

# Convergys Corporation Governance Principles

Amended and Restated April 26, 2017

## Expectations

All Directors participate in an orientation process at the time of their election or appointment to the Board and are expected to continue to expand their knowledge through various means, including attendance and participation at Board meetings and through the review of materials provided to them by management. Directors are kept informed of the Company's business by various reports and documents provided to them, as well as by operating and financial reports presented at Board and Committee meetings by the Company's management.

Directors are expected to attend all or substantially all Board meetings and meetings of the Committees of the Board on which they serve. Directors also are expected to spend the necessary time to discharge their responsibilities effectively and to ensure that other existing or future commitments do not materially interfere with their responsibilities as members of the Board.

Directors are expected to act ethically at all times and comply with laws, rules and regulations applicable to the Company, as well as Company policies and procedures, including the Code of Business Conduct, the Financial Code of Ethics, these Governance Principles and the Company's Insider Trading Policy.

### Code of Business Conduct

To guide the operations of the Company's business, the Company has adopted a Code of Business Conduct (the "Code") which addresses among other topics: (i) conflicts of interest; (ii) confidentiality; (iii) fair dealing; (iv) protection and proper use of Company assets; and (v) compliance with laws, rules and regulations. The Code requires the reporting of any unethical or illegal behavior and ensures prompt action for violations of the Code. Any waiver of the Code for Directors or for senior management may be made only by the Board of Directors or a Board Committee, if so delegated. Any such waivers will be disclosed as required under applicable laws, rules, or regulations.

### Code of Ethics for CEO and Senior Financial Officers

The Company has adopted a Code of Ethics for the CEO and all Senior Financial Officers including the Chief Financial Officer and the Principal Accounting Officer. The Code of Ethics is available on the Company Website at <http://www.convergys.com/asset/convergys-financial-code-of-ethics.pdf>.

## Corporate Ethics Hotline

The Company has a Corporate Ethics Hotline where employees or third parties can report behavior that is suspected to be illegal, unethical or improper, including auditing and accounting practices, internal accounting controls, disclosure controls or fraud. The Ethics Hotline reporting shall permit anonymous reporting except where local laws or regulations require otherwise. Information regarding the Hotline is available on the Company's website at <http://www.convergys.com/company/investor-relations/corporate-governance.php>.

## Ethics and Conflicts of Interest

For the avoidance of doubt, each Director is subject to the provisions of the Code related to conflicts of interest, including prohibitions on (a) personally pursuing a Company business opportunity, (b) using Company property, information or position for personal gain, and (c) competing with the Company. Employees, officers and Directors owe a duty to the Company to advance its interests. Directors may not participate in any Board or Committee discussion or action with respect to any matter in which the Director has a direct or indirect personal interest.

## **Selection and Composition of the Board**

### Board Size

The Company's Regulations provide that the Board shall be not less than three nor more than seventeen Directors.

### Independence of the Board

A majority of the Board shall be Directors who qualify as independent Directors ("Independent Directors") under the listing standards of the New York Stock Exchange, applicable laws and regulations. The Board will review annually the relationship that each Director has with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). Following such annual review, only those Directors whom the Board affirmatively determines have no material relationship with the Company will be considered Independent Directors.

### Selection of Directors/Board Membership Criteria

The Governance and Nominating Committee, comprised entirely of Independent Directors, is responsible for identifying, screening and recommending persons for nomination by the Board for election as Directors. Suggestions for nominees for Directors of the Company can be brought to the attention of the Board by several means including by the Governance and Nominating Committee, individual members of the Board, shareholders or third parties. From time to time the Governance and Nominating Committee may engage the services of an independent third party search

firm to assist it in identifying qualified Director candidates. All suggested nominees will be screened by the Governance and Nominating Committee. After the Committee's deliberations are completed, it shall report its findings and recommendations to the Board. The Board shall approve all nominees for election as Directors.

An assessment of the skills and characteristics needed by the Board in the context of the current composition of the Board shall be performed on a regular basis. Skills and characteristics to be considered include: (i) judgment; (ii) experience; (iii) skills; (iv) accountability and integrity; (v) financial literacy; (vi) leadership abilities; (vii) industry knowledge; (viii) diversity (both in perspectives as well as Board heterogeneity); (ix) other Board appointments; and (x) independence. In determining whether a Director should stand for re-election, consideration will be given to the Director's attendance at meetings, achievement of satisfactory performance, and other matters determined by the Board.

In connection with its consideration of nominees for election as Directors, the Governance and Nominating Committee shall annually review director succession planning, which may include consideration of Committee membership rotation, anticipated Director retirements and potential Director nominee candidates.

#### Service on Other Boards

Non-management members of the Board may serve on no more than four other public company boards of directors and non-management members of the Board who are CEOs of public companies may serve on no more than one other public company board of directors that is not their own company or Convergys without the prior review by the Governance and Nominating Committee and approval of the Board. Because of the demanding role and responsibilities of the Company's Audit Committee, no Audit Committee member shall serve simultaneously on the audit committees of more than three public companies.

#### Extending the Invitation to a Potential Director to Join the Board

The invitation to join the Board shall be extended on behalf of the Board by the Chairman of the Board and the Chairman of the Governance and Nominating Committee and other Directors, as appropriate.

#### Change in Status of Directors

Upon a change in the personal or business status of a Director, including a change in the Director's company or institutional affiliation, employment status, or job responsibilities, the Director shall tender his/her resignation to the Chair of the Governance and Nominating Committee. The Governance and Nominating Committee will discuss with the individual Director the changed circumstances. The Governance and Nominating Committee shall then recommend to the Board whether to accept or decline the tendered resignation.

### Term of Office

All Directors will be elected annually at the Annual Meeting of Shareholders, subject to the provisions set forth in the amended Articles of Incorporation and these Governance Principles.

### Retirement

A Director is required to retire from the Board effective at the Annual Meeting of Shareholders following his/her seventy-second birthday; however, at any time before the Annual Meeting at which a Director is otherwise required to retire, the Governance and Nominating Committee may extend the date on which the Director is required to retire until the next following Annual Meeting of Shareholders.

### Majority Vote Standard for Election of Directors

In an uncontested election, any nominee for election as a Director (including incumbent Directors) must receive a majority of votes cast at any meeting for the election of Directors at which a quorum is present (a "Majority Vote"). Any incumbent who does not receive a Majority Vote shall promptly tender to the Board of Directors his or her offer of resignation following certification of the shareholder vote. An "uncontested election" is an election in which the number of nominees is not greater than the number of Directors being elected at the meeting; provided that if, as of a date that is 14 days in advance of the date the Company files its definitive proxy statement with the Securities and Exchange Commission, the number of nominees exceeds the number of Directors to be elected, the Directors shall be elected by the vote of a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of Directors. "A majority of votes cast" means that the number of shares voted "for" a Director must exceed the number of votes cast "against" that Director (with "abstentions" and "broker nonvotes" not counted as a vote cast either for or against that Director's election). Each nominee for election as a Director (including incumbent Directors) must agree in advance to abide by this policy as a condition of his or her nomination for election as a Director.

The Governance and Nominating Committee will consider a resignation offer tendered in accordance with the preceding paragraph, and will make a recommendation to the Board whether to accept or reject the resignation offer. In making its recommendation, the Governance and Nominating Committee will consider all factors it deems relevant, including the stated reasons, if any, why shareholders withheld their votes from the Director, the length of service and qualifications of the Director, the Director's contributions to the Company and potential adverse consequences of the resignation (such as failure to comply with New York Stock Exchange listing requirements and Securities and Exchange Commission rules and regulations).

The Board will act on the Governance and Nominating Committee's recommendation within 90 days following certification of the shareholder vote. When making its decision, the Board may either accept or reject the resignation offer, and may pursue additional actions such as:

- Allowing the Director to remain on the Board but not be renominated at the end of the current term;
- Deferring acceptance of the resignation offer until a replacement Director with qualifications and/or experience comparable to that of the Director offering to resign (such as audit committee financial expertise) can be identified and elected to the Board; or
- Deferring acceptance of the Director's resignation offer if the Director can cure the cause of the "withhold" votes (for example, if votes were withheld due to multiple directorships, by resigning from other boards).

The Company will promptly disclose the Board's decision whether to accept or reject the Director's resignation offer and, if applicable, the reason(s) for rejecting the resignation offer in a Form 8-K furnished to the Securities and Exchange Commission. Any Director who tenders an offer of resignation pursuant to this Policy shall not participate in the Governance and Nominating Committee's recommendation or the Board's action regarding the resignation offer.

If a majority of the members of the Governance and Nominating Committee receive a Majority Withhold Vote at the same election, then the Independent Directors who did not receive a Majority Withhold Vote shall appoint a special committee consisting of Independent Directors who did not receive a Majority Withhold Vote to consider the resignation offers and recommend to the Board whether to accept or reject all or any of them.

### **Shareholder Director Nominations**

The Governance and Nominating Committee will consider individuals for nomination to stand for election as directors who are recommended to it in writing by any shareholder of the Company. Any shareholder wishing to recommend an individual as a nominee for election at an annual meeting of shareholders must follow the procedure outlined below and then send a signed letter of recommendation to the following address:

Governance and Nominating Committee  
Convergys Corporation  
c/o Corporate Secretary  
201 East Fourth Street  
Cincinnati, Ohio 45202

Recommendation letters must certify that the person making the recommendation is a shareholder of the Company (including the number of shares held as of the date of the recommendation), and further state the reasons for the recommendation, the full name and address of the proposed nominee, a biographical history of the proposed nominee, including past and present directorships, employments, occupations and civic activities for at least the past five years. Any such recommendation should be accompanied by a signed written statement from the proposed nominee consenting to be named as a candidate and, if nominated and elected, consenting to serve as a director. The letter must also include a signed written statement that the nominating shareholder and the candidate will make available to the Governance and Nominating Committee all information reasonably requested in furtherance of the Governance and Nominating Committee's evaluation. The letter must be received before the close of business on November 15th of the year before the next annual meeting.

## **Board Communications**

Directors receiving inquiries about the Company shall refer all such inquiries to the Chief Executive Officer and should interact with the press and other third parties only in concurrence with the Chief Executive Officer or the Investor Relations Department.

## **Shareholder Communications with the Company**

Shareholders may communicate with the Board by written correspondence addressed to the Chairman of the Board, the Presiding Director or Independent Directors. Contact information is available on the Company's website at <http://www.convergys.com/company/investor-relations/corporate-governance.php>.

Shareholders who wish to communicate with the Corporate Secretary can obtain contact information on the Company's website at <http://www.convergys.com/company/investor-relations/corporate-governance.php>.

## **Board Performance**

The Governance and Nominating Committee shall administer an annual self-evaluation of the Board. This self-evaluation will focus on the performance of the Board as a whole, concentrating on areas where performance might be improved. The Governance and Nominating Committee shall review all evaluations, report the results to the Board and make such recommendations, if any, it deems appropriate.

### Committee Performance

The Governance and Nominating Committee shall administer an annual performance evaluation by Committee members of their respective Committee(s). This evaluation will focus on the performance of each Committee as a whole, concentrating on areas where performance might be improved. The Committee shall review all evaluations, report the

results to the respective Committee(s) and make such recommendations, if any, it deems appropriate.

## **Board Compensation Guidelines**

Directors (other than those who are officers or employees of the Company or any of its subsidiaries) are entitled to receive reasonable compensation for their service on the Board of Directors and any Committees on which they serve, as may be recommended from time to time by the Compensation and Benefits Committee and approved by the Board, as well as reimbursement of their reasonable expenses. The Compensation and Benefits Committee will review Director compensation and make recommendations to the Board. Unless otherwise determined by the Compensation and Benefits Committee and the Board, compensation for service as a Director shall be paid at least 50% in shares.

## **Board Leadership**

The Directors will annually elect a Chairman of the Board, who may or may not be the Chief Executive Officer of the Company. If the individual elected as Chairman of the Board is the Chief Executive Officer, is determined not to be Independent or the Independent Directors otherwise deem appropriate, the Independent Directors shall also elect a Lead Independent Director or other Independent Director to serve as a Presiding Director (the "Presiding Director"). The Chairman, working with the Presiding Director, shall facilitate information flow between the Board and the Chief Executive Officer. The Presiding Director may convene meetings of the Board where only Independent Directors are present.

## **Board Meetings**

### Frequency and Conduct of Meetings

The Board of Directors shall meet at least four times annually. Additional meetings of the Board may be called as needed.

The Chairman of the Board shall prepare an annual schedule of meetings for the Board of Directors and the standing Committees. To the extent practicable, the schedule shall reflect agenda subjects that are generally of a recurring nature and are expected to be discussed during the year. Such matters may include a review and evaluation of the Company's (i) strategic plan; (ii) strategic objectives; (iii) annual budget; (iv) business and financial performance for the prior year, including a review of the achievement of strategic objectives and business models; (v) principal current and future risk exposures; (vi) competitive environment; (vii) compliance with applicable laws, regulations and listing standards; and (viii) succession planning for the Chief Executive Officer and other executive officers.

The proposed annual schedule of meetings of the Board and its standing Committees shall be presented to the Board of Directors for review. The Chairman of the Board shall chair all meetings of the Board of Directors. In the absence of the Chairman, the Presiding Director shall chair the Board of Directors' meeting.

#### Executive Sessions of Non-Management Directors

Independent Directors will meet in Executive Session on a regular basis and at least at each regularly scheduled meeting of the Board. Executive Sessions will be chaired by the Chairman or the Presiding Director elected by the Board.

#### Access to Management

The Board encourages the Chairman of the Board to invite, in addition to senior officers, other members of management to make presentations at Board meetings in order to provide insight into aspects of the Company's business or to provide individuals with exposure to the Board of Directors for purposes of management development. Directors may suggest possible guests and/or topics for presentation and discussion to the Chairman. In addition, Directors shall have access to the senior management of the Company and information necessary for them to discharge their responsibilities. Management shall be responsive to requests for information from Board members.

#### Agenda Items

Specific agenda items for meetings of the Board of Directors are designated by the Chairman in consultation with the Presiding Director, other Directors, senior management, and others as determined by the Chairman.

#### Distribution of Materials to the Board

Materials for review, discussion and/or action by the Board shall, to the extent practicable, be distributed sufficiently in advance of meetings to allow time for review prior to the meeting. It is recognized that certain exigent circumstances may cause written materials to be unavailable in advance of the meeting.

#### Board Advisors

The Board of Directors and the Committees thereof shall be entitled, at the expense of the Company, to engage such independent legal, financial or other advisors as they deem appropriate, without consulting or obtaining the approval of any officer of the Company, with respect to any matters within their authority.

#### Minutes

The Secretary of the Company shall record minutes of all meetings of the Board of Directors and shareholders. In the absence or incapacity of the Secretary, the Chairman



may designate as Assistant Secretary, a Director, the General Counsel or outside counsel for the Company to record the minutes of meetings of the Board of Directors or shareholders. Each Committee of the Board shall be responsible for preparing written minutes of its meetings.

## **Share Ownership**

Under usual circumstances, the expectation is that a member of the Board of Directors will own Convergys shares valued at five times the cash portion of the annual Board retainer within five years of the date the member becomes a Director. The achievement of this guideline is not a condition of Board membership.

## **Leadership Development**

### Succession Planning

The Board of Directors is responsible for developing a plan of succession for the Chairman and/or Chief Executive Officer, in the event of their retirement, death, disability, removal or resignation. The Governance and Nominating Committee will assist the Board in developing and monitoring this plan, which shall be reviewed by the Board at least annually and shall be considered by the Compensation and Benefits Committee in making compensation decisions.

### Management Development

Management will direct the creation and maintenance of a program for management development. The Chief Executive Officer will review the program annually with the Board.

## **Board Committee Matters**

### Number, Structure and Independence of Committees

The Board shall have an Audit Committee, Governance and Nominating Committee, Compensation and Benefits Committee and an Executive Committee. The Board, subject to limitations in the Company's Regulations, may create such additional standing or temporary committees from time to time as the Directors see fit, delegating to such committees all or part of the Board's powers.

The purpose and responsibilities of each Committee is outlined in the respective Committee's charter that has been approved by the Board. The Committee charters are available on the Company's website. The charters will be reviewed periodically by the Committee and the Board, through the Governance and Nominating Committee.

The Governance and Nominating Committee, Audit Committee, and Compensation and Benefits Committee shall be comprised entirely of Independent Directors as required

pursuant to applicable law, rules or regulations or prescribed under the listing standards of the New York Stock Exchange.

### Assignment and Rotation of Committee Members and Chairs

The Chairman of the Board shall serve as Chair of the Executive Committee.

Directors are nominated by the Governance and Nominating Committee for Committee membership and as Committee chairs, subject to the Board's consideration and approval.

The Governance and Nominating Committee shall annually review Committee assignments and shall recommend to the Board the rotation of Committee chairs and/or Committee members as it deems appropriate to balance the benefits derived from continuity of Committee membership against the benefits derived from diversity of experience and the viewpoints of each Committee's members. Committee chairs are generally expected to serve five (5) years as chair to facilitate rotation of committee chairs and foster a broad understanding of the committees' roles and responsibilities by each director while preserving experienced leadership.

### **Director Orientation and Education**

New Directors shall participate in an orientation process, which shall generally be conducted within six months of the meeting at which new Directors are elected. The agenda for the orientation process shall be determined by the Chairman of the Board and the Secretary of the Company with concurrence of the Chairman of the Governance and Nominating Committee. The orientation process shall address the Company's strategic plans and objectives, business and financial performance for the prior year, material current and future risk exposures of the Company, corporate governance, compliance programs (including the Code of Business Conduct) and the Financial Code of Ethics and may include presentations by the Company's senior management, internal auditors and independent accountants, as well as one or more visits to the Company's headquarters or other operating sites or facilities. All other Directors shall also be invited to attend each orientation process.

The Board will be provided with continuing education on topics which will assist it in the discharge of its duties including presentations on regulatory compliance, corporate governance and issues which present risks to and opportunities for the Company.

### **Majority Vote Protocol**

If any shareholder proposal receives the support of a majority of the votes cast, excluding abstentions and broker non-votes, at any annual meeting of the Company's shareholders, then, no later than the end of the calendar year in which such annual meeting falls, the Governance and Nominating Committee, or an alternative independent Board committee designated by the Board, will schedule a meeting (which

may be held telephonically) with the proponent of such proposal to obtain any additional information to provide to the Board for its reconsideration of the proposal. The meeting with the proponent should be coordinated with the timing of a regularly scheduled Board meeting. Following the meeting with the proponent, the Governance and Nominating Committee (or alternative independent Committee) will present the proposal with the Committee's recommendation, and information relevant to the proposal, to the full Board, for action consistent with the Company's Articles of Incorporation and Code of Regulations, which should necessarily include a consideration of the interests of the Company's shareholders.

### **Revision to these Governance Principles**

The Governance and Nominating Committee shall review these Governance Principles at least annually and recommend to the Board of Directors such revisions as it deems necessary or appropriate for review and approval by the Board.