

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](mailto: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.

TABLE OF CONTENTS

	Page
Index of Defined Terms	<u>2</u>
Summary	<u>4</u>
Selected Historical Consolidated Financial Information and Selected Pro Forma Financial Information	<u>10</u>
StarTek Selected Financial Data	<u>10</u>
Aegis Selected Financial Data	<u>12</u>
Selected Pro Forma Financial Data	<u>13</u>
Questions and Answers	<u>14</u>
Outstanding Stock and Voting Rights	<u>20</u>
Cautionary Note Regarding Forward Looking Statements	<u>21</u>
Risk Factors	<u>22</u>
Risk Factors Relating to the Aegis Transactions	<u>22</u>
Risk Factors Relating to the Corporate Opportunity Proposal	<u>27</u>
Risk Factors Relating to the Business of the Combined Company Following the Aegis Transactions	<u>27</u>
Proposal 1. Approval of the Issuance of the Transaction Shares Pursuant to the Transaction Agreement	<u>33</u>
Summary	<u>33</u>
Parties to the Aegis Transaction	<u>33</u>
Background of the Aegis Transactions	<u>34</u>
Reasons for the Aegis Transactions	<u>39</u>
Unaudited Pro Forma Condensed Combined Financial Information	<u>43</u>
Opinion of the Financial Advisor to the Company	<u>54</u>
StarTek and Aegis Prospective Financial Information	<u>60</u>
Listing on the NYSE	<u>63</u>
Stockholder Approval Requirement	<u>63</u>
No Dissenters' Rights	<u>63</u>
Governmental and Regulatory Approvals	<u>63</u>
Litigation Relating to the Aegis Transactions	<u>64</u>
Description of the Transaction Agreement	<u>64</u>
Support Agreements	<u>85</u>
Stockholders Agreement	<u>86</u>
Interests of Directors and Officers in the Aegis Transactions	<u>87</u>
Golden Parachute Compensation	<u>88</u>
Tax Consequences of the Aegis Transactions	<u>90</u>
Anticipated Accounting Treatment	<u>90</u>
Vote Required for Approval	<u>90</u>
Impact of Failure to Approve the Proposal	<u>91</u>
Proposal 2. Approval of the Amazon Warrant Share Issuance	<u>92</u>
Background Information	<u>92</u>
The Amazon Investment Documents	<u>92</u>
Summary of the Proposal	<u>96</u>
Vote Required for Approval	<u>96</u>
Impact of Failure to Approve the Proposal	<u>97</u>
	<u>98</u>

Proposal 3. Approval of an Amendment To Our Certificate Of Incorporation To Increase The Number Of Authorized Shares Of Common stock.

---

Summary	<u>98</u>
Vote Required for Approval	<u>98</u>
Impact of Failure to Approve the Proposal	<u>99</u>
Proposal 4. Approval of an Amendment to Our Certificate of Incorporation to Renounce the Company's Expectation of Corporate Opportunity	<u>100</u>
General	<u>100</u>
Vote Required for Approval	<u>100</u>
Proposal 5. 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	<u>101</u>
General	<u>101</u>
Vote Required for Approval	<u>101</u>
Proposal 6. Election of Directors	<u>102</u>
Corporate Governance	<u>105</u>
Executive Officers	<u>107</u>
Compensation Discussion and Analysis	<u>108</u>
Summary Compensation Table	<u>115</u>
Employment Agreements	<u>118</u>
Certain Transactions	<u>123</u>
Proposal 7. Advisory Vote On Executive Compensation	<u>124</u>
Proposal 8. Ratification of Appointment Of Independent Registered Public Accounting firm	<u>125</u>
General	<u>125</u>
Audit and Non-Audit Fees	<u>125</u>
Audit Committee Report	<u>125</u>
Proposal 9. Adjournment Proposal	<u>127</u>
Other:	<u>128</u>
Board Of Directors and Management after the Aegis Transactions	<u>128</u>
StarTek Business and Other Information	<u>131</u>
StarTek Management's Discussion and Analysis of Financial Condition and Results of Operations	<u>137</u>
Aegis Business and Other Information	<u>151</u>
Aegis Management's Discussion and Analysis of Financial Condition and Results of Operations	<u>159</u>
Stockholder Proposals	<u>176</u>
Stockholder Communication with the Board	<u>176</u>
Equity Compensation Plans	<u>176</u>
Description of StarTek Securities	<u>176</u>
Price Range of StarTek Common Stock and Dividends	<u>178</u>
Beneficial Ownership of Common Stock by Directors, Executive Officers and Principal Stockholders	<u>179</u>
Section 16(A) Beneficial Ownership Reporting Compliance	<u>181</u>
Where You Can Find More Information	<u>181</u>
Miscellaneous	<u>182</u>
Additional Documents and Other	<u>X</u>
Index to StarTek Financial Statements	<u>F - 1 -</u>
	<u>0</u>
Index to Aegis Financial Statements	<u>F - 2 -</u>
	<u>1</u>

Edgar Filing: StarTek, Inc. - Form PREM14A

ANNEX A - Transaction Agreement	<u>A - 1</u>
ANNEX B - Stephenson Support Agreement	<u>B - 1</u>
ANNEX C - Privet Support Agreement	<u>C - 1</u>
ANNEX D - Engine Support Agreement	<u>D - 1</u>
ANNEX E - Opinion of the Financial Advisor to the Company	<u>E - 1</u>
ANNEX F - Text of the amendment to the Certificate of Incorporation to increase the number of authorized shares of common stock	<u>F - 1</u>

---

ANNEX G - Text of the amendment to the Certificate of Incorporation to renounce the Company's expectation of G-  
corporate opportunity 1

---

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;
-



- “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;
-

- “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.

Edgar Filing: StarTek, Inc. - Form PREM14A

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
<b>Balance Sheet Data</b>							
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
<b>Other Selected Financial Data</b>							
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
<b>Balance Sheet Data</b>				
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
<b>Other Selected Financial Data</b>				
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.

17

---



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

18

---

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

19

---

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](mailto: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](mailto: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.

24

---

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

26

---

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

31

---

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

33

---



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

35

---

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 la