ExlService Holdings, Inc.
Form S-1
December 06, 2004
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As filed with the Securities and Exchange Commission on December 3, 2004

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

ExlService Holdings, Inc.

(Exact name of Registrant as specified in its charter)

Delaware	**541990**	**82-0572194**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(IRS Employer Identification No.)**

350 Park Avenue

New York, New York 10022

(212) 277-7100

(Address, including zip code, and telephone number, including area code, of Registrant s principal executive offices)

Vikram Talwar

Chief Executive Officer

ExlService Holdings, Inc.

350 Park Avenue

New York, New York 10022

(212) 277-7100

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

John C. Kennedy, Esq.	Amit Shashank, Esq.	Janet L. Fisher, Esq.
Kenneth M. Schneider, Esq.	General Counsel and Vice President	Cleary, Gottlieb, Steen & Hamilton
Paul, Weiss, Rifkind, Wharton & Garrison LLP	ExlService Holdings, Inc.	One Liberty Plaza
1285 Avenue of the Americas	350 Park Avenue	New York, New York 10006
New York, New York 10019-6064	New York, New York 10022	212-225-2000
212-373-3000	(212) 277-7100	

Approximate date of commencement of proposed sale to public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ¨

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: ¨

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: ¨

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: ¨

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. ¨

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed maximum aggregate offering price (1) (2)	Amount of registration fee
Common Stock, par value $0.001	$75,000,000	$9,503

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) of the Securities Act of 1933.
(2) Including additional shares of common stock which may be purchased by the underwriters at their option.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion. Dated December 3, 2004.

Shares

ExlService Holdings, Inc.

Common Stock

This is an initial public offering of shares of common stock of ExlService Holdings, Inc., all of which are being offered by us.

Prior to this offering, there has been no public market for the common stock. We currently estimate that the initial public offering price per share will be between $ and $ per share. We intend to apply to have our common stock quoted on the Nasdaq National Market under the symbol EXLS.

Investing in our common stock involves risks. See Risk Factors beginning on page 9 to read about factors you should consider before buying shares of our common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total

Initial public offering price	$	$
Underwriting discount and commission	$	$
Proceeds, before expenses	$	$

To the extent that the underwriters sell more than shares of our common stock, they have the option to purchase up to an additional shares from us at the public offering price less the underwriting discount.

The underwriters expect to deliver the shares to purchasers against payment in New York, New York on , 2005.

Citigroup **Goldman, Sachs & Co.**

Merrill Lynch & Co. **Thomas Weisel Partners LLC**

Prospectus dated , 2005.

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You should rely only on the information contained in this prospectus. Neither we nor the underwriters have authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither we nor the underwriters are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus or such other date stated in this prospectus.

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Until , 2005 (25 days after the date of this prospectus), all dealers that buy, sell or trade our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

INDUSTRY AND MARKET DATA

Industry and market data used throughout this prospectus were obtained through company research, surveys and studies conducted by third parties, and industry and general publications. The information contained in the June 2003 Gartner Inc. Dataquest Report on BPO entitled India Will Generate $13.8 Billion From Offshore BPO Exports in 2007 (the Gartner Report) represents Gartner s estimates and we make no representation that the information in that report represents statements of facts.

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PROSPECTUS SUMMARY

This summary highlights all material information about us and this offering. This summary does not contain all of the information that you should consider before investing in our common stock. You should read this entire prospectus carefully, including the   Risk Factors   section and our consolidated financial statements and related notes. In addition, this prospectus includes forward looking-statements that involve risks and uncertainties, as described under   Forward-looking Statements.

The Company

Our Business

We are a leading provider of value-added offshore business process outsourcing (BPO) solutions, primarily serving the needs of Global 1000 companies in the banking, financial services and insurance (BFSI) segment. We generated revenues of $43.1 million for the nine months ended September 30, 2004 compared to $19.0 million for the nine months ended September 30, 2003, representing an increase of 126.8%. A substantial majority of our BPO business is under long-term contracts having initial terms ranging from three to seven years. In the first nine months of 2004, substantially all of our BPO services revenues were derived from such multi-year contracts.

By leveraging our strong domain expertise and our global delivery model, we believe that we are well-positioned to continue our growth within the expanding BFSI segment of the BPO services market. We combine in-depth knowledge of the BFSI segment with proven broad-based expertise in providing integrated front-, middle- and back-office process outsourcing solutions and managing large-scale processes for our U.S.-based and U.K.-based clients. We have successfully migrated over 140 processes covering a broad array of products and services to our operations centers. In the insurance industry, our service offerings include migration and end-to-end outsourcing of insurance claims processing, opening, issuing and servicing policies, agency management and premium administration for life, property and casualty insurers. In the banking and financial services industry, our service offerings include collections, cash management, loan servicing, research and reconciliation, finance and accounting processes and customer support for mortgage banks, retail banks and consumer finance companies. We also offer technical support solutions and specialized advisory services to our clients, including BPO opportunity identification, solution identification, process mapping and documentation, process re-engineering and business risk compliance services.

Our largest clients are Norwich Union (an Aviva company) and Dell (including Dell Financial Services). Other clients include Allianz, Deloitte & Touche, IndyMac Bank FSB, Prudential Financial Inc., one of the three largest U.S. insurance companies and one of the three largest U.S. banks. We operate integrated global delivery platforms supported by a state-of-the-art, scalable infrastructure. Headquartered in New York City, we market our services directly through our sales and marketing team, which operates out of New York City and London, England, and our business development team, which operates out of Noida, India. Our operations centers are located in India, which enables us to leverage India s large talent pool of highly qualified and educated English-speaking technical professionals, who are able to handle complex processes that combine functional processing and domain expertise. We have increased the number of our employees from 1,827 as of December 31, 2002 to 4,551 as of September 30, 2004. By basing our operations in India, we believe we can offer consistently high quality services at substantially lower costs than those available from in-house facilities or U.S.-based or U.K.-based outsourcing providers. We use Six Sigma methodology to identify process inefficiencies and improve productivity in client and support processes. As part of our commitment to quality, we have been awarded an ISO 9001:2000 certification for quality assurance and a BS7799 certification for information security.

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Our Industry

BPO involves the transfer of management and execution of one or more business processes or entire business functions to an external service provider. BPO service providers work with clients to develop and deliver business process innovations that transform their businesses or deliver higher performance at lower costs. BPO is a long-term strategic commitment for companies that, once implemented, is generally not subject to cyclical spending or information technology budget reductions. Organizations in the BFSI segment, in particular, continue to outsource their key business processes to third parties to reduce costs, improve process quality, handle increased transaction volumes and ensure redundancy.

Global demand for high-quality, lower-cost BPO services from external providers, combined with operational and cost improvements in international telecommunications and the automation of many business services, have created a significant opportunity for BPO service providers that are able to take advantage of an offshore talent pool. The effective use of offshore personnel can offer a variety of benefits, including lower costs and a large pool of highly qualified employees. As a result, many companies are moving selected front-, middle- and back-office processes to providers with offshore delivery capabilities. According to the most recent Gartner Report, offshore BPO services are expected to generate revenues of $3.0 billion in 2004, which revenues are expected to grow to $24.2 billion in 2007, a compound annual growth rate (CAGR) of 100.6%. The Indian BPO industry is expected to generate revenues of approximately $2.0 billion in 2004 or 67.0% of the total offshore BPO market, which revenues are expected to grow to an estimated $13.8 billion by 2007, a CAGR of 90.4%.

EXL s Competitive Strengths

We believe we have a number of competitive strengths, including:

Deep End-to-End Processing Experience Within the BFSI Segment. With substantially all of our revenues derived from the BFSI segment, we have gained a deep understanding of that segment, especially in complex back-office processing functions. Our expertise in the BFSI segment began with our early association with Conseco Inc. (Conseco) and has allowed us to provide high-value end-to-end solutions to our clients.

Long-term Client Relationships that Result in a High Level of Recurring and Predictable Revenues. A substantial majority of our business is under long-term contracts with initial terms ranging from three to seven years. This provides us with relatively predictable and recurring revenues and reduces our sales and marketing costs relative to project-based service providers.

Strong Focus on Operations Management and Process Excellence. Our reputation for superior service delivery and ability to deliver continuous process improvements has proven to be a strong competitive advantage when developing new client relationships. We use Six Sigma methodology and Kaizen initiatives, and have developed proprietary tools to identify and continue to deliver process improvements for our clients.

Robust and Scalable Infrastructure. We have built a state-of-the-art infrastructure and have invested in our employees in an effort to consistently meet or exceed the growing needs of our clients.

Experienced Management Team With a Significant Equity Stake. We pride ourselves on the strength and depth of our management and their continued commitment to our ongoing success. Our top 28 senior managers at or above the level of vice president have an average of approximately ten years of experience in the BFSI segment and extensive working experience with the business practices of multinational corporations. In addition, 16 members of our senior management team have purchased and hold a significant equity stake in our company.

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Business Strategy

Our goal is to become the leading provider of BPO services in the BFSI segment. Specific elements of our growth strategy include:

Maintaining Our Focus on Large-scale, Long-term Relationships. We believe there are significant opportunities for additional growth with our existing clients, and we seek to expand these relationships by increasing the depth and breadth of the services we provide.

Expanding Our Client Base. We intend to develop long-term relationships that present recurring revenue opportunities with selected new clients by leveraging our industry experience and expanding our marketing activities. In developing new client relationships, we continue to be highly selective and seek industry-leading clients who are committed to long-term and strategic relationships with us.

Extending Our Domain Expertise. We intend to continue to focus on strengthening our end-to-end processing capabilities for the BFSI segment and other high-potential segments (such as healthcare) by developing more complex and value-added services for our clients.

Continuing to Focus on Value-added, Complex Processes. We intend to differentiate ourselves by providing integrated, value-added end-to-end BPO solutions. We will continue to identify opportunities to provide services in complementary segments (such as research and analytical processes) in order to maximize opportunities for cross-selling our service offerings and enhancing client satisfaction.

Continuing to Invest in Operational Infrastructure. We will continue to invest in infrastructure, including human resources, process optimization and delivery platforms, to meet our growing client requirements.

Pursuing Strategic Relationships and Acquisitions. We will selectively consider strategic relationships with industry leaders or acquisitions or investments that would expand the scope of our existing BPO services, add new clients or allow us to enter new geographic markets.

Risk Factors

As further described in Risk Factors beginning on page 9 of this prospectus, our operations face a number of risks. For example, our revenues depend substantially on two clients and a few industries. In addition, wage increases in India may prevent us from sustaining our competitive advantage and may reduce our profit margin. Furthermore, if the BPO industry does not develop in ways that we currently anticipate due to negative public reaction in the United States, recently proposed legislation or otherwise, or if we fail to manage effectively our rapid infrastructure and personnel growth, there could be a material adverse effect on our business, results of operations, financial condition and cash flows. Finally, the market for outsourcing services is highly competitive, and we expect competition to intensify and increase from a number of sources.

Information about the Company

Our pre-predecessor, ExlService.com, Inc. (EXL Inc.), a Delaware corporation, was formed on April 9, 1999 and began commercial operations in October 2000. On August 1, 2001, EXL Inc. was acquired by Conseco (the 2001 Acquisition) and operated as Conseco s wholly-owned subsidiary until November 14, 2002. We were formed by a group including Vikram Talwar, Rohit Kapoor, Oak Hill Capital Partners L.P., FTVentures and certain other senior members of our management team, and on November 14, 2002 we purchased EXL Inc. from Conseco (the 2002 Acquisition) and EXL Inc. became our wholly-owned subsidiary. Our other subsidiaries are ExlService.com (India) Private Limited (EXL India), an Indian corporation, Noida Customer Operations Private Limited, an Indian corporation, ExlService (U.K.) Limited, an entity formed in the United Kingdom, and Exl Support Service Limited, an Indian corporation.

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The financial statements included in this prospectus include those of both our company and our predecessor, EXL Inc. Periods prior to August 1, 2001 represent the accounts of EXL Inc. prior to the 2001 Acquisition (the pre-predecessor); periods on or after August 1, 2001 and prior to November 15, 2002 represent the accounts of EXL Inc. after the 2001 Acquisition (the predecessor); and periods on or after November 15, 2002 represent our accounts after the 2002 Acquisition (the successor). Our fiscal year ends on December 31. Prior to the 2001 Acquisition, our fiscal year ended on March 31. Accordingly, for the period prior to the 2001 Acquisition, we are presenting income statement data in this prospectus for the period from April 9, 1999, our predecessor s inception, to March 31, 2000 for fiscal year 2000 and for the period from April 1, 2000 to March 31, 2001 for fiscal year 2001.

ExlService Holdings, Inc. (EXL Holdings) was incorporated in Delaware on October 29, 2002. Our principal executive offices are located at 350 Park Avenue, New York, New York 10022, and our telephone number at that address is (212) 277-7100. Our website address is http://www.exlservice.com. The information in our website is not part of, nor is it incorporated into, this prospectus.

Unless the context indicates or requires otherwise, the terms EXL, we, our, us and the company refer collectively to EXL Holdings and its wholly-owned subsidiaries and all predecessor entities. ProMPT, SOFT, MOST and ECS are unregistered trademarks of EXL.

In this prospectus, certain financial data has been rounded to ensure arithmetical accuracy. Certain U.S. dollar figures in this prospectus have been converted from Indian rupees at a rate of 46.06 rupees to $1.00, the exchange rate in effect on June 30, 2004.

Share Conversion

Prior to this offering, we had two classes of common stock, our Series A common stock and Series B Common Stock. In accordance with the terms of our certificate of incorporation and our existing stock option plan arrangements, immediately prior to the consummation of this offering, each share of our Series B common stock will be converted automatically and without any action on the part of the holders or our part into one share of our Series A common stock, and each option to purchase shares of our Series B common stock will be converted automatically and without any action on the part of the holders or our part into an option to purchase the same number of shares of our Series A common stock. In addition, prior to the consummation of this offering, we will increase our total authorized number of shares of capital stock, make certain changes to our charter documents and effect a to one stock split (the Stock Split). As a result, after this offering, we will only have one class of common stock outstanding, which will be referred to as common stock. Investors will be acquiring common stock in this offering. We refer to the conversion of all our shares of Series B common stock into Series A common stock, the Stock Split and the other transactions described above collectively in this prospectus as the Share Conversion.

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The Offering

Common stock outstanding before this offering	shares.
Common stock offered by us	shares.
Common stock to be outstanding immediately after this offering	shares.
Use of proceeds	We expect to use the net proceeds from this offering:
	to redeem our Series A preferred stock held by certain of our directors, officers and significant stockholders,
	to repay senior promissory notes held by certain of our directors, officers and significant stockholders, and
	for working capital and general corporate purposes.
Proposed Nasdaq National Market symbol	EXLS.

Unless we specifically state otherwise, the information in this prospectus:

- assumes an initial public offering price of $ per share, the mid-point of the offering range set forth on the cover of this prospectus,
- gives effect to the Share Conversion,
- excludes, in the number of shares of common stock to be outstanding after this offering, options to purchase shares of common stock that are currently outstanding or to be granted effective upon consummation of this offering, and
- assumes no exercise of the underwriters option to purchase up to additional shares. If the underwriters exercise this option in full, we will offer additional shares of common stock and any such shares that are sold will thereafter be outstanding. See Underwriting.

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Summary Consolidated Financial and Other Data

The following table sets forth our summary consolidated financial and other data for:

- the predecessor period from January 1, 2002 to November 14, 2002, and
- the following successor periods:
  - the period from November 15, 2002 to December 31, 2002,
  - the year ended December 31, 2003, and
  - the nine months ended September 30, 2003 and 2004.

The summary balance sheet data as of December 31, 2002 and December 31, 2003, and the summary statement of operations data for the period from January 1 to November 14, 2002, the period from November 15 to December 31, 2002 and the year ended December 31, 2003 are derived from our consolidated financial statements which have been audited by Ernst & Young LLP, our independent registered public accounting firm, and are included elsewhere in this prospectus. The summary balance sheet data as of September 30, 2004, and the summary statement of operations data for the nine months ended September 30, 2003 and the nine months ended September 30, 2004 were derived from our unaudited condensed consolidated financial statements for these periods which include all adjustments consisting of normal recurring adjustments that management considers necessary for a fair presentation of the financial position and results of operations for these periods. The results for any interim period are not necessarily indicative of the results that may be expected for the full year.

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You should read the following information in conjunction with Capitalization, Selected Historical Consolidated Financial and Other Data, Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes included elsewhere in this prospectus.

	Predecessor	Successor			
	Period from January 1 to November 14, 2002	Period from November 15 to December 31, 2002	Year Ended December 31, 2003	Nine Months Ended September 30, 2003	Nine Months Ended September 30, 2004
				(unaudited)	(unaudited)
	(in millions, except employee data)				
Statement of Operations Data:					
Revenues(1)	$ 23.8	$ 3.3	$ 27.8	$ 19.0	$ 43.1
Cost of revenues(2)	11.7	1.3	18.4	12.6	27.2
Gross profit	12.1	2.0	9.4	6.4	15.9
Operating expenses:					
General and administrative and selling and marketing expenses(3)	9.4	3.0	9.0	6.6	8.8
Depreciation and amortization	3.9		0.4	0.2	2.7
Total operating expenses	13.3	3.0	9.4	6.8	11.5
Income (loss) from operations	(1.2)	(1.0)		(0.4)	4.4
Other income (expense):					
Foreign exchange gain		0.1	0.4	0.4	
Interest and other income			0.2	0.2	0.2
Interest expense			(0.3)	(0.2)	(0.3)
Goodwill impairment(4)	(46.0)				
Income (loss) before income taxes and extraordinary item	(47.2)	(0.9)	0.3		4.3
Income tax provision	0.1		0.8	0.7	0.3
Income (loss) before extraordinary gain	(47.3)	(0.9)	(0.5)	(0.7)	4.0
Extraordinary gain		5.0			

Net income (loss)	$	(47.3)	$	4.1	$	(0.5)	$	(0.7)	$	4.0
Other Unaudited Financial and Other Data:										
EBITDA(5)	$	2.7	$	(0.9)	$	1.0	$	0.4	$	7.3
Capital expenditures		4.6								

PROPOSAL 5	Shareholder proposal	Page 70	**AGAINST**	Do not count	Vote against	Majority of shares represented

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Duke Energy Overview

Headquartered in Charlotte, North Carolina, Duke Energy is one of the largest energy holding companies in the United States. Our Electric Utilities and Infrastructure business serves approximately 7.6 million customers located in six states in the Southeast and Midwest. Our Gas Utilities and Infrastructure business distributes natural gas to approximately 1.5 million customers in the Carolinas, Ohio, Kentucky and Tennessee. Our Commercial Renewables business operates a growing renewable energy portfolio across the United States. More information about our business is available at *duke-energy.com*.

2017 Business Highlights

We entered 2017 in a position of strength, having completed our multi-year transformation to exit the Latin American Generation business and acquire Piedmont Natural Gas Company, Inc. ("Piedmont Natural Gas"). In February, we rolled-out our ten-year strategic aspirations. This long-term view outlines our road map to advance our growth strategy, leveraging scale and a focused portfolio to deliver a reliable dividend with 4 to 6% earnings per share ("EPS") growth during our five-year planning horizon. Our strategy is focused on investments to modernize our energy grid, generate clean energy and build our natural gas infrastructure all built on a foundation of customer service, operational excellence and stakeholder engagement. Through the year we have already made meaningful progress on the following items:

- Developed a multi-year plan to modernize the energy grid across our jurisdictions
- Demonstrated progress on our commitment to generate cleaner energy, including advancing the construction of combined cycle natural gas plants in Florida, North Carolina and South Carolina, and our announcement of a more stringent carbon dioxide emissions reduction target for our generation fleet a 40% reduction from the 2005 level by 2030
- Grew the business through building natural gas infrastructure with the Sabal Trail Pipeline which was placed into service during the year and made significant progress on obtaining necessary permits to advance the Atlantic Coast Pipeline
- Facilitated renewables-related legislation in North Carolina and a comprehensive multi-year rate settlement in Florida which puts us on a path towards modernized regulatory mechanisms

In conjunction with our strategic accomplishments, we maintained a sharp focus during the year on operational excellence, including:

- Continued improvement of our key employee safety metric, Total Incident Case Rate ("TICR"), building on our industry-leading performance from 2016
- Reduced reportable environmental events from last year, the third consecutive year of improvement
- Advanced our efforts to permanently close our coal ash basins in ways that protect people and the environment
- Restored power to 99% of the 1.3 million Florida customers left without power after Hurricane Irma in just over a week an effort that involved coordination and communication with more than 12,000 line and fieldworkers

Our strategic and operational accomplishments contributed to strong financial performance for the year. We demonstrated flexibility in the management of our spending to offset the impact of an extraordinarily mild 2017 Winter season. Despite the significant headwind from weather, including Hurricane Irma impacts, we delivered on our earnings guidance for the year. Additionally, our total shareholder return was 13.0% in 2017, compared to 13.5% in 2016. The total shareholder return of the Philadelphia Utility Index ("UTY") was 12.8% in 2017, compared to 17.4% in 2016.

During 2017, we increased the dividend payment to our shareholders by approximately 4%, reflecting our confidence in the strength of our businesses and commitment to return value to shareholders. This is the eleventh consecutive year of annual dividend growth. 2017 also marked the ninety-first consecutive year that Duke Energy has paid a quarterly cash dividend on our common stock, a record we expect to continue for shareholders who rely on a steady and growing dividend.

Shareholder Engagement (pages 21 and 36)

As part of our commitment to corporate governance, we have a track record of engaging with shareholders to discuss and obtain their feedback on our corporate governance and executive compensation practices. During the Fall of 2017, we reached out to holders of approximately 36% of our outstanding shares and held meetings with the holders of approximately 30% of our outstanding shares, many of which included participation by members of the Board. The agenda for these conversations spanned a variety of topics including executive compensation, sustainability and governance such as director skills and diversity and the Board's oversight over key risk areas for Duke Energy, including environmental, health and safety. We also discussed the shareholder proposals that were voted on at the 2017 Annual Meeting, including a proposal seeking a report on the impacts to Duke Energy of climate change. The feedback received during those discussions helped inform us as we prepared our Climate Report published in [•]. Also, as a result of feedback received from shareholders, we enhanced our policy prohibiting hedging and pledging of our common stock and the Compensation Committee enhanced its disclosures related to performance shares in this proxy statement. A more complete discussion of our corporate governance engagement program and these changes is included on pages 21 and 36.

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Board Nominees (page 9)

Name	Age	Gender, Racial or Ethnically Diverse	Director since	Occupation	Independent	Committee Memberships	Other Public Company Boards
Michael G. Browning Independent Lead Director	71		2006	Chairman, Browning Consolidated, LLC	ü	Compensation Corporate Governance (C) Finance and Risk Management	None
Theodore F. Craver, Jr.	66		2017	Retired Chairman, President and Chief Executive Officer, Edison International	ü	Audit (C) Finance and Risk Management	Wells Fargo & Company
Robert M. Davis	51		2018	Chief Financial Officer and Executive Vice President, Global Services, Merck & Co., Inc.	ü	Audit Finance and Risk Management	None
Daniel R. DiMicco	67		2007	Chairman Emeritus, Retired President and Chief Executive Officer, Nucor Corporation	ü	Corporate Governance	Hennessy Capital Acquisition Corp. III

						Nuclear Oversight	
John H. Forsgren	71		2009	Retired Vice Chairman, Executive Vice President and Chief Financial Officer, Northeast Utilities	ü	Compensation	None
						Finance and Risk Management (C)	
Lynn J. Good Chairman	58	ü	2013	Chairman, President and Chief Executive Officer, Duke Energy Corporation		None	The Boeing Company
John T. Herron	64		2013	Retired President, Chief Executive Officer and Chief Nuclear Officer, Entergy Nuclear	ü	Nuclear Oversight (C)	None
						Regulatory Policy and Operations	
James B. Hyler, Jr.	70		2012	Retired Vice Chairman and Chief Operating Officer, First Citizens BancShares, Inc.	ü	Audit	None
						Regulatory Policy and Operations (C)	
William E. Kennard	61	ü	2014	Non-Executive Chairman, Velocitas Partners, LLC	ü	Corporate Governance	AT&T Inc.
						Finance and Risk Management	Ford Motor Company

							MetLife, Inc.
E. Marie McKee	67	ü	2012	Retired Senior Vice President, Corning Incorporated	ü	Compensation (C) Corporate Governance	None
Charles W. Moorman IV	66		2016	Senior Advisor, Amtrak	ü	Nuclear Oversight Regulatory Policy and Operations	Chevron Corporation
Carlos A. Saladrigas	69	ü	2012	Chairman, Regis HR Group	ü	Audit Compensation	None
Thomas E. Skains	61		2016	Retired Chairman, President and Chief Executive Officer, Piedmont Natural Gas Company, Inc.	ü	Nuclear Oversight Regulatory Policy and Operations	