therefore, we do not present income statement information by reporting segment below the gross profit level.

Significant Developments

New Facilities. In November 2017, we commenced operations in San Antonio, Texas. We entered into a one year sublease for the fully furnished facility. In January 2018, we entered into a lease agreement for a new facility in Kingston, Jamaica.

Site Closures. In June 2017, we ceased operations in Tell City, Indiana. Accordingly, we recorded a restructuring reserve of \$0.4 million for employee-related and facility-related costs. The restructuring plan will be completed in second quarter 2018.

In January 2018, we made the decision to discontinue our operation in Colorado Springs, Colorado. We vacated the facility in March.

Amazon Agreement

On January 23, 2018, we and Amazon entered into a transaction agreement, pursuant to which we issued to NV Investment, a wholly owned subsidiary of Amazon, a warrant to acquire up to 4,000,000 shares of our common stock, subject to certain vesting events. We and Amazon entered into the transaction agreement in connection with existing commercial arrangements pursuant to which we provide and will continue to provide commercial services to Amazon. The vesting of the Amazon Warrant

Shares is linked to payments made by Amazon or its affiliates (directly or indirectly through third parties) pursuant to the existing commercial arrangements, with full vesting tied to Amazon's payment of up to \$600 million to us in connection with Amazon's receipt of commercial services from us.

Aegis Transaction Agreement

On March 14, 2018, we entered into the Transaction Agreement with Aegis and Aegis Stockholder pursuant to which we, Aegis and the Aegis Stockholder agreed to, among other things: (1) the sale of all the outstanding capital stock of Aegis by the Aegis Stockholder to us (2) the issuance of 20,600,000 shares, as may be adjusted for stock splits, consolidation and other similar corporate events, of our common stock in consideration of such sale (3) the amendment of our Restated Certificate of Incorporation, as amended from time to time, in order to effect such issuance and the other transactions contemplated by the Transaction Agreement and (4) in addition to the transactions set forth above, the purchase at the closing of additional shares of our common stock by the Aegis Stockholder, for \$10 million at a price of \$12 per share, subject to adjustment as set forth in the Transaction Agreement.

Immediately following the consummation of the transactions contemplated by the Transaction Agreement, Aegis will become a wholly-owned subsidiary of us and the Aegis Stockholder will hold approximately 55% of our outstanding common stock. We, Aegis and the Aegis Stockholder have each agreed to customary representations, warranties and covenants in the Transaction Agreement and the transactions contemplated by the Transaction Agreement are subject to specified closing conditions.

Notice of Client Termination

On March 9, 2018, we received an unsigned letter from Sprint purporting to notify us that they would be eliminating all business with us by June 29, 2018, unless mutually agreed otherwise by the parties. The unsigned letter is not effective notice under the terms of the contract between the parties and we remain in discussions with Sprint regarding termination and exit.

Variability of Operating Results

We have experienced and expect to continue to experience some quarterly variations in revenue and operating results due to a variety of factors, many of which are outside our control, including: (i) timing and amount of costs incurred to expand capacity in order to provide for volume growth from existing and future clients (ii) changes in the volume of services provided to principal clients (iii) expiration or termination of client projects or contracts (iv) timing of existing and future client product launches or service offerings (v) seasonal nature of certain clients' businesses and (vi) variability in demand for our services by our clients depending on demand for their products or services and/or depending on our performance.

RESULTS OF OPERATIONS - THREE MONTHS ENDED MARCH 31, 2018 AND 2017

The following table summarizes our revenues and gross profit for the periods indicated by reporting segment:

	For the Three Months Ended March 31,					
	2018		2017			
	(in 000s)	(% of Total)	(in 000s)	(% of Total)		
Domestic:						
Revenue	\$41,587	62.4	%	\$44,363	57.1	%
Gross profit	\$2,527	31.8	%	\$1,509	15.1	%
Gross profit %*	6.1	%		3.4	%	
Offshore:						
Revenue	\$18,166	27.3	%	\$21,123	27.2	%
Gross profit	\$5,296	66.5	%	\$6,175	61.7	%
Gross profit %*	29.2	%		29.2	%	
Nearshore:						
Revenue	\$9,361	14.1	%	\$12,166	15.7	%
Gross profit	\$135	1.7	%	\$2,330	23.3	%
Gross profit %*	1.4	%		19.2	%	
Company Total:						
Gross Revenue	\$69,114	103.8	%	\$77,652	100.0	%
Contra Revenue Adjustment:						
Warrant Contra Revenue*	\$(2,500)	(3.8)	) %	\$0	0	%
Gross profit %*	(3.8)	) %		0	%	
Company Total:						
Net Revenue	\$66,614	100.0	%	\$77,652	100.0	%
Gross Profit	\$5,458	100.0	%	\$10,014	100.0	%
Gross profit %*	8.2	%		12.9	%	

* We did not allocate warrant contra revenue related to the Amazon agreement to the reportable segments. Allocation to reportable segments would have resulted in distortion of the gross margins of the segments. Accordingly, gross profit percentages are calculated using net revenue.

Revenue

Gross revenue decreased by \$8.5 million, from \$77.7 million to \$69.1 million in the first quarter of 2018. The decrease was due to \$11.3 million related to the Company's margin improvement initiative, \$1.4 million in lost programs and \$5.0 million of volume softness in the communications vertical offset by \$9.2 million of net growth from new and existing clients including a government services program and strong growth in the cable, retail, and healthcare verticals. The Domestic segment decrease of \$2.8 million was due to \$10.7 million of volume reductions from the Company's margin improvement initiative, \$1.0 million in lost programs, partially offset by \$8.9 million of net growth from new and existing clients. Offshore revenues decreased by \$3.0 million due to \$2.6 million of net volume reduction from new and existing clients with the reduction primarily in the wireless communications vertical, \$0.1 million of lost programs and \$0.3 million in reductions related to the Company's margin improvement initiative. The decrease in the Nearshore segment of \$2.8 million was due to \$2.2 million of net volume reduction from new and existing clients primarily in the wireless communications vertical, \$0.3 million of lost programs and \$0.3 million in reductions related to the Company's margin improvement initiative.

Gross profit

Gross profit as a percentage of net revenue decreased by 4.7% primarily due to the gross profit adjustment for the warrants issued upon execution of the Amazon agreement in January 2018. Domestic gross profit as a percentage of revenue increased to 6.1% in 2018 from 3.4% in 2017 primarily due to growth from new and existing clients, and the realized gains from the margin improvement initiative. The Offshore gross margin remained steady at 29.2%. The Nearshore decrease to 1.4% in 2018 from 19.2% in 2017 was primarily due to volume reductions from existing customers primarily in the wireless communications vertical, non-billable ramp training related to a new customer, and delays related to ramping additional new programs.

Selling, general and administrative expenses

Selling, general and administrative expenses increased by \$0.7 million during the first quarter of 2018 compared to the prior year. The increase was primarily due to increased selling expenses. Such expenses as a percentage of gross revenue increased to 12.4% from 10.2% year over year.

Transaction related fees

Expenses totaling \$1.9 million were incurred during the first quarter of 2018 for fees and expenses related to the Aegis and Amazon transactions.

Impairment Losses and Restructuring Charges

During the first quarter of 2018, we recognized impairment losses of \$3.4 million. We closed our facility in Colorado Springs, Colorado, resulting in an impairment loss of \$1.1 million related to the disposal of certain assets. Additionally, we notified our RN's on Call clients that we would no longer be providing service after March 2018, resulting in an impairment loss of \$0.2 million for write-off of the customer relationship intangible asset related to this line of business. We also received notice from a large client in the first quarter of 2018 that they intended to terminate their business with us as of the end of second quarter 2018. This resulted in an impairment loss of \$2.1 million for the write-off of the customer relationship intangible asset related to the client. We did not incur any impairment losses in the first quarter of 2017.

Restructuring charges totaled \$1.1 million for the three months ended March 31, 2018. This is comprised of \$0.4 million for the closure of the Colorado Springs, Colorado facility; a total of \$0.5 million related to the elimination of certain positions at various locations under a company wide restructuring plan; and charges of \$0.2 million resulting from early termination of a portion of the lease on one of our Offshore locations. There were no restructuring charges during the three months ended March 31, 2017.

Interest and other income (expense), net

Interest and other income (expense), net for the three months ended March 31, 2018 and 2017 of approximately (\$0.4) million each quarter primarily consists of interest expense associated with our line of credit, capital leases, and notes payable.

Income tax expense (benefit)

Income tax expense during the first three months of 2018 was \$0.1 million, primarily related to our Canadian operations. Income tax benefit was (\$28) thousand in the first three months of 2017. We have tax holidays in Honduras and Jamaica, and for certain facilities in the Philippines.

RESULTS OF OPERATIONS - YEARS ENDED DECEMBER 31, 2017 AND 2016

The following table summarizes our revenues and gross profit for the periods indicated, by reporting segment:

	For the Years Ended December 31,					
	2017		2016			
	(in 000s)	(% of Total)	(in 000s)	(% of Total)		
Domestic:						
Revenue	\$ 171,188	58.5	%	\$ 186,061	60.6	%
Cost of services	163,859	63.0	%	173,669	64.1	%
Gross profit	\$ 7,329	22.6	%	\$ 12,392	34.0	%
Gross profit %	4.3	%		6.7	%	
Offshore						
Revenue	77,074	26.3	%	76,868	25.0	%
Cost of services	58,281	22.4	%	60,261	22.3	%
Gross profit	\$ 18,793	58.1	%	\$ 16,607	45.6	%
Gross profit %	24.4	%		21.6	%	
Nearshore						
Revenue	44,342	15.2	%	44,271	14.4	%
Cost of services	38,102	14.6	%	36,849	13.6	%
Gross profit	\$ 6,240	19.3	%	\$ 7,422	20.4	%
Gross profit %	14.1	%		16.8	%	
Company Total:						
Revenue	\$ 292,604	100.0	%	\$ 307,200	100.0	%
Cost of services	260,242	100.0	%	270,779	100.0	%
Gross profit	\$ 32,362	100.0	%	\$ 36,421	100.0	%
Gross profit %	11.1	%		11.9	%	

Revenue

Revenue decreased by \$14.6 million, or 4.8%, from \$307.2 million in 2016 to \$292.6 million in 2017. The decrease was due to \$34.8 million in reductions related to the Company's margin improvement initiative and the related temporary decline in production billings, and \$8.0 million in lost programs, partially offset by \$28.2 million net growth from new and existing clients. The Domestic segment decrease of \$14.9 million was due to \$27.8 million in reductions from the Company's margin improvement initiative and \$5.9 million of lost programs, partially offset by \$18.8 million net growth from new and existing clients. Offshore revenues increased by \$0.2 million due to \$5.9 million of growth from new and existing clients, partially offset by \$5.1 million in reductions related to the Company's margin improvement initiative and \$0.6 million of lost programs. The increase in the Nearshore segment of \$0.1 million was due to \$3.4 million growth from new and existing clients, partially offset by \$1.9 million in reductions related to the Company's margin improvement initiative and \$1.4 million of lost programs.

Cost of Services and Gross Profit

Gross profit as a percentage of revenue decreased 0.8%, primarily due to the Company's margin improvement initiative with flat fixed costs and the related temporary decline in production billings. Domestic gross profit as a percentage of revenue decreased to 4.3% in 2017 from 6.7% in 2016 primarily due to the Company's margin improvement initiative and the related temporary decline in production billings. The Offshore increase of 2.8% was primarily due to increased volumes and the resulting increase in capacity utilization, and the Company's margin improvement initiative resulting in a greater concentration of higher margin clients. Nearshore gross profit as a

percentage of revenue decreased 2.7%, due to the Company's margin improvement initiative and the related temporary decline in production billings, primarily relating to the business mix within existing clients during this transition.

Selling, General and Administrative Expenses

Selling, general and administrative expenses were 11.1% and 10.8% of revenue for the years ended December 31, 2017 and 2016, respectively. The percentage increase was primarily due to the decrease in revenue year over year, while the decrease of \$0.6 million was driven primarily by lower payroll-related expenses.

Impairment Losses and Restructuring Charges, Net

During 2017 and 2016, we recognized \$0.1 million and \$0.2 million, respectively, in impairment losses in our Domestic and Nearshore segments associated with closure of a facility and the impairment of certain assets after an analysis indicated estimated future cash flows were insufficient to support the carrying values.

Restructuring charges totaled \$0.4 million for the year ended December 31, 2017, which primarily consisted of costs related to a site closure in the Domestic segment.

Interest and Other Income (Expense), Net

Interest and other income (expense), net for 2017 was (\$1.0) million, which consists primarily of (\$1.6) million of interest expense on our revolving line of credit and other debt, offset by a recovery of \$0.5 million during the second quarter.

Income Tax Expense (Benefit)

Income tax benefit for 2017 was (\$0.4) million, compared to \$0.7 million of expense in 2016. Income tax benefit in 2017 is primarily related to the Tax Reform Act affecting our U.S. operations, offset by income tax expense primarily related to our Canadian operations. The Tax Reform Act, signed into law on December 22, 2017, makes significant modifications to U.S. federal income tax laws including reducing the corporate tax rate to 21 percent starting January 1, 2018 and transitioning the U.S. to a territorial tax regime. Consequently, we recorded an adjustment to the Company's deferred tax liability and a corresponding net adjustment to deferred income tax (benefit) for the year ended December 31, 2017. Our U.S. operations have a valuation allowance recorded on deferred tax assets and we have tax holidays in Honduras, Jamaica, and for certain facilities in the Philippines. For more information, refer to Note 13, "Income Taxes" to our Consolidated Financial Statements, beginning on page F - 1 - 22.

Net Income / Loss

As a result of the factors described above, the net loss was \$1.3 million for the year ended December 31, 2017, compared to net income of \$0.4 million for the year ended December 31, 2016.

RESULTS OF OPERATIONS - YEARS ENDED DECEMBER 31, 2016 AND 2015

	For the Years Ended December 31,					
	2016		2015			
	(in 000s)	(% of Total)	(in 000s)	(% of Total)		
Domestic:						
Revenue	\$ 186,061	60.6 %	\$ 169,945	60.2 %		
Cost of services	173,669	64.1 %	158,331	61.4 %		
Gross profit	\$ 12,392	34.0 %	\$ 11,614	47.8 %		
Gross profit %	6.7 %		6.8 %			
Offshore						
Revenue	76,868	25.0 %	72,914	25.8 %		
Cost of services	60,261	22.3 %	66,242	25.7 %		
Gross profit	\$ 16,607	45.6 %	\$ 6,672	27.5 %		
Gross profit %	21.6 %		9.2 %			
Nearshore						
Revenue	44,271	14.4 %	39,275	13.9 %		
Cost of services	36,849	13.6 %	33,257	12.9 %		
Gross profit	\$ 7,422	20.4 %	\$ 6,018	24.8 %		
Gross profit %	16.8 %		15.3 %			
Company Total:						
Revenue	\$ 307,200	100.0 %	\$ 282,134	100.0 %		
Cost of services	270,779	100.0 %	257,830	100.0 %		
Gross profit	\$ 36,421	100.0 %	\$ 24,304	100.0 %		
Gross profit %	11.9 %		8.6 %			

Revenue

Revenue increased by \$25.1 million, or 8.9%, from \$282.1 million in 2015 to \$307.2 million in 2016. This includes ACCENT revenue of \$28.0 million and \$20.8 million of new business and growth from existing clients, partially offset by \$23.7 million of lost programs. The Domestic segment increase of \$16.1 million was due to \$24.5 million from the acquisition of ACCENT and \$11.0 million of new business and growth from existing clients, partially offset by \$19.4 million of lost programs. Offshore revenues increased by \$4.0 million due to \$6.2 million of growth from existing and new clients, partially offset by \$2.2 million of lost programs. The increase in the Nearshore segment of \$5.0 million was due to \$3.5 million from the acquisition of ACCENT and \$4.3 million of growth from existing and new clients, partially offset by \$2.8 million of lost revenue.

Cost of Services and Gross Profit

Gross profit as a percentage of revenue increased 3.3%, primarily due to the benefit of ongoing contract optimization efforts and increased capacity utilization. Domestic gross profit as a percentage of revenue remained steady at 6.7% in 2016 compared to 6.8% in 2015. The Offshore increase of 12.4% was primarily due to an increase in capacity utilization. Nearshore gross profit as a percentage of revenue increased 1.5%, due to continuing increased capacity utilization.

Selling, General and Administrative Expenses

Selling, general and administrative expenses were 10.8% and 12.2% of revenue for the years ended December 31, 2016 and 2015, respectively. The decrease was primarily due to the full year impact of synergies realized from recent acquisitions and continued expense management efforts.

Impairment Losses and Restructuring Charges, Net

During 2016 and 2015, we recognized \$0.2 million and \$0.3 million, respectively, in impairment losses in our Nearshore and Domestic segments associated with certain assets after an impairment analysis indicated estimated future cash flows were insufficient to support the carrying values. Restructuring charges totaled \$0.2 million for the year ended December 31, 2016, which primarily consisted of costs related to site closures in the Domestic and Nearshore segments.

Interest and Other Income (Expense), Net

Interest and other income (expense), net for 2016 was \$1.7 million of expense, which consists primarily of \$1.6 million of interest expense on our revolving line of credit and other debt.

Income Tax Expense

Income tax expense for 2016 was \$0.7 million, compared to \$0.5 million in 2015. 2016 income tax expense is related to the tax provisions for the U.S., Canada, and the Philippines. Our U.S. operations have a valuation allowance recorded on deferred tax assets and we have tax holidays in Honduras, Jamaica, and for certain facilities in the Philippines.

Net Income / Loss

As a result of the factors described above, net income was \$0.4 million for the year ended December 31, 2016, compared to a loss of \$15.6 million for the year ended December 31, 2015.

Liquidity and Capital Resources

Our primary sources of liquidity are cash flows generated by operating activities, available borrowings under our revolving credit facility, and factoring agreements for certain accounts receivable. We have historically utilized these resources to finance our operations and make capital expenditures associated with capacity expansion, upgrades of information technologies and service offerings, and business acquisitions. Due to the timing of our collections of receivables due from our major customers, we have historically needed to draw on the line of credit periodically for ongoing working capital needs. We believe our cash and cash equivalents, cash from operations and available credit will be sufficient to operate our business for the next twelve months.

As of March 31, 2018, working capital totaled \$34.0 million and the current ratio was 2.41:1, compared to working capital of \$32.2 million and a current ratio of 2.24:1 as of December 31, 2017. The increase in 2018 was primarily driven by the reduction in accrued liabilities.

We operate our treasury department from our headquarters office in Greenwood Village, Colorado. Our policy is to centralize and protect our global cash balances by holding balances in the US and primarily in U.S. dollar (“USD”). We fund our operating subsidiaries as payments are due and attempt to minimize subsidiary cash balances to the extent possible. We are exposed to foreign currency exchange fluctuations in the foreign countries in which we operate. We enter into foreign currency exchange contracts to mitigate these risks where possible. Please refer to “—Quantitative and Qualitative Disclosures About Market Risk,” for more information.

The following discussion highlights our cash flow activities during the years ended December 31, 2017, 2016 and 2015.

Cash and cash equivalents

Cash and cash equivalents held by the Company's foreign subsidiaries were \$1.4 million and \$1.0 million at December 31, 2017 and 2016, respectively. Under tax laws and regulations in effect prior to the Tax Reform Act, if cash and cash equivalents held outside the United States were distributed to the United States in the form of dividends or otherwise, we may have been subject to additional U.S. income taxes and foreign withholding taxes. Under the Tax Reform Act, our accumulated untaxed foreign earnings were deemed repatriated as of the end of 2017 and were subject to U.S. taxes.

Cash and cash equivalents were \$1.5 million at December 31, 2017, compared to a balance of \$1.0 million at December 31, 2016.

Cash flows from operating activities

Net cash (used in) provided by operating activities for the three months ended March 31, 2018 was (\$3.6) million, compared to \$7.2 million for the three months ended March 31, 2017, primarily due to a net loss in first quarter 2018 compared to net income in first quarter 2017. For the years 2017, 2016 and 2015 we reported net cash flows from operating activities of \$15.5 million, \$10.9 million and \$(4.6) million, respectively. The increase from 2016 to 2017 was driven primarily by an increase in cash flows related to net changes in operating assets and liabilities, offset by decreases in net income and non-cash items. Cash flows from operating activities can vary significantly from year to year depending upon the timing of operating cash receipts and payments, especially accounts receivable and accounts payable.

Cash flows used in investing activities

Net cash used in investing activities for the three months ended March 31, 2018 of \$1.9 million consisted of capital expenditures. This compares to net cash used in investing activities for the three months ended March 31, 2017 of \$0.8 million, which primarily consisted of capital expenditures of \$1.1 million, offset by \$0.3 million related to proceeds from asset sales.

For the years 2017, 2016 and 2015 we reported net cash outflows from investing activities of \$(6.8) million, \$(4.6) million and \$(25.0) million, respectively. Net cash used in investing activities of \$(6.8) million in 2017 primarily consisted of \$7.2 million of capital expenditures partially offset by the proceeds from the sale of assets of \$0.4 million. In 2016, we paid \$0.8 million for acquisitions and \$3.8 million for capital expenditures. In 2015, we paid \$18.3 million for acquisitions and \$7.7 million for capital expenditures and we sold assets for proceeds of \$1.0 million.

Cash flows from (used in) financing activities

Net cash (used in) provided by financing activities for the three months ended March 31, 2018 of \$5.1 million primarily consisted of \$5.6 million drawn from our line of credit offset by \$0.7 million of principal payments on debt. Net cash used in financing activities for the three months ended March 31, 2017 of \$6.1 million consisted of \$5.3 million used to pay down our line of credit and \$0.9 million of principal payments on debt. For the years 2017, 2016 and 2015 we reported net cash flows from (used in) financing activities of \$(8.8) million, \$(8.8) million and \$26.5 million respectively. In 2017 we paid down \$6.9 million on our line of credit and \$2.9 million on other financing arrangements, in addition to collecting \$1.0 million from the issuance of stock. In 2016, we paid down \$6.2 million on our line of credit and \$3.1 million on other financing arrangements, in addition to collecting \$0.4 million from the issuance of stock. In 2015, we borrowed an additional \$27.6 million on our line of credit primarily to fund the acquisition and integration of ACCENT, paid down \$2.0 million on other financing arrangements and collected \$0.9 million from the issuance of stock.

Other factors impacting liquidity

Our business currently has a high concentration in a few principal clients. The loss of a principal client and/or changes in timing or termination of a principal client's product launches or service offerings could have a material adverse effect on our business, liquidity, operating results, or financial condition. These client relationships are further discussed in Note 6. "Principal Clients," to our Consolidated Financial Statements. To limit our credit risk, management from time to time will perform credit evaluations of our clients. Although we are directly impacted by the economic conditions in which our clients operate, Management does not believe substantial credit risk existed as of December 31, 2017.

There is a risk that the counterparties to our hedging instruments could suffer financial difficulties due to economic conditions or other reasons and we could realize losses on these arrangements which could impact our liquidity.

However, we do not believe we are exposed to more than a nominal amount of credit risk in our derivative hedging activities, as the counterparties are established, well-capitalized financial institutions.

Because we service relatively few, large clients, the availability of cash is highly dependent on the timing of collections of our accounts receivable. As a result, we borrow cash from our line of credit facility to cover short-term cash needs. These borrowings are typically outstanding for a short period of time before they are repaid. However, our debt balance can fluctuate significantly during any given quarter as part of our ordinary course of business. Accordingly, our debt balance at the end of any given period is not necessarily indicative of the debt balance at any other time during that period.

We have entered into factoring agreements with financial institutions to sell certain of our accounts receivable under non-recourse agreements. These transactions are accounted for as a reduction in accounts receivable because the agreements transfer effective control over and risk related to the receivables to the buyers. We do not service any factored accounts after the factoring has occurred. We utilize factoring arrangements as part of our financing for working capital. The aggregate gross amount factored under these agreements was \$82,690, \$51,684 and \$33,980 for the years ended December 31, 2017, 2016 and

2015, respectively.

Although Management cannot accurately anticipate effects of domestic and foreign inflation on our operations, Management does not believe inflation has had a material adverse effect on our results of operations or financial condition. However, there is a risk that inflation could occur in certain countries in which we operate which could have an adverse effect on our financial results. We engage in hedging activities which may reduce this risk however, currency hedges do not, and will not, eliminate our exposure to foreign inflation.

Contractual Obligations

Other than operating leases for certain equipment, real estate and commitments to purchase goods and services in the future, in each case as reflected in the table below, we have no off-balance sheet transactions, unconditional purchase obligations or similar instruments and we are not guarantor of any other entities' debt or other financial obligations. The following table presents a summary (in thousands), by period, of our future contractual obligations and payments as of December 31, 2017.

	2018	2019	2020	2021	2022	Thereafter	Total
Operating leases	\$11,228	\$7,561	\$4,335	\$2,985	\$2,610	\$ 3,689	\$32,408
Capital leases	2,134	2,049	487	—	—	—	4,670
Notes payable	566	566	330	—	—	—	1,462
Purchase obligations ⁽¹⁾	7,481	3,567	1,088	—	—	—	12,136
Line of Credit	546	546	19,260	—	—	—	20,352
Total contractual obligations	\$21,955	\$14,289	\$25,500	\$2,985	\$2,610	\$ 3,689	\$71,027

⁽¹⁾ Purchase obligations include commitments to purchase goods and services that in some cases may include provisions for cancellation.

Debt instruments and related covenants

On April 29, 2015, we entered into a secured revolving credit facility (“Credit Agreement”) with BMO Harris Bank N.A. (“Lender”). The Credit Agreement is effective through April 2020 and the amount we may borrow under the Credit Agreement is the lesser of the borrowing base calculation or \$50,000, and so long as no default has occurred and with the Administrative Agent’s consent, we may increase the maximum availability to \$70,000 in \$5,000 increments. We may request letters of credit under the Credit Agreement in an aggregate amount equal to the lesser of the borrowing base calculation (minus outstanding advances) and \$5,000. The borrowing base is generally defined as 85% of our eligible accounts receivable less certain reserves as defined in the Credit Agreement.

Our borrowings bear interest at the one-month London Inter-bank Offered Rate (“LIBOR”) plus 1.50% to 1.75%, depending on current availability. We will pay letter of credit fees equal to the applicable margin times the daily maximum amount available to be drawn under all letters of credit outstanding and a monthly unused fee at a rate per annum of 0.25% on the aggregate unused commitment under the Credit Agreement. As of December 31, 2017, outstanding letters of credit totaled \$893.

The Credit Agreement contains standard affirmative and negative covenants that may restrict or limit our ability to sell assets, incur additional indebtedness and engage in mergers and acquisitions. We are required to maintain a minimum consolidated fixed charge coverage ratio of 1.00 to 1.00 if a reporting trigger period commences.

On November 6, 2015, we entered into a second amendment to our Credit Agreement with the Lender. The amendment replaced the fixed charge coverage ratio with a Consolidated EBITDA covenant, modified the Consolidated EBITDA definition, and decreased the limits on future capital expenditures.

On January 20, 2016, we entered into a third amendment to our Credit Agreement with the Lender. The amendment established the Consolidated EBITDA covenants for each month of 2016 that apply if we cross the availability threshold in the Credit Agreement.

On March 28, 2017, we entered into a fourth amendment to our Credit Agreement with the Lender. The fourth amendment extends the term of the Credit Agreement until March 28, 2022 while also amending certain of the financial covenants as follows: 1) reduces the maximum consolidated fixed charge coverage ratio and 2) removes the monetary cap on non-financed capital expenditures for 2017 and each fiscal year thereafter during the term of the Credit Agreement. In addition, the

amendment removes the requirement that funds collected be automatically applied to our credit facility balance, unless a trigger event occurs. As a result, the balance sheet classification has been changed from short-term liabilities to long-term liabilities beginning in the first quarter of 2017.

As of December 31, 2017, we were in compliance with all debt covenants, and we had outstanding borrowings of \$19,078, and our remaining borrowing capacity was \$29,602.

Other Debt

From time to time, we enter into financing agreements such as notes payable and capital lease obligations, in order to facilitate the fit-out of new locations. The implied interest rates for these agreements range from 3% to 20% the terms range from five to seven years.

Critical Accounting Policies and Estimates

The preparation of consolidated financial statements requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. We base our accounting estimates on historical experience and other factors that we believe to be reasonable under the circumstances. Actual results could differ from those estimates.

We have discussed the development and selection of critical accounting policies and estimates with our Audit Committee. We believe that the following critical accounting policies involve our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Revenue Recognition

We invoice our business process outsourcing services clients monthly in arrears and recognize revenue for such services when completed. For substantially all of our contractual arrangements for business process outsourcing services, we recognize revenue based either on the billable hours or minutes of each customer service representative, at rates provided in the client contract, or on a rate-per-transaction basis. The contractual rates can fluctuate based on our performance against certain pre-determined criteria related to quality and performance. Additionally, some clients are contractually entitled to penalties when we are out of compliance with certain quality and/or performance obligations defined in the client contract. Such penalties are recorded as a reduction to revenue as incurred. As a general rule, our contracts are not multiple element contracts. We provide initial training to customer service representatives upon commencement of new contracts and recognize revenues for such training as the services are provided based upon the production rate (i.e., billable hours and rates related to the training services as stipulated in our contractual arrangements). Accordingly, the corresponding training costs, consisting primarily of labor and related expenses, are recognized as incurred. We have assessed the impact of ASU 2014-09 Revenue from Contracts with Customers (Topic 606) (“ASU 2014-09”) and have determined that our current revenue recognition process is in compliance with the ASU. Therefore, we do not anticipate any impact to our consolidated financial statements upon adoption on January 1, 2018. We will use the Modified Retrospective transition method of adoption for ASU 2014-09. We have determined that we will need to include information on disaggregated revenue, as well as additional detail related to performance obligations and information about the methods, inputs and assumptions used in recognizing revenue, in the disclosures to our consolidated financial statements beginning in the first quarter of 2018.

For more information, refer to Note 1, “Basis of Presentation and Summary of Significant Accounting Policies” to our Consolidated Financial Statements, attached hereto, beginning on page F - 1 - 8.

Fair Value of Financial Instruments

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities, which are required to be recorded at fair value, we consider the principal or most advantageous market in which we would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as inherent risk, transfer restrictions, and credit risk.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy requires that the Company maximize the use of observable inputs and minimize the use of unobservable inputs. The levels of the fair value hierarchy are described below:

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Level 1 - Quoted prices for identical instruments traded in active markets.

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3 - Unobservable inputs that cannot be supported by market activity and that are significant to the fair value of the asset or liability, such as the use of certain pricing models, discounted cash flow models and similar techniques that use significant assumptions. These unobservable inputs reflect our own estimates of assumptions that market participants would use in pricing the asset or liability.

When determining the fair value measurements for assets and liabilities required or permitted to be recorded at and/or marked to fair value, we consider the principal or most advantageous market in which it would transact and consider assumptions that market participants would use when pricing the asset or liability. When possible, we look to active and observable markets to price identical assets or liabilities. When identical assets and liabilities are not traded in active markets, we look to market observable data for similar assets and liabilities. Nevertheless, if certain assets and liabilities are not actively traded in observable markets, we must use alternative valuation techniques to derive a fair value measurement.

For more information, refer to Note 8, "Fair Value Measurements," to our Consolidated Financial Statements, attached hereto, beginning on page F - 1 - 18.

Impairment of Long-Lived Assets

We periodically, on at least an annual basis, evaluate potential impairments of our long-lived assets. In our annual evaluation or when we determine that the carrying value of a long-lived asset may not be recoverable based upon the existence of one or more indicators of impairment, we evaluate the projected undiscounted cash flows related to the assets. If these cash flows are less than the carrying values of the assets, we measure the impairment based on the excess of the carrying value of the long-lived asset over the long-lived asset's fair value. Our projections contain assumptions pertaining to anticipated levels of utilization and revenue that may or may not be under contract but are based on our experience and/or projections received from our customers. Refer to Note 4 "Impairment Losses and Restructuring Charges" for additional information on impairment of long-lived assets recognized during the years ended December 31, 2017, 2016 and 2015.

Impairment of Goodwill and Intangible Assets

Goodwill is recorded at fair value and not amortized, but is reviewed for impairment at least annually or more frequently if impairment indicators arise. Our goodwill is allocated by reporting unit and is evaluated for impairment by first performing a qualitative assessment ("Step 0") to determine whether a quantitative goodwill test is necessary. If it is determined, based on qualitative factors, the fair value of the reporting unit is "more likely than not" less than the carrying amount or if significant changes related to the reporting unit have occurred that could materially impact fair value, a quantitative goodwill impairment test would be required. We can elect to forgo the qualitative assessment and perform the quantitative test.

If the carrying amount of a reporting unit exceeds its fair value, "Step 1" is performed to determine if goodwill is impaired and to measure the amount of impairment loss to recognize, if any. This step compares the implied fair value of goodwill with the carrying amount of goodwill. If the carrying amount of goodwill exceeds the implied fair value, an impairment loss is recognized in an amount equal to that excess.

The implied fair value of goodwill is determined by assigning the fair value of the reporting unit to all the assets and liabilities of that unit (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination. We define our reporting units to be the same as our operating segments and have elected to perform the annual impairment assessment for goodwill in the fourth quarter. Refer to Note 3 “Goodwill and Intangible Assets” for additional information on impairment of goodwill recognized during the years ended December 31, 2017, 2016 and 2015.

Restructuring Charges

On an ongoing basis, Management assesses the profitability and utilization of our facilities and in some cases Management has chosen to close facilities. Severance payments that occur from reductions in workforce are in accordance with our postemployment plans and/or statutory requirements that are communicated to all employees upon hire date therefore, severance liabilities are recognized when they are determined to be probable and reasonably estimable. Other liabilities for costs associated with an exit or disposal activity are recognized when the liability is incurred, instead of upon commitment to an

exit plan. A significant assumption used in determining the amount of the estimated liability for closing a facility is the estimated liability for future lease payments on vacant facilities. We determine our estimate of sublease payments based on our ability to successfully negotiate early termination agreements with landlords, a third-party broker or Management's assessment of our ability to sublease the facility based upon the market conditions in which the facility is located. If the assumptions regarding early termination and the timing and amounts of sublease payments prove to be inaccurate, we may be required to record additional losses, or conversely, a future gain.

For more information, refer to Note 4, "Impairment Losses and Restructuring Charges," to our Consolidated Financial Statements, attached hereto, beginning on page F - 1 - 14.

Derivative Instruments and Hedging Activities

We record derivative instruments as either an asset or liability measured at its fair value with changes in the fair value of qualifying hedges recorded in other comprehensive income. Changes in a derivative's fair value are recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset the related results of the hedged item and requires that we must formally document, designate and assess the effectiveness of transactions that receive hedge accounting treatment.

We are generally able to apply cash flow hedge accounting, which associates the results of the hedges with forecasted future expenses. The current mark-to-market gain or loss is recorded in accumulated other comprehensive income and will be re-classified to operations as the forecasted expenses are incurred, typically within one year. While we expect that our derivative instruments that have been designated as hedges will continue to meet the conditions for hedge accounting, if hedges do not qualify as highly effective or if we do not believe that forecasted transactions will occur, the changes in the fair value of the derivatives used as hedges will be reflected in earnings.

For more information, refer to Note 7, "Derivative Instruments," to our Consolidated Financial Statements, attached hereto, beginning on page F - 1 - 17.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred income taxes reflect net effects of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and amounts used for income tax purposes. We are subject to foreign income taxes on our foreign operations. We are required to estimate our income taxes in each jurisdiction in which we operate. This process involves estimating our actual current tax exposure, together with assessing temporary differences resulting from differing treatment of items for tax and financial reporting purposes. The tax effects of these temporary differences are recorded as deferred tax assets or deferred tax liabilities. 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 of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period during which such rates are enacted. We record a valuation allowance when it is "more likely than not" that we will not realize the net deferred tax assets in a certain jurisdiction.

We consider all available evidence to determine whether it is "more likely than not" that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become realizable. Management considers the scheduled reversal of deferred tax liabilities (including the impact of available carryback and carryforward periods), and projected taxable income in assessing the validity of deferred tax assets. In making such judgments, significant weight is given to evidence that can be objectively verified. In order to fully realize the U.S. deferred tax assets, we will need to generate sufficient taxable income in future periods before the expiration of the deferred tax assets governed by the tax code.

We do not provide for deferred taxes on the excess of the financial reporting basis over the tax basis in our investments in foreign subsidiaries that are essentially permanent in duration or not subject to taxation in the US or in the local country. In general, it is our practice and intention to reinvest the earnings of our foreign subsidiaries in those operations. Generally, the earnings of our foreign subsidiaries become subject to U.S. taxation based on certain provisions in U.S. tax law such as the recently enacted territorial transition tax under section 965 and under certain other circumstances. Exceptions may be made on a year-by-year basis to repatriate current year earnings of certain foreign subsidiaries based on cash needs in the U.S.

Based on all available evidence, in particular our historical cumulative losses and recent operating losses, we recorded a valuation allowance against our U.S. net deferred tax assets. The valuation allowance for deferred tax assets as of December 31, 2017, 2016, and 2015 was \$18.9 million, \$27.4 million and \$28.2 million, respectively. In order to fully realize the U.S.

deferred tax assets, we will need to generate sufficient taxable income in future periods before the expiration of the deferred tax assets governed by the tax code. As of December 31, 2017, we had gross federal net operating loss carry forwards of approximately \$49.9 million expiring beginning in 2030 and gross state net operating loss carryforwards of approximately \$70.0 million expiring beginning in 2018.

For more information, refer to Note 13, "Income Taxes," to our Consolidated Financial Statements, attached hereto, beginning on page F - 1 - 22.

Stock-Based Compensation

We recognize expense related to all share-based payments to employees, including grants of employee stock options, in our Consolidated Statements of Operations and Other Comprehensive Loss based on the share-based payments' fair values amortized straight-line over the period during which the employees are required to provide services in exchange for the equity instruments. We estimate forfeitures when calculating compensation expense. We use the Black-Scholes method for valuing stock-based awards.

For more information, refer to Note 11, "Share-Based Compensation and Employee Benefit Plans," to our Consolidated Financial Statements, attached hereto, beginning on page F - 1 - 20.

In conjunction with execution of the Amazon Warrant, we considered a number of factors to determine the appropriate income statement impacts resulting from issuance of the first tranche of Amazon Warrants at the time of execution. These factors included:

• Whether the Amazon Warrants are freestanding or embedded in another financial instrument;

• Conclusion: They are freestanding

• Whether the Amazon Warrants are indexed to the Company's stock;

• Conclusion: The Amazon Warrants are indexed to the Company's stock

• Evaluate Settlements: whether the Amazon Warrant includes a provision that could require net cash settlement, and/or the type and quantity of the Company's stock available and required for settlement;

• Conclusion: Either physical or net share settlement is required, allowing equity treatment

• Other conditions required for equity classification;

• Conclusion: No circumstances exist that would require us to account classify the instrument as anything other than equity

• Determination of basis of recognition of costs associated with the transaction;

• Conclusion: Since fair value is readily determinable based on Company stock price, measurement of expense is based on fair value of the equity instruments issued

• Determination of basis of recognition of equity instruments associated with the transaction;

• Conclusion: Equity in the amount of estimated probable performance completion to date (based on quarterly forecasts) will be recorded for the fair value of the warrants earned to date, based on Monte Carlo pricing; adjustments will be made at each reporting period until performance is complete

After evaluating these factors, we concluded that:

• The Amazon Warrants will be classified as equity on the Company's balance sheet;

The offset will be recognized as contra-revenue on the statement of income;

Contra-revenue and equity will be estimated and recorded, using the Monte Carlo pricing model, when performance completion is probable, with adjustments in each reporting period until performance is complete; and

We will prepare disclosures in conformance with the disclosure requirements in ASC 505 and ASC 718.

Quantitative and Qualitative Disclosures About Market Risk

Foreign Currency Exchange Risks

Market risk relating to our international operations results primarily from changes in foreign exchange rates. To address this risk, we enter into foreign currency forward and options contracts. The contracts cover periods commensurate with expected exposure, generally three to twelve months, and are secured through a reserve on our availability calculation with our Lender. The cumulative translation effects for subsidiaries using functional currencies other than the USD are included in accumulated other comprehensive loss in stockholders' equity. Movements in non-USD currency exchange rates may negatively or positively affect our competitive position, as exchange rate changes may affect business practices and/or pricing strategies of non-U.S. based competitors.

We serve many of our U.S.-based clients in non-U.S. locations, such as Canada and the Philippines. Our client contracts are primarily priced and invoiced in USD; however, the functional currencies of our Canadian and Philippine operations are the Canadian dollar ("CAD") and the Philippine peso ("PHP"), respectively, which creates foreign currency exchange exposure.

In order to hedge our exposure to foreign currency transactions in the CAD and PHP, we had outstanding foreign currency forward and option contracts as of March 31, 2018 with notional amounts totaling \$35.9 million. If the USD were to weaken against the CAD and PHP by 10% from current period-end levels, we would incur a loss of approximately \$4.1 million on the underlying exposures of the derivative instruments. As of March 31, 2018, we have not entered into any arrangements to hedge our exposure to fluctuations in the Honduran lempira or the Jamaican dollar relative to the USD.

If we increase our operations in international markets, our exposure to potentially volatile movements in foreign currency exchange rates would also increase. The economic impact of foreign currency exchange rate movements is linked to variability in real growth, inflation, governmental actions and other factors. These changes, if significant, could cause us to adjust our foreign currency risk strategies.

Interest Rate Risk

At March 31, 2018, we had a \$50.0 million secured credit facility with BMO Harris Bank. The interest rate on our credit facility is variable based upon the LIBOR index, and, therefore, is affected by changes in market interest rates. If the LIBOR increased 100 basis points, there would not be a material impact to our unaudited consolidated financial statements.

AEGIS BUSINESS AND OTHER INFORMATION

Aegis' Business

CSP Alpha Midco Pte Limited along with its subsidiaries (for purposes of this section, collectively referred to as "Aegis," "they," "them," or "their") is a worldwide provider of customer experience management, which includes services, such as customer lifecycle management ("CLM") services and back-office services, technology services and social media analytics. Aegis helps the world's leading companies improve their customer experience and operational efficiency through a unique combination of technological innovation, operational expertise and actionable insights. Aegis also provides digital solutions to clients, such as AegisLISAⁿ, an end-to-end digital management platform and a social media tracker that helps clients harness the full potential of social platforms, keep up with real-time trends driving their businesses and deliver real-world results.

Aegis' solutions are supported by over 40,000 employees, delivering services from 46 locations in nine countries on five continents. Aegis was originally incorporated in India in 1992 as Essar Terminals Limited. Aegis was renamed

Aegis BPO Services Limited on October 21, 2004 when Aegis commenced BPO operations. Today, their operating subsidiaries are organized under ESM, a Mauritius corporation, which became part of Aegis in November 2017.

What distinguishes Aegis from their competitors is their ability to continually deliver value to clients. Aegis derives this ability from their core differentiators: deep industry expertise, cutting-edge technology and analytics and a client-centric approach. For example, their focus on specific industry sectors has enabled Aegis to gain operational insights into the business processes they manage for clients and has allowed Aegis to consistently deliver quality service. The major industries that Aegis currently focuses on are telecommunications, banking, financial services and insurance (“BFSI”), travel and hospitality, e-commerce, media and entertainment, healthcare, utilities, transportation and manufacturing. Aegis had a diversified client base of approximately 170 clients as of the end of fiscal 2017, including several Fortune 500 clients. A large number of clients are leading players in their respective industries and regions and have been collaborating with Aegis for multiple years.

However, Aegis believes that the greatest value they provide is not just their understanding of clients’ industries; it is also understanding of the particular challenges clients face, the unique culture of a specific business or geography and their ability to

come up with innovative solutions by combining their knowledge of practices across different industries. Over the years, Aegis has built trusted relationship with many clients, which is evidenced by the long-standing relationships Aegis has with many key clients. Aegis has been servicing their top 5 clients for over 10 years on average.

Geographical Markets

Aegis have organized their sales and marketing departments into teams that focus on specific geographies and industries, enabling Aegis to better customize their service offerings to clients' needs. Aegis' primary geographic markets are Middle East, India, South America, Malaysia, Australia, North America and Rest of the World which generated 29%, 22%, 16%, 10%, 10%, 7% and 6%, respectively, of their revenues in the fiscal year ended March 31, 2017. For the nine-month period ended December 31, 2017 their primary geographic markets were Middle East, India, South America, Malaysia, Australia, North America and Rest of the World which generated 33%, 20%, 17%, 10%, 8%, 6% and 6%, respectively, of their revenues for this period.

Aegis' Services

In their CLM service offering, Aegis specializes in managing the entire lifecycle of customer care from sales-related prospecting to customer care, technical support and collection services. In their back-office services offering, Aegis provides finance and accounting services, human resource processing services ("HR Processing") and spend management services. Aegis also provides technology services such as system integration services related to unified communications, networking and contact center technologies. Aegis follows a "right-shoring" approach, which is providing clients with services in a local jurisdiction ("on-shore") or off-shore, depending on each client's specific needs and the mix of skills and cost of labor in each location. For fiscal 2017, 79.5% of their revenue was derived from delivering services on-shore to the client's location while 20.5% of revenue was derived from providing services from off-shore locations. For the nine-month period ended December 31, 2017, 81.6% of revenue was derived from delivering services on-shore to the client's location while 18.4% of their revenue was derived from providing services from off-shore locations.

In fiscal 2017, their revenue was \$415 million and profit was \$36 million. For the nine-month period ended December 31, 2017, revenue was \$365 million and profit was \$6 million. As of December 31, 2017, Aegis had 40,802 employees providing services to clients from 46 centers across nine countries on five continents.

Aegis' Solutions

Customer Lifecycle Management (CLM)

Aegis' solutions portfolio is designed to make clients' operations and their brands relevant throughout their end-customer's lifecycle.

Aegis offers a comprehensive suite of solutions that helps clients plan deeper, transparent and better optimized customer connections and experiences—from strategy development to execution. Aegis's CLM solutions suite is an umbrella to the following related services Aegis offers:

Contact Center Solutions: Aegis provides enterprise-class contact center services across the spectrum of clients' needs: email, chat, non-voice, voice, video calling and more. Aegis steps into clients' shoes and builds a partner ecosystem that ensures their specific needs are met. Besides service excellence, Aegis facilitates their contact center services in a transparent and open work environment. For instance, clients are welcome to visit contact centers and observe how Aegis provides services to learn more about their business and solutions.

Healthcare Process Management: Aegis' comprehensive healthcare outsourcing solution covers the entirety of the patient-to-revenue lifecycle. This ranges from initial patient contact all the way to collections. Aegis' global delivery model enables them to provide quality services while ensuring HIPAA compliance and limiting process redundancy.

Transcription, Captioning, and Subtitling Services: Aegis offers voice-to-text solutions such as transcription, real-time and offline captioning and subtitling as well as translation services, with a clear focus on accuracy, quality and rapid turnaround. Aegis delivers transcription services from centers across the globe. Aegis' global workforce allows them to provide services at competitive costs and quick turnaround times for consistent content delivery.

Back-Office

Aegis provides a wide range of expert back-office services that go beyond the traditional back-office services by providing cost-saving opportunities while adding value to clients.

Spend Management: The procurement role has transformed from being a back-office facility to a front-faced, value adding, company integral business service. This transformation from being a cost-center to a value-center is a shift that every organization has to come to terms with. Aegis helps clients' businesses with strategic cost optimization through a structured and consultative transformation framework, enabled by qualified employees, streamlined processes, global exposure, technology expertise and risk mitigation strategies. Aegis helps improve the effectiveness of clients' supply chain operations, strategic sourcing processes, transformation expansion programs and operational efficiencies. Aegis offers services in the following areas:

Finance and Accounting Services: Aegis offers end-to-end finance and accounting solutions across multiple industries to their global clientele, supported by their industry and functional experience. Aegis' aim is to help clients achieve efficiency, either within the department or for the organization as a whole. Aegis empowers clients to drive bottom-line savings with top-line growth by helping them realize their financial goals.

Human Resource (HR) Outsourcing: With a diverse client base in more than 20 countries, Aegis' experience in managing service across employee lifecycles via strategic outsourcing spans across multiple geographies and industries including Manufacturing, Banking, Retail, Fast-moving Consumer Goods, Information Technology and Information Technology Enabled Services. Combined with their top-notch technology and domain knowledge, Aegis delivers composite value to clients. Aegis customizes their HR services based on the type of workforce and the specific needs of clients' businesses to achieve holistic and accelerated growth for each client.

Data Management: Aegis understands that database management is an art that requires expertise in various fields of business operation, ranging from data gathering to data analysis. Aegis offers the right resources for effective data management which promotes lower operating costs, a sustainable level of data quality, data security and streamlined services. Outsourcing data management to Aegis allows clients to improve business efficiency while also facilitating the smooth and effectual functioning of the database management system and work flow. Aegis offers advantages such as incorporating high-end procedures, state-of-the-art technology, well-organized infrastructure and skilled professional help; each service is offered at the most competitive prices and with top-level precision.

Technology Solutions

Enterprise Business Solutions (EBS): Aegis' EBS services helps clients derive strategic business value out of their Enterprise Business (EB) investments. Aegis optimizes business flows, delivers actionable intelligence and provides "rapid deployment solutions" based on their expertise. Aegis also offers pre-configured industry templates. This includes a network of four wholly-owned global delivery centers, qualified professionals with in-system expertise and solution frameworks that greatly enhance productivity and reliability while reducing costs and risks.

Enterprise Stack and Specialized Solutions: Aegis brings in new ways of orchestrating organizational processes by leveraging their industry expertise through packaged EB applications. Aegis' Centers of Excellence (CoE) build the right industry templates, develop business specific scenarios and help clients assess the return on investment (ROI) of the proposed solutions. Aegis provides services across the lifecycle of the solution, which includes consulting, implementation, roll-out, upgrades, enterprise integration and managed services across:

ERP Implementation and Support

- Treasury and Financial Risk Management (TRM)
- HANA powered Business Intelligence (BI)
- Customer Relationship Management (CRM)
- Human Capital Management (HCM)

Business Analytics: Aegis' multi-pronged analytics approach is aimed at enabling clients align and establish proactive versus reactive strategies to enhance their business decisions. Aegis endeavors to accurately assess industry contexts, interpret underlying trends, anticipate the future and determine dashboard parameters based on the client's vision, mission, strategic goals, annual objectives and other factors. Aegis' services are designed to deliver what clients demand—from solutions specific to business operations to those supporting end-to-end business cycles.

Automation Solutions: Aegis offers scalable automation solutions which can be integrated with existing business processes which help clients gain real time visibility into their manufacturing and distribution networks to manage lead times while providing better customer service to their end-customers.

Web Solutions: Aegis' Web Solutions service is comprised of Microsoft, .NET and J2EE technologies. Aegis designs and builds web solutions that can be integrated with diverse business applications. Aegis has worked with clients across various solutions domains such as e-Tendering, vendor managed inventory, governance and regulatory compliance, financial solutions, customer loyalty, health, safety and environment. Aegis works across mobile platforms and a variety of visual representation platforms. Aegis' specific technology expertise spans Windows Azure Cloud, Sharepoint and MS Dynamics solutions.

Social Media

Aegis is an early adopter of digital technology platforms, which helps clients create seamless customer experiences through social media analytics. Aegis builds proprietary tools and offerings that help clients engage more effectively with their end-customers and proactively optimize client impacting decisions.

AegisLisa[®]: AegisLisa[®] is Aegis' proprietary omni-channel platform that robustly tracks and monitors conversation threads across numerous niche digital streams in relation to clients' businesses. It is a system that has content categorization capability, a self-learning sentiment engine and a built-in CRM capability. Aegis' advanced analytics capabilities help clients proactively derive intelligence and opportunities from the conversation clutter. Aegis also provides 360 degree actionable insights that enable clients to enhance the value of their brands. Aegis has unique resources and specialists exclusively trained in digital media to help clients define and standardize end-user engagements across channels. Aegis also empowers clients to customize their digital strategy by empowering them with in-depth domain knowledge and competitive benchmarks.

Competitive Advantage

Aegis believes their strengths give them the necessary competitive advantage to maintain and enhance their position as a leading global provider of customer experience management.

A Customer-centered Approach to Business

Customer experience management is the bedrock of Aegis' philosophy and business strategy. Aegis' solutions portfolio is designed to make customers and their brands relevant to their end-customer's life. Aegis focuses on knowing what clients want

to achieve and then aligning the right tools and methodologies to help fulfill them. Aegis' goal is to be custodians of clients' brands by providing innovative and customized solutions. Aegis' expertise and methodologies help clients enhance their performance, gain process efficiencies, increase agility and flexibility, reduce costs and achieve measurable business value.

Long-standing Client Relationships and Brand

Aegis has long-standing relationships with their key clients. Aegis' track record in delivering high-quality solutions across the entire customer lifecycle and strong industry expertise help Aegis to solidify these relationships and gain increased business from existing clients. This history of client retention allows Aegis to showcase and strengthen their brand.

Proprietary Quality Process Optimization Approach

Aegis aims to provide seamless support, rapid response and add-on innovations with their Proprietary Quality approach developed in conjunction with COPC Inc. COPC standards and certifications are the fastest-growing industry-specific standards that provide compliance parameters in areas such as client satisfaction, computer infrastructure, and accuracy of responses. Aegis' proven approach is an ideal path for clients' invigorative drive. Aegis also applies the Net Promoter Score (NPS) model to help clients maximize their abilities to efficiently manage customer loyalty and fuel profitability. Aegis uses the proven NPS metric to help clients compare, clarify and evaluate their industry competitiveness and potential.

Unique Multi-shore Delivery Capabilities

Aegis' global presence allows them to offer on-shore, off-shore, near-shore or cross-shore delivery models, depending on customer preference, the technology required, cost effectiveness and significance of operations from clients' end customer lifecycle stage. With Aegis' diversified and dispersed presence of 46 centers across nine countries, Aegis is among the few service providers who can offer these flexible options to clients. Aegis' motto of "Citizens Serving Citizens" ensures a truly exceptional customer experience.

Enable a Collaborative Culture for Aegis Employees

Aegis' company culture is as diverse as their employees, but they unified in their shared passion to create experiences that satisfy client expectations and spark the entrepreneurial spirit in them. Aegis celebrates the different views and values their employees bring to table and combines them to deliver real-world results for clients. Aegis takes pride in their employee value proposition of "Get Set Go" which attracts competent and passionate individuals and provides them with the space to ideate, create and actuate the value for clients.

Entrepreneurial Culture

Aegis' unique culture stems from their management, many of whom have been successful entrepreneurs in their own right. Many Aegis executives who joined Aegis as a result of acquisitions have chosen to stay and grow with Aegis. As Aegis grows, they strive to infuse the entrepreneurial spirit throughout the organization, which is how Aegis maintains a flexible and encouraging working environment.

Continuous Upgrade of Technology and Early Adoption of Digital Services

Aegis' accelerated adoption and implementation of trending solutions and services (social media and analytics) help clients' businesses capture upside opportunities and deepen customer networks. Aegis' services have one thing in common: the ability to keep the businesses of clients highly responsive and adaptive to ever-changing customer

demands. Aegis' services span across all channels (customer-facing and back-office operations), and Aegis is globally acclaimed for their unique position in being able to provide “best shore delivery.”

Certifications

Aegis has acquired SSAE 16 (replaces SAS 70 Type II) as well as PCI certification. Few BPO providers have made the investment to be certified in these areas. The certification shows Aegis' commitment to maintain a stringent enforcement of high standards of quality. Aegis' sustainability reporting strategy adheres to GRI G3 Guidelines, for which Aegis has received an A+ rating.

Business Strategy

Aegis' strategic objective is to strengthen and increase their value proposition to clients and build a sustainable organization that remains relevant to the agenda of clients while generating profitable growth for investors. To that end, the key elements of Aegis' four-pronged strategy are:

Cross-sell / Up-sell to Existing Clients

Aegis aims to build deeper, more strategic relationships with existing global clients to drive enduring, transformational change within their organizations. Aegis intends to achieve this by engaging with clients and becoming a partner of choice for their large transformative programs, both in traditional IT areas as well as for their new digital business initiatives. Aegis intends to build on the long-standing relationships with clients in the CLM space, cross-sell their shared services practices in the finance and accounting services and HR Processing services and enhance their technology-based offerings to existing clients in existing as well as new geographies. As clients' technology platforms are upgraded and their product or service offerings to their customers change, Aegis aims to continue to invest in upgrading their technology platforms and infrastructure in order to provide clients with a broader set of end-to-end service offerings and enhance their business capability.

Expand the Client Base

Aegis invests in augmenting their business development and marketing efforts to engage new clients and increase their presence in new markets. Aegis uses their deep industry knowledge, proven capabilities in driving costs down for clients, services across the customer lifecycle management vertical and technology enabled platforms to compete for new opportunities. Aegis is also actively increasing their efforts to enhance the awareness of the Aegis brand among target clients.

Enhance Growth Through Selective Acquisitions and Partnerships

Aegis' acquisition strategy is focused on adding new service offerings and capabilities, technology-enabled automation tools and analytics capabilities and deeper industry expertise, as well as expanding their geographic presence. Aegis' track record of acquisition demonstrates their ability to integrate, manage and develop the specific capabilities from target companies. Aegis sees a big gap in their geographic footprint in the US and Philippines markets, and is aggressively looking to acquire businesses in these markets to give them a ready platform to build upon. Aegis will also look to form partnerships that can help them gain capabilities and access to disruptive technologies that can enhance the way Aegis delivers services to clients. To achieve this, Aegis may look to partner with digital companies in the start-up sector that are working on innovative technologies in Aegis' core areas of customer lifecycle management. Aegis will deploy capital in making selective business acquisitions that augment their expertise, complement their presence in certain market segments and accelerate the execution of their strategies.

Attract and Retain High Performing, Motivated and Diverse Workforce

Aegis' employees are their biggest strength. To meet the evolving needs of clients, their priority is to attract and engage the best talent in the right locations with the right skills. Aegis invests significantly in employee engagement to motivate employees and encourage social communication and collaboration. Aegis takes pride in their employee value proposition of "Get Set Go" which aims at attracting competent and passionate individuals and providing them the space to ideate, create and actuate.

Competitive Business Conditions

Aegis is a diverse, global customer engagement management company. Aegis experiences intense competition in traditional services and sees a rapidly changing marketplace with new competitors focused on agility, flexibility and innovation in new technologies. Aegis' competitors vary by geography and business segment, and range from large multinational corporations to smaller, narrowly-focused enterprises. Aegis believes the principal competitive factors in their business include:

- the ability to maintain long-term client relationships by articulating and demonstrating value addition to existing and potential clients;
- the ability to continuously upgrade their delivery technology in line with the changing needs of clients and developments in the industry;
- the ability to keep up with the pace of disruptive innovation;
- the ability to provide cost effective, high-quality and integrated solutions to clients;
- the ability to maximize operational performance and efficiencies;
- the ability to attract and retain high-quality management, technology professionals and sales personnel;
- the ability to develop a strong and well-recognized brand; and

the ability to maintain financial strength in order to invest in infrastructure and add capabilities through acquisitions.

In the future, Aegis expects intensified competition. In particular, Aegis expects increased competition from firms that strengthen their off-shore presence in the geographies that Aegis operates in or other low-cost locations, clients that choose to perform their own business processing services internally or develop their own facilities in off-shore locations rather than using off-shore business processing service providers to achieve cost savings and from firms incumbent in market segments that Aegis has recently entered.

Clients

As of December 31, 2017, Aegis had a diverse client base of approximately 170 current clients across a variety of industries and process types, including companies that Aegis believes are among the leading players in their respective industries.

Aegis' revenues for the nine-month period ended December 31, 2017 and fiscal year 2017 by geographic presence of delivery centers were as follows:

	Year ended March 31, 2017	Nine months ended December 31, 2017
India	30%	27%
Saudi Arabia	28%	33%
Argentina	14%	16%
Malaysia	10%	10%
Australia	9%	7%
Rest of the World	9%	8%

The volume of work Aegis performs for each client varies from year to year based on the nature of the projects Aegis has with those clients. Thus, a major client in one year may not provide the same level of revenue in a subsequent year. However, in any given year, a limited number of clients tend to contribute a significant portion of Aegis' revenues. For the fiscal year ended March 31, 2017, their top five and ten clients represented 49% and 62% of total revenue, respectively. For the nine-month period ended December 31, 2017, Aegis' top five and ten clients represented 51% and 63% of total revenue, respectively.

Intellectual Property

Aegis uses a combination of clients' software systems, third party software platforms and systems and Aegis' own proprietary software platforms and systems to provide CLM and technology services.

Aegis' own proprietary software tools and solutions include:

AegisLISA[®]: AegisLISA[®] is Aegis' comprehensive, multi-layered digital business solution that provides strategies, tools and insights for better brand-consumer communication and engagement. With it, Aegis transforms the digital and social business strategies of clients, so that they can send the right brand message to the right audience. It is a future-ready solution based on a Listen, Interact, Socialize and Adapt framework.

Customer Experience Management (CET): CET provides the ability to design highly customizable and flexible form structures for capturing customer experience, monitoring transactions and calibrating and capturing data for business intelligence, analysis and reporting. It is built to comply with COPC standards.

Incident Management and Response System (IRMS): IRMS for IT helpdesk, which can be extended to a user's mobile device, is a full-fledged IT helpdesk system that provides incident response capability, which detects and contains

incidents and mitigates the impact by restoring and reconstituting services.

ACM: ACM is a flexible and powerful system for collections. ACM keeps records and tracks collection efforts by monitoring collectors and debtor's activity. The system helps businesses categorize their customers in detail and has an expansive reporting capability that is customizable.

Where Aegis uses a client's software systems, Aegis customarily enters into licensing and non-disclosure agreements with respect to the use of their software platforms and systems. Aegis maintains intellectual property rights in their proprietary software platforms and systems, and license the use of third party software platforms and systems from their respective owners.

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Aegis requires employees, independent contractors and whenever possible, vendors, to enter into confidentiality agreements upon the commencement of their relationships with Aegis. Under their contracts with third-party software platform providers, any solutions developed by Aegis on top of such third party software platforms, using Aegis' proprietary knowledge, are Aegis' intellectual property (unless otherwise specified). Clients usually own the intellectual property in the software Aegis develops for them.

Aegis views their trade name, trademarks, service marks and domain names as important to their success. Aegis relies on the law to protect their proprietary rights to them, and has taken steps to enhance their rights by filing trademark applications where appropriate. Aegis owns their key "Aegis" brand and is in the process of obtaining fresh registration of this brand as a trademark in both India and in Singapore. Aegis also aggressively protects these names and marks from infringement by others.

Human Capital

Aegis is committed to retaining their position as one of the industry's leading employers. Aegis recognizes their employees as the key foundation of their extraordinary growth. This is reflected in their mission statement: "Happy Employees, Happy Customers and Happy Shareholders." Aegis' human resource division has adopted the motto, "Create a Progressive Workplace That Enables Partnership for Prosperity," which aims at building an ecosystem that is dynamic, vibrant, contemporary, and presents numerous possibilities for employees. Aegis has a very compelling employee value proposition, "Get-Set-Go," which aims at attracting competent and passionate individuals, and providing them the space to ideate, create and actuate value for clients. Aegis prepares employees for success by providing multiple learning opportunities, enriching their job profile and rewarding and recognizing their contributions. Aegis provides multi-cultural exposure, international work opportunities and a plethora of career paths within the organization, which results in overall growth and development of each employee, thereby converting them into brand ambassadors.

As of December 31, 2017, Aegis had 40,802 employees in nine countries on five continents. Of the 40,802 employees, 36,300 are involved in service delivery to clients, including trainees.

Aegis' employees are geographically distributed as shown below:

Location	Full time employees
India	26,461
Argentina	4,041
Saudi Arabia	3,463
Malaysia	3,062
South Africa	1,483
Sri Lanka	811
Australia	780
Peru	579
UK	122
Total	40,802

Aegis believes their culture and reputation as a leader in the technology services industry enable Aegis to recruit and retain some of the best available talent in the industry across their subsidiaries. Approximately 10% of Aegis employees are covered by collective bargaining agreements, most of which are mandated under national labor laws outside of the United States. These agreements are subject to periodic renegotiation, and Aegis anticipates that they will be renewed in the ordinary course of business without material impact to business or in a manner materially different from other companies covered by such industry-wide agreements.

AEGIS MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The following management's discussion and analysis of Aegis' financial conditions and results of operations contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. Forward-looking statements can also be identified by words such as "future," "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "will,"

“would,” “could,” “can,” “may,” and other similar terms. Forward-looking statements are not guarantees of future performance and Aegis’ actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed in “Risk Factors” under the heading “Risks Factors Relating to the Business of the Combined Company Following the Aegis Transactions”. The following discussion should be read in conjunction with the consolidated financial statements and notes thereto beginning on page F - 2 - 1 of this proxy statement. Aegis assumes no obligation to revise or update any forward-looking statements for any reason, except as required by law.

Overview

Aegis (for purposes of this section, “Aegis” refers to CSP Alpha Midco Pte Limited along with its subsidiaries) is a worldwide provider of customer experience management, which includes business process outsourcing (“BPO”) services such as customer lifecycle management (“CLM”) services and back-office services, technology services and social media analytics. Aegis helps the world’s leading companies improve their customer experience and operational efficiency through a unique combination of technological innovation, operational expertise and actionable insights. Aegis also provides digital solutions to their clients, such as AegisLISAⁿ, an end-to-end digital management platform and a social media tracker that helps their clients harness the full potential of social platforms, keep up with real-time trends driving their businesses and deliver real-world results.

The major industries that Aegis currently focuses on are telecommunications, banking, financial services and insurance (“BFSI”), travel and hospitality, e-commerce, media and entertainment, healthcare, utilities, transportation and manufacturing. Aegis had a diversified client base of approximately 170 clients as of the end of fiscal 2017, including several Fortune 500 clients. A large number of Aegis’ clients are leading players in their respective industries and regions and have been collaborating with Aegis for multiple years.

Aegis organizes their sales and marketing departments into teams that focus on specific geographies and industries, enabling them to better customize their service offerings to clients’ needs. Aegis’ primary geographic markets are Middle East, India, South America, Malaysia, Australia, North America and Rest of the World, which generated 29%, 22%, 16%, 10%, 10%, 7% and 6%, respectively, of their revenue in the fiscal year ended March 31, 2017. For the nine-month period ended December 31, 2017, Aegis’ primary geographic markets, the Middle East, India, South America, Malaysia, Australia, North America and Rest of the World, generated 33%, 20%, 17%, 10%, 8%, 6% and 6%, respectively, of their revenue.

Aegis’ CLM service offering is specialized in managing the entire lifecycle of customer care from sales-related prospecting to customer care, technical support and collection services. In their back-office services offering, Aegis provides finance and accounting services, human resource processing services (“HR Processing”) and spend management services. Aegis also provides technology services such as system integration services related to unified communications, networking and contact center technologies. Aegis follows a “right-shoring” approach, which is providing their clients with services from the best jurisdiction, whether a local jurisdiction (“on-shore”) or off-shore, depending on each client’s specific needs and the mix of skills and cost of labor in each location. For fiscal 2017, 79.5% of Aegis’ revenue was derived from delivering services on-shore to the client’s location while 20.5% of their revenue was derived from providing services from off-shore locations. For the nine-month period ended December 31, 2017, 81.6% of Aegis’ revenue was derived from delivering services on-shore to the client’s location while 18.4% of their revenue was derived from providing services from off-shore locations.

In fiscal 2017, Aegis’ revenue was \$415 million and their profit was \$36 million. For the nine-month period ended December 31, 2017, Aegis’ revenue was \$365 million and their profit was \$6 million. As of December 31, 2017, Aegis had 40,802 employees providing services to their clients from 46 centers across nine countries on five continents.

Results of Operations - Nine Months Ended December 31, 2017 and 2016

In the consolidated financial statements of Aegis presented elsewhere in this proxy statement, Aegis has divided their historical financial results for the period ended December 31, 2017 between the Successor period and the Predecessor period. Aegis acquired ESM on November 22, 2017. Aegis uses the term “Successor” period to describe Aegis after the acquisition of ESM by Aegis. Aegis uses the term “Predecessor” period to describe the ESM business prior to November 22, 2017.

The results for the nine-month periods ended December 31, 2017 and 2016 were prepared based on different bases, and therefore, are not entirely comparable. The difference is in the accounting treatment of one of Aegis’ subsidiaries, Contact Centre Company (“CCC”). Please refer to Note 31 (a) in the Consolidated Financial Statements for the fiscal year ended March 31, 2017 included elsewhere in this proxy statement

Summary Financials for the Nine-Month Periods Ended December 31, 2017 and December 31, 2016

	Successor (CSP) Nov. 22 - Dec. 31, 2017	Predecessor (ESM) Apr. 1 - Nov. 21, 2017	Predecessor (ESM) Apr. 1 - Dec. 31, 2016		
	\$ in Mn	\$ in Mn	% of Rev	\$ in Mn	% of Rev
Revenue	57.6	306.9		302.7	
Cost of Services	(49.6)	(262.8)	-85.6%	(258.4)	-85.4%
Gross Profit	8.0	44.1	14.4%	44.3	14.6%
General and Admin Expenses	(6.5	)(24.0)	-7.8%	(22.1)	-7.3%
Selling and Distribution Expenses	(0.8)	(7.5)	-2.4%	(7.3)	-2.4%
Operating Profit	0.7	12.7	4.1%	14.8	4.9%
Exchange Gain/(Loss) (Net)	2.4	(0.7)		(0.4)	
Other Income	0.1	0.5		26.8	
Finance Costs	(1.8)	(5.0)		(5.8)	
Share of Profit from Associates	0.0	1.0		1.9	
Profit Before Tax	1.4	8.5	2.8%	37.3	12.3%
Tax Expenses	(1.1)	(3.1)		(8.6)	
Net Profit / (Loss)	0.3	5.4	1.8%	28.7	9.5%

Revenue

Revenue for the Predecessor for the period April 1 - November 21, 2017 was \$306.9 million compared to \$302.7 million for the nine-month period ended December 31, 2016. The revenue for the two periods is not comparable to one another due to the changes in the accounting treatment of CCC's revenue as of June 1, 2016 and also because the time periods are not comparable.

The overall contribution from Aegis' clients in the telecommunications and BFSI industries remained constant in both periods while contribution from their clients in the travel industry improved due to the addition of a new line of business from existing clients in Malaysia. Aegis' revenue from the telecommunications industry was impacted by technological innovations and intense competition in the industry.

Aegis' revenue for the review period, categorized by region, are shown in the table below:

\$ in million	Successor Nov 22 - Dec 31, 2017	Predecessor Apr 1 - Nov 21, 2017	Predecessor Apr 1 - Dec 31, 2016
India	13.3	84.2	88.8
Saudi Arabia	19.4	100.4	80.9
Argentina	10.2	46.3	43.2
Malaysia	5.3	29.9	30.6
Australia	4.1	22.6	29.9
Rest of the World	5.3	23.5	29.3
Total	57.6	306.9	302.7

In India, revenue for the period April 1 - November 21, 2017 was \$84.2 million compared to \$88.8 million for the nine-month period ended December 31, 2016. Aegis' India business caters to most of the telecommunications service providers in India. Currently, the telecommunications industry in India is going through a massive churn and technological disruption due to the recent entry of a large conglomerate in the telecommunications industry that has been aggressively gaining market share from the incumbents, both in the private sector and the public sector. This development has impacted Aegis' business as well. For Aegis, there was a significant increase in the volume of business from one of the recently acquired telecommunications clients,

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which was partly offset by a decrease in the volume of business from existing incumbent clients during the period April 1 - November 21, 2017. While Aegis has lost a few clients in the telecommunications and BFSI industries, they have added new clients in the consumer durables, BFSI, automotive, e-commerce and financial technologies industries.

In Saudi Arabia, Aegis' joint venture entity, CCC, built upon the new clients from the last fiscal year. This has helped Aegis to further diversify their business outside of the telecommunications industry. In addition, Aegis was the first among their competitors to implement various business strategies including an all women call center, which was built during the current period. Aegis had a large and profitable line of business in CCC, which has ramped down over the past few quarters due to a change in the business mix at the client's end, thereby negatively impacting Aegis' overall profitability from Saudi Arabia.

In Argentina, revenue for the period April 1 - November 21, 2017 was \$46.3 million compared to \$43.2 million for the nine-month period ended December 31, 2016. Aegis saw an increase in business from their clients in the energy and retail industries and the addition of a new client in the telecommunications industry. At the same time, Aegis continues to see a decrease in business from their existing telecommunications and cable clients.

In Malaysia, revenue for the period April 1 - November 21, 2017 was \$29.9 million compared to \$30.6 million for the nine-month period ended December 31, 2016. Aegis added new clients in the emerging industry sectors and also added new lines of business with existing clients across various industry sectors. In addition, Aegis continues to see an increased volume of business from their international clients.

Australia has been a difficult region for Aegis primarily due to Aegis' lack of off-shore delivery capabilities out of the Philippines. Revenue for the period April 1 - November 21, 2017 was \$22.6 million compared to \$29.9 million for the nine-month period ended December 31, 2016. Aegis continues to lose a number of clients in the region, primarily to competitors that have delivery operations out of the Philippines. While Aegis has seen increasing business from their clients in the automotive, retail and BFSI industries, they lost a couple of key clients and faced a decline in the volume of business from some of their clients in the energy and utility industry.

Rest of the World is comprised of Aegis' operations in the United Kingdom, South Africa, Dubai, Peru and Sri Lanka. Revenue for the period April 1 - November 21, 2017 was \$23.5 million compared to \$29.3 million for the nine-month period ended December 31, 2016. Aegis has seen an increase in business from clients in the automotive and travel industries in South Africa. The revenue from the United Kingdom fell during this period due to lower volume of business from Aegis' large clients in the BFSI industry. Aegis does not expect the revenue from the United Kingdom to form a significant part of their business and expects decreases in business from this region to continue.

Cost of Services and Gross Profit

Overall, cost of services as a percentage of revenue for the Predecessor increased to 85.6% for the period April 1 - November 21, 2017 as compared to 85.4% for the nine-month period ended December 31, 2016. Employee benefit expenses and rent costs are the two most significant costs for Aegis, representing 75.0% and 3.9% of total cost of services respectively for the Predecessor for the period April 1 - November 21, 2017. The breakdown of cost of services is listed in the table below:

\$ in million	Successor (Nov 22 - Dec 31, 2017)	Predecessor (Apr 1 - Nov 21, 2017)	Predecessor (Apr 1 - Dec 31, 2016)
Employee Benefits Expenses	41.8	197.2	192.9
Rent Costs	2.0	10.2	12.7
Others	5.8	55.4	52.8
Total	49.6	262.8	258.4

Aegis' business heavily relies on their employees to provide professional services to their clients. Thus, Aegis' most significant costs consist of payments made to agents and for supervising and training staff who are directly involved in delivering services to the clients. For the period April 1 - November 21, 2017 for the Predecessor, employee benefits expenses as a percentage of revenues increased to 64.3% as compared to 63.7% for the nine-month period ended December 31, 2016. This increase was driven primarily by increases in minimum wages in certain countries, which could not be passed through to Aegis' clients. Further, in certain geographic regions, for part of fiscal 2018, Aegis had staffed their agents in accordance with call volume forecasts, which did not materialize. Although Aegis later corrected the staffing based on the actual call volume, this resulted in higher costs relative to revenue for the period April 1 - November 21, 2017. Aegis continues to strategically move away from the low-margin mass market business in the telecommunications industry to high-margin premium businesses.

Rent costs as a percentage of revenue decreased to 3.3% for the period April 1 - November 21, 2017 as compared to 4.2% for the nine-month period ended December 31, 2016. While there was an additional cost due to new site additions in Saudi Arabia, the increase in cost was offset by site closures in Australia and rationalization of sites in India.

The Others category includes depreciation, technology, utility, travel and outsourcing costs. As a percentage of revenue, the costs under Others increased from 17.5% during the nine-month period ended December 31, 2016 to 18.0% during the period April 1 - November 21, 2017 for the Predecessor. The costs under Others in the nine-month period ended December 31, 2016 included \$4.8 million of goodwill impairment.

As a result, gross profit as a percentage of revenue for the period April 1 - November 21, 2017 decreased by 0.2% to 14.4% as compared to 14.6% for the nine-month period ended December 31, 2016.

General & Administration Expenses

As a percentage of revenue, general & administration expenses for the period April 1 - November 21, 2017 increased to 7.8% as compared to 7.3% for the nine-month period ended December 31, 2016.

Selling & Distribution Expenses

As a percentage of revenue, selling & distribution expenses remained flat at 2.4% for the period April 1 - November 21, 2017 as compared to the nine-month period ended December 31, 2016.

Operating Profit

Operating Profit for the period April 1 - November 21, 2017 was \$12.7 million as compared to \$14.8 million for the nine-month period ended December 31, 2016. Operating profit as a percentage of revenue was lower at 4.1% for the period April 1 - November 21, 2017 compared to 4.9% for the nine-month period ended December 31, 2016. As Aegis takes steps to diversify their business towards higher margins segments, they expect profitability to improve and return to the previous level.

Other Income

Other Income for the period April 1 - November 21, 2017 was \$0.5 million compared to \$26.8 million for the nine-month period ended December 31, 2016. The \$0.5 million reflects income primarily from security deposits kept in banks for lease deposits or against margin deposits to avail bank guarantees. The Other Income for the nine-month period ended December 31, 2016 includes a profit of \$25.9 million arising out of a fair valuation of Aegis' previously held equity interest in CCC.

Finance Costs

Finance costs for the period April 1 - November 21, 2017 was \$5.0 million compared to \$5.8 million for the nine-month period ended December 31, 2016. Finance costs primarily pertain to interest expense on Aegis' term debt and revolving line of credit facilities.

Income Tax

Tax expense for the period April 1 - November 21, 2017 was \$3.1 million compared to \$8.6 million for the nine-month period ended December 31, 2016. The tax expense for the nine-month period ended December 31, 2016 was higher mainly due to reversal of deferred tax asset of \$6.1 million pertaining to Aegis' entities in Australia.

Results of Operations - Years Ended March 31, 2017 and 2016

The consolidated financial statements, attached hereto, beginning on page F - 2 - 1 are prepared under IFRS. However, the results for fiscal 2017 and fiscal 2016 are presented on different bases and are therefore not entirely comparable. Please refer to Note 31 (a) in the consolidated financial statements for the year ended March 31, 2017 included elsewhere in this proxy statement.

Consolidated Financials for the Years Ended March 31, 2017 and March 31, 2016

	Year Ended March 31,			
	2017		2016	
	\$ in Mn	% of Rev	\$ in Mn	% of Rev
Revenue	414.8		304.2	
Cost of Services	(350.3)	-84.5%	(262.4)	-86.3%
Gross Profit	64.5	15.5%	41.8	13.7%
General and Administration Expenses	(28.7)	-6.9%	(32.1)	-10.6%
Selling and Distribution Expenses	(10.0)	-2.4%	(6.9)	-2.3%
Operating Profit	25.8	6.2%	2.8	0.9%
Exchange Gain/(Loss) (Net)	0.4		(0.4)	
Other Income	26.9		2.9	
Finance Costs	(7.6)		(6.7)	
Share of Profit from Associates	2.3		8.2	
Profit Before Tax	47.9	11.5%	6.8	2.2%
Tax Expenses	(11.5)		(2.7)	
Net Profit / (Loss)	36.4	8.8%	4.1	1.4%

Revenue

Revenue for the fiscal year ended March 31, 2017 increased by 36.4% to \$414.8 million as compared to \$304.2 million for the fiscal year ended March 31, 2016. The revenue for the fiscal year ended March 31, 2017 is not comparable to fiscal 2016 due to the consolidation of revenue from CCC beginning June 1, 2016. If the consolidation of CCC is given effect from April 1, 2015, the restated revenue for fiscal year ended March 31, 2017 was \$434.4 million as compared to \$420.7 million for the fiscal year ended March 31, 2016, which was an increase of 3.3%.

Overall, Aegis saw an increase in the contribution from their clients in the telecommunications and travel industries while there was a decrease in the contribution from the BFSI industry. The fall in the revenue in the BFSI industry was due to loss of business in the United Kingdom, where BFSI is Aegis' key industry sector. The telecommunications industry around the world is facing major technological disruptions, especially in the wireless sector, which negatively affected Aegis' revenue and adjusted revenue (a non-IFRS measure) in multiple geographic regions.

Aegis' sources of revenue for the fiscal years 2017 and 2016, categorized by region, are shown in the table below:

\$ in millions	Year Ended March 31, 2017	Year Ended March 31, 2016
India	122.7	115.0
Saudi Arabia	117.6	—
Argentina	58.0	62.1
Malaysia	41.1	36.8
Australia	38.8	44.7
Rest of the World	36.6	45.4
Total	414.8	304.2

In India, while the revenue in USD increased by 6.6%, the increase was offset by a depreciation of the rupee relative to USD. The revenue increase in rupees was 9.3% year over year. Aegis provides both on-shore and off-shore services

in India. Aegis' on-shore business faced volatility in fiscal 2017 due to the recent entry of a conglomerate in the telecommunications industry. While Aegis enjoyed a significant increase in business from the conglomerate, it came at the cost of decrease in business volume from Aegis' traditional telecommunications clients. Aegis' off-shore business, however, continued to grow with over

30% year on year growth. Aegis won new clients in the e-commerce, retail and healthcare industries, which helped them in their continuous efforts of broadening their revenue base outside the telecommunications industry.

CCC is a joint venture in Saudi Arabia between Aegis and Saudi Telecom Company. Aegis owns a 51% stake in the joint venture while the remaining 49% is held by their joint venture partner. Aegis started consolidating the financials of the joint venture entity from June 1, 2016. Aegis added new lines of business from their largest client while also adding four new clients, which has helped Aegis diversify their business outside of the telecommunications industry.

In Argentina, while the revenue for the year ended March 31, 2017 in USD decreased by 7%, the revenue in Argentine pesos increased by 33%. Aegis' pricing to their customers varies within the year to consider the impact of the inflation in the economy. Some of Aegis' clients in the telecommunications, energy and BFSI industries have seen increases in their business volume while one of Aegis' key telecommunications and cable client has suffered a decrease in its business volume.

In Malaysia, the revenue for the fiscal year 2017 in Malaysian ringgit grew 16% as compared to the previous period while the revenue in USD saw an increase of 12%. Aegis continues to see impressive growth in business across industries and clients in Malaysia. Aegis is among the few outsourcing players in Malaysia with multi-lingual capabilities. Aegis offers off-shore customer lifecycle solutions to overseas customers as well near-shore outsourcing solutions to domestic customers. Aegis added new clients in the aviation, BFSI and retail industries and also grew business from their existing key off-shore clientele.

In Australia, Aegis' revenue declined by \$5.9 million, or 13.2%, to \$38.8 million for the fiscal year ended 2017 compared to \$44.7 million for fiscal year ended 2016. This was driven by loss of business from some of Aegis' key clients in the energy industry. The loss was partly offset by improvements in business from Aegis' clients in the healthcare industry and the addition of a large client in the retail industry. Aegis expects less business from their energy clients in the near future.

Rest of the World is comprised of Aegis' operations in the United Kingdom, South Africa, Dubai, Peru and Sri Lanka. The overall revenue from this region has decreased by 19.5% for the fiscal year ended March 31, 2017 compared to the previous period. This was primarily due to losing clients in the BFSI industry in the United Kingdom. Revenue from the United Kingdom decreased sharply to \$9.1 million for the fiscal year ended March 31, 2017 as compared to \$21.4 million for the fiscal year ended March 31, 2016. Other regions under this category saw moderate increases in revenue for the fiscal year 2017 as compared to the fiscal year 2016.

Cost of Services and Gross Profit

Overall, cost of services as a percentage of revenue decreased to 84.5% in the fiscal year 2017 as compared to 86.2% in the fiscal year 2016. Employee benefit expenses and rent costs are the two most significant costs for Aegis, representing 75.1% and 5.0% of total cost of services respectively. The breakdown of cost of services is listed in the table below:

\$ in millions	Fiscal Year 2017	Fiscal Year 2016
Employee Benefit Expenses	263.1	186.2
Rent Costs	17.4	14.3
Others	69.8	61.9
Total	350.3	262.4

For the fiscal year ended March 31, 2017, the Employee benefit expense as a percentage of revenue increased to 63.4% for fiscal 2017 as compared to 61.2% for fiscal 2016. This increase was primarily due to a transition in the business mix from mass market to premium segments in the telecommunications industry in India and impact of

increase in minimum wages in the second half of fiscal 2017, which was not completely passed on to the clients.

Rent costs as a percentage of revenue decreased to 4.2% for fiscal 2017 as compared to 4.7% for the previous fiscal year. This was due to optimization of seat capacity across geographies.

The Others category includes depreciation, technology, utility, travel and outsourcing costs. As a percentage of revenue, the costs under Others decreased from 20.4% in fiscal 2016 to 16.9% in fiscal 2017. The decrease was primarily due to lower outsourcing cost in Australia from sub-contracting a client business to a third party.

As a result, gross profit as a percentage of revenue for fiscal 2017 increased to 15.5% as compared to 13.7% for fiscal 2016.

General & Administration Expenses

As a percentage of revenue, the General & Administration expenses reduced to 6.9% for fiscal 2017 as compared to 10.6% for fiscal 2016. Of the total decrease, \$3.7 million is on account of a decrease in operations in the United Kingdom where Aegis is in the process of ramping down operations. The remaining reduction was from rationalization of employee costs at the corporate office.

Selling & Distribution Expenses

As percentage of revenue, the selling & distribution expenses remained flat at 2.4% for fiscal 2017 as compared to 2.3% for fiscal 2016.

Operating Profit

Operating profit for fiscal 2017 was \$25.8 million as compared to \$2.8 million for fiscal 2016. Operating profit as a percentage of revenue increased to 6.2% for fiscal 2017 from 0.9% for fiscal 2016.

Other Income

Other income increased to \$26.9 million for fiscal 2017 compared to \$2.9 million for fiscal 2016. Other Income of \$26.9 million for fiscal 2017 includes a profit of \$25.9 million arising out of a fair valuation of assets at CCC. Remaining Other income of \$1.0 million reflects interest income primarily from security deposits kept in banks towards lease deposits or against margin deposits to avail bank guarantees. The Other income for fiscal 2016 included rebate on rent costs of \$1.9 million at one of Aegis' locations in India.

Finance Costs

Finance costs increased to \$7.6 million for fiscal 2017 compared to \$6.7 million for fiscal 2016. This increase consists primarily of interest expense from the revolving line of credit facilities.

Income Tax

Tax expense for the fiscal year ended March 31, 2017 was \$11.5 million compared to \$2.7 million for the fiscal year ended March 31, 2016. The increase in total tax expense was primarily due to a reversal of deferred tax asset of \$6.3 million in Aegis' entities in Australia.

Liquidity & Capital Resources

Aegis funds their ongoing capital expenditure and working capital requirements through a combination of cash flow generated from operations and financing activities. Based on Aegis' current and anticipated levels of operations, Aegis believes that their cash on hand and cash flow from their operations, investment and financing activities, including funds available under the Revolving Credit Facility in India, will enable them to meet their working capital, capital expenditure, debt service and other funding requirements for the next twelve months.

Aegis' ability to fund their working capital needs, debt payments and other obligations and to comply with the financial covenants under their debt agreements depends on Aegis' future operating performance and cash flow, which are subject to prevailing economic conditions and other factors, many of which are beyond Aegis' control.

Cash Flows

Cash flow information for the Predecessor period April 1 - November 21, 2017 and the Successor period November 22 - December 31, 2017 as compared to the nine-month period ended December 31, 2016 is as follows:

\$ in Millions	Successor Nov 22 - Dec 31, 2017	Predecessor Apr 1 - Nov 21, 2017	Predecessor Apr 1 - Dec 31, 2016
Cash from Operating Activities	(3.0)	25.1	18.6
Cash Used in Investing Activities	(260.7)	(6.3)	8.9
Cash from Financing Activities	281.9	(13.5)	(17.4)
Net Increase / (Decrease) in Cash & Cash Equivalents	18.2	5.1	10.2
Effect of Changes in Exchange Rates	0	0.3	(0)
Closing Cash and Cash Equivalents	18.2	21.2	21.6

As of December 31, 2017 Aegis' cash and cash equivalents stood at \$18.2 million. Aegis believes that their cash and cash equivalents along with their cash flows from operations and their financing arrangements will provide them sufficient liquidity to meet their working capital needs.

Cash Flows from Operating Activities

Net cash provided by operations consisted primarily of net profit adjusted for depreciation and amortization, finance and other interest cost, income taxes, income from investments, impairment losses recognized on financial assets, non-cash other income or expenses and changes in working capital. The impact of changes in working capital is shown in the table below:

\$ in Millions	Successor Nov 22 - Dec 31, 2017	Predecessor Apr 1 - Nov 21, 2017	Predecessor Apr 1 - Dec 31, 2016
Decrease/(Increase) in Trade Receivables	(10.1)	7.8	28.5
(Increase)/Decrease in Other Financial Assets and Other Assets	5.1	(23.0)	(25.2)
Increase/(Decrease) in Trade Payables	2.5	(1.1)	(4.4)
Increase/(Decrease) in Other Financial Liabilities and Other Liabilities	(10.5)	21.0	(12.0)
Increase/(Decrease) in Provisions	(1.0)	3.2	10.0

Trade receivables decreased by \$7.8 million during the period Apr 1 - November 21, 2017. Aegis recognizes revenue on an accrual basis when services are performed, and any revenue from the last billing to the balance sheet reporting date is recognized as unbilled revenue. Unbilled revenue as of November 21, 2017 was higher by \$19.6 million compared to the unbilled revenue as of March 31, 2017.

Prepayments and other current and non-current assets as of November 21, 2017 increased by \$3.3 million, as compared to the balance as of March 31, 2017, primarily due to increases in prepaid expenses and advances paid to vendors, partially offset by a decrease in statutory receivables.

Trade payables as of November 21, 2017 was lower by \$1.1 million as compared to the balance as of March 31, 2017. Other liabilities and provisions as of November 21, 2017 increased by \$24.2 million, primarily due to increases in customer advances and accrued compensation to employees.

Cash Flows Used in Investing Activities

Net cash from / (used) in investing activities relating to acquisition of additional property, plant and equipment for the period April 1 - November 21, 2017 and the nine-month period ended December 31, 2016 stood at \$(8.7) million and \$(0.5) million respectively.

Cash Flows from (Used in) Financing Activities

Net cash from / (used) in financing activities for the period April 1 - November 21, 2017 and the nine-month period ended December 31, 2016 was \$(13.6) million and \$(17.4) million respectively. Outflow towards interest expense for the period April 1 - November 21, 2017 was \$3.5 million while it was \$4.6 million for the nine-month period ended December 31, 2016. Dividend payout during the period April 1 - November 21, 2017 was \$8.7 million at CCC while it was \$6.7 million for the nine-month period ended December 31, 2016.

Total cash and cash equivalents as of November 21, 2017 stood at \$21.2 million, which was lower by \$0.4 million as compared to the balance of \$21.6 million as of December 31, 2016.

Cash Flows for the Fiscal Year Ended March 31, 2017 as Compared to the Fiscal Year Ended March 31, 2016

As of March 31, 2017, Aegis' cash and cash equivalents stood at \$15.8 million. Aegis believes that their cash and cash equivalents along with their cash flows from operations and their financing arrangements will provide them sufficient liquidity to meet their working capital needs.

\$ in Millions	Year Ended March 31, 2017	Year Ended March 31, 2016
Cash from Operating Activities	30.7	10.6
Cash Used in Investing Activities	(6.5)	(6.4)
Cash from Financing Activities	(19.8)	(1.2)
Net Increase / (Decrease) in Cash & Cash Equivalents	4.4	2.9
Effect of Changes in Exchange Rates	(0.0)	(1.3)
Closing Cash and Cash Equivalents	15.8	11.4

Cash Flows from Operating Activities

Net cash provided by operations consisted primarily of net profit adjusted for depreciation and amortization, finance and other interest cost, income taxes, income from investments, impairment losses recognized on financial assets, non-cash other income or expenses and changes in working capital. The impact of changes in working capital is shown in the table below:

\$ in Millions	Year Ended March 31, 2017	Year Ended March 31, 2016
Decrease/(increase) in Trade Receivables	15.2	(1.5)
(Increase) / Decrease in Other Financial Assets and Other Assets	(17.6)	6.9
Increase/(Decrease) in Trade Payables	(0.7)	(11.3)
Increase/(Decrease) in Other Financial Liabilities and Other Liabilities	(18.0)	(4.1)
Increase/(Decrease) in Provisions	12.4	(0.9)

Trade receivables increased by \$15.2 million in fiscal 2017. Aegis recognizes revenue on an accrual basis when services are performed and any revenue from the last billing to the balance sheet reporting date is recognized as unbilled revenue. Unbilled revenue for fiscal 2017 increased by \$23.9 million. This as a percentage of revenue has increased to 9.8% in fiscal 2017 as compared to 5.5% in fiscal 2016. Trade receivables and unbilled revenue together as a percentage of revenues were 25.4% and 21.2% as of March 31, 2017 and 2016 respectively. The number of days that revenue remained outstanding on the basis of annual revenues were 93 days and 77 days as of March 31, 2017 and 2016, respectively.

Prepayments and other current assets decreased by \$17.6 million during fiscal 2017, primarily due to an increase in prepaid expenses, statutory charges and advances paid to vendors.

Trade payables decreased by \$0.7 million during fiscal 2017. Other liabilities and provisions increased during fiscal 2017 primarily on account of increases in customer advances and increase in withholding taxes payable, partially offset by decrease in accrued compensation to employees.

Cash Flows Used in Investing Activities

Net cash used in investing activities related to acquisition of additional property, plant and equipment for fiscal 2017 and 2016 was \$15.3 million and \$6.8 million, respectively, for software and technology infrastructure and new facilities.

Cash Flows from (Used in) Financing Activities

Net cash used in financing activities for fiscal 2017 and fiscal 2016 was \$19.8 million and \$1.2 million respectively. In fiscal 2017, there was a net decrease of borrowings by \$6.8 million as compared to net increase in borrowings by \$10.3 million in fiscal 2016. Interest costs in fiscal 2017 increased to \$6.1 million from \$5.4 million in fiscal 2016. Dividend payout in fiscal 2017 stood at \$6.7 million in Aegis' Saudi Arabia subsidiary while in fiscal 2016, there was a reduction in share premium of \$6.2 million in Aegis' Netherlands subsidiary.

Total cash and cash equivalents as of March 31, 2017 stood at \$15.8 million which was an increase of \$4.4 million compared to the balance as of March 31, 2016.

Financing Arrangements

Aegis has primarily two levels of debt, (a) the Senior Term Loan and Revolving Credit Facility ("Senior Debt") used by the CSP Alpha Holdings Pte. Ltd. and (b) the Rupee Term Loan Facility and Working Capital Facilities availed by Aegis Customer Support Services Pvt. Ltd in India ("ACSSPL") and Aegis BPO Malaysia Sdn. Bhd. in Malaysia ("Aegis Malaysia"). Senior Debt was used by CSP Alpha Holdings Pte. Ltd. ("CAH") on November 21, 2017, to partly finance the acquisition of Aegis by CSP. The Revolving Credit Facility includes a rupee term loan and working capital facilities availed from local banks in India by ACSSPL and working capital facilities availed by Aegis Malaysia.

Summary of outstanding funded debt as of December 31, 2017:

Description	Amount (\$ in millions)
Senior Term Loan Facility*	140.0
Rupee Term Loan Facility	1.0
Working Capital Loan	14.1
Buyers Credit	2.3
Total Debt	157.4

*Upfront fee of \$6.9 million paid to ING Bank NV during the acquisition of the Aegis group by CSP not included in the above table. Under IFRS reporting, any such upfront fee needs to be adjusted against the value of the term loan. The fee has been factored in accordingly in the reported financial statements for the nine-month period ended December 31, 2017.

Summary of outstanding unfunded debt as of December 31, 2017:

Description	Amount (US\$ million)
Working Capital Loan	6.5

Senior Term and Revolving Credit Facility

On October 27, 2017, CAH, entered into a Senior Term Agreement to borrow \$140 million ("Senior Term Loan Facility") from DBS Bank Ltd., ING Bank N.V., Singapore Branch and Standard Chartered Bank primarily to partially finance the acquisition of Aegis by CSP. The Senior Term Loan Facility was fully drawn on November 22, 2017. In

addition, a Revolving Credit Facility (RCF) amounting to \$10 million was also sanctioned by DBS Bank Limited and ING Bank N.V. Singapore Branch. As of December 31, 2017 this facility remained completely unutilized.

The Senior Term Loan Facility has a floating interest rate of USD LIBOR + 4.50% per annum for the first twelve months and ranges between USD LIBOR + 3.75% to USD LIBOR + 4.50% thereafter subject to meeting the net leverage ratios.

The Senior Term Loan Facility has a final maturity date of five years from the first utilization date, which was November 22, 2017 with a pre-determined quarterly repayment schedule commencing six months after the first utilization date. Aegis, CAH

and ESM along with all material subsidiaries are obligors under the facility agreement. The securities for this facility include, among other things, (i) first priority security on all present and future assets of the obligors, (ii) first priority security over share capital of CAH and (iii) various account security such as DSRA and prepayment account.

As it is customary to such facilities, the Senior Term Loan and Revolving Credit Facility agreement contain certain financial covenants which include among other covenants:

- ◆ Net leverage ratio capped at 4.25x stepping down to 2.00x;
- ◆ Minimum debt service cover ratio of 1.05x;
- ◆ Interest cover ratio to be greater than 3.0x in first two years and 4.0x thereafter; and
- ◆ Maximum CAPEX limits.

These covenants are subject to a number of important exceptions and qualifications. In addition, in certain circumstances, if Aegis sells assets or experiences certain changes of control, it must offer to repay the Senior Term Loan Facility. Aegis regularly monitors all financial ratios under the debt agreements. As of December 31, 2017, Aegis was in compliance with the terms of their covenants.

Rupee Term Loan Facility

On October 7, 2017, ACSSPL, a wholly-owned subsidiary of Aegis in India, entered into a Rupee Term Loan Facility (“Rupee Term Loan”) with Axis Bank. The Rupee Term Loan was for \$1.25 million, carrying a floating interest rate of MCLR + 2.60% with interest payable monthly. The Rupee Term Loan facility was for a maximum tenor of two years with repayment in four equal semi-annual installments. The purpose of the facility was for reimbursement of capital expenditure. The facility was secured by a first charge on all fixed assets of ACSSPL and a second charge on all current assets of ACSSPL, both charges pari passu with the Buyers Credit Facility (as described below).

The amount outstanding on the Rupee Term Loan as of December 31, 2017 was \$1.0 million. The terms of the repayment has been amended such that the Rupee Term Loan would be fully paid on September 30, 2018.

Axis Bank Working Capital Facility

On October 7, 2017, ACSSPL, a 100% subsidiary of Aegis in India, entered into a Working Capital Facility with Axis Bank (“Axis Bank Working Capital Facility”). The overall borrowing capacity under the Axis Bank Working Capital Facility agreement is up to \$12 million and includes borrowing capacity for various working capital products such as cash credit and bank guarantee.

The facility is secured by a first charge on all current assets of ACSSPL and a second charge on all fixed assets of ACSSPL, both charges pari passu with the Yes Bank Working Capital Facility (as described below). The cash credit facility is subject to interest rate of one year MCLR + 3.60% and is repayable on demand.

Aegis has also availed letter of credit and letter of undertaking for buyers credit of \$1.6 million to part finance their capital expenditure (“Buyers Credit Facility”). The Buyers Credit Facility was secured by a first charge on all fixed assets of ACSSPL and a second charge on all current assets of ACSSPL, both charges pari passu with the Rupee Term Loan Facility.

Total outstanding under the Working Capital Facility as on December 31, 2017 was \$11.6 million and \$0.4 million under the Buyers Credit Facility.

Yes Bank Working Capital Facility

On October 16, 2017, ACSSPL entered into a Working Capital Facility with Yes Bank (“Yes Bank Working Capital Facility”). The overall borrowing capacity under the Yes Bank Working Capital Facility agreement is up to \$14.3 million and includes borrowing capacity for various working capital products such as cash credit, bank guarantee, letter of credit (for capital expenditure only) and letter of undertaking for buyers credit (for capital expenditure only).

The facility is secured by a first charge on all current assets of ACSSPL and a second charge on all fixed assets of ACSSPL, both charges pari passu with the Axis Bank Working Capital Facility. The cash credit facility is subject to interest rate of six month MCLR + 2.45% and is repayable on demand.

Total outstanding under this facility as on December 31, 2017 was \$8.3 million and \$1.9 million under Buyers Credit (sub limit).

Citibank Working Capital Facility

Aegis Malaysia, a 100% subsidiary of Aegis in Malaysia, has a credit line of \$4.1 million from Citibank. The facilities include borrowing capacity for various working capital products such as invoice discounting, overdraft and bank guarantee.

The facility is secured by the assignment of certain receivables of Aegis. The fund-based facility is subject to interest rate of cost of funds + 0.80% and is repayable on demand.

Total outstanding under this facility as of December 31, 2017 was \$ 0.4 million including all sub-products.

Financial Leases

Aegis does not hold any assets under financial lease as of December 31, 2017. The below table represents the assets under financial lease for the previous periods under consideration.

\$ in Millions	Year Ended March 31, 2016	Year Ended March 31, 2017	Period Ended December 31, 2017
	Minimum Lease Payments		
Within 1 Year	0.5	0.6	—
Between 1 and 5 Years	0.4	0.5	—
More than 5 Years	0.0	0.0	—
Total	1.0	1.1	—
Less Amounts Representing Finance Charges	0.1	0.1	—
Net	0.9	1.0	—

The present value of future finance lease payments is as follows:

\$ in Millions	Year Ended March 31, 2016	Year Ended March 31, 2017	Period Ended December 31, 2017
	Present Value of Minimum Lease Payments		
Within 1 Year	0.4	0.5	—
Between 1 and 5 Years	0.4	0.6	—
More than 5 Years	—	0.0	—
Total	0.9	1.0	—

Off-balance Sheet Arrangements

Aegis does not have any off-balance sheet arrangements other than operating leases and guarantees. The guarantees have been provided to third parties in connection with the agreements under which Aegis provides their services (customer performance guarantees) as part of their ordinary course of business; guarantees sought by the Government of India for Department of Telecommunication Licenses and guarantees related to commercial and financial purposes.

The following table shows the increase in the number of the guarantees Aegis has provided to third parties for the indicated periods, in connection with agreements under which Aegis provides their services and as part of their ordinary course of business.

\$ in Millions	Year Ended March 31, 2016	Year Ended March 31, 2017	Period Ended December 31, 2017
Contractual Obligations	3.0	5.3	5.3
Department of Telecommunications	0.2	0.2	0.2
Commercial & Financial purposes	0.8	0.8	1.0
Total	4.0	6.3	6.5

There has not been any incidence of a guarantee being invoked in the past.

Disclosure of Operating Lease Obligations

The below table represents Aegis' operating lease obligations for the minimum non-cancelable period of the leases. Aegis enters into mid- to long-term leases ranging from 3-9 years for using the facilities as call centers.

\$ in Millions	Operating Lease Obligations as of December 31, 2017
Less than 1 Year	11.0
1 Year - 5 Years	33.2
More than 5 Years	6.5
Total	50.7

Contractual Obligations

The following table summarizes Aegis' contractual obligations and commercial commitments at December 31, 2017.

	Payment due by period as of December 31, 2017			
	Total	Within one year	Second to fifth year	Later than five years
Indebtedness (Other than working capital loans)	143.27.4		135.8	—
Non-cancellable Operating Leases	50.7	11.0	33.2	6.5
Purchase Obligations	19.3	19.3	—	—
Post-retirement Benefits Obligations	16.0	3.7	6.3	6.0
Total Contractual Obligations	229.241.4		176.8	11.0

Debt obligations are comprised of interest-bearing term debt facilities (as of December 31, 2016; see Note 12 to Aegis' condensed consolidated financial statements). The term debt balance consists of the Senior Term Loan Facility, Rupee Term Loan Facility and the Buyers Credit Facility.

The operating leases where Aegis acts as lessee are mainly facilities used as call centers. These leases have various termination dates and extend up to a maximum of ten years from their respective dates of incorporation. There were no contingent payments on operating leases recognized in the condensed consolidated income statements for the year ended December 31, 2016.

Purchase obligation means an agreement to purchase goods or services that is enforceable and legally binding on Aegis that specifies all significant terms, including fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction. Purchase obligations include capital commitments.

Post-retirement benefits obligations are the benefit payments, which are expected to be paid under Aegis' gratuity plans.

Critical Accounting Estimates and Assumptions

Some of the accounting policies applied in preparing the accompanying consolidated financial statements required Management to apply significant judgments in order to select the most appropriate assumptions for determining these estimates. These assumptions and estimates are based on Management experience, the advice of consultants and experts, forecasts and other circumstances and expectations prevailing at year end. Management's evaluation takes into account the global economic situation in the sector in which Aegis operates, as well as the future outlook for the business. By virtue of their nature, these judgments are inherently subject to uncertainty. Consequently, actual results could differ substantially from the estimates and assumptions used. Should this occur, the values of the related assets and liabilities would be adjusted accordingly.

Although these estimates were made on the basis of the best information available at each reporting date on the events analysed, events that take place in the future might make it necessary to change these estimates in coming years. Changes in accounting estimates would be applied prospectively in accordance with the requirements of IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors," recognizing the effects of the changes in estimates in the related consolidated income statements.

An explanation of the estimates and judgments that entail a significant risk of leading to a material adjustment in the carrying amounts of assets and liabilities in the coming financial year is as follows. Please refer to Note 3 in the consolidated financial statements included elsewhere in this proxy statement for a complete list of accounting policies and estimates.

Useful Life of Property, Plant & Equipment and Intangible Assets

The accounting treatment of items of property, plant and equipment and intangible assets entails the use of estimates to determine their useful lives for depreciation and amortization purposes. In determining the useful life, it is necessary to estimate the level of use of assets as well as forecast technological trends in the assets. Assumptions regarding the level of use, the technological framework and the future development require a significant degree of judgment, bearing in mind that these aspects are rather difficult to foresee. Changes in the level of use of assets or in their technological development could result in a modification of their useful lives and, consequently, in the associated depreciation or amortization.

The following table sets forth the useful life of assets considered by Aegis.

Asset Class	Expected Useful Life (Years)
Building	20
Plant & Equipment	4-6
Leasehold Improvements	Over the lease term or the asset's useful life, whichever is less (Maximum 10)
Office Equipment	5
Furniture & Fixtures	7
Telecommunications Equipment	5
Motor Vehicles	4-5

Aegis assesses property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, Aegis estimates the recoverable amount of the asset. If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the consolidated statement of profit or loss.

Intangible assets are recognized only when it is probable that the expected future economic benefits attributable to the assets will accrue to Aegis and the cost can be reliably measured. Intangible assets acquired in a business combination are recorded at fair value using generally accepted valuation methods appropriate for the type of intangible asset. Intangible assets with definite lives are amortized over the estimated useful lives and are reviewed for impairment, if indicators of impairment arise.

Finite lived intangible assets which are subject to amortization over the estimated useful life of the assets as mentioned below:

Asset Class	Expected Useful Life (Years)
Customer Relationships & Customer Contracts	3-13.5
Non-Compete Agreements	6-10
Software	3-6

All assets are depreciation on straight line basis.

Estimated Impairment of Goodwill

Goodwill is not subject to amortization and is tested annually for impairment or whenever events and changes in circumstances indicate that the carrying amount may not be recoverable. Aegis tests goodwill for impairment annually in accordance with the accounting principle described in the notes to the financials. Goodwill is subject to impairment testing as part of the cash-generating unit to which it has been allocated. The recoverable amounts of cash-generating units defined in order to identify potential impairment in goodwill are determined on the basis of value in use, applying long term financial forecasts based on Aegis' strategic plans which are approved and reviewed by management. These calculations entail the use of assumptions and estimates, and require a significant degree of judgment. The main variables considered in the sensitivity analysis are growth rates, discount rates using the Weighted Average Cost of Capital ("WACC") and the key business variables.

Deferred Taxes

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax asset in respect of carry forward of unused tax credits and unused tax losses are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Provisions & Contingencies

Provisions are recognized when Aegis has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required from Aegis and a reliable estimate of the amount can be made. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the statement of profit or loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. At time of effective payment, the provision is deducted from the corresponding expenses. All known risks at the reporting date are reviewed in detail and provision is made where necessary. Other payables are stated at their nominal value.

In normal course of business, contingent liabilities may arise from litigation and other claims against Aegis. Where the potential liabilities that have a low probability of crystallising or are very difficult to quantify reliably, Aegis treats them as contingent liabilities. Such liabilities are disclosed in the notes and are not provided for in the consolidated financial statements.

Given the uncertainties inherent in the estimates used to determine the amount of provisions, actual outflows of resources may differ from the amounts recognized originally on the basis of these estimates.

Quantitative and Qualitative Disclosures about Market Risk

Aegis' activities expose Aegis to various types of market risk, including interest rate risk and currency risk.

Market risk is attributable to all market sensitive financial instruments including foreign currency receivables and payables. The value of a financial instrument changes as a result of changes in factors that affect market risk sensitive instruments including changes in interest rates, foreign currency exchange rates, equity and commodity prices among others. Aegis' exposure to market risk is primarily a function of Aegis' revenue generating activities and any current or future borrowings in foreign currency. Aegis' risk management policy aims to minimize the impact of these risks on Aegis' financial returns. Please refer to Note 35(a) of the consolidated financial statements for the fiscal year ended March 31, 2017, included elsewhere in this proxy statement, for the impact of market risks, including exchange rate and interest rate risks on Aegis' reported financials.

Most of Aegis' exposure to market risk arises from Aegis' foreign currency income, receivables and payables and borrowings at floating rates of interest.

Components of Market Risk

Exchange rate risk

Aegis is exposed to exchange rate risk as part of their revenue, receivables, costs and payables are in local currency while their reporting is in USD. In certain geographic regions where Aegis operates off-shore operations, Aegis is also exposed to foreign currency exchange rates as they may have receivables from clients in foreign currency while their expenses and payables are in local currency. The exchange rates between each of the Malaysian ringgit, the Indian rupee, the Argentine peso, the Australian dollar, the South African rand and other currencies Aegis deals with on the one hand, and USD, on the other hand, have changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of Aegis' operations are adversely affected as either of these currencies depreciates against the USD. For fiscal 2017, nearly 22% of Aegis' billings were in Indian rupees, 27% in Saudi Arabian riyal, 14% in Argentine peso, 14% in USD, 9% in Australian dollar, 4% in South African rand and 4% in Malaysian ringgit. For the nine-month period ended December 31, 2017, nearly 20% of Aegis' billings were in Indian rupees, 32% in Saudi Arabian riyal, 15% in Argentine peso, 13% in USD, 7% in Australian dollar, 4% in South African rand and 4% in Malaysian ringgit.

Based upon Aegis' level of operations for fiscal 2017, a sensitivity analysis shows that a 10% appreciation or depreciation in the Indian rupee against the USD would have increased or decreased Aegis' reported revenue by approximately \$9.2 million for fiscal 2017, a 10% appreciation or depreciation in the Saudi Arabian riyal against the USD would have increased or decreased reported revenue by approximately \$11.4 million for fiscal 2017, a 10% appreciation or depreciation in the Argentine peso against the USD would have increased or decreased reported revenue by approximately \$5.9 million and a 10% appreciation or depreciation in the Australian dollar against the USD would have increased or decreased reported revenue by approximately \$3.7 million for fiscal 2017.

Based upon Aegis' level of operations for the nine-month period ended December 31, 2017, a sensitivity analysis shows that a 10% appreciation or depreciation in the Indian rupee against the USD would have increased or decreased reported revenue by approximately \$7.5 million, a 10% appreciation or depreciation in the Saudi Arabian riyal against the USD would have increased or decreased reported revenue by approximately \$11.6 million, a 10% appreciation or depreciation in the Argentine peso against the USD would have increased or decreased reported revenue by approximately \$5.7 million and a 10% appreciation or depreciation in the Australian dollar against the USD would have increased or decreased reported revenue by approximately \$2.7 million for the nine-month period ended December 31, 2017.

Whenever Aegis deems it appropriate, they manage exchange rate risk by using derivatives to hedge any exposure incurred in currencies other than those of the functional currency of the countries. This is in accordance with their risk management policy to use these instruments only as a hedging mechanism and reduce risk while not engaging in speculative hedging. Aegis may not purchase adequate instruments to insulate ourselves from foreign exchange currency risks. Furthermore, any such instruments may not perform adequately as a hedging mechanism. As of December 31, 2017, Aegis has not entered into any derivative instrument to hedge exchange rate risk. Aegis may, in the future, adopt more active hedging policies, and have done so in the past.

Interest rate risk

Aegis' exposure to interest rate risks stems from Aegis' borrowings, which have floating rates of interest. Aegis manages this risk by either having a portfolio of fixed and variable rate loans and borrowings and/or entering into interest-rate swaps, as assessed by the management based on risk tolerance. Interest rate swaps effectively convert Aegis' floating rate loans to a fixed rate, thereby managing their exposure to changes in the market interest rates on these borrowing instruments. As of December 31, 2017, 89% of Aegis' borrowings from third parties bore interest at variable rates, while as of March 31, 2017, this was at 7%. The cost of floating rate borrowings may be affected by the

fluctuations in the interest rates. Aegis had not entered into any interest rate swap contracts as of December 31, 2017.

Aegis monitors their positions and do not anticipate non-performance by counterparties. These exposures are reviewed by management on a periodic basis. Aegis does not enter into hedging agreements for speculative purposes.

STOCKHOLDER PROPOSALS

Stockholder proposals intended to be presented at our 2019 Annual Meeting of Stockholders must be received at our executive offices at 8200 East Maplewood Ave., Suite 100, Greenwood Village, CO 80111, Attention of the Secretary, no later than the close of business on , for inclusion in our proxy statement relating to the 2019 Annual Meeting. Under our bylaws, the Secretary must receive notice at our executive offices between , 2019 and , 2019 of any matters to be proposed by a stockholder at the 2019 Annual Meeting in order for such matters to be properly considered at the 2019 Annual Meeting. However, if the date of the 2019 Annual Meeting is a date that is more than 30 days before or after , 2019, notice by the stockholder of a proposal must be delivered no earlier than the close of business on the 120th day prior to the 2019 Annual Meeting and no later than the close of business on the later of the 60th day prior to the 2019 Annual Meeting or if the first public announcement of the date of the 2019 Annual Meeting is less than 100 days prior to the date of the 2019 Annual Meeting, the 10th day following the day on which public announcement of the 2019 Annual Meeting is first made by us.

STOCKHOLDER COMMUNICATION WITH THE BOARD

Our Board believes that it is important for current and potential stockholders and other interested parties to have a process to send communications to the Board. Accordingly, stockholders and other interested parties desiring to send a communication to the Board, or to a specific director, may do so by sending a letter to our executive offices at 8200 East Maplewood Ave., Suite 100, Greenwood Village, CO 80111, Attention of the Secretary. The mailing envelope must contain a clear notation indicating that the enclosed letter is a “stockholder-board communication” or “stockholder-director communication.” All such letters must identify the author as either a stockholder or non-stockholder and clearly state whether the intended recipients of the letter are all members of the Board or certain specified individual directors. The Secretary will open such communications, make copies, and then circulate them to the appropriate director or directors. Letters directed to our “independent directors” or “outside directors” will be delivered to Dr. Zschau, our independent Chairman of the Board.

EQUITY COMPENSATION PLANS

The following table summarizes information as of December 31, 2017, about our equity compensation plans.

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants	(c) Number of Securities Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by stockholders	2,322,323	\$ 4.94	295,248
Equity compensation plans not approved by stockholders	—	—	—
Total	2,322,323	\$ 4.94	295,248

DESCRIPTION OF STARTEK SECURITIES

Common Stock

Our Certificate of Incorporation currently authorizes us to issue up to 32,000,000 shares (to be increased to 60,000,000 if the stockholders approve the Authorized Shares Proposal at the Annual Meeting) of common stock, par

value \$0.01 per share, of which 16,216,297 shares were issued and outstanding as of May 1, 2018. Holders of common stock are entitled to receive dividends as may be declared by our Board from funds legally available for these dividends. Upon liquidation, holders of shares of common stock are entitled to a pro rata share in any distribution available to holders of common stock. The holders of common stock have one vote per share on each matter to be voted on by stockholders, but are not entitled to vote cumulatively. Holders of common stock have no preemptive rights. All of the outstanding shares of common stock are, and all of the shares of common stock to be issued in the Aegis Transactions will be, validly issued, fully-paid and non-assessable.

Warrants

On January 23, 2018, the Company issued the Amazon Warrant to Amazon, pursuant to which Amazon may acquire up to 4,000,000 shares of common stock, subject to certain vesting events described below and adjustment in certain cases. The vesting of the Amazon Warrant is linked to gross revenues of the Company from Amazon or any of its affiliates in connection with the existing commercial arrangements. The Amazon Warrant Shares will vest based on Amazon's payment of up to \$600 million to the Company in connection with Amazon's purchase of services from the Company. The Amazon Warrant has an exercise price of \$9.96 per share and is exercisable through January 23, 2026. The exercise price and the Amazon Warrant Shares issuable upon exercise of the Amazon Warrant are subject to customary anti-dilution adjustments. See "Proposal 2 - the Amazon Issuance Proposal."

Anti-Takeover Provisions

Some provisions of Delaware law, our Certificate of Incorporation and our bylaws may have the effect of delaying, deferring or discouraging another party from acquiring control of us.

Delaware Law

We are subject to Section 203 of the Delaware General Corporation Law, or the DGCL, which regulates, subject to some exceptions, acquisitions of Delaware corporations. In general, Section 203 prohibits us from engaging in a "business combination" with an "interested stockholder" for a period of three years following the date the person becomes an interested stockholder, unless:

- our Board approved the business combination or the transaction in which the person became an interested stockholder prior to the date the person attained this status;

- the interested stockholder owned at least 85% of the outstanding voting stock when the transaction commenced, excluding those shares held by directors, officers and employee stock ownership plans;

- the holders of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder approved such business combination at or subsequent to such time the business combination is approved by the Board and authorized at an annual or special meeting of stockholders, and not by written consent; or

- the Company elects in its Certificate of Incorporation or bylaws not to be governed by section 203 of the DGCL.

Section 203 defines a "business combination" to include, among others:

- any merger or consolidation involving us and the interested stockholder;

- any sale, lease, exchange, mortgage, pledge, transfer or other disposition to the interested stockholder of 10% or more of our assets;

- the issuance or transfer by us of any of our outstanding stock to the interested stockholder, subject to certain exceptions;

- any transaction involving us that has the effect of increasing the proportionate share of our stock owned by the interested stockholder; and

- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges, or other financial benefits provided by or through us.

In general, Section 203 defines an “interested stockholder” as any stockholder who beneficially owns, directly or indirectly, 15% or more of the outstanding voting stock of a corporation or who is an affiliate or associate of such corporation and at any time within the three-year period prior to the time of determination of interested stockholder status did own 15% or more of the then outstanding voting stock of the corporation.

Certificate of Incorporation and Bylaw Provisions

Our Certificate of Incorporation and bylaws provide that:

• Our Board is expressly authorized to adopt, alter, amend or repeal our bylaws;

• in general, stockholders may not call special meetings of the stockholders or fill vacancies on the Board, except that a stockholder owning not less than 10% of the outstanding shares of our common stock may call special meetings; and

• we will indemnify officers and directors against losses that may be incurred by legal proceedings resulting from their services to us, which may include services in connection with takeover defense measures.

PRICE RANGE OF STARTEK COMMON STOCK AND DIVIDENDS

The Company's common stock is traded on the NYSE under the symbol "SRT." The following table sets forth for the indicated periods the reported high and low sales prices per share.

	High	Low
2018		
First Quarter	\$13.55	\$9.82
Second Quarter (through May 1, 2018)	\$9.76	\$8.47
2017		
First Quarter	\$9.80	\$7.75
Second Quarter	\$12.67	\$8.49
Third Quarter	\$14.78	\$10.45
Fourth Quarter	\$12.58	\$9.55
2016		
First Quarter	\$5.02	\$3.41
Second Quarter	\$4.85	\$3.74
Third Quarter	\$6.40	\$4.15
Fourth Quarter	\$9.22	\$5.70
2015		
First Quarter	\$10.12	\$7.40
Second Quarter	\$8.51	\$5.75
Third Quarter	\$6.05	\$2.86
Fourth Quarter	\$4.72	\$3.25

On March 14, 2018, the day prior to the announcement of the execution of the Transaction Agreement, the closing sale price of our common stock was \$10.53. On May 1, 2018, the closing sale price of our common stock was \$8.47.

**BENEFICIAL OWNERSHIP OF COMMON STOCK BY
DIRECTORS, EXECUTIVE OFFICERS, AND PRINCIPAL STOCKHOLDERS**

Beneficial Ownership of Common Stock by Directors, Executive Officers, and Principal Stockholders

The table below presents information as of May 1, 2018, regarding the beneficial ownership of shares of our common stock by:

Each of our directors and the executive officers named in the Summary Compensation Table;

Each person we know to have beneficially owned more than five percent of our common stock as of that date; and

All of our current executive officers and directors as a group.

As of May 1, 2018, we had 16,216,297 shares of our common stock outstanding.

Name of Beneficial Owner	Beneficial Ownership of Shares		
	Number of Shares ⁽¹⁾	Percentage of Class	
A. Emmet Stephenson, Jr. ⁽²⁾⁽³⁾	2,914,382	18.0	%
Privet Fund Management LLC ⁽⁴⁾	1,312,907	8.1	%
Dimensional Fund Advisors LP ⁽⁵⁾	921,475	5.7	%
Steven D. Lebowitz ⁽⁶⁾	978,500	6.0	%
BlackRock, Inc. ⁽⁷⁾	816,533	5.0	%
Daniel M. Gottlieb ⁽⁸⁾	1,028,037	6.3	%
Directors:			
Jack D. Plating ⁽²⁾⁽⁹⁾	170,614	1.1	%
Benjamin L. Rosenzweig ⁽²⁾⁽¹⁰⁾	225,232	1.4	%
Robert Sheft ⁽²⁾⁽¹¹⁾	253,666	1.6	%
Ed Zschau ⁽²⁾⁽¹²⁾	257,330	1.6	%
Named Executive Officers:			
Chad A. Carlson ⁽²⁾⁽¹³⁾	757,205	4.7	%
Donald Norsworthy ⁽²⁾	17,554	*	
Peter F. Martino ⁽²⁾⁽¹⁴⁾	125,430	*	
Stephen C. White ⁽²⁾	783	*	
Jaymes D. Kirksey ⁽²⁾⁽¹⁵⁾	84,416	*	
All Current Directors and Executive Officers as a group (10 persons)	1,892,230	11.7	%

* Less than one percent.

(1) Calculated pursuant to Rule 13d-3(d) of the Exchange Act. Under Rule 13d-3(d), shares not outstanding that are subject to options, warrants, rights or conversion privileges exercisable within 60 days are deemed outstanding for the purpose of calculating the number and percentage owned by such person, but are not deemed outstanding for the purpose of calculating the percentage owned by each other person listed. Accordingly, share ownership in each case includes shares issuable upon exercise of outstanding options that are exercisable within 60 days after May 1, 2018. Included in this table are all shares of restricted stock (vested and unvested) and deferred stock units (vested and unvested) as of May 1, 2018. Unless otherwise indicated in the footnotes and subject to community property laws where applicable, each of the named persons has sole voting and investment power with respect to the shares shown as beneficially owned.

(2) The address of such person is c/o StarTek, Inc., 8200 East Maplewood Ave., Suite 100, Greenwood Village, CO 80111.

(3) This disclosure is based on information provided to us in a questionnaire. Mr. Stephenson has entered into an investor rights agreement with us, which is more fully described below in "Proposal 6—Certain Relationships—Investor Rights Agreement."

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(4) This disclosure is based on information provided to the Company by Privet Fund LP. The address of this stockholder is 79 West Paces Ferry Road, Suite 200B, Atlanta, Georgia 30305. These securities are owned by various individual and institutional investors, including Privet Fund Management LLC (which owns 1,312,907 shares, representing 8.1% of the shares outstanding). Privet Fund Management LLC has shared voting power with respect to the 1,312,907 shares and shared dispositive power with respect to 1,312,907 shares.

(5) This disclosure is based on a Schedule 13G/A filed with the SEC by Dimensional Fund Advisors LP on February 9, 2018. The address of this stockholder is Building One, 6300 Bee Cave Road, Austin, Texas 78746. For purposes of the reporting requirements of the Exchange Act, Dimensional Fund Advisors LP is deemed to be a beneficial owner of such securities; however, Dimensional Fund Advisors, LP expressly disclaims that it is, in fact, the beneficial owner of such securities. Dimensional Fund Advisors, LP reports sole voting power with respect to 880,226 shares and sole dispositive power with respect to 921,475 shares.

(6) This disclosure is based on a Schedule 13G filed with the SEC by Steven D. Lebowitz on February 15, 2018. The address of this stockholder is 1333 Second Street, Suite 650, Santa Monica, CA 90401. Mr. Lebowitz reports sole voting and dispositive power with respect to 157,500 shares. In addition, Mr. Lebowitz reports shared voting and dispositive power together with Deborah P. Lebowitz (as to 821,000 shares), with The Lebowitz Family LLC (as to 117,500 shares), with Lebowitz RCT, L.P (as to 40,000 shares) and Lebowitz RCT, Inc. (as to 40,000 shares).

(7) This disclosure is based on a Schedule 13G filed with the SEC by BlackRock, Inc. on February 1, 2018. The address of this stockholder is 55 East 52nd Street, New York, NY 10055.

(8) This disclosure is based on a Schedule 13G filed with the SEC by Daniel M. Gottlieb on April 24, 2018. The address of this stockholder is 439 North Bedford Drive, Beverly Hills, California 90210. Mr. Gottlieb reports sole voting and dispositive power with respect to 970,537 shares, including 50,000 shares owned by G&L Regents Court, LLC and 115,000 shares owned by The DMG Family, LLC. In addition, Mr. Gottlieb reports shared voting and dispositive power with respect to 57,500 shares owned by Susan I. Gottlieb.

(9) Includes 136,291 shares of common stock underlying vested stock options.

(10) Includes 196,054 shares of common stock underlying vested stock options and 11,182 shares of common stock underlying deferred stock units that will settle when the director's service on the Board terminates.

(11) Includes 211,932 shares of common stock underlying vested stock options.

(12) Includes 13,368 shares owned by the Zschau Living Trust and 226,932 shares of common stock underlying vested stock options.

(13) Includes 615,581 shares of common stock underlying vested stock options.

(14) Includes 90,506 shares of common stock underlying vested stock options.

(15) Includes 70,760 shares of common stock underlying vested stock options.

Except as set forth in the table presented previously, we know of no other person that beneficially owns five percent or more of our outstanding common stock.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors and executive officers and beneficial owners of more than 10% of our outstanding common stock (collectively, “Insiders”) to file reports with the SEC disclosing direct and indirect ownership of our common stock and changes in such ownership. The rules of the SEC require Insiders to provide us with copies of all Section 16(a) reports filed with the SEC. Based solely upon a review of copies of Section 16(a) reports received by us, and written representations that no additional reports were required to be filed with the SEC, we believe that our Insiders have timely filed all Section 16(a) reports during the 2017 fiscal year.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly, and current reports and other information with the SEC. Our filings with the SEC are available to the public on the SEC’s website at www.sec.gov. Those filings are also available to the public on our corporate website at www.startek.com. The information we file with the SEC or contained on, or linked to through, our corporate website or any other website that we may maintain is not part of this proxy statement. You may also read and copy, at the SEC’s prescribed rates, any document we file with the SEC, including this proxy statement, at the SEC’s Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. You can call the SEC at 1-800-SEC-0330 to obtain information on the operation of the Public Reference Room.

You may request a copy of these filings, at no cost, using the following contact information:

StarTek, Inc.

8200 East Maplewood Ave., Suite 100

Greenwood Village, CO 80111

Attention: Investor Relations

(303) 262-4500

Email: investor@startek.com

You may request a copy of these filing from our proxy solicitor Saratoga Proxy Consulting, LLC, using the following contact information:

Saratoga Proxy Consulting, LLC

528 8th Avenue, 14th Floor, New York, NY 10018

toll-free at (888) 368-0379 or (212) 257-1311

or by email at info@saratogaproxy.com

MISCELLANEOUS

Our Annual Report to Stockholders for the year ended December 31, 2017, will be made available with this proxy statement to stockholders of record as of , 2018. The Annual Report to Stockholders for the year ended December 31, 2017, does not constitute a part of the proxy soliciting materials.

Our Board and Management are not aware of any other business that may come before the Annual Meeting. However, if additional matters properly come before the Annual Meeting, proxies will be voted at the discretion of the proxy holders.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
StarTek, Inc.
Greenwood Village, Colorado

OPINIONS ON THE FINANCIAL STATEMENTS AND INTERNAL CONTROL OVER FINANCIAL REPORTING

We have audited the accompanying consolidated balance sheets of StarTek, Inc. (the "Company") as of December 31, 2017 and 2016, and the related consolidated statements of operations and comprehensive loss, stockholders' equity, and cash flows, for each year in the three year period ended December 31, 2017, and the related notes (collectively referred to as the "financial statements"). We have also audited the Company's internal control over financial reporting as of December 31, 2017, based on the criteria established in Internal Control Integrated Framework: (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each year in the three year period ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control Integrated Framework: (2013) issued by COSO.

BASIS FOR OPINIONS

The Company's management is responsible for these financial statements, 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 financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the 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 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 financial statements. 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 audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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/ EKS&H LLLP

March 16, 2018
Denver, Colorado

We have served as the Company's auditor since 2014.

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STARTEK, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

(In thousands, except per share data)

	Year Ended December 31,		
	2017	2016	2015
Revenue	\$292,604	\$307,200	\$282,134
Cost of services	260,242	270,779	257,830
Gross profit	32,362	36,421	24,304
Selling, general and administrative expenses	32,584	33,196	34,427
Impairment losses and restructuring charges, net	520	364	3,890
Operating income (loss)	(742)	2,861	(14,013)
Interest and other (expense), net	(970)	(1,748)	(1,139)
Income (loss) before income taxes	(1,712)	1,113	(15,152)
Income tax expense (benefit)	(436)	718	464
Net income (loss)	\$(1,276)	\$395	\$(15,616)
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments	141	297	(47)
Change in fair value of derivative instruments	691	(248)	(427)
Pension remeasurement	601	253	—
Comprehensive income (loss)	\$157	\$697	\$(16,090)
Net income (loss) per common share - basic	\$(0.08)	\$0.03	\$(1.01)
Net income (loss) per common share - diluted	(0.08)	0.02	(1.01)
Weighted average common shares outstanding - basic	15,966	15,731	15,529
Weighted average common shares outstanding - diluted	15,966	16,258	15,529

See Notes to Consolidated Financial Statements.

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STARTEK, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	As of December 31,	
	2017	2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$1,456	\$1,039
Trade accounts receivable, net	53,052	60,179
Prepaid expenses	2,351	2,140
Other current assets	1,290	1,670
Total current assets	58,149	65,028
Property, plant and equipment, net	19,943	23,276
Intangible assets, net	5,557	6,697
Goodwill	9,077	9,077
Other long-term assets	3,272	2,730
Total assets	\$95,998	\$106,808
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$7,019	\$7,612
Accrued liabilities:		
Accrued employee compensation and benefits	12,850	13,767
Other accrued liabilities	2,105	2,083
Line of credit	—	26,025
Other current debt	2,725	2,740
Other current liabilities	1,249	2,137
Total current liabilities	25,948	54,364
Line of credit	19,078	—
Other debt	3,128	5,500
Other liabilities	905	2,200
Total liabilities	49,059	62,064
Commitments and contingencies		
Stockholders' equity:		
Common stock, 32,000,000 non-convertible shares, \$0.01 par value, authorized; 16,175,351 and 15,811,516 shares issued and outstanding at December 31, 2017 and 2016, respectively	162	158
Additional paid-in capital	82,594	80,560
Accumulated other comprehensive income (loss)	1,384	(49)
Accumulated deficit	(37,201)	(35,925)
Total stockholders' equity	46,939	44,744
Total liabilities and stockholders' equity	\$95,998	\$106,808
See Notes to Consolidated Financial Statements.		

STARTEK, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Year Ended December 31,		
	2017	2016	2015
Operating Activities			
Net income (loss)	\$(1,276)	\$ 395	\$(15,616)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	11,080	12,250	13,261
Impairment losses	109	174	323
Provision for doubtful accounts	(40)	112	132
Gain (loss) on sale of assets	3	(3)	(509)
Share-based compensation expense	1,015	1,722	1,469
Amortization of deferred gain on sale leaseback transaction	—	—	(168)
Deferred income taxes	(327)	265	210
Income tax benefit related to other comprehensive income	(511)	(31)	(282)
Changes in operating assets and liabilities:			
Trade accounts receivable, net	7,187	(2,343)	(2,580)
Prepaid expenses and other assets	781	723	(490)
Accounts payable	(537)	(2,331)	764
Accrued and other liabilities	(1,956)	4	(1,150)
Net cash provided by (used in) operating activities	15,528	10,937	(4,636)
Investing Activities			
Proceeds from sale of assets	350	40	982
Purchases of property, plant and equipment	(7,185)	(3,797)	(7,722)
Cash paid for acquisitions of businesses	—	(825)	(18,258)
Net cash used in investing activities	(6,835)	(4,582)	(24,998)
Financing Activities			
Proceeds from the issuance of common stock	1,023	400	917
Proceeds from line of credit	307,866	302,711	318,890
Principal payments on line of credit	(314,813)	(308,900)	(291,316)
Principal payments on other debt	(2,860)	(3,055)	(1,972)
Net cash provided by (used in) financing activities	(8,784)	(8,844)	26,519
Effect of exchange rate changes on cash	508		