
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 6-K

**Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of the Securities Exchange Act of 1934**

For the quarter ended June 30, 2010

Commission File Number 001—32945

WNS (HOLDINGS) LIMITED

(Exact name of registrant as specified in the charter)

Not Applicable

(Translation of Registrant's name into English)

Jersey, Channel Islands

(Jurisdiction of incorporation or organization)

Gate 4, Godrej & Boyce Complex

Pirojshanagar, Vikroli (W)

Mumbai 400 079, India

+91-22 - 4095 -2100

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the Registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to registrant in connection with Rule 12g3-2(b): **Not applicable.**

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WNS (Holdings) Limited is incorporating by reference the information and exhibits set forth in this Form 6-K into its registration statement on Form S-8 (Registration No: 333-136168).

CONVENTIONS USED IN THIS REPORT

In this report, references to “US” are to the United States of America, its territories and its possessions. References to “UK” are to the United Kingdom. References to “India” are to the Republic of India. References to “\$” or “dollars” or “US dollars” are to the legal currency of the US and references to “Rs.” or “rupees” or “Indian rupees” are to the legal currency of India. References to “pound sterling” or “£” are to the legal currency of the UK. References to “pence” are to the legal currency of Jersey, Channel Islands. Our financial statements are presented in US dollars and are prepared in accordance with US generally accepted accounting principles, or US GAAP. References to a particular “fiscal” year are to our fiscal year ended March 31 of that year. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding.

In this report, unless otherwise specified or the context requires, the term “WNS” refers to WNS (Holdings) Limited, a public company incorporated under the laws of Jersey, Channel Islands, and the terms “our company,” “we,” “our” and “us” refer to WNS (Holdings) Limited and its subsidiaries.

We also refer in various places within this report to “revenue less repair payments,” which is a non-GAAP measure that is calculated as revenue less payments to automobile repair centers and more fully explained in “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” The presentation of this non-GAAP information is not meant to be considered in isolation or as a substitute for our financial results prepared in accordance with US GAAP.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains “forward-looking statements” that are based on our current expectations, assumptions, estimates and projections about our company and our industry. The forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “will,” “project,” “seek,” “should” and similar expressions. Those statements include, among other things, the discussions of our business strategy and expectations concerning our market position, future operations, margins, profitability, liquidity and capital resources. We caution you that reliance on any forward-looking statement involves risks and uncertainties, and that although we believe that the assumptions on which our forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions could be materially incorrect. These risks and uncertainties include but are not limited to:

- worldwide economic and business conditions;
- political or economic instability in the jurisdictions where we have operations;
- regulatory, legislative and judicial developments;
- our ability to attract and retain clients
- technological innovation;
- telecommunications or technology disruptions;
- future regulatory actions and conditions in our operating areas;
- our dependence on a limited number of clients in a limited number of industries;

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- the implications of the accounting changes and restatement of our financial statements described in “Explanatory Note Regarding our Consolidated Financial Statements” for our reporting with the Commission, and any adverse developments in existing legal proceedings or the initiation of new legal proceedings;
- our ability to expand our business or effectively manage growth;
- our ability to hire and retain enough sufficiently trained employees to support our operations;
- negative public reaction in the US or the UK to offshore outsourcing;
- increasing competition in the BPO industry;
- our ability to successfully grow our revenue, expand our service offerings and market share and achieve accretive benefits from our acquisition of Aviva Global Services Singapore Pte. Ltd., or Aviva Global (which we have renamed as WNS Customer Solutions (Singapore) Private Limited, or WNS Global Singapore following our acquisition) and our master services agreement with Aviva Global Services (Management Services) Private Limited, or AVIVA MS, as described below;
- our ability to successfully consummate strategic acquisitions; and
- volatility of our ADS price.

These and other factors are more fully discussed in our other filings with the Securities and Exchange Commission, or the SEC, including in “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in our annual report on Form 20-F for our fiscal year ended March 31, 2010. In light of these and other uncertainties, you should not conclude that we will necessarily achieve any plans, objectives or projected financial results referred to in any of the forward-looking statements. Except as required by law, we do not undertake to release revisions of any of these forward-looking statements to reflect future events or circumstances.

Part I — FINANCIAL INFORMATION
WNS (HOLDINGS) LIMITED
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share and per share data)

	June 30, 2010	March 31, 2010
	<u>(Unaudited)</u>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 38,830	\$ 32,311
Bank deposits and marketable securities	50	45
Accounts receivable, net of allowance of \$3,371 and \$3,152 respectively	58,573	44,082
Accounts receivable — related parties	594	739
Unbilled revenue	32,352	40,892
Funds held for clients	10,067	11,372
Employee receivables	1,458	1,526
Prepaid expenses	2,979	2,101
Prepaid income taxes	5,387	5,602
Deferred tax assets	2,200	1,959
Other current assets	29,020	36,308
Total current assets	181,510	176,937
Goodwill	89,308	90,662
Intangible assets, net	179,984	188,079
Property and equipment, net	47,232	51,700
Other assets	7,307	10,242
Deposits	6,739	7,086
Deferred tax assets	26,366	25,184
TOTAL ASSETS	\$ 538,446	\$ 549,890
LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND EQUITY		
Current liabilities:		
Accounts payable	\$ 30,893	\$ 27,900
Current portion of long term debt	46,000	40,000
Short term debt	6,000	—
Short term line of credit	103	—
Accrued employee cost	23,319	30,977
Deferred revenue	4,762	4,891
Deferred tax liabilities	34	—
Income taxes payable	2,118	2,550
Other current liabilities	66,775	67,585
Total current liabilities	180,004	173,903
Long term debt	89,000	95,000
Deferred revenue	8,544	3,515
Other liabilities	3,234	3,727
Accrued pension liability	4,334	3,921
Deferred tax liabilities	8,388	8,343
Derivative contracts	4,550	7,600
TOTAL LIABILITIES	298,054	296,009
Commitments and contingencies		

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	June 30, 2010	March 31, 2010
Redeemable noncontrolling interest	<u>(Unaudited)</u> —	278
WNS (Holdings) Limited shareholders' equity:		
Ordinary shares, \$0.16 (10 pence) par value, authorized:		
50,000,000 shares; Issued and outstanding: 44,117,085 and 43,743,953 shares, respectively	6,904	6,848
Additional paid-in-capital	204,604	203,531
Retained earnings	44,688	50,797
Accumulated other comprehensive loss	(15,804)	(7,573)
Total WNS (Holdings) Limited shareholders' equity	<u>240,392</u>	<u>253,603</u>
TOTAL LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND EQUITY	<u>\$ 538,446</u>	<u>\$549,890</u>

See accompanying notes.

WNS (HOLDINGS) LIMITED
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited, amounts in thousands, except per share data)

	<u>Three months ended June 30</u>	
	<u>2010</u>	<u>2009</u>
		<u>(As restated See Note 2)</u>
Revenue		
Third parties	\$ 149,054	\$ 133,043
Related parties	<u>910</u>	<u>50</u>
	149,964	133,093
Cost of revenue	<u>123,227</u>	<u>95,948</u>
Gross profit	26,737	37,145
Operating expenses:		
Selling, general and administrative expenses	19,580	20,766
Amortization of intangible assets	<u>7,980</u>	<u>8,200</u>
Operating (loss) income	(823)	8,179
Other expenses, net	2,306	2,824
Interest expense	<u>2,693</u>	<u>4,116</u>
(Loss) income before income taxes	(5,822)	1,239
Provision for income taxes	<u>497</u>	<u>316</u>
Net (loss) income	(6,319)	923
Less: Net loss attributable to redeemable noncontrolling interest	<u>(274)</u>	<u>(114)</u>
Net (loss) income attributable to WNS (Holdings) Limited shareholders	<u>\$ (6,045)</u>	<u>\$ 1,037</u>
Earnings per share of ordinary share		
Basic	<u>\$ (0.14)</u>	<u>\$ 0.02</u>
Diluted	<u>\$ (0.14)</u>	<u>\$ 0.02</u>

See accompanying notes.

WNS (HOLDINGS) LIMITED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, amounts in thousands)

	Three months ended	
	June 30,	
	2010	2009
		(As restated See Note 2)
Cash flows from operating activities		
Net cash provided by operating activities	\$ 4,515	\$ 7,423
Cash flows from investing activities		
Facility and property cost	(2,750)	(3,766)
Proceeds from sale of assets, net	55	301
Marketable securities and deposits (purchased) sold, net	(7)	9,226
Net cash (used in) provided by investing activities	(2,702)	5,761
Cash flows from financing activities		
Proceeds from exercise of stock options	447	107
Excess tax benefits from share-based compensation	749	498
Repayment of long term debt	—	(5,000)
Payment of debt issuance cost	(534)	(47)
Proceeds from (repayments of) short term borrowings, net	6,104	(439)
Principal payments under capital leases	—	(45)
Net cash provided by (used in) financing activities	6,766	(4,926)
Effect of exchange rate changes on cash and cash equivalents	(2,060)	3,158
Net change in cash and cash equivalents	6,519	11,416
Cash and cash equivalents at beginning of period	32,311	38,931
Cash and cash equivalents at end of period	\$38,830	\$ 50,347

See accompanying notes.

WNS (HOLDINGS) LIMITED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2010
(Unaudited, amounts in thousands, except share and per share data)

1. Basis of presentation

The accompanying unaudited condensed consolidated financial statements of WNS (Holdings) Limited (the “Company” or “WNS”) have been prepared in accordance with United States generally accepted accounting principles (“US GAAP”) for interim financial reporting and with the instructions of Rule 10-01 of Regulation S-X. Accordingly, they do not include all information and footnotes required by US GAAP for complete financial statements. In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ended June 30, 2010 are not necessarily indicative of the results that may be expected for the year ending March 31, 2011.

The balance sheet at March 31, 2010 has been derived from the audited financial statements at that date, but does not include all of the information and footnotes required by US GAAP for complete financial statements. For further information, refer to the audited consolidated financial statements and footnotes thereto of the Company for the year ended March 31, 2010.

Consolidation

The Company consolidates all the subsidiaries where it holds, directly or indirectly, more than 50% of the total voting power or where it exercises control.

2. Restatement and reclassification of previously issued consolidated financial statements

In the audited consolidated financial statements for the year ended March 31, 2010, the Company restated its previously issued consolidated financial statements for the years ended March 31, 2009 and 2008. The Company also restated its previously issued condensed consolidated income statements for the first, second and third quarters of fiscal year ended March 31, 2010 included in its annual report on Form 20-F for the year ended March 31, 2010 filed with the US Securities and Exchange Commission. The restatement resulted from a correction in the income statement characterization of referral fees and the timing of recognition of revenue and cost for completed but unbilled repair costs. The restatement adjustments resulted in a decrease in previously reported revenue and cost of revenue and an increase in net income by \$3,602, \$3,561 and \$30, respectively, for the quarter ended June 30, 2009. Accordingly, the consolidated financial information presented in the accompanying unaudited condensed consolidated financial statements for the three month period ended June 30, 2009 is restated to give effect to such adjustments.

3. Adoption of new accounting principles

Effective January 1, 2010, Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2010-06, “*Improving Disclosures about Fair Value Measurements*”, to amend the disclosure requirements related to recurring and nonrecurring fair value measurements. The guidance requires new disclosures on the transfers of assets and liabilities between Level 1 (quoted prices in active market for identical assets or liabilities) and Level 2 (significant other observable inputs) of the fair value measurement hierarchy, including the reasons and the timing of the transfers. Additionally, the guidance requires a roll forward of activities on purchases, sales, issuance, and settlements of the assets and liabilities measured using significant unobservable inputs (Level 3 fair value measurements). The guidance is effective for interim and annual reporting period beginning after December 15, 2009, except for the disclosure about purchases, sales, issuance, and settlements in the roll forward of activity in level 3 fair value measurements which are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The Company adopted the disclosure provisions on the transfers of assets and liabilities between Level 1 and Level 2 in the quarter ended December 31, 2009.

WNS (HOLDINGS) LIMITED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
JUNE 30, 2010
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4. Acquisitions

Business Applications Associates Limited (“BizAps”)

On June 12, 2008, the Company acquired all outstanding shares of Business Applications Associates Limited (“BizAps”), a provider of systems applications and products (“SAP”) solutions to optimize enterprise resource planning (“ERP”) functionality for finance and accounting processes. The purchase price for the acquisition was a cash payment of £5,000 (\$9,749) plus direct transaction costs of \$469. The consideration also included a contingent earn-out consideration of up to £4,500 (\$9,000) based on satisfaction of certain performance obligation over a two-year period up to June 2010 as set out in the share purchase agreement.

Consequent to the satisfaction of certain performance obligations for the 12 month period ended June 30, 2009; the Company paid an earn-out consideration of \$1,111. Such amount was recorded as an addition to goodwill. On June 6, 2010, the Company entered into an amendment to the acquisition agreement with the sellers, pursuant to which, the Company settled the earn-out consideration for performance obligations for the period ending on June 30, 2010 at \$471. Such amount is recorded as an addition to goodwill.

5. Property and equipment, net

Property and equipment, net consist of the following:

	<u>As at June 30, 2010</u>	<u>As at March 31, 2010</u>
Property and equipment, gross	\$ 168,699	\$ 171,505
Less: Accumulated depreciation	<u>(121,467)</u>	<u>(119,805)</u>
Property and equipment, net	<u>\$ 47,232</u>	<u>\$ 51,700</u>

Depreciation expense on property, plant and equipment for the three months ended June 30, 2010 and 2009 was \$5,339 and \$5,306 respectively.

6. Stock-based compensation

Share-based compensation expense during the three months ended June 30, 2010 and 2009 are as follows:

	<u>Three months ended</u>	
	<u>June 30,</u>	
	<u>2010</u>	<u>2009</u>
Share-based compensation recorded in		
— Cost of revenue	\$ 102	\$ 876
— Selling, general and administrative expenses	<u>391</u>	<u>2,420</u>
Total share-based compensation expense	493	3,296
Estimated income tax benefit	<u>(49)</u>	<u>(803)</u>
Share-based compensation expense, net of estimated taxes	<u>\$ 444</u>	<u>\$ 2,493</u>

During the three months ended June 30, 2010 and 2009, the Company issued 373,132 and 212,253 shares, respectively, upon exercise of stock options and RSUs.

WNS (HOLDINGS) LIMITED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
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(Amounts in thousands, except share and per share data)

7. Comprehensive income (loss)

The changes in the components of comprehensive income (loss), net of taxes for the three months ended June 30, 2010 and 2009 are as follows:

	Three months ended June 30,	
	2010	2009 <i>(As restated See Note 2)</i>
Net (loss) income	\$ (6,319)	\$ 923
Cumulative translation adjustment	(5,403)	18,137
Change in fair value of cash flow hedges, net of tax	(2,707)	(8,255)
Unrecognized actuarial (loss) gain and prior service cost on pension liability	(189)	101
Total comprehensive (loss) income	(14,618)	10,906
Less : Comprehensive loss attributable to redeemable noncontrolling interest	(342)	(122)
Comprehensive (loss) income attributable to WNS (Holdings) Limited shareholders	\$ (14,276)	\$ 11,028

The components of accumulated other comprehensive loss, net of taxes, were as follows:

	As at,	
	June 30, 2010	March 31, 2010
Net unrealized gain on cash flow hedges	\$ 1,892	\$ 4,415
Cumulative translation adjustment	(16,896)	(11,534)
Unamortized net actuarial loss and prior service cost on pension plans	(800)	(454)
Accumulated other comprehensive loss	\$ (15,804)	\$ (7,573)

WNS (HOLDINGS) LIMITED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
JUNE 30, 2010
(Amounts in thousands, except share and per share data)

8. Equity and redeemable noncontrolling interest

A summary of the changes in equity and redeemable noncontrolling interest for the three months ended June 30, 2010 and 2009 is provided below:

	Three months ended June 30,			
	2010			2009
	WNS (Holdings) Limited shareholders' equity	Redeemable noncontrolling interest	WNS (Holdings) Limited shareholders' equity	Redeemable noncontrolling interest
	(As restated See Note 2)			
Balance at beginning of period	\$ 253,603	\$ 278	\$ 188,126	\$ 13
Shares issued for exercised options	447	—	107	—
Share-based compensation charge	494	—	3,317	—
Excess tax benefits from exercise of share-based options, net	188	—	(258)	—
Accretion to redeemable noncontrolling interest (Refer note 18)	(64)	64	(109)	109
Comprehensive income (loss) :	—	—	—	—
Consolidated net income (loss)	(6,045)	(274)	1,037	(114)
Foreign currency translation gain (loss)	(5,362)	(41)	18,145	(8)
Change in fair value of cash flow hedges, net of tax	(2,523)	(184)	(8,255)	—
Pension adjustments	(346)	157	101	—
Balance at end of period	\$ 240,392	\$ —	\$ 202,211	\$ —

WNS (HOLDINGS) LIMITED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
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(Amounts in thousands, except share and per share data)

9. Income (loss) per share of ordinary shares

The following table sets forth the computation of basic and diluted net income (loss) per share:

	Three months ended June 30	
	2010	2009
		(As restated See Note 2)
Numerator:		
Net (loss) income attributable to WNS (Holdings) Limited shareholders	\$ (6,045)	\$ 1,037
Less: Impact on net loss attributable to WNS (Holdings) Limited shareholders through changes in redeemable noncontrolling interest (Refer Note 18)	(64)	(109)
	<u>\$ (6,109)</u>	<u>\$ 928</u>
Denominator:		
Basic weighted average ordinary shares outstanding	43,979,924	42,733,867
Dilutive impact of equivalent stock options and RSUs outstanding	—	618,506
Diluted weighted average ordinary shares outstanding	43,979,924	43,352,373

The Company computes net income per share in accordance with Accounting Standards Codification (“ASC”) 260-10, “Earnings Per Share”. The computation of net income (loss) per ordinary share was determined by dividing net (loss) income attributable to the Company’s shareholders by the weighted average ordinary shares outstanding during the respective periods.

The Company excludes options with exercise price that are greater than the average market price from the calculation of diluted EPS because their effect would be anti-dilutive. In the three months ended June 30, 2010 and 2009, the Company excluded from the calculation of diluted EPS options to purchase 1,079,378 shares and 1,467,652 shares, respectively.

Due to net losses in the three months ended June 30, 2010, the assumed exercise of stock options and RSUs had an antidilutive effect and therefore was excluded from the computation of diluted loss per share.

WNS (HOLDINGS) LIMITED
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10. Retirement benefits**Defined Contribution Plan**

The following table sets forth the Company's contribution to defined contribution plans:

	Three months ended June 30,	
	2010	2009
India	\$ 1,364	\$ 1,298
Philippines	12	6
Sri Lanka	84	136
United Kingdom	217	122
United States	98	130
	<u>\$ 1,775</u>	<u>\$ 1,692</u>

Defined Benefit Plan — Gratuity

The following table sets forth the net periodic cost recognized by the Company in respect of gratuity payments under the Company's gratuity plans covering eligible employees of the Company in India, Philippines and Sri Lanka.

	Three months ended June 30,	
	2010	2009
Net periodic gratuity cost		
Service cost	\$ 351	\$ 262
Interest cost	111	85
Expected return on plan asset	(4)	(9)
Recognized net actuarial loss	23	59
Net periodic gratuity cost for the period	<u>\$ 481</u>	<u>\$ 397</u>

WNS (HOLDINGS) LIMITED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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11. Segments

The Company has several operating segments based on a mix of industry, geography, customers and the types of services. The composition and organization of these operating segments is fluid and the structure changes regularly in response to the growth of the overall business acquisitions and changes in reporting structure, customers, services, industries served and delivery centers. These operating segments include travel, insurance, Philippines, research and analytics, legal, financial services, AVIVA, auto claims and others. The Company believes that the business process outsourcing services that it provides to customers other than automobile claims handling services are similar in terms of services, service delivery methods, use of technology, and long-term gross profit and hence meet the aggregation criteria under ASC 280, "*Segmental Reporting*" ("ASC 280") and referred to as WNS Global BPO. WNS Auto Claims BPO, which provides automobile claims handling services, does not meet the aggregation criteria under ASC 280. Accordingly, the Company has determined that it has two reportable segments "WNS Global BPO" and "WNS Auto Claims BPO".

In the WNS Auto Claims BPO segment, in order to provide accident management services, the Company arranges for the repair through a network of repair centers. Repair costs paid to automobile repair centers are invoiced to customers and recognized as revenue. The Company uses revenue less repair payments for "Fault" repairs as a primary measure to allocate resources and measure segment performance. Revenue less repair payments is a non-GAAP measure which is calculated as revenue less payments to repair centers. For "Non-fault repairs", revenue including repair payments is used as a primary measure. As the Company provides a consolidated suite of accident management services including credit hire and credit repair for its "Non-fault" repairs business, the Company believes that measurement of that line of business has to be on a basis that includes repair payments in revenue. The Company believes that the presentation of this non-GAAP measure in the segmental information provides useful information for investors regarding the segment's financial performance. The presentation of this non-GAAP information is not meant to be considered in isolation or as a substitute for the Company's financial results prepared in accordance with US GAAP.

WNS (HOLDINGS) LIMITED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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JUNE 30, 2010

(Amounts in thousands, except share and per share data)

Segmental information for the three ended June 30, 2010 and 2009 are as follows:

	Three months ended June 30, 2010			Total
	WNS Global BPO	WNS Auto Claims BPO	Inter Segments	
Revenue from external customers	\$ 80,005	\$ 69,959	\$ —	\$149,964
Segmental revenue	\$ 80,208	\$ 69,959	\$ (203)	\$149,964
Payments to repair centers	—	60,656	—	60,656
Revenue less repair payments	80,208	9,303	(203)	89,308
Depreciation	5,074	265	—	5,339
Other costs	69,882	6,640	(203)	76,319
Segment operating income	5,252	2,398	—	7,650
Other expense (income), net	2,426	(120)	—	2,306
Interest expense	2,693	—	—	2,693
Segment income before income taxes	133	2,518	—	2,651
Provision for income taxes	35	462	—	497
Segment net income	98	2,056	—	2,154
Unallocated share-based compensation expense				493
Amortization of intangible assets				7,980
Net loss				(6,319)
Less: Net loss attributable to redeemable noncontrolling interest				(274)
Net loss attributable to WNS (Holdings) Limited shareholders				\$ (6,045)
Capital expenditure	\$ 2,210	\$ 540	\$ —	\$ 2,750
Segment assets, net of eliminations	\$ 430,968	\$ 107,478	\$ —	\$538,446

WNS (HOLDINGS) LIMITED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
JUNE 30, 2010
(Amounts in thousands, except share and per share data)

	Three months ended June 30, 2009 (As restated See Note 2)			
	WNS Global BPO	WNS Auto Claims BPO	Inter Segments	Total
Revenue from external customers	\$ 85,375	\$ 47,718	\$ —	\$ 133,093
Segmental revenue	\$ 85,695	\$ 47,718	\$ (320)	\$ 133,093
Payments to repair centers	—	35,207	—	35,207
Revenue less repair payments	85,695	12,511	(320)	97,886
Depreciation	5,089	217	—	5,306
Other costs	63,150	9,918	(320)	72,748
Segment operating income	17,456	2,376	—	19,832
Other expense (income), net	3,012	(188)	—	2,824
Interest expense	4,014	102	—	4,116
Segment income before income taxes	10,430	2,462	—	12,892
Provision (benefit) for income taxes	(416)	732	—	316
Segment net income	10,846	1,730	—	12,576
Unallocated share-based compensation expense (includes related fringe benefit taxes — \$157)				3,453
Amortization of intangible assets				8,200
Net income				923
Less: Net loss attributable to noncontrolling interest				(114)
Net income attributable to WNS (Holdings) Limited shareholders				\$ 1,037
Capital expenditure	\$ 2,878	\$ 888	\$ —	\$ 3,766
Segment assets, net of eliminations	\$ 477,141	\$ 106,955	\$ —	\$ 584,096

WNS (HOLDINGS) LIMITED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
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12. Other expense, net

Components of other expense (income) for the three months ended June 30, 2010 and 2009 are as follows:

	Three months ended	
	June 30,	
	2010	2009
Foreign exchange (gain) loss, net	\$ (1,770)	\$ 181
Interest income	(34)	(88)
Ineffective portion of interest rate swap (Refer Note 15)	4,851	(171)
(Gain) loss on forward/option contract	(932)	3,071
Other	191	(169)
Total other expense, net	\$ 2,306	\$ 2,824

13. Fair value disclosures

Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market based measurement that should be determined based on assumption that market participant would use in pricing an asset or a liability. A three tier fair value hierarchy is established as a basis for considering such assumptions and for inputs used in the valuation methodologies in measuring fair value:

Level 1 Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets

Level 2 Includes other inputs that are directly or indirectly observable in the market price

Level 3 Unobservable inputs which are supported by little or no market activity

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use unobservable inputs when measuring fair value. The Company measures derivative instruments at fair value. The derivative instruments are classified within Level 2 as the valuation inputs are based on quoted prices and market observable data of similar instruments in inactive markets. The Company holds non speculative forwards, options and swaps to hedge certain foreign currency and interest rate exposures. When active quotes are not available, the Company uses industry standard valuation models. Where applicable, these models project future cash flows and discount the future amounts to a present value using market-based observable inputs including interest rate curves, credit risk, foreign exchange rates, and forward and spot prices for currencies.

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The assets and liabilities measured at fair value on a recurring basis are summarized below:-

Description	June 30, 2010	Fair value measurement at reporting date using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets				
Derivative contracts				
— current	\$ 16,228	\$ —	\$ 16,228	\$ —
— non current	5,531	—	5,531	—
Total Assets	\$ 21,759	\$ —	\$ 21,759	\$ —

Liabilities				
Derivative contracts				
— current	\$ 8,833	\$ —	\$ 8,833	\$ —
— non current	864	—	864	—
Total liabilities	\$ 9,697	\$ —	\$ 9,697	\$ —

Description	March 31, 2010	Fair value measurement at reporting date using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets				
Derivative contracts				
— current	\$ 22,808	\$ —	\$ 22,808	\$ —
— non current	8,374	—	8,374	—
Total Assets	\$ 31,182	\$ —	\$ 31,182	\$ —

Liabilities				
Derivative contracts				
— current	\$ 6,750	\$ —	\$ 6,750	\$ —
— non current	1,992	—	1,992	—
Total liabilities	\$ 8,742	\$ —	\$ 8,742	\$ —

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Fair value of cash equivalents, funds held for clients, bank deposits and marketable securities, accounts receivable, employee receivables, other current assets, accounts payables, short term loan, accrued expenses and other current liabilities appropriate their fair values due to short term maturing of these items. The fair value of deposits and long term debt is \$6,724 and \$85,198, respectively, at June 30, 2010 and \$7,073 and \$91,192, respectively, at March 31, 2010. The fair value is estimated using the discounted cash flow approach and market rates of interest. The valuation technique involves assumption and judgments' regarding risk characteristics of the instruments, discount rates, future cash flows and other factors.

As of June 30, 2010, the Company did not have any significant non-recurring measurements of nonfinancial assets and nonfinancial liabilities.

14. Debt

Long term debt

On July 11, 2008, the Company entered into a term loan facility agreement to provide for a secured term loan of \$200,000 which was fully utilized by the Company to finance the acquisition of Aviva Global Services. In connection with the financing, the Company incurred \$1,891 as debt issuance costs, which was deferred and amortized as an adjustment to interest expense over the term of the loan using the effective interest method.

The term loan bore interest at three month US dollar LIBOR plus a margin of 3.5% per annum (3% through January 9, 2009), payable on a quarterly basis. The Company had a deposit of \$1,400 as restricted balance fixed deposit with a bank, as agent under the facility agreement, in accordance with the facility agreement to secure payment of interest for a quarter which was recorded under "Other current assets" on the consolidated balance sheet. The variable interest rate at June 30, 2010 was 3.79% per annum. Effective October 10, 2008, the Company entered into interest rate swap agreements with the notional amount totaling \$200,000, to effectively convert the term loan into a fixed-rate debt and the weighted average effective fixed interest rate on the term loan at June 30, 2010 was 7.31% per annum. The Company had an option to prepay the whole or a part of the debt without any prepayment penalty by giving ten days' prior notice to the lenders. Pursuant to the prepayment option, the Company made a prepayment of \$5,000 on April 14, 2009, \$5,000 on July 10, 2009 and \$15,000 on January 11, 2010. The Company also repaid the scheduled repayment installments of the loan of \$20,000 each on July 10, 2009, January 11, 2010 and July 12, 2010. As of June 30, 2010 the Company was in compliance with all of its financial covenants.

As on July 12, 2010 the balance of \$115,000 has been prepaid with cash on hand and proceeds from a new term loan facility for \$94,000 obtained pursuant to a facility agreement dated July 2, 2010.

The new facility provides for a term loan of \$94,000 with interest equal to the three month US dollar LIBOR plus a margin of 2% per annum. This term loan is repayable in semi-annual installments of \$20,000 each on January 10, 2011 and July 11, 2011 and \$30,000 on January 10, 2012 with the final installment of \$24,000 payable on July 10, 2012. The facility is secured by, among other things, guarantees and pledges of shares provided by the Company and certain of its subsidiaries, a pari-passu fixed and floating charge over the assets of a UK subsidiary of the Company and charges over certain bank accounts. The facility agreement contains certain restrictive covenants on the indebtedness of the Company, total borrowings to tangible net worth ratio, total borrowings to EBITDA ratio and a minimum interest coverage ratio.

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The Company has also established a \$30,000 line of credit in UK pursuant to a facility agreement dated June 30, 2010. This facility consists of a two year term loan facility of GBP equivalent of \$15,000 at the Bank of England base rate plus a margin of 1.95% per annum and a working capital facility of GBP equivalent of \$15,000 at the Bank of England base rate plus a margin of 2.45% per annum. This facility is secured by, among other things, guarantees and pledges of shares provided by the Company and certain of its subsidiaries, a pari-passu fixed and floating charge over the assets of the Company's UK subsidiaries and a charge over a bank account. This facility agreement contains certain restrictive covenants on the indebtedness of the Company, total borrowings to tangible net worth ratio, total borrowings to EBITDA ratio, a minimum interest coverage ratio and a minimum current ratio. On July 7, 2010, out of the \$30,000 line of credit, the Company borrowed \$15,000 (£9,880) against the term loan facility and \$5,553 (£3,657) was utilized from the working capital facility.

In connection with the refinancing of the debt, the Company has incurred an upfront fees and debt issuance cost totaling \$1,150, a portion of which will be amortized as an adjustment to interest expense over the remaining term of the new loan. As both the old and the new loan are syndicated loan, to the extent that the loan was refinanced by the existing lenders, the Company has determined that the new loan is not substantially different from the old loan under the guidance provided by ASC 470-50 "Modifications and Extinguishments", and accordingly the existing unamortized costs of \$228 pertaining to existing lenders continuing as new lenders will be recorded as an adjustment to interest expense over the remaining term of the modified loans and the debt issuance cost for the new loan of \$333 pertaining to existing lenders continuing as new lenders is charged to the income statement. Under ASC 860 "Transfers and Servicing", the Company determined that since the outstanding amount from one of the existing lenders not continuing as a new lender is fully repaid, it is an extinguishment of a loan, and thus the balance of unamortized debt cost of \$424 of the existing loan have been charged to the income statement in the current period, since the Company determined that all substantive refinancing activities were completed by June 30, 2010. The balance of unamortized cost as of June 30, 2010 after the above adjustment is \$1,045.

Short-term debt and line of credit

As at June 30, 2010, the unsecured line of credit of the Company's Indian subsidiary from a bank has been increased to \$10,076 from \$8,202 as at March 31, 2010, interest on which is determined on the date of borrowing. As at June 30, 2010, \$6,000 of short term debt and \$103 of short term line of credit were utilized for working capital requirement and \$342 was utilized for obtaining bank guarantees. The short term debt was taken at 2.35% per annum and short term line of credit was taken at 9.50% per annum

15. Derivative instruments and hedging activities

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed by using derivative instruments are foreign currency exchange risk and interest rate risk. Forward contracts on various foreign currencies are entered into to manage the foreign currency exchange rate risk on forecasted revenue denominated in foreign currencies. Interest rate swaps are entered into to manage interest rate risk associated with the Company's floating rate borrowings.

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Cash flow hedges

The Company has instituted a foreign currency cash flow hedging program to protect against the reduction in value of forecasted foreign currency cash flows resulting from forecasted revenue of up to two years denominated in foreign currencies. The Company's subsidiary in Mauritius and UK uses foreign currency forward and option contracts designated as cash flow hedges to hedge its forecasted revenue transactions denominated in a currency other than its functional currency. The operating subsidiaries in India, Philippines and Sri Lanka also hedge a part of their forecasted inter-company revenue denominated in US dollar, British Pound and Euro, with foreign currency forward and option contracts. These hedges mature on a monthly basis and the hedging contracts have a term of up to two years. When the functional currency of the subsidiary strengthens against a currency other than its functional currency, the decline in value of future foreign currency revenue is offset by gains in the value of the derivative contracts designated as hedges. Conversely, when the functional currency of the subsidiary weakens, the increase in the value of future foreign currency cash flows is offset by losses in the value of the forward contracts. The fair value of both the foreign currency forward contracts and options are reflected in other assets or other liabilities as appropriate. The forecasted inter-company revenue relates to cost of revenue of certain subsidiaries and is recorded by those subsidiaries in their functional currency at the time services are provided. The resulting difference upon the elimination of inter-company revenue with the related cost of revenue is recorded in other income.

The Company had entered into interest rate swap agreements to manage interest rate risk exposure. The swap agreements cover the outstanding amount of the term loan described in note 14. The swaps convert the floating rate of three month US dollar LIBOR rate under the loan to an average fixed rate of 3.81% per annum. The cash flows under the swap cover the entire tenor of the original loan and exactly match the interest payouts under the original loan. The interest rate swap effectively modified the Company's exposure to interest rate risk by converting the Company's floating rate debt to a fixed rate basis for the entire term of the debt, thus reducing the impact of interest rate changes on future interest expense. This agreement involves the receipt of floating rate amounts in exchange for fixed rate interest payments over the life of the agreement without an exchange of the underlying principal amount.

Pursuant to the refinancing described in note 14, in accordance with the guidance in ASC 815-20-55 "*Implementation Guidance and Illustrations*" the hedge relationship on \$115,000 in connection with the original term loan facility was discontinued as it is probable that the forecasted transactions on the specific loan identified in the hedge documentation would not occur by the end of the date originally specified. Hence the Company has reclassified the mark-to-market loss of \$4,654 on the \$115,000 interest rate swap from other comprehensive income into earnings.

Other

The Company has entered into foreign currency average rate option contracts to cover the foreign currency risk associated with the translation of the forecasted profits of up to 12 months of a subsidiary, the functional currency of which is not US dollars. The Company has also entered into foreign currency forward contract to cover the foreign currency risk associated with revaluation of assets/liabilities. The Company's subsidiary in India and UK has also entered foreign currency forward contracts to hedge a part of the risk associated with its forecasted inter-company revenue denominated in Canadian dollars and Romanian Leu of up to 24 months. These contracts do not qualify for hedge accounting and have not been designated as hedging instruments under ASC 815-10. The Company does not use derivative instruments for trading purposes.

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The fair values of derivative instruments are reflected in the consolidated balance sheet as follows:

	June 30, 2010			
	Foreign exchange forward contracts	Foreign Exchange option contracts	Interest rate contracts	Total derivatives
Assets				
<i>Derivatives not designated as hedging instruments</i>				
Other current assets	\$ 340	\$ 358	\$ —	\$ 698
Other assets — non current	5	24	—	29
Total	\$ 345	\$ 382	\$ —	\$ 727
<i>Derivatives designated as hedging instruments</i>				
Other current assets	\$ 7,358	\$ 8,172	\$ —	\$ 15,530
Other assets — non current	172	5,330	—	5,502
Total	\$ 7,530	\$ 13,502	\$ —	\$ 21,032
Total assets	\$ 7,875	\$ 13,884	\$ —	\$ 21,759
Liabilities				
<i>Derivatives not designated as hedging instruments</i>				
Other current liabilities	\$ 2,221	\$ —	\$ —	\$ 2,221
Derivative contracts	62	—	—	62
Total	\$ 2,283	\$ —	\$ —	\$ 2,283
<i>Derivatives designated as hedging instruments</i>				
Other current liabilities	\$ 1,813	\$ —	\$ 4,799	\$ 6,612
Derivative contracts	802	—	—	802
Total	\$ 2,615	\$ —	\$ 4,799	\$ 7,414
Total liabilities	\$ 4,898	\$ —	\$ 4,799	\$ 9,697

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	March 31, 2010			
	Foreign exchange forward contracts	Foreign exchange option contracts	Interest rate contracts	Total derivatives
Assets				
<i>Derivatives not designated as hedging instruments</i>				
Other current assets	\$ 1,501	\$ 550	\$ —	\$ 2,051
Other assets — non current	28	76	—	104
Total	\$ 1,529	\$ 626	\$ —	\$ 2,155
<i>Derivatives designated as hedging instruments</i>				
Other current assets	\$11,281	\$ 9,476	\$ —	\$ 20,757
Other assets — non current	642	7,628	—	8,270
Total	\$11,923	\$ 17,104	\$ —	\$ 29,027
Total assets	\$13,452	\$ 17,730	\$ —	\$ 31,182
Liabilities				
<i>Derivatives not designated as hedging instruments</i>				
Other current liabilities	\$ 415	\$ —	\$ —	\$ 415
Derivative contracts	11	—	—	11
Total	\$ 426	\$ —	\$ —	\$ 426
<i>Derivatives designated as hedging instruments</i>				
Other current liabilities	\$ 1,836	\$ —	\$ 4,499	\$ 6,335
Derivative contracts	86	—	1,895	1,981
Total	\$ 1,922	\$ —	\$ 6,394	\$ 8,316
Total liabilities	\$ 2,348	—	\$ 6,394	\$ 8,742

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The following tables summarize activities in the consolidated statement of income for the three months ended June 30, 2010 related to derivative instruments that are classified as cash flow hedges in accordance with ASC 815-10:

	Amount of gain (loss) recognized in AOCI on derivatives (effective portion)	Location of gain (loss) reclassified from AOCI into income (effective portion)	Amount of gain (loss) reclassified from AOCI into income (effective portion)	Location of gain (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)	Amount of gain (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)
	As of June 30, 2010		Three months ended June 30, 2010		Three months ended June 30, 2010
Derivatives designated as hedges					
Foreign exchange forward contracts	\$ 4,915	Revenue	\$ (479)		\$ —
		Other expense, net	2,629	Other expense, net	13
Foreign exchange option contracts	(2,872)	Revenue	(880)		—
		Other expense, net	53	Other expense, net*	(392)
Interest rate swaps	(145)	Interest expense	(1,200)	Other expense, net*	(4,851)
	<u>\$ 1,898</u>		<u>\$ 123</u>		<u>\$ (5,230)</u>
Derivatives not designated as hedging instruments					
Foreign exchange forward contracts				Other expense, net	\$ (1,245)
Foreign exchange option contracts				Other expense, net	(126)
					<u>\$ (1,371)</u>

* The foreign exchange option contracts include a loss of \$59 and the interest rate swap includes a loss of \$4,851 which is reclassified into earnings as a result of the discontinuance of cash flow hedge due to the non-occurrence of original forecasted transactions by the end of the originally specified time period.

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The following tables summarize activities in the consolidated statement of income for the three months ended June 30, 2009 related to derivative instruments that are classified as cash flow hedges in accordance with ASC 815-10:

	Amount of gain (loss) recognized in AOCI on derivatives (effective portion)	Location of gain (loss) reclassified from AOCI into income (effective portion)	Amount of gain (loss) reclassified from AOCI into income (effective portion)	Location of gain (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)	Amount of gain (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)
	As of June 30, 2009		Three months ended June 30, 2009		Three months ended June 30, 2009
Derivatives designated as hedges					
Foreign exchange forward contracts					
	\$ (8,726)	Revenue	\$ (103)	—	—
		Other expense, net	(2,213)		
Foreign exchange option contracts					
	(7,368)	Revenue	1,320	—	—
		Other expense, net	(196)		
Interest rate swaps					
	(8,592)	Interest expense	(1,304)	Other expense, net*	\$ 171
	<u>\$ (24,686)</u>		<u>\$ (2,496)</u>		<u>\$ 171</u>
	Location of gain or (loss) recognized in income on derivatives				Amount of gain or (loss) recognized in income on Derivatives
					Three months ended June 30, 2009
Derivatives not designated as hedging instruments					
Foreign exchange forward contracts					
		Other expense, net			\$ (237)
Foreign exchange option contracts					
		Other expense, net			(424)
					<u>\$ (661)</u>

* The interest rate swap includes a reversal of loss of \$171 which is reclassified into earnings as a result of the discontinuance of cash flow hedge due to the non-occurrence of original forecasted transactions by the end of the originally specified time period.

At June 30, 2010, an unrealized gain of \$3,200 on derivative instruments included in other comprehensive income is expected to be reclassified to earnings during the next 12 months (unrealized gain of \$4,505 as at March 31, 2010).

As of June 30, 2010 the notional values of outstanding foreign exchange forward contracts and foreign exchange option contracts amounted to \$194,523 and \$239,429, respectively (\$185,089 and \$224,981, respectively, as at March 31, 2010).

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16. Taxes

Income taxes

Income tax expense for the three months ended June 30, 2010 was \$497, as compared to income tax expense of \$316 for the three months ended June 30, 2009. The increase in income tax expenses is primarily on account of the change in income tax rate by the Government of India.

In May 2010, the Government of India vide Finance Act, 2010 ("the Act") has reduced the rate of income tax from 33.99% to 33.22%. Further, the Act has increased the minimum alternate tax ("MAT") rate from 16.995% to 19.93%. Consequent to such amendment, the Company has recorded a charge due to a decrease in deferred tax asset as a result of the lower tax rates. The increase in MAT rate is expected to increase the cash outflow for the payment of income taxes in future.

In January 2009 and November 2009, the Company received orders from the Indian tax authorities that could give rise to an estimated \$15,609 and \$16,291, respectively, in additional taxes, including interest of \$4,843 and \$5,057 respectively. The assessment order alleges that the transfer price the Company applied to international transactions between one of its Indian subsidiary and its other wholly owned subsidiaries was not appropriate. The order also disallowed certain expenses claimed as tax deductible by Indian subsidiaries and a tax holiday benefit claimed by the Company. The Company has contested both of these orders. The Company believes that it is more likely than not that the Company's position will prevail in the ultimate outcome of the matters.

Others

On March 21, 2009, the Company received an order from the Indian service tax authority, demanding \$7,421 of service tax and related penalty for the period from March 1, 2003 to January 31, 2005. The assessment order alleges that service tax is payable in India on BPO services provided by WNS Global to clients. After consultation with Indian tax advisors, the Company believes the chances that the assessment would be upheld are remote. The Company intends to continue to vigorously dispute the assessment.

17. Commitments and contingencies

Bank guarantees and other

Certain subsidiaries in India hold bank guarantees aggregating \$392 and \$366 as at June 30, 2010 and March 31, 2010, respectively. These guarantees have a remaining expiry term of approximately one to five years.

Restricted time deposits placed with bankers as security for guarantees given by them to regulatory authorities in India, aggregating to \$62 and \$358 at June 30, 2010 and March 31, 2010, respectively, are included in other current assets. These deposits represent cash collateral against bank guarantees issued by the banks on behalf of the Company to third parties.

Contingencies

In the ordinary course of business, the Company is involved in lawsuits, claims and administrative proceedings. While uncertainties are inherent in the final outcome of these matters, the Company believes, after consultation with counsel, that the disposition of these proceedings will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

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18. Redeemable noncontrolling interest

In April 2008, the Company formed a joint venture, WNS Philippines, with Advanced Contact Solutions, Inc (“ACS”), a BPO services and customer care provider, in the Philippines. ACS has assigned its rights and obligations under the joint venture agreement in favour of its holding company Paxys Inc. Philippines (“Paxys”). This joint venture is majority owned by the Company (65%) and the balance by Paxys. This joint venture offers contact center services to global clients across industries. This joint venture enables the Company to bring a large scale talent pool to help solve the business challenges of its clients while diversifying the geographic concentration of delivery. Pursuant to the joint venture agreement, the Company has a call option to acquire from Paxys the remaining shares owned by Paxys and Paxys has a put option to sell all of its shareholding in the joint venture to the Company, upon the occurrence of certain conditions, as set forth in the joint venture agreement, or after August 6, 2012. The Company accounts for securities with redemption features that are not solely within its control in accordance with ASC 480-10 “*Distinguishing Liabilities from Equity*”. Accordingly, as certain of the conditions of the put option and call option are not within the control of the Company, this redeemable noncontrolling interest has been classified as temporary equity. The Company recognizes changes in the redemption value of the redeemable noncontrolling interest immediately and adjusts the carrying value of the security to equal the redemption value at the end of each reporting period. Reductions in the carrying amount are only recorded to the extent that increases in the carrying amount had been previously recorded. The redeemable noncontrolling interest is first adjusted with its share of profits/losses in WNS Philippines and, to the extent that this is less than the redemption amount determined in accordance with ASC 480-10, the difference is charged to retained earnings. The charge to retained earnings does not affect net income attributable to WNS (Holdings) Limited shareholders’ in the Company’s income statement, but reduces the numerator in the calculation of earnings per share. The redeemable noncontrolling interest has been valued based on the terms of the call option, because the Company’s call option has priority over the put option. If, in the future, the redemption amount under the call option (which is based on a multiple of WNS Philippines’ net income) is greater than the put option (which is based on Paxys’ initial investment in WNS Philippines), the redeemable noncontrolling interest will be valued at the redemption amount under the put option.

At June 30, 2010 the carrying amount of the redeemable noncontrolling interest adjusted for its share of losses exceeds the redemption amount, and accordingly, \$64 is charged to retained earnings and reduced from the numerator in the calculation of earnings per share (refer to note 9).

19. Other current assets

Other current assets comprises of:

	As at,	
	<u>June 30, 2010</u>	<u>March 31, 2010</u>
Derivative instruments	\$ 16,228	\$ 22,808
VAT receivables	7,979	8,644
Deferred cost	1,701	1,340
Advances	1,174	1,035
Other current assets	1,938	2,481
Total	<u>\$ 29,020</u>	<u>\$ 36,308</u>

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20. Other current liabilities

Other current liabilities comprises of:

	As at,	
	June 30, 2010	March 31, 2010
Accrued expenses	\$ 39,025	\$ 40,702
Withholding taxes and VAT payables	2,634	2,728
Derivative instruments	18,697	17,597
Interest payable on long term debt	2,217	2,217
Other liabilities	4,202	4,341
Total	<u>\$ 66,775</u>	<u>\$ 67,585</u>

21. Recent accounting pronouncements

In October 2009, the FASB issued ASU No. 2009-13, “*Multiple-Deliverable Revenue Arrangements*”. This ASU establishes the accounting and reporting guidance for arrangements including multiple revenue-generating activities. This ASU provides amendments to the criteria for separating deliverables and measuring and allocating arrangement consideration to one or more units of accounting. The amendments in this ASU also establish a selling price hierarchy for determining the selling price of a deliverable. Significantly enhanced disclosures are also required to provide information about a vendor’s multiple-deliverable revenue arrangements, including information about the nature and terms, significant deliverables, and its performance within arrangements. The amendments also require providing information about the significant judgments made and changes to those judgments and about how the application of the relative selling-price method affects the timing or amount of revenue recognition. The amendments in this ASU are effective prospectively for revenue arrangements entered into or materially modified in the fiscal years beginning on or after June 15, 2010. Early application is permitted. The Company is currently evaluating the impact of the adoption of this new ASU on its financial statements.

In April 2010, the FASB issued ASU No. 2010-17, “*Revenue Recognition — Milestone Method*” (ASU 2010-17). ASU 2010-17 provides guidance on defining a milestone and determining when it may be appropriate to apply the milestone method of revenue recognition for research and development transactions. The update provides guidance on the criteria that should be met for determining whether the milestone method of revenue recognition is appropriate. This update is effective for fiscal years, and interim periods within those years, beginning on or after June 15, 2010, and may be applied prospectively to milestones achieved after the adoption date or retrospectively for all periods presented. The Company is currently evaluating whether these changes will have any material impact on its financial statements.

Part II — MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our unaudited condensed consolidated financial statements and the related notes included elsewhere in this report. We urge you to carefully review and consider the various disclosures made by us in this report and in our other SEC filings, including our annual report on Form 20-F for our fiscal year ended March 31, 2010. Some of the statements in the following discussion are forward-looking statements. See "Special note regarding forward-looking statements."

Overview

We are a leading provider of offshore business process outsourcing, or BPO, services. We provide comprehensive data, voice and analytical services to our clients, which are typically companies located in Europe, North America and Asia Pacific regions.

Although we typically enter into long-term contractual arrangements with our clients, these contracts can usually be terminated with or without cause by our clients and often with short notice periods. Nevertheless, our client relationships tend to be long-term in nature given the scale and complexity of the services we provide coupled with risks and costs associated with switching processes in-house or to other service providers. We structure each contract to meet our clients' specific business requirements and our target rate of return over the life of the contract. In addition, since the sales cycle for offshore business process outsourcing is long and complex, it is often difficult to predict the timing of new client engagements. As a result, we may experience fluctuations in growth rates and profitability from quarter to quarter, depending on the timing and nature of new contracts. Our focus, however, is on deepening our client relationships and maximizing shareholder value over the life of a client's relationship with us.

Our revenue is generated primarily from providing business process outsourcing services. We have two reportable segments for financial statement reporting purposes — WNS Global BPO and WNS Auto Claims BPO. In our WNS Auto Claims BPO segment, we provide both "fault" and "non fault" repairs. For "fault" repairs, we provide claims handling and accident management services, where we arrange for automobile repairs through a network of third party repair centers. In our accident management services, we act as the principal in our dealings with the third party repair centers and our clients. The amounts we invoice to our clients for payments made by us to third party repair centers is reported as revenue. Since we wholly subcontract the repairs to the repair centers, we evaluate our financial performance based on revenue less repair payments to third party repair centers which is a non-GAAP measure. We believe that revenue less repair payments for "fault" repairs reflects more accurately the value addition of the business process outsourcing services that we directly provide to our clients. For "non fault" repairs, revenue including repair payments is used as a primary measure to allocate resources and measure operating performance. As we provide a consolidated suite of accident management services including credit hire and credit repair for our "non fault" repairs business, we believe that measurement of that line of business has to be on a basis that includes repair payments in revenue. Revenue less repair payments is a non-GAAP measure which is calculated as revenue less payments to repair centers. The presentation of this non-GAAP information is not meant to be considered in isolation or as a substitute for our financial results prepared in accordance with US GAAP. Our revenue less repair payments may not be comparable to similarly titled measures reported by other companies due to potential differences in the method of calculation.

The following table reconciles our revenue (a GAAP measure) to revenue less repair payments (a non-GAAP measure) for the periods indicated:

	Three months ended June 30,	
	2010	2009
	(US dollars in millions)	
Revenue	\$ 150.0	\$ 133.1
Less: Payments to repair centers	60.7	35.2
Revenue less repair payments	\$ 89.3	\$ 97.9

Global Market and Economic Conditions

In the United States, Europe and Asia, market and economic conditions have been challenging with tighter credit conditions and slower growth during fiscal 2010 and continuing into fiscal 2011. In fiscal 2010 and continuing into fiscal 2011, continued concerns about the systemic impact of inflation, energy costs, geopolitical issues, the availability and cost of credit, the mortgage market and a declining real estate market have contributed to increased market volatility and diminished expectations for the economy globally. These conditions, combined with volatile oil prices, declining business and consumer confidence and increased unemployment have, in fiscal 2010 and continuing into fiscal 2011, contributed to extreme volatility.

These economic conditions may affect our business in a number of ways. The general level of economic activity, such as decreases in business and consumer spending, could result in a decrease in demand for our services, thus reducing our revenue. The cost and availability of credit has been and may continue to be adversely affected by illiquid credit markets and wider credit spreads. Continued turbulence in the US and international markets and economies may adversely affect our liquidity and financial condition, and the liquidity and financial condition of our customers. If these market conditions continue, they may limit our ability to access financing or increase our cost of financing to meet liquidity needs, and affect the ability of our customers to use credit to purchase our services or to make timely payments to us, resulting in adverse effects on our financial condition and results of operations. Furthermore, a weakening of the rate of exchange for the US dollar or the pound sterling (in which our revenue is principally denominated) against the Indian rupee (in which a significant portion of our costs are denominated) also adversely affects our results. Fluctuations between the pound sterling or the Indian rupee and the US dollar also expose us to translation risk when transactions denominated in pound sterling or Indian rupees are translated to US dollars, our reporting currency. For example, the average pound sterling/US dollar exchange rate for fiscal 2010 depreciated 7.2% as compared to the average exchange rate for fiscal 2009, which adversely impacted our results of operations. Uncertainty about current global economic conditions could also continue to increase the volatility of our share price. We cannot predict the timing or duration of the economic slowdown or the timing or strength of a subsequent economic recovery generally or in our targeted industries, including the travel and leisure, and insurance industries. If macroeconomic conditions worsens or the current global economic condition continues for a prolonged period of time, we are not able to predict the impact such worsening conditions will have on our targeted industries in general, and our results of operations specifically.

Revenue

We generate revenue by providing business process outsourcing services to our clients. For the three months ended June 30, 2010, our revenue was \$150.0 million as compared to \$133.1 million for the three months ended June 30, 2009, representing an increase of 12.7%. Our revenue less repair payments was \$89.3 million for the three months ended June 30, 2010 as compared to \$97.9 million for the three months ended June 30, 2009, representing a decrease of 8.8%.

We believe that we have been successful in achieving revenue growth due to a number of factors, including our understanding of our clients' industries, our focus on operational excellence and our world-class management team with significant experience in the global outsourcing industry. We have been successful in adding new clients who are diversified across industries and geographies to our existing large client base.

Our Contracts

We provide our services under contracts with our clients, the majority of which have terms ranging between three and eight years, with some being rolling contracts with no end dates. Typically, these contracts can be terminated by our clients with or without cause and with notice periods ranging from three to six months. However, we tend to have long-term relationships with our clients given the complex and comprehensive nature of the business processes executed by us, coupled with the switching costs and risks associated with relocating these processes in-house or to other service providers.

Each client contract has different terms and conditions based on the scope of services to be delivered and the requirements of that client. Occasionally, we may incur significant costs on certain contracts in the early stages of implementation, with the expectation that these costs will be recouped over the life of the contract to achieve our targeted returns. Each client contract has corresponding service level agreements that define certain operational metrics based on which our performance is measured. Some of our contracts specify penalties or damages payable

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by us in the event of failure to meet certain key service level standards within an agreed upon time frame.

When we are engaged by a client, we typically transfer that client's processes to our delivery centers over a two to six month period. This transfer process is subject to a number of potential delays. Therefore, we may not recognize significant revenue until several months after commencing a client engagement.

In the WNS Global BPO segment, we charge for our services primarily based on three pricing models — per full-time-equivalent; per transaction; or cost-plus — as follows:

- per full-time equivalent arrangements typically involve billings based on the number of full-time employees (or equivalent) deployed on the execution of the business process outsourced;
- per transaction arrangements typically involve billings based on the number of transactions processed (such as the number of e-mail responses, or airline coupons or insurance claims processed); or
- cost-plus arrangements typically involve billing the contractually agreed direct and indirect costs and a fee based on the number of employees deployed under the arrangement.

Apart from the above-mentioned three primary pricing methods, a small portion of our revenue is comprised of reimbursements of out-of-pocket expenses incurred by us in providing services to our clients.

In July 2008, we entered into a master services agreement with Aviva Global Services (Management Services) Private Limited, or AVIVA MS. Pursuant to the master services agreement with AVIVA MS, or the AVIVA master services agreement, we have agreed to provide BPO services to AVIVA's UK and Canadian businesses for a term of eight years and four months. Under the terms of the agreement, we have agreed to provide a comprehensive spectrum of life and general insurance processing functions to AVIVA, including policy administration and settlement, along with finance and accounting, customer care and other support services. In addition, we have the exclusive right to provide certain services such as finance and accounting, insurance back-office, customer interaction and analytics services to AVIVA's UK and Canadian businesses for the first five years, subject to the rights and obligations of the AVIVA group under their existing contracts with other providers. In March 2009, we entered into a variation deed to the AVIVA master services agreement pursuant to which we commenced provision of services to AVIVA's Irish subsidiary, Hibernian Aviva Direct Limited, and certain of its affiliates.

Our clients customarily provide one to three month rolling forecasts of their service requirements. Our contracts with our clients do not generally provide for a committed minimum volume of business or committed amounts of revenue, except for our contract with one of our top five clients based on revenue less repair payments in fiscal 2010, and the AVIVA master services agreement that we entered into in July 2008, as described above. Under the terms of our agreement with one of our top five clients, the annual forecasted revenue to be provided to us for calendar year 2010 amounts to \$41.1 million. In the event actual revenue provided to us in any year is less than 75% of the annual forecasted revenue for that year, or the Annual Minimum Revenue Commitment, the client has agreed to pay us 65% of the difference between the Annual Minimum Revenue Commitment and the actual revenue provided for that year after certain deductions. However, notwithstanding these minimum revenue commitments, there are also termination at will provisions which permit the client to terminate the individual statements of work without cause with 180 days' notice upon payment of a termination fee. These termination provisions dilute the impact of the minimum revenue commitment. Our agreement with this client expires in December 2010. We re-negotiated this agreement and entered into a new agreement with the client on December 31, 2009. This agreement replaced our prior agreement and became effective on April 1, 2010 and will expire in December 2015. Under the terms of the renewed agreement, the client has not committed to provide us any minimum volume of business, however, we will be the exclusive provider of certain key services from delivery locations outside of the US, including customer service and ticketing support for the client. The prior contract was at premium pricing terms as we had borne the initial cost of the processes that were transitioned to India when the work was outsourced to us in 2004. The early termination of the prior agreement entitled us to a payment by the client of a termination fee of \$5.4 million. We received the termination fee payment on its due date of April 1, 2010 and as it is related to a renewal of our agreement with the client, we have determined that the recognition of the termination fee as revenue will be deferred over the term of the new agreement (i.e., over the period from April 1, 2010 to December 31, 2015). In the case of the AVIVA master services agreement, AVIVA MS has agreed to provide a minimum volume of business, or Minimum Volume Commitment, to us during the term of the contract. The Minimum Volume Commitment is calculated as 3,000 billable full-time employees, where one billable full time employee is the equivalent of a production employee engaged by us to perform our obligations under the contract for one working day of at least

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nine hours for 250 days a year. In August 2009, we entered into a deed of variation to the AVIVA master services agreement pursuant to which AVIVA MS agreed to increase the Minimum Volume Commitment from the current 3,000 billable full time employees to 3,300 billable full time employees for a period of 17 months from March 1, 2010 to July 31, 2011 and to 3,250 billable full time employees for a period of six months from August 1, 2011 to January 31, 2012. The minimum volume commitment will revert to 3,000 billable full time employees after January 31, 2012 for the remaining term of the AVIVA master services agreement. In the event the mean average monthly volume of business in any rolling three-month period does not reach the Minimum Volume Commitment, AVIVA MS has agreed to pay us a minimum commitment fee as liquidated damages. Notwithstanding the Minimum Volume Commitment, there are termination at will provisions which permit AVIVA MS to terminate the AVIVA master services agreement without cause at any time after the expiry of 24 months from October 9, 2008, except in the case of the Chennai facility which was transferred to WNS Global Singapore in July 2008, at any time after expiry of 24 months from September 19, 2008, and in the case of the Pune facility which was transferred to WNS Global Singapore in August 2008, at any time after expiry of 24 months from October 10, 2008, in each case, with six months' notice upon payment of a termination fee. The Annual Minimum Revenue Commitment and the Minimum Volume Commitment under these two contracts were met in fiscal 2010 and the Minimum Volume Commitment under the AVIVA master services agreement was met for each of the three months ended June 30, 2010.

FMFC, a US mortgage lender, was one of our major clients from November 2005 to August 2007. FMFC was a major client of Trinity Partners which we acquired in November 2005 from the First Magnus Group. In August 2007, FMFC filed a voluntary petition for relief under Chapter 11 of the US Bankruptcy Code. For fiscal 2007, FMFC accounted for 4.3% and 6.8% of our revenue and revenue less repair payments, respectively. Contractually, FMFC was obligated to provide us with annual minimum revenue, or pay the shortfall, through fiscal 2011. We have filed claims in FMFC's Chapter 11 case both for the payment of unpaid invoices for services rendered to FMFC before FMFC filed for Chapter 11 bankruptcy, for our entitlement under FMFC's annual minimum revenue commitment, and for administrative expenses. The amount of outstanding claims filed totaled \$15.6 million. In a judgment passed by the bankruptcy court in 2009, the claim filed by WNS amounting to \$11.7 million on account of loss of profit from the remainder of the minimum revenue commitment has been denied. We filed an appeal against this order in the bankruptcy appellate court, Tucson, Arizona. The appeal was heard on June 23, however, the final order is pending. In the same matter, the liquidating trustee, appointed by the bankruptcy court, has filed a petition against us claiming a refund of payments made by FMFC to us during the 90 days period immediately prior to its filing of the bankruptcy petition. FMFC paid a sum of \$4 million during the period from May 22, 2007 through August 21, 2007. All these payments were made in the ordinary course of business and were against the undisputed invoices of the services provided by us to FMFC during the relevant period. After consultation with our counsel, we believe we have a meritorious defense against any such claim by the liquidating trustee and we intend to dispute such claim. On July 15, 2010, we received an offer of settlement from the lawyers representing the liquidating trustee offering to admit a substantial portion of our outstanding claims totaling \$15.6 million but subject to us paying the liquidating trustee a small portion of the amount of their aforesaid \$4 million claim for a refund of payments made by FMFC to us. We are considering the offer and no final decision has yet been taken in this regard. In fiscal 2008, we have provided an allowance for doubtful accounts for the entire amount of accounts receivable from FMFC.

In our WNS Auto Claims BPO segment, we earn revenue from claims handling and accident management services. For claims handling, we charge on a per claim basis or a fixed fee per vehicle over a contract period. For automobile accident management services, where we arrange for the repairs through a network of repair centers that we have established, we invoice the client for the amount of the repair. When we direct a vehicle to a specific repair center, we receive a referral fee from that repair center. We also provide consolidated suite of services towards accident management including credit hire and credit repair for "non-fault" repairs business. Overall, we believe that we have established a sustainable business model which offers revenue visibility over a substantial portion of our business. We have done so by:

- developing a broad client base which has resulted in limited reliance on any particular client;
- seeking to balance our revenue base by targeting industries that offer significant offshore outsourcing potential;

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- addressing the largest markets for offshore business process outsourcing services, which provide geographic diversity across our client base; and
- focusing our service mix on diverse data, voice and analytical processes, resulting in enhanced client retention.

Expenses

The majority of our expenses are comprised of cost of revenue and operating expenses. The key components of our cost of revenue are payments to repair centers, employee costs and infrastructure-related costs. Our operating expenses include selling, general and administrative, or SG&A, expenses and amortization of intangible assets. Our non-operating expenses include interest expenses, other income and other expenses.

Cost of Revenue

Our WNS Auto Claims BPO segment includes automobile accident management services, where we arrange for repairs through a network of repair centers. The payments to repair centers represent the largest component of cost of revenue. The value of these payments in any given period is primarily driven by the volume of accidents and the amount of the repair costs related to such accidents.

Employee costs are also a significant component of cost of revenue. In addition to employee salaries, employee costs include costs related to recruitment, training and retention.

Our infrastructure costs are comprised of depreciation, lease rentals, facilities management and telecommunication network cost. Most of our leases for our facilities are long-term agreements and have escalation clauses which provide for increases in rent at periodic intervals commencing between three and five years from the start of the lease. Most of these agreements have clauses that cap escalation of lease rentals.

SG&A Expenses

Our SG&A expenses are primarily comprised of corporate employee costs for sales and marketing, general and administrative and other support personnel, travel expenses, legal and professional fees, share-based compensation expense, brand building expenses, and other general expenses not related to cost of revenue.

Amortization of Intangible Assets

Amortization of intangible assets is associated with our acquisitions of Marketics Technologies (India) Private Limited, or Marketics, in May 2007, Flovate Technologies Limited, or Flovate, in June 2007, Call 24-7 Limited, or Call 24-7, in April 2008, Business Applications Associates Limited, or BizAps, in June 2008 and Aviva Global in July 2008.

Other Expense, Net

Other expense, net is comprised of interest income and foreign exchange gains or losses.

Interest Expense

Interest expense primarily relates to interest charges payable on our term loan taken to finance our transaction with AVIVA and interest charges arising from our short-term note payable and our line of credit.

Operating Data

The following table presents certain operating data as of the dates indicated:

	<u>June 30, 2010</u>	<u>March 31, 2010</u>	<u>December 31, 2009</u>	<u>September 30, 2009</u>	<u>June 30, 2009</u>
Total head count	21,406	21,958	21,392	21,243	21,494
Built up seats ⁽¹⁾	16,033	15,836	15,709	15,536	15,643

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	June 30, 2010	March 31, 2010	December 31, 2009	September 30, 2009	June 30, 2009
Used seats ⁽¹⁾	13,851	13,659	13,628	13,129	12,780

Note:

- (1) Built up seats refer to the total number of production seats (excluding support functions like Finance, Human Resource and Administration) that are set up in any premises. Used seats refer to the number of built up seats that are being used by employees. The remainder would be termed “vacant seats.” The vacant seats would get converted into used seats when we acquire a new client or increase headcount.

Results of Operations

The following table sets forth certain financial information as a percentage of revenue and revenue less repair payments:

	As a percentage of			
	Revenue		Revenue less repair payments	
	Three months ended June 30,		Three months ended June 30,	
	2010	2009	2010	2009
Cost of revenue	82.2%	72.1%	70.1%	62.1%
Gross profit	17.8%	27.9%	29.9%	37.9%
Operating expenses				
SG&A	13.1%	15.6%	21.9%	21.2%
Amortization of intangible assets	5.3%	6.2%	8.9%	8.4%
Operating income / (loss)	(0.5)%	6.1%	(0.9)%	8.4%
Other expense, net	1.5%	2.1%	2.6%	2.9%
Interest expense	1.8%	3.1%	3.0%	4.2%
Provision for income taxes	0.3%	0.2%	0.6%	0.3%
Net income / (loss)	(4.2)%	0.7%	(7.1)%	0.9%
Net loss attributable to noncontrolling interest	0.2%	0.1%	0.3%	0.1%
Net income / (loss) attributable to our shareholders	(4.0)%	0.8%	(6.8)%	1.1%

The following table reconciles revenue less repair payments (a non-GAAP measure) to revenue (a GAAP measure) and sets forth payments to repair centers and revenue less repair payments as a percentage of revenue:

	Three months ended June 30,			
	2010	2009	2010	2009
	(US dollars in millions)			
Revenue	\$150.0	\$133.1	100%	100%
Less: Payments to repair centers	60.7	35.2	40%	26%
Revenue less repair payments	\$ 89.3	\$ 97.9	60%	74%

The following table presents our results of operations for the periods indicated:

	Three months ended June 30,	
	2010	2009
	(US dollars in millions)	
Revenue	\$ 150.0	\$ 133.1
Cost of revenue ⁽¹⁾	123.3	96.0
Gross profit	26.7	37.1
Operating expenses		
SG&A ⁽²⁾	19.6	20.8
Amortization of intangible assets	8.0	8.2
Operating income / (loss)	(0.8)	8.2

	Three months ended June 30,	
	2010	2009
	(US dollars in millions)	
Other expense, net	2.3	2.8
Interest expense	2.7	4.1
Provision for income taxes	0.5	0.3
Net income / (loss)	(6.3)	0.9
Net loss attributable to noncontrolling interest	0.3	0.1
Net income / (loss) attributable to our shareholders	(6.0)	1.0

Notes:

- (1) Includes share-based compensation expense of \$0.1 million for the three months ended June 30, 2010, and \$0.9 million for the three months ended June 30, 2009.
- (2) Includes share-based compensation expense of \$0.4 million for the three months ended June 30, 2010, and \$2.4 million for the three months ended June 30, 2009.

Results for three months ended June 30, 2010 compared to the three months ended June 30, 2009*Revenue*

Revenue for the three months ended June 30, 2010 was \$150.0 million as compared to \$133.1 million for the three months ended June 30, 2009, representing an increase of \$16.9 million or 12.7%. This increase in revenue of \$16.9 million was primarily attributable to an increase in revenue from new clients of \$15.7 million and an increase in revenue from existing clients of \$1.2 million. The increase in revenue from new clients was due to increase in volumes primarily in our auto claims business. The increase in revenue from existing clients was on account of an increase in volumes for the existing processes primarily in our auto claims business, partially offset by a depreciation of the pound sterling against the US dollar by an average of 3.7% for the three months ended June 30, 2010 as compared to the three months ended June 30, 2009. Revenue from the UK, Europe (excluding the UK) and North America (primarily the US) accounted for \$90.0 million, \$23.5 million and \$35.0 million, representing 60.0%, 15.7% and 23.4%, respectively, of our revenue for the three months ended June 30, 2010, compared to \$76.6 million, \$21.1 million and \$35.3 million, representing 57.5%, 15.8% and 26.5%, respectively, of our revenue for the three months ended June 30, 2009. The increase in revenue from the UK region is due to an increase in volumes primarily in our auto claims business.

Revenue Less Repair Payments

Revenue less repair payments for the three months ended June 30, 2010 was \$89.3 million, a decrease of \$8.6 million or 8.8% over our revenue less repair payments of \$97.9 million for the three months ended June 30, 2009. This decrease in revenue less repair payments of \$8.6 million was primarily attributable to a decrease in revenue less repair payments from existing clients of \$15.6 million, partially offset by an increase in revenue less repair payments from new clients of \$7.0 million. The decrease in revenue less repair payments from existing clients was primarily due to lower volumes for the existing processes primarily in our insurance and travel business units, the change to the pricing structure under the renewed contract with a key client in the travel business unit (as described below) and a depreciation of pound sterling against the US dollar by an average of 3.7% for the three months ended June 30, 2010 as compared to the three months ended June 30, 2009, partially offset by higher volumes from existing clients in our industrial and infrastructure and emerging businesses units. Contract prices across the various types of processes remained substantially stable over this period, except for the renewal of the prior contract with one key client in the travel business unit where the renewed contract does not provide for the premium pricing rate we had under the prior contract. Revenue less repair payments from the UK, Europe (excluding the UK) and North America (primarily the US) accounted for \$46.3 million, \$6.5 million and \$35.0 million, representing 51.9%, 7.3% and 39.2%, respectively, of our revenue less repair payments for the three months ended June 30, 2010, compared to \$56.0 million, \$6.4 million and \$35.3 million, representing 57.3%, 6.5% and 36.1%, respectively, of our revenue less repair payments for the three months ended June 30, 2009. For the three months ended June 30, 2010, we realized a decrease in revenue less repair payments in our banking, financial services and insurance, or BFSI, business unit, and to a lesser extent, in our travel services unit. During the same period we experienced an increase in revenue less repair payments in our industrial and infrastructure business unit, and our emerging businesses unit.

Cost of Revenue

Cost of revenue for the three months ended June 30, 2010 was 82.2% of revenue as compared to 72.1% of revenue for the three months ended June 30, 2009. Cost of revenue for the three months ended June 30, 2010 was

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\$123.3 million, an increase of \$27.3 million or 28.4% over our cost of revenue of \$96.0 million for the three months ended June 30, 2009. Cost of revenue excluding payments made to repair centers for our “fault” repair services increased by \$1.8 million for the three months ended June 30, 2010 as compared to the three months ended June 30, 2009. Payments made to repair centers increased by \$25.5 million to \$60.7 million for the three months ended June 30, 2010 from \$35.2 million for the three months ended June 30, 2009 mainly due to increased volumes from existing clients of our auto claims business. In addition, operating employee compensation increased by \$4.1 million due to an increase in wages and an appreciation of the India Rupee against the US dollar by an average of 6.5% for the three months ended June 30, 2010 as compared to the three months ended June 30, 2009. Share-based compensation cost included in operating employee compensation decreased by \$0.8 million for the three months ended June 30, 2010 as compared to the three months ended June 30, 2009 mainly due to lower new grants and forfeiture of grants for employees who have left our company. Depreciation cost increased by \$0.2 million. These increases were partially offset by a decrease in infrastructure costs by \$2.5 million mainly on account of lower sub-contracting cost and also due to the cost control measures initiated by our company.

Gross Profit

Gross profit for the three months ended June 30, 2010 was \$26.7 million, or 17.8% of revenue, as compared to \$37.1 million, or 27.9% of revenue, for the three months ended June 30, 2009. Gross profit as a percentage of revenue less repair payments was 29.9% for the three months ended June 30, 2010 compared to 37.9% for the three months ended June 30, 2009. Gross profit as a percentage of revenue less repair payments decreased by approximately 8.0% for the three months ended June 30, 2010 as compared to the three months ended June 30, 2009 primarily on account of a decrease in revenue less repair payment of \$8.6 million as discussed above.

SG&A Expenses

SG&A expenses for the three months ended June 30, 2010 were \$19.6 million, a decrease of \$1.2 million or 5.7% over our SG&A expenses of \$20.8 million for the three months ended June 30, 2009. The decrease was primarily on account of (i) a decrease in non-operating employee compensation cost by \$1.8 million, primarily due to a decrease in share-based compensation costs by \$2.0 million, on account of lower new grants and forfeiture of grants for employees who have left our company, (ii) a decrease in fringe benefit tax and tax on other expenses by \$0.4 million, since the fringe benefit tax is abolished, (iii) a decrease in other employee related costs such as recruitment and training costs by \$0.3 million, due to a reduction in headcount and (iv) a decrease in facilities costs by \$0.2 million primarily due to lower depreciation cost. This decrease was partially offset by (i) an increase in professional fees by \$0.8 million, (ii) an increase in other administration related expenses such as communication costs and marketing costs by \$0.6 million and (iii) an increase in travel cost by \$0.1 million. SG&A expenses as a percentage of revenue was 13.1% for the three months ended June 30, 2010 as compared to 15.6% for the three months ended June 30, 2009. SG&A expenses as a percentage of revenue less repair payments was 21.9% for the three months ended June 30, 2010 as compared to 21.2% for the three months ended June 30, 2009.

Amortization of Intangible Assets

Amortization of intangible assets was \$8.0 million for the three months ended June 30, 2010, a decrease of \$0.2 million over \$8.2 million for the three months ended June 30, 2009. The decrease was primarily due to the complete amortization of software intangible assets acquired in connection with the acquisition of Flovate in June 2007.

Operating Income / (Loss)

Loss from operations for the three months ended June 30, 2010 was \$0.8 million, compared to income from operations of \$8.2 million for the three months ended June 30, 2009, due to the reasons discussed above. Loss from operations as a percentage of revenue was 0.5% for the three months ended June 30, 2010 as compared to income from operations as a percentage of revenue of 6.1% for the three months ended June 30, 2009. Loss from operations as a percentage of revenue less repair payments was 0.9% for the three months ended June 30, 2010 as compared to income from operations as a percentage of revenue less repair payments of 8.4% for the three months ended June 30, 2009.

Other Expense, Net

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Other expenses, net for the three months ended June 30, 2010 decreased by \$0.5 million to \$2.3 million from \$2.8 million for the three months ended June 30, 2009, primarily on account of a foreign exchange gain of \$2.7 million, as compared to a foreign exchange loss of \$3.2 million for the three months ended June 30, 2009. This decrease was partially offset by a one-time charge of approximately \$5.4 million incurred due to the refinancing of our previous term loan taken in July 2008. This charge was primarily on account of the reclassification of fair value of interest rate swaps from "Other Comprehensive Income" on our balance sheet to earnings as the swaps on the existing term loan have lost hedge effectiveness, the write-off of a portion of the remaining debt issuance costs associated with the previous term loan taken in 2008 and debt refinancing cost for the new term loan taken in July 2010.

Interest Expense

Interest expense for the three months ended June 30, 2010 was \$2.7 million as compared to \$4.1 million for the three months ended June 30, 2009. This decrease of \$1.4 million was primarily due to the partial repayment of the term loan.

Provision for Income Taxes

Provision for income taxes for the three months ended June 30, 2010 was \$0.5 million, as compared to \$0.3 million for the three months ended June 30, 2009. The increase in income taxes of \$0.2 million is primarily on account of reversals of deferred tax assets. In May 2010, the Government of India vide Finance Act, 2010 has reduced the rate of income tax from 33.99% to 33.22%. Consequent to the amendment, the company has reversed the differential deferred tax asset created in earlier years.

Net Income / (Loss)

Consolidated net loss for the three months ended June 30, 2010 was \$6.3 million as compared to consolidated net income of \$0.9 million for the three months ended June 30, 2009. Consolidated net loss as a percentage of revenue was 4.2% for the three months ended June 30, 2010 as compared to consolidated net income as a percentage of revenue of 0.7% for the three months ended June 30, 2009. Consolidated net loss as a percentage of revenue less repair payments was 7.1% for the three months ended June 30, 2010 as compared to consolidated net income as a percentage of revenue less repair payments of 0.9% for the three months ended June 30, 2009.

Net Loss attributable to Noncontrolling Interest

Net loss attributable to noncontrolling interest for the three months ended June 30, 2010 was \$0.3 million as compared to \$0.1 million for the three months ended June 30, 2009. This increase was on account of higher losses in our joint venture in the Philippines.

Net Income / (loss) attributable to the Company

Net loss attributable to the Company for the three months ended June 30, 2010 was \$6.0 million as compared to net income attributable to the Company of \$1.0 million for the three months ended June 30, 2009. Net loss attributable to the Company as a percentage of revenue was 4.0% for the three months ended June 30, 2010 as compared to net income attributable to the Company as a percentage of revenue of 0.8% for the three months ended June 30, 2009. Net loss attributable to the Company as percentage of revenue less repair payments was 6.8% for the three months ended June 30, 2010 as compared to net income attributable to the Company as a percentage of revenue less repair payments of 1.1% for the three months ended June 30, 2009.

Liquidity and Capital Resources

Our capital requirements are principally for debt repayment, the establishment of operations facilities to support our growth and acquisitions. Our sources of liquidity include cash and cash equivalents, and cash flow from operations, supplemented by equity and debt financing and bank credit lines as required.

As of June 30, 2010, we had cash and cash equivalents of \$38.8 million. We typically seek to invest our available cash on hand in bank deposits, and money market instruments.

As of June 30, 2010, our Indian subsidiary, WNS Global Services Private Limited, or WNS Global, had an

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unsecured line of credit of Rs. 470.0 million (\$10.1 million based on the exchange rate on June 30, 2010) from The Hong Kong and Shanghai Banking Corporation Ltd, interest on which would be determined on the date of borrowing. As at June 30, 2010, Rs.284.7 million (\$6.1 million based on the exchange rate on June 30, 2010) was utilized for working capital requirement and Rs.15.9 million (\$0.3 million based on the exchange rate on June 30, 2010) was utilized for obtaining bank guarantees.

In July 2008, we obtained a \$200 million term loan facility, or the 2008 Term Loan, with a Bank as agent to fund, together with existing cash and cash equivalents, the AVIVA transaction. Interest on the term loan was payable on a quarterly basis. Interest on the term loan was initially agreed at a rate equivalent to the three-month US dollar LIBOR plus 3% per annum. Effective January 10, 2009, the interest rate was increased by 0.5% per annum. In connection with the term loan, we entered into interest rate swap with banks covering the outstanding amount under the facility to swap the variable portion of the interest based on US dollar LIBOR to a fixed average rate of 3.81% per annum. After giving effect to the interest rate swap agreements, we incurred an interest rate of 7.31% per annum on the term loan, excluding amortization of debt issuance costs incurred in connection with the term loan. Under the facility agreement, we were allowed to make voluntary prepayments of the whole or a part of the outstanding loan on any interest payment date, without incurring break costs, by giving a minimum of 10 days' notice of prepayment. Pursuant to the prepayment option, we made a prepayment of \$5 million on April 14, 2009, \$5 million on July 10, 2009 and \$15 million on January 11, 2010. We also repaid the scheduled repayment installments of the loan of \$20 million each on July 10, 2009, January 11, 2010 and July 12, 2010. The outstanding balance of the term loan following the scheduled repayment on July 12, 2010 was \$115 million.

The balance of \$115 million following the scheduled repayment of \$20 million on July 12, 2010 has been refinanced with a new facility agreement, or the 2010 Term Loan, on July 2, 2010 for \$94 million between WNS Mauritius Limited and The Hong Kong and Shanghai Banking Corporation Limited, Hong Kong, DBS Bank Ltd Singapore and BNP Paribas Singapore. This new term loan has been financed equally by all the three lenders and bears interest at a rate equivalent to the three-month US dollar LIBOR plus a margin of 2% per annum. This term loan is repayable in semi-annual installments of \$20 million each on January 10, 2011 and July 11, 2011 and \$30 million on January 10, 2012 with the final installment of \$24 million payable on July 10, 2012. The facility is secured by, among other things, guarantees and pledges of shares provided by our company and certain of its subsidiaries, a pari-passu fixed and floating charge over the assets of a UK subsidiary of our company and charges over certain bank accounts. The facility agreement contains certain restrictive covenants on the indebtedness of our company, total borrowings to tangible net worth ratio, total borrowings to EBITDA ratio and a minimum interest coverage ratio.

WNS Global Services (UK) Limited, or WNS UK, has also entered into a facility agreement dated June 30, 2010 for an unsecured line of credit for the GBP equivalent of \$30 million consisting of a GBP equivalent of \$15 million two year term loan facility repayable on maturity and a GBP equivalent of \$15 million working capital facility. The term loan bears interest at Bank of England base rate plus a margin of 1.95% per annum and the working capital facility bears interest at Bank of England base rate plus a margin of 2.45% per annum. The facility is secured by, among other things, guarantees and pledge of shares provided by our company and certain of its subsidiaries, a pari-passu fixed and floating charge over the assets of UK subsidiaries of our company and a charge over a bank account. The facility agreement contains certain restrictive covenants on the indebtedness of our company, total borrowings to tangible net worth ratio, total borrowings to EBITDA ratio, a minimum interest coverage ratio and a minimum current ratio. On July 7, 2010, out of the \$30 million line of credit we had borrowed \$15 million (£9.9 million based on the exchange rate on July 7, 2010) against the term loan facility and \$5.6 million (£3.7 million based on the exchange rate on July 7, 2010) was utilized out of the working capital facility.

We believe that our anticipated cash generated from operating activities and cash and cash equivalents in hand will be sufficient to meet our estimated capital expenditures and financing commitments for fiscal 2011. However, under the current extreme market conditions as discussed under "— Global Market and Economic Conditions" above, there can be no assurance that our business activity would be maintained at the expected level to generate the anticipated cash flows from operations. If the current market conditions persist or further deteriorate, we may experience a decrease in demand for our services, resulting in our cash flows from operations being lower than anticipated. If our cash flows from operations is lower than anticipated, including as a result of the ongoing downturn in the market conditions or otherwise, we may need to obtain additional financing to pursue certain of our expansion plans. Further, we may in the future consider making acquisitions which we expect to be able to finance partly or fully from cash generated from operating activities. If we have significant growth through acquisitions or require additional operating facilities beyond those currently planned to service new client contracts, we may also need to obtain additional financing. If current market conditions continue to persist or deteriorate further, we may not be able to obtain additional financing or any such additional financing may be available to us on unfavorable

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terms. An inability to pursue additional opportunities will have a material adverse effect on our ability to maintain our desired level of revenue growth in future periods.

Cash Flows from Operating Activities

Cash provided by operating activities were \$4.5 million for the three months ended June 30, 2010 as compared to \$7.4 million for the three months ended June 30, 2009. The decrease in cash provided by operating activities for the three months ended June 30, 2010 as compared to the three months ended June 30, 2009 was attributable to a decrease in working capital changes by \$0.9 million and a decrease in net income as adjusted by non-cash related items by \$2.0 million. Cash from working capital changes decreased by \$0.9 million primarily due to changes in other current liabilities offset by changes in accounts receivable, other current assets, accounts payable and deferred revenue in the three months ended June 30, 2010 resulting in a net cash outflow aggregating \$8.7 million as compared to \$7.8 million in the three months ended June 30, 2009. The decrease in net income as adjusted for non-cash related items by \$2.0 million was primarily on account of (i) a decrease in net income by \$7.2 million, (ii) a decrease in share based compensation cost by \$2.8 million on account of the forfeiture of options and RSUs upon the termination of employment of holders of such options and RSUs, and (iii) an increase in deferred tax credit by \$0.3 million. This decrease was partially offset by an increase in unrealized loss on derivative instruments by \$8.3 million.

Cash Flows from Investing Activities

Cash used in investing activities were \$2.7 million for the three months ended June 30, 2010 as compared to cash provided by investing activities of \$5.8 million for the three months ended June 30, 2009. Investing activities comprised of the following: (i) the capital expenditure incurred for leasehold improvements, purchase of computers, furniture, fixtures and other office equipment associated with expanding the capacity of our delivery centers in the three months ended June 30, 2010 was \$2.7 million which was lower by \$1.0 million as compared to \$3.7 million in the three months ended June 30, 2009, and (ii) a net inflow from maturity of bank deposits and marketable securities of \$9.2 million in the three months ended June 30, 2009, and (iii) net proceeds from sale of assets of \$0.1 million in the three months ended June 30, 2010 as compared to \$0.3 million in the three months ended June 30, 2009.

Cash Flows from Financing Activities

Cash provided by financing activities were \$6.8 million for the three months ended June 30, 2010 as compared to cash used in financing activities of \$4.9 million for the three months ended June 30, 2009. Financing activities in the three months ended June 30, 2010 was primarily on account of a short term loan of \$6.0 million taken by WNS Global Services (India) Private Limited. Financing activities in the three months ended June 30, 2009 consisted primarily of a prepayment of \$5.0 million on the 2008 Term Loan.

Tax Assessment Orders

Transfer pricing regulations which we are subject to require that any international transaction among WNS and its subsidiaries, or the WNS group enterprises, be on arm's-length terms. We believe that the international transactions among the WNS group enterprises are on arm's-length terms. If, however, the applicable tax authorities determine the transactions among the WNS group enterprises do not meet arms' length criteria, we may incur increased tax liability, including accrued interest and penalties. This would cause our tax expense to increase, possibly materially, thereby reducing our profitability and cash flows. The applicable tax authorities may also disallow deductions or tax holiday benefits claimed by us and assess additional taxable income on us in connection with their review of our tax returns.

From time to time, we receive orders of assessment from the Indian tax authorities assessing additional taxable income on us and/or our subsidiaries in connection with their review of our tax returns. We currently have a few orders of assessment outstanding and are vigorously disputing those assessments. We have described below assessment orders that we believe could be material to our company given the magnitude of the claim. In case of disputes, the Indian tax authorities may require us to deposit with them all or a portion of the disputed amount pending resolution of the matter on appeal. Any amount paid by us as deposits will be refunded to us with interest if we succeed in our appeals.

In January 2009, we received an order of assessment from the Indian tax authorities that assessed additional taxable

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income for fiscal 2005 on WNS Global, our wholly-owned Indian subsidiary, that could give rise to an estimated Rs. 728.1 million (\$15.6 million based on the exchange rate on June 30, 2010) in additional taxes, including interest of Rs. 225.9 million (\$4.8 million based on the exchange rate on June 30, 2010). The assessment order alleges that the transfer price we applied to international transactions between WNS Global and our other wholly-owned subsidiaries was not appropriate, disallows certain expenses claimed as tax deductible by WNS Global and disallows a tax holiday benefit claimed by us. After consultation with our Indian tax advisors, we believe the chances that we would be able to overturn the assessment on appeal are strong and we intend to continue to vigorously dispute the assessment. Furthermore, first level Indian appellate authorities have ruled in our favor in our dispute against an assessment order assessing additional taxable income for fiscal 2004 on WNS Global based on similar allegations on transfer pricing and tax deductibility of similar expenses and overturned the assessment. Although this ruling is not binding on the appellate authorities hearing our dispute on the aforesaid assessment on fiscal 2005 received in January 2009, we believe it will serve as persuasive authority in support of our position. In March 2009, we deposited Rs. 10.0 million (\$0.2 million based on the exchange rate on June 30, 2010) with the Indian tax authorities pending resolution of the dispute.

In March 2009, we received from the Indian service tax authority an assessment order demanding payment of Rs. 346.2 million (\$7.4 million based on the exchange rate on June 30, 2010) of service tax and related penalty for the period from March 1, 2003 to January 31, 2005. The assessment order alleges that service tax is payable on BPO services provided by WNS Global in India to clients. After consultation with our Indian tax advisors, we believe the chances that the assessment would be upheld against us are remote. In April 2009, we filed an appeal to the appellate tribunal against the assessment order and the appeal is currently pending. We intend to continue to vigorously dispute the assessment.

On October 31, 2009, we received an order of assessment from the transfer pricing officer of the Indian tax authorities. The transfer pricing assessment order alleges that the transfer pricing we applied to international transactions between WNS Global and our other wholly owned subsidiaries was not appropriate. On November 30, 2009, we received a draft order of assessment from the Indian tax authorities incorporating the above mentioned transfer pricing order, that assessed additional taxable income for fiscal 2006 on WNS Global that could give rise to an estimated Rs. 759.9 million (\$16.3 million based on the exchange rate on June 30, 2010) in additional taxes, including interest of Rs. 235.9 million (\$5.1 million based on the exchange rate on June 30, 2010). The draft assessment order alleges that the transfer price we applied to international transactions between WNS Global and our other wholly-owned subsidiaries was not appropriate, disallows certain expenses claimed as tax deductible by WNS Global and disallows a tax holiday benefit claimed by us.

We have disputed the draft assessment order and have filed an appeal in December 2009 before the Dispute Resolution Panel, or DRP, a panel recently set by Government of India as an alternative to first appellate authority. The final order of assessment is expected to be passed in the month of September or October 2010 following the receipt of the order passed by DRP which is expected to occur in the second fiscal quarter of 2011. We do not agree with the transfer pricing officer's basis of making the assessment, transfer pricing methodologies and the amount of the assessment. After consultation with our Indian tax advisors, we believe that the chances of the order, upon challenge, being sustained at the higher appellate authorities are remote and we intend to vigorously dispute the assessment. We may be required to deposit with the tax authorities all or a portion of the disputed amount pending final resolution of the matter.

No assurance can be given, however, that we will prevail in our tax disputes. If we do not prevail, payment of additional taxes, interest and penalties may adversely affect our results of operations, financial condition and cash flows. There can also be no assurance that we will not receive similar or additional orders of assessment in the future.

Quantitative and Qualitative Disclosures About Market Risk

General

Market risk is attributable to all market sensitive financial instruments including foreign currency receivables and payables. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments.

Our exposure to market risk is primarily a function of our revenue generating activities and any future borrowings in

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foreign currency. The objective of market risk management is to avoid excessive exposure of our earnings to loss. Most of our exposure to market risk arises from our revenue and expenses that are denominated in different currencies.

The following risk management discussion and the estimated amounts generated from analytical techniques are forward-looking statements of market risk assuming certain market conditions occur. Our actual results in the future may differ materially from these projected results due to actual developments in the global financial markets.

Risk Management Procedures

We manage market risk through our treasury operations. Our senior management and our board of directors approve our treasury operations' objectives and policies. The activities of our treasury operations include management of cash resources, implementation of hedging strategies for foreign currency exposures, implementation of borrowing strategies and monitoring compliance with market risk limits and policies. Our foreign exchange committee, comprising the Chairman of the Board, our Group Chief Executive Officer and our Group Chief Financial Officer, is the approving authority for all our hedging transactions.

Components of Market Risk

Exchange Rate Risk

Our exposure to market risk arises principally from exchange rate risk. Although substantially all of our revenue less repair payments is denominated in pound sterling, US dollars and Euros, a significant portion of our expenses for the three months ended June 30, 2010 (net of payments to repair centers made as part of our WNS Auto Claims BPO segment) were incurred and paid in Indian rupees. The exchange rates among the Indian rupee, the pound sterling and the US dollar have changed substantially in recent years and may fluctuate substantially in the future. We hedge a portion of our foreign currency exposures.

Our exchange rate risk primarily arises from our foreign currency-denominated receivables. Based upon our level of operations for the three months ended June 30, 2010, a sensitivity analysis shows that a 10.0% appreciation in the pound sterling against the US dollar would have increased revenue for the three months ended June 30, 2010 by approximately \$11.0 million. Similarly, a 10.0% appreciation in the Indian rupee against the US dollar would have increased our expenses incurred and paid in Indian rupee for the three months ended June 30, 2010 by approximately \$5.4 million.

To protect against exchange gains (losses) on forecasted inter-company revenue, we have instituted a foreign currency cash flow hedging program. We hedge a part of our forecasted external and inter-company revenue denominated in foreign currencies with forward contracts and options.

Interest Rate Risk

Our exposure to interest rate risk arises principally from our borrowings under the 2008 Term Loan which had a floating rate of interest linked to US dollar LIBOR. The costs of floating rate borrowings may be affected by the fluctuations in the interest rates. In connection with the 2008 Term Loan, we entered into interest rate swap agreements with banks in fiscal 2009. These swap agreements effectively converted the 2008 Term Loan from a variable interest rate to a fixed rate thereby managing our exposure to changes in market interest rates under the 2008 Term Loan. On July 12, 2010 we refinanced the outstanding amount under this facility with a new term loan facility, or the 2010 Term Loan, for \$94 million. The outstanding swap agreements as of July 12, 2010 aggregated \$115 million. Our use of derivative instruments is limited to effective fixed and floating interest rate swap agreements used to manage well-defined interest rate risk exposures. We monitor our positions and do not anticipate non-performance by the counterparties. We intend to selectively use interest rate swaps, options and other derivative instruments to manage our exposure to interest rate movements. These exposures will be reviewed by appropriate levels of management on a periodic basis. We do not enter into hedging agreements for speculative purposes.

Part III — Risk Factors

This report contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those described in the following risk factors and elsewhere in this annual report. If any of the following risks actually occur, our business, financial condition and results of operations could suffer and the trading price of our ADSs could decline.

Risks Related to Our Business

The global economic conditions have been challenging and have had, and continue to have, an adverse effect on the financial markets and the economy in general, which has had, and may continue to have, a material adverse effect on our business, our financial performance and the prices of our equity shares and ADSs.

In the United States, Europe and Asia, market and economic conditions have been challenging with tighter credit conditions during fiscal 2010 and continuing into fiscal 2011. In fiscal 2010 and continuing into fiscal 2011, continued concerns about the systemic impact of inflation, energy costs, geopolitical issues, the availability and cost of credit, the mortgage market and a declining real estate market have contributed to increased market volatility and diminished expectations for the economy globally. These conditions, combined with volatile oil prices, declining business and consumer confidence and increased unemployment have, in fiscal 2010 and continuing into fiscal 2011, contributed to extreme volatility. These economic conditions may affect our business in a number of ways. The general level of economic activity, such as decreases in business and consumer spending, could result in a decrease in demand for our services, thus reducing our revenue. The cost and availability of credit has been and may continue to be adversely affected by illiquid credit markets and wider credit spreads. Continued turbulence in the US and international markets and economies may adversely affect our liquidity and financial condition, and the liquidity and financial condition of our customers. If these market conditions continue, they may limit our ability to access financing or increase our cost of financing to meet liquidity needs, and affect the ability of our customers to use credit to purchase our services or to make timely payments to us, resulting in adverse effects on our financial condition and results of operations. Furthermore, a weakening of the rate of exchange for the US dollar or the pound sterling (in which our revenue is principally denominated) against the Indian rupee (in which a significant portion of our costs are denominated) also adversely affects our results. Fluctuations between the pound sterling or the Indian rupee and the US dollar also expose us to translation risk when transactions denominated in pound sterling or Indian rupees are translated to US dollars, our reporting currency. For example, the average pound sterling/US dollar exchange rate for fiscal 2010 depreciated 7.2% as compared to the average exchange rate for fiscal 2009 which adversely impacted our results of operations. Uncertainty about current global economic conditions could also continue to increase the volatility of our share price. We cannot predict the timing or duration of the economic slowdown or the timing or strength of a subsequent economic recovery generally or in our targeted industries, including the travel and insurance industry. If macroeconomic conditions worsens or the current global economic condition continues for a prolonged period of time, we are not able to predict the impact such worsening conditions will have on our targeted industries in general, and our results of operations and cash flows specifically.

A few major clients account for a significant portion of our revenue and any loss of business from these clients could reduce our revenue and significantly harm our business.

We have derived and believe that we will continue to derive in the near term a significant portion of our revenue from a limited number of large clients. In fiscal 2010 and 2009, our five largest clients accounted for 53.0% and 53.4% of our revenue and 45.1% and 46.3% of our revenue less repair payments, respectively. In fiscal 2010, our three largest clients individually accounted for 15.5%, 13.4% and 12.6%, respectively, of our revenue as compared to 15.5%, 15.3% and 11.0%, respectively, in fiscal 2009. In fiscal 2010, our largest client, AVIVA, individually accounted for 23.1% of our revenue less repair payments compared to 21.0% in fiscal 2009.

First Magnus Financial Corporation, or FMFC, a US mortgage lender, was one of our major clients from November 2005 to August 2007. FMFC was a major client of Trinity Partners which we acquired in November 2005 from the First Magnus Group. In August 2007, FMFC filed a voluntary petition for relief under Chapter 11 of the US Bankruptcy Code. In fiscal 2007, FMFC accounted for 4.3% of our revenue and 6.8% of our revenue less repair payments. The loss of revenue from FMFC materially reduced our revenue in fiscal 2008.

Our prior contracts with another major client, Aviva International Holdings Limited, or AVIVA, provided Aviva Global, which was AVIVA's business process offshoring subsidiary, options to require us to transfer the relevant

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projects and operations of our facilities at Sri Lanka and Pune to Aviva Global . On January 1, 2007, Aviva Global exercised its call option requiring us to transfer the Sri Lanka facility to Aviva Global effective July 2, 2007. Effective July 2, 2007, we transferred the Sri Lanka facility to Aviva Global and we lost the revenue generated by the Sri Lanka facility. For the period from April 1, 2007 through July 2, 2007, the Sri Lanka facility contributed \$2.0 million of revenue and in fiscal 2007, it accounted for 1.9% of our revenue and 3.0% of our revenue less repair payments. We may, in the future, enter into contracts with other clients with similar call options that may result in the loss of revenue that may have a material impact on our business, results of operations, financial condition and cash flows, particularly during the quarter in which the option takes effect.

We have, through our acquisition of Aviva Global in July 2008, resumed control of the Sri Lanka facility and we have continued to retain ownership of the Pune facility. We expect these facilities to continue to generate revenue for us under the AVIVA master services agreement. Further, through our acquisition of Aviva Global, we also acquired three facilities in Bangalore, Chennai and Pune. We expect revenue from AVIVA under the AVIVA master services agreement to account for a significant portion of our revenue. We therefore expect our dependence on AVIVA to continue for the foreseeable future. The AVIVA master services agreement provides for a committed amount of revenue. However, notwithstanding the minimum revenue commitment, there are also terminations at will provisions which permit AVIVA to terminate the agreement without cause with 180 days' notice upon payment of a termination fee. These termination provisions dilute the impact of the minimum revenue commitment.

In addition, the volume of work performed for specific clients is likely to vary from year to year, particularly since we may not be the exclusive outside service provider for our clients. Thus, a major client in one year may not provide the same level of revenue in any subsequent year. The loss of some or all of the business of any large client could have a material adverse effect on our business, results of operations, financial condition and cash flows. A number of factors other than our performance could cause the loss of or reduction in business or revenue from a client, and these factors are not predictable.

For example, a client may demand price reductions, change its outsourcing strategy or move work in-house. A client may also be acquired by a company with a different outsourcing strategy that intends to switch to another business process outsourcing service provider or return work in-house.

If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent or detect fraud. As a result, current and potential investors could lose confidence in our financial reporting, which could harm our business and have an adverse effect on our stock price.

Effective internal control over financial reporting is necessary for us to provide reliable financial reports, and together with adequate disclosure controls and procedures, are designed to prevent or detect fraud. Deficiencies in our internal controls may adversely affect our management's ability to record, process, summarize, and report financial data on a timely basis. As a public company, we are required by Section 404 of the Sarbanes-Oxley Act of 2002 to include a report of management's assessment on our internal control over financial reporting and an auditor's attestation report on our internal control over financial reporting in our annual report on Form 20-F.

Based on its evaluation, management has concluded that as of March 31, 2010, our company's disclosure controls and procedures and internal control over financial reporting was not effective due to a material weakness identified in the design and operating effectiveness of our internal controls over the recognition and accrual of repair payments to garages and the related fees in our Auto Claims BPO segment. In order to remediate the identified material weakness, we intend to augment our existing US GAAP expertise and strengthen our monitoring controls and documentation for the revenue recognition process in our Auto Claims BPO segment. We cannot assure you that the measures that we intend to implement or any additional measures that we may implement will be successful in remediating the material weakness identified.

It is possible that in the future, material weaknesses could be identified in our internal controls over financial reporting and we could be required to further implement remedial measures. If we fail to maintain effective disclosure controls and procedures or internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, which could have a material adverse effect on our stock price.

We may be unable to effectively manage our rapid growth and maintain effective internal controls, which could

have a material adverse effect on our operations, results of operations and financial condition.

Since we were founded in April 1996, and especially since Warburg Pincus & Co., or Warburg Pincus, acquired a controlling stake in our company in May 2002, we have experienced rapid growth and significantly expanded our operations. Our revenue has grown at a compound annual growth rate of 15.3% to \$582.5 million in fiscal 2010 from \$438.0 million in fiscal 2008. Our revenue less repair payments has grown at a compound annual growth rate of 15.9% to \$390.5 million in fiscal 2010 from \$290.6 million in fiscal 2008. Our employees have increased to 21,958 as of March 31, 2010 from 18,104 as of March 31, 2008. Our majority owned subsidiary, WNS Philippines Inc., established a delivery center in the Philippines in April 2008, which it expanded in fiscal 2010. Additionally, in fiscal 2010, we established a new delivery center in Costa Rica and streamlined our operations by consolidating our production capacities in various delivery centers in Bangalore, Mumbai and Pune. We now have delivery centers in six locations in India, the Philippines, Sri Lanka, the UK, Romania and Costa Rica. In fiscal 2011, we intend to establish additional delivery centers, as well as continue to streamline our operations by further consolidating production capacities in our delivery centers.

We have also completed numerous acquisitions. For example, in July 2008, we entered into a transaction with AVIVA consisting of (1) a share sale and purchase agreement pursuant to which we acquired from AVIVA all the shares of Aviva Global and (2) a master services agreement with AVIVA MS, or the AVIVA master services agreement, pursuant to which we are providing BPO services to AVIVA's UK and Canadian businesses. Aviva Global was the business process offshoring subsidiary of AVIVA. Through our acquisition of Aviva Global, we also acquired three facilities in Bangalore, Chennai and Sri Lanka in July 2008, and one facility in Pune in August 2008. See "Part II — Management's Discussion and Analysis of Financial Condition and Results of Operations — Revenue — Our Contracts" for more details on this transaction.

This rapid growth places significant demands on our management and operational resources. In order to manage growth effectively, we must implement and improve operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis, we may not be able to service our clients' needs, hire and retain new employees, pursue new business, complete future acquisitions or operate our business effectively. Failure to effectively transfer new client business to our delivery centers, properly budget transfer costs or accurately estimate operational costs associated with new contracts could result in delays in executing client contracts, trigger service level penalties or cause our profit margins not to meet our expectations or our historical profit margins. As a result of any of these problems associated with expansion, our business, results of operations, financial condition and cash flows could be materially and adversely affected.

Our revenue is highly dependent on clients concentrated in a few industries, as well as clients located primarily in Europe and the United States. Economic slowdowns or factors that affect these industries or the economic environment in Europe or the United States could reduce our revenue and seriously harm our business.

A substantial portion of our clients are concentrated in the banking, financial services and insurance, or BFSI, industry, and the travel and leisure industry. In fiscal 2010 and 2009, 65.4% and 62.6% of our revenue, respectively, and 48.4% and 49.5% of our revenue less repair payments, respectively, were derived from clients in the BFSI industry. During the same periods, clients in the travel and leisure industry contributed 16.3% and 19.6% of our revenue, respectively, and 24.3% and 26.5% of our revenue less repair payments, respectively. Our business and growth largely depend on continued demand for our services from clients in these industries and other industries that we may target in the future, as well as on trends in these industries to outsource business processes. Since the second half of fiscal 2009, there has been a significant slowdown in the growth of the global economy accompanied by a significant reduction in consumer and business spending worldwide. Certain of our targeted industries are especially vulnerable to the crisis in the financial and credit markets or to the economic downturn. A downturn in any of our targeted industries, particularly the BFSI or travel and leisure industries, a slowdown or reversal of the trend to outsource business processes in any of these industries or the introduction of regulation which restricts or discourages companies from outsourcing could result in a decrease in the demand for our services and adversely affect our results of operations and cash flows. For example, as a result of the mortgage market crisis, in August 2007, FMFC, a US mortgage services client, filed a voluntary petition for relief under Chapter 11 of the US Bankruptcy Code. FMFC was a major client of Trinity Partners which we acquired in November 2005 from the First Magnus Group and became one of our major clients. In fiscal 2008 and 2007, FMFC accounted for 1.0% and 4.3% of our revenue, respectively, and 1.4% and 6.8% of our revenue less repair payments, respectively. The downturn in the mortgage market could result in a further decrease in the demand for our services and adversely affect our results

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of our operations.

Further, since the second half of fiscal 2009, the downturn in worldwide economic and business conditions has resulted in a few of our clients reducing or postponing their outsourced business requirements, which have in turn decreased the demand for our services and adversely affected our results of operations. In particular, our revenue is highly dependent on the economic environment in Europe and the United States, which continues to be weak. In fiscal 2010 and 2009, 74.9% and 74.7% of our revenue, respectively, and 62.6% and 65.7% of our revenue less repair payments, respectively, were derived from clients located in Europe. During the same periods, 24.5% and 25.0% of our revenue, respectively, and 36.5% and 33.9% of our revenue less repair payments, respectively, were derived from clients located in North America (primarily the United States). Any further weakening of the European or United States economy will likely have a further adverse impact on our revenue.

Other developments may also lead to a decline in the demand for our services in these industries. For example, the crisis in the financial and credit markets in the United States has led to a significant change in the financial services industry in the United States in recent times, with the United States federal government taking over or providing financial support to leading financial institutions and with leading investment banks going bankrupt or being forced to sell themselves in distressed circumstances. Significant changes in the financial services industry or any of the other industries on which we focus, or a consolidation in any of these industries or acquisitions, particularly involving our clients, may decrease the potential number of buyers of our services. Any significant reduction in or the elimination of the use of the services we provide within any of these industries would result in reduced revenue and harm our business. Our clients may experience rapid changes in their prospects, substantial price competition and pressure on their profitability. Although such pressures can encourage outsourcing as a cost reduction measure, they may also result in increasing pressure on us from clients in these key industries to lower our prices which could negatively affect our business, results of operations, financial condition and cash flows.

We may fail to attract and retain enough sufficiently trained employees to support our operations, as competition for highly skilled personnel is significant and we experience significant employee attrition. These factors could have a material adverse effect on our business, results of operations, financial condition and cash flows.

The business process outsourcing industry relies on large numbers of skilled employees, and our success depends to a significant extent on our ability to attract, hire, train and retain qualified employees. The business process outsourcing industry, including our company, experiences high employee attrition. During fiscal 2010, 2009 and 2008, the attrition rate for our employees who have completed six months of employment with us was 32%, 31% and 38%, respectively. We cannot assure you that our attrition rate will not increase. There is significant competition in the jurisdictions wherever we have operation centers, including India, the Philippines and Sri Lanka, for professionals with the skills necessary to perform the services we offer to our clients. Increased competition for these professionals, in the business process outsourcing industry or otherwise, could have an adverse effect on us. A significant increase in the attrition rate among employees with specialized skills could decrease our operating efficiency and productivity and could lead to a decline in demand for our services.

In addition, our ability to maintain and renew existing engagements and obtain new businesses will depend, in large part, on our ability to attract, train and retain personnel with skills that enable us to keep pace with growing demands for outsourcing, evolving industry standards and changing client preferences. Our failure either to attract, train and retain personnel with the qualifications necessary to fulfill the needs of our existing and future clients or to assimilate new employees successfully could have a material adverse effect on our business, results of operations, financial condition and cash flows.

We may not be successful in achieving the expected benefits from our transaction with AVIVA in July 2008, which could have a material adverse effect on our business, results of operations, financial condition and cash flows. Furthermore, the term loan that we have incurred to fund the transaction may put a strain on our financial position.

In July 2008, we entered into a transaction with AVIVA consisting of (1) a share sale and purchase agreement pursuant to which we acquired all the shares of Aviva Global and (2) the AVIVA master services agreement pursuant to which we are providing BPO services to AVIVA's UK and Canadian businesses. We completed our acquisition of Aviva Global in July 2008. Aviva Global was the business process offshoring subsidiary of AVIVA with facilities in Bangalore, India, and Colombo, Sri Lanka. In addition, through our acquisition of Aviva Global, we also acquired three facilities in Chennai, Bangalore and Sri Lanka in July 2008, and one facility in Pune in

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August 2008. The total consideration (including legal and professional fees) for this transaction with AVIVA amounted to approximately \$249.0 million. We entered into a \$200 million term loan facility with ICICI Bank UK Plc, as agent, to fund, together with cash on hand, the consideration for the transaction. In July 2010, we refinanced the outstanding \$115 million amount under this facility with cash on hand and proceeds from a new term loan facility for \$94 million pursuant to a facility agreement dated July 2, 2010 with The Hongkong and Shanghai Banking Corporation Limited, Hong Kong, DBS Bank Ltd, Singapore and BNP Paribas, Singapore. We have also established \$30 million line of credit in UK vide facility agreement dated June 30, 2010 with HSBC Bank plc which includes a two year term loan facility of GBP equivalent of \$15 million and a working capital facility of GBP equivalent of \$15 million. On July 7, 2010, out of the \$30 million line of credit we had borrowed \$15 million (£9.9 million based on the exchange rate on July 7, 2010) against the term loan facility and \$5.6 million (£3.7 million based on the exchange rate on July 7, 2010) was utilized out of the working capital facility.

See “Part II — Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources.” We cannot assure you that we will be able to grow our revenue, expand our service offerings and market share, or achieve the accretive benefits that we expected from our acquisition of Aviva Global and the AVIVA master services agreement.

Furthermore, the Term Loan may put a strain on our financial position. For example:

- it could increase our vulnerability to general adverse economic and industry conditions;
- it could require us to dedicate a substantial portion of our cash flow from operations to payments on the Term Loan, thereby reducing the availability of our cash flow to fund capital expenditure, working capital and other general corporate purposes;
- it requires us to seek lenders’ consent prior to paying dividends on our ordinary shares;
- it limits our ability to incur additional borrowings or raise additional financing through equity or debt instruments; and
- it imposes certain financial covenants on us which we may not be able to meet and this may cause the lenders to accelerate the repayment of the balance loan outstanding.

The international nature of our business exposes us to several risks, such as significant currency fluctuations and unexpected changes in the regulatory requirements of multiple jurisdictions.

We have operations in India, the Philippines, Sri Lanka, the UK, Romania, Costa Rica, the US and Australia, and we service clients across Europe, North America and Asia. Our corporate structure also spans multiple jurisdictions, with our parent holding company incorporated in Jersey, Channel Islands, and intermediate and operating subsidiaries incorporated in India, the Philippines, Sri Lanka, the UK, Mauritius, Romania, the Philippines, China, the Netherlands, Singapore, the US, Australia and Costa Rica. As a result, we are exposed to risks typically associated with conducting business internationally, many of which are beyond our control. These risks include:

- significant currency fluctuations between the US dollar and the pound sterling (in which our revenue is principally denominated) and the Indian rupee (in which a significant portion of our costs are denominated);
- legal uncertainty owing to the overlap of different legal regimes, and problems in asserting contractual or other rights across international borders;
- potentially adverse tax consequences, such as scrutiny of transfer pricing arrangements by authorities in the countries in which we operate;
- potential tariffs and other trade barriers;

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- unexpected changes in regulatory requirements;
- the burden and expense of complying with the laws and regulations of various jurisdictions; and
- terrorist attacks and other acts of violence or war.

The occurrence of any of these events could have a material adverse effect on our results of operations, cash flows and financial condition.

Currency fluctuations among the Indian rupee, the pound sterling and the US dollar could have a material adverse effect on our results of operations.

Although substantially all of our revenue is denominated in pound sterling or US dollars, a significant portion of our expenses (other than payments to repair centers, which are primarily denominated in pound sterling) are incurred and paid in Indian rupees. We report our financial results in US dollars and our results of operations would be adversely affected if the Indian rupee appreciates against the US dollar or the pound sterling depreciates against the US dollar. The exchange rates between the Indian rupee and the US dollar and between the pound sterling and the US dollar have changed substantially in recent years and may fluctuate substantially in the future.

The average Indian rupee/US dollar exchange rate was approximately Rs. 47.46 per \$1.00 in fiscal 2010, which represented a depreciation of the Indian rupee of 3.0% as compared with the average exchange rate of approximately Rs. 46.10 per \$1.00 in fiscal 2009, which in turn represented a depreciation of the Indian rupee of 14.9% as compared with the average exchange rate of approximately Rs. 40.13 per \$1.00 in fiscal 2008. The average pound sterling/US dollar exchange rate was approximately £0.63 per \$1.00 in fiscal 2010, which represented a depreciation of the pound sterling of 7.2% as compared with the average exchange rate of approximately £0.58 per \$1.00 in fiscal 2009, which in turn represented a depreciation of the pound sterling of 14.3% as compared with the average exchange rate of approximately £0.50 per \$1.00 in fiscal 2008.

Our results of operations may be adversely affected if the Indian rupee appreciates significantly against the pound sterling or the US dollar or if the pound sterling depreciates against the US dollar. We hedge a portion of our foreign currency exposures using options and forward contracts. We cannot assure you that our hedging strategy will be successful or will mitigate our exposure to currency risk.

Our business may not develop in ways that we currently anticipate due to negative public reaction to offshore outsourcing, proposed legislation or otherwise.

We have based our strategy of future growth on certain assumptions regarding our industry, services and future demand in the market for such services. However, the trend to outsource business processes may not continue and could reverse. Offshore outsourcing is a politically sensitive topic in the UK, the US and elsewhere. For example, many organizations and public figures in the UK and the US have publicly expressed concern about a perceived association between offshore outsourcing providers and the loss of jobs in their home countries.

Such concerns have led to proposed measures in the United States, including in connection with the Troubled Asset Relief Program, that are aimed at limiting or restricting outsourcing. There is also legislation that has been enacted or is pending at the State level in the United States, with regard to limiting outsourcing. The measures that have been enacted to date are generally directed at restricting the ability of government agencies to outsource work to offshore business service providers. These measures have not had a significant effect on our business because governmental agencies are not a focus of our operations. However, it is possible that legislation could be adopted that would restrict US private sector companies that have federal or state governmental contracts from outsourcing their services to offshore service providers or that could have an adverse impact on the economics of outsourcing for private companies in the US. Such legislation could have an adverse impact on our business with US clients.

Such concerns have also led the United Kingdom and other European Union, or EU, jurisdictions to enact regulations which allow employees who are dismissed as a result of transfer of services, which may include outsourcing to non-UK/EU companies, to seek compensation either from the company from which they were dismissed or from the company to which the work was transferred. This could discourage EU companies from outsourcing work offshore and/or could result in increased operating costs for us.

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In addition, there has been publicity about the negative experiences, such as theft and misappropriation of sensitive client data, of various companies that use offshore outsourcing, particularly in India. Current or prospective clients may elect to perform such services themselves or may be discouraged from transferring these services from onshore to offshore providers to avoid negative perceptions that may be associated with using an offshore provider. Any slowdown or reversal of existing industry trends towards offshore outsourcing would seriously harm our ability to compete effectively with competitors that operate out of facilities located in the UK or the US.

Our senior management team and other key team members in our business units are critical to our continued success and the loss of such personnel could harm our business.

Our future success substantially depends on the performance of the members of our senior management team and other key team members in each of our business units. These personnel possess technical and business capabilities including domain expertise that are difficult to replace. There is intense competition for experienced senior management and personnel with technical and industry expertise in the business process outsourcing industry, and we may not be able to retain our key personnel. Although we have entered into employment contracts with our executive officers, certain terms of those agreements may not be enforceable and in any event these agreements do not ensure the continued service of these executive officers. In the event of a loss of any key personnel, there is no assurance that we will be able to find suitable replacements for our key personnel within a reasonable time. The loss of key members of our senior management or other key team members, particularly to competitors, could have a material adverse effect on our business, results of operations, financial condition and cash flows. A loss of several members of our senior management at the same time or within a short period may lead to a disruption in the business of our company, which could materially adversely affect our performance.

Wage increases may prevent us from sustaining our competitive advantage and may reduce our profit margin.

Salaries and related benefits of our operations staff and other employees in India are among our most significant costs. Wage costs in India have historically been significantly lower than wage costs in the US and Europe for comparably skilled professionals, which has been one of our competitive advantages. However, rapid economic growth in India, increased demand for business process outsourcing to India, and increased competition for skilled employees in India may reduce this competitive advantage. In addition, if the US dollar or the pound sterling declines in value against the Indian rupee, wages in the US or the UK will further decrease relative to wages in India, which may further reduce our competitive advantage. We may need to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting the quantity and quality of employees that our business requires. Wage increases may reduce our profit margins and have a material adverse effect on our financial condition and cash flows.

Further, following our acquisitions of Aviva Global, Business Application Associates Limited, or BizAps, and Chang Limited, our operations in the UK have expanded and our wage costs for employees located in the UK now represent a larger proportion of our total wage costs. Wage increases in the UK may therefore also reduce our profit margins and have a material adverse effect on our financial condition and cash flows.

Our operating results may differ from period to period, which may make it difficult for us to prepare accurate internal financial forecasts and respond in a timely manner to offset such period to period fluctuations.

Our operating results may differ significantly from period to period due to factors such as client losses, variations in the volume of business from clients resulting from changes in our clients' operations, the business decisions of our clients regarding the use of our services, delays or difficulties in expanding our operational facilities and infrastructure, changes to our pricing structure or that of our competitors, inaccurate estimates of resources and time required to complete ongoing projects, currency fluctuation and seasonal changes in the operations of our clients. For example, our clients in the travel and leisure industry experience seasonal changes in their operations in connection with the year-end holiday season, as well as episodic factors such as adverse weather conditions. Transaction volumes can be impacted by market conditions affecting the travel and insurance industries, including natural disasters, outbreak of infectious diseases or other serious public health concerns in Asia or elsewhere (such as the outbreak of the Influenza A (H1N1) virus in various parts of the world) and terrorist attacks. In addition, our contracts do not generally commit our clients to providing us with a specific volume of business.

In addition, the long sales cycle for our services, which typically ranges from three to 12 months, and the internal budget and approval processes of our prospective clients make it difficult to predict the timing of new client

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engagements. Revenue is recognized upon actual provision of services and when the criteria for recognition are achieved. Accordingly, the financial benefit of gaining a new client may be delayed due to delays in the implementation of our services. These factors may make it difficult for us to prepare accurate internal financial forecasts or replace anticipated revenue that we do not receive as a result of those delays. Due to the above factors, it is possible that in some future quarters our operating results may be significantly below the expectations of the public market, analysts and investors.

Employee strikes and other labor-related disruptions may adversely affect our operations.

Our business depends on a large number of employees executing client operations. Strikes or labor disputes with our employees at our delivery centers may adversely affect our ability to conduct business. Our employees are not unionized, although they may in the future form unions. We cannot assure you that there will not be any strike, lock out or material labor dispute in the future. Work interruptions or stoppages could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Failure to adhere to the regulations that govern our business could result in us being unable to effectively perform our services. Failure to adhere to regulations that govern our clients' businesses could result in breaches of contract with our clients.

Our clients' business operations are subject to certain rules and regulations such as the Gramm-Leach-Bliley Act, the Health Insurance Portability and Accountability Act and Health Information Technology for Economic and Clinical Health Act in the US and the Financial Services Act in the UK. Our clients may contractually require that we perform our services in a manner that would enable them to comply with such rules and regulations. Failure to perform our services in such a manner could result in breaches of contract with our clients and, in some limited circumstances, civil fines and criminal penalties for us. In addition, we are required under various Indian laws to obtain and maintain permits and licenses for the conduct of our business. If we fail to comply with any applicable rules or regulations, or if we do not maintain our licenses or other qualifications to provide our services, we may not be able to provide services to existing clients or be able to attract new clients and could lose revenue, which could have a material adverse effect on our business.

Our clients may terminate contracts before completion or choose not to renew contracts which could adversely affect our business and reduce our revenue.

The terms of our client contracts typically range from three to eight years. Many of our client contracts can be terminated by our clients with or without cause, with three to six months' notice and, in most cases, without penalty. The termination of a substantial percentage of these contracts could adversely affect our business and reduce our revenue. Contracts that will expire on or before March 31, 2011 (including work orders/statement of works that will expire on or before March 31, 2011 although the related master services agreement has been renewed) represent approximately 6.5% of our revenue and 9.7% of our revenue less repair payments from our clients in fiscal 2010. Failure to meet contractual requirements could result in cancellation or non-renewal of a contract. Some of our contracts may be terminated by the client if certain of our key personnel working on the client project leave our employment and we are unable to find suitable replacements. In addition, a contract termination or significant reduction in work assigned to us by a major client could cause us to experience a higher than expected number of unassigned employees, which would increase our cost of revenue as a percentage of revenue until we are able to reduce or reallocate our headcount. We may not be able to replace any client that elects to terminate or not renew its contract with us, which would adversely affect our business and revenue.

Some of our client contracts contain provisions which, if triggered, could result in lower future revenue and have an adverse effect on our business.

In many of our client contracts, we agree to include certain provisions which provide for downward revision of our prices under certain circumstances. For example, certain contracts allow a client in certain limited circumstances to request a benchmark study comparing our pricing and performance with that of an agreed list of other service providers for comparable services. Based on the results of the study and depending on the reasons for any unfavorable variance, we may be required to make improvements in the service we provide or to reduce the pricing for services to be performed under the remaining term of the contract. Some of our contracts also provide that, during the term of the contract and for a certain period thereafter ranging from six to 12 months, we may not provide

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similar services to certain or any of their competitors using the same personnel. These restrictions may hamper our ability to compete for and provide services to other clients in the same industry, which may result in lower future revenue and profitability.

Some of our contracts specify that if a change in control of our company occurs during the term of the contract, the client has the right to terminate the contract. These provisions may result in our contracts being terminated if there is such a change in control, resulting in a potential loss of revenue. Some of our client contracts also contain provisions that would require us to pay penalties to our clients if we do not meet pre-agreed service level requirements. Failure to meet these requirements could result in the payment of significant penalties by us to our clients which in turn could have an adverse effect on our business, results of operations, financial condition and cash flows.

We enter into long-term contracts with our clients, and our failure to estimate the resources and time required for our contracts may negatively affect our profitability.

The terms of our client contracts typically range from three to eight years. In many of our contracts, we commit to long-term pricing with our clients and therefore bear the risk of cost overruns, completion delays and wage inflation in connection with these contracts. If we fail to estimate accurately the resources and time required for a contract, future wage inflation rates or currency exchange rates, or if we fail to complete our contractual obligations within the contracted timeframe, our revenue and profitability may be negatively affected. Some of our client contracts do not allow us to terminate the contracts except in the case of non-payment by our client. If any contract turns out to be economically non-viable for us, we may still be liable to continue to provide services under the contract.

Our profitability will suffer if we are not able to maintain our pricing and asset utilization levels and control our costs.

Our profit margin, and therefore our profitability, is largely a function of our asset utilization and the rates we are able to recover for our services. An important component of our asset utilization is our seat utilization rate which is the average number of work shifts per day, out of a maximum of three, for which we are able to utilize our work stations, or seats. If we are not able to maintain the pricing for our services or an appropriate seat utilization rate, without corresponding cost reductions, our profitability will suffer. The rates we are able to recover for our services are affected by a number of factors, including our clients' perceptions of our ability to add value through our services, competition, introduction of new services or products by us or our competitors, our ability to accurately estimate, attain and sustain engagement revenue, margins and cash flows over increasingly longer contract periods and general economic and political conditions.

Our profitability is also a function of our ability to control our costs and improve our efficiency. As we increase the number of our employees and execute our strategies for growth, we may not be able to manage the significantly larger and more geographically diverse workforce that may result, which could adversely affect our ability to control our costs or improve our efficiency.

We have incurred losses in the past. We may not be profitable in the future and may not be able to secure additional business

We incurred losses in each of the three fiscal years from fiscal 2003 through fiscal 2005. We expect our selling, general and administrative expenses to increase in future periods. If our revenue does not grow at a faster rate than these expected increases in our expenses, or if our operating expenses are higher than we anticipate, we may not be profitable and we may incur losses.

If we cause disruptions to our clients' businesses, provide inadequate service or are in breach of our representations or obligations, our clients may have claims for substantial damages against us. Our insurance coverage may be inadequate to cover these claims and, as a result, our profits may be substantially reduced.

Most of our contracts with clients contain service level and performance requirements, including requirements relating to the quality of our services and the timing and quality of responses to the client's customer inquiries. In some cases, the quality of services that we provide is measured by quality assurance ratings and surveys which are based in part on the results of direct monitoring by our clients of interactions between our employees and our client's customers. Failure to consistently meet service requirements of a client or errors made by our associates in the course of delivering services to our clients could disrupt the client's business and result in a reduction in revenue

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or a claim for substantial damages against us. For example, some of our agreements stipulate standards of service that, if not met by us, will result in lower payment to us. In addition, in connection with acquiring new business from a client or entering into client contracts, our employees may make various representations, including representations relating to the quality of our services, abilities of our associates and our project management techniques. A failure or inability to meet a contractual requirement or our representations could seriously damage our reputation and affect our ability to attract new business or result in a claim for substantial damages against us.

Our dependence on our offshore delivery centers requires us to maintain active data and voice communications between our main delivery centers in India, Sri Lanka, Romania, the Philippines and the UK, our international technology hubs in the US and the UK and our clients' offices. Although we maintain redundant facilities and communications links, disruptions could result from, among other things, technical and electricity breakdowns, computer glitches and viruses and adverse weather conditions. Any significant failure of our equipment or systems, or any major disruption to basic infrastructure like power and telecommunications in the locations in which we operate, could impede our ability to provide services to our clients, have a negative impact on our reputation, cause us to lose clients, reduce our revenue and harm our business.

Under our contracts with our clients, our liability for breach of our obligations is generally limited to actual damages suffered by the client and capped at a portion of the fees paid or payable to us under the relevant contract. Although our contracts contain limitations on liability, such limitations may be unenforceable or otherwise may not protect us from liability for damages. In addition, certain liabilities, such as claims of third parties for which we may be required to indemnify our clients, are generally not limited under those agreements. Although we have professional indemnity insurance coverage, the coverage may not continue to be available on reasonable terms or in sufficient amounts to cover one or more large claims, and our insurers may disclaim coverage as to any future claims. The successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have a material adverse effect on our business, reputation, results of operations, financial condition and cash flows.

We are liable to our clients for damages caused by unauthorized disclosure of sensitive and confidential information, whether through a breach of our computer systems, through our employees or otherwise.

We are typically required to manage, utilize and store sensitive or confidential client data in connection with the services we provide. Under the terms of our client contracts, we are required to keep such information strictly confidential. Our client contracts do not include any limitation on our liability to them with respect to breaches of our obligation to maintain confidentiality on the information we receive from them. We seek to implement measures to protect sensitive and confidential client data and have not experienced any material breach of confidentiality to date. However, if any person, including any of our employees, penetrates our network security or otherwise mismanages or misappropriates sensitive or confidential client data, we could be subject to significant liability and lawsuits from our clients or their customers for breaching contractual confidentiality provisions or privacy laws. Although we have insurance coverage for mismanagement or misappropriation of such information by our employees, that coverage may not continue to be available on reasonable terms or in sufficient amounts to cover one or more large claims against us and our insurers may disclaim coverage as to any future claims. Penetration of the network security of our data centers could have a negative impact on our reputation which would harm our business.

We may not succeed in identifying suitable acquisition targets or integrating any acquired business into our operations, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Our growth strategy involves gaining new clients and expanding our service offerings, both organically and through strategic acquisitions. Historically, we have expanded some of our service offerings and gained new clients through strategic acquisitions. For example, we acquired Aviva Global in July 2008, BizAps in June 2008, Chang Limited in April 2008, and Flovate Technologies Limited, or Flovate (which we subsequently renamed as WNS Workflow Technologies Limited), in June 2007. In March 2008, we entered into a joint venture with Advanced Contact Solutions, Inc., or ACS, a provider in BPO services and customer care in the Philippines, to form WNS Philippines Inc. It is possible that in the future we may not succeed in identifying suitable acquisition targets available for sale or investments on reasonable terms, have access to the capital required to finance potential acquisitions or investments, or be able to consummate any acquisition or investments. The inability to identify suitable acquisition targets or

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investments or the inability to complete such transactions may affect our competitiveness and our growth prospects. In addition, our management may not be able to successfully integrate any acquired business into our operations or benefit from any joint ventures that we enter into, and any acquisition we do complete or any joint venture we do enter into may not result in long-term benefits to us. For example, if we acquire a company, we could experience difficulties in assimilating that company's personnel, operations, technology and software, or the key personnel of the acquired company may decide not to work for us. The lack of profitability of any of our acquisitions or joint ventures could have a material adverse effect on our operating results. Future acquisitions or joint ventures may also result in the incurrence of indebtedness or the issuance of additional equity securities and may present difficulties in financing the acquisition on attractive terms. Further, we may receive claims or demands by the sellers of the entities acquired by us on the indemnities that we have provided to them for losses or damages arising from any breach of contract by us. Conversely, while we may be able to claim against the sellers on their indemnities to us for breach of contract or breach of the representations and warranties given by the sellers in respect of the entities acquired by us, there can be no assurance that our claims will succeed, or if they do, that we will be able to successfully enforce our claims against the sellers at a reasonable cost. Acquisitions and joint ventures also typically involve a number of other risks, including diversion of management's attention, legal liabilities and the need to amortize acquired intangible assets, any of which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

We recorded an impairment charge of \$15.5 million to our earnings in fiscal 2008 and may be required to record a significant charge to earnings in the future when we review our goodwill, intangible or other assets for potential impairment.

As of March 31, 2010, we had goodwill and intangible assets of approximately \$90.7 million and \$188.1 million, respectively, which primarily resulted from the purchases of Aviva Global, BizAps, Chang Limited, Marketics Technologies (India) Private Limited, or Marketics, Flovate, Town & Country Assistance Limited (which we subsequently rebranded as WNS Assistance) and WNS Global Services Private Limited, or WNS Global. Of the \$188.1 million of intangible assets as of March 31, 2010, \$178.5 million pertain to our purchase of Aviva Global. Under US GAAP, we are required to review our goodwill, intangibles or other assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. In addition, goodwill, intangible or other assets with indefinite lives are required to be tested for impairment at least annually. We performed an impairment review and recorded an impairment charge of \$15.5 million to our earnings in fiscal 2008 relating to Trinity Partners. If, for example, the insurance industry experiences a significant decline in business and we determine that we will not be able to achieve the cash flows that we had expected from our acquisition of Aviva Global, we may have to record an impairment of all or a portion of the \$178.5 million of intangible assets relating to our purchase of Aviva Global. Although our impairment review of goodwill and intangible assets in fiscal 2010 and 2009 did not indicate any impairment, we may be required in the future to record a significant charge to earnings in our financial statements during the period in which any impairment of our goodwill or other intangible assets is determined. Such charges may have a significant adverse impact on our results of operations.

Our facilities are at risk of damage by natural disasters.

Our operational facilities and communication hubs may be damaged in natural disasters such as earthquakes, floods, heavy rains, tsunamis and cyclones. For example, during floods caused by typhoon in Manila, Philippines in September 2009, our delivery center was rendered inaccessible and our associates were not able to commute to the delivery center for a few days, thereby adversely impacting our provision of services to our clients. During the floods in Mumbai in July 2005, our operations were adversely affected as a result of the disruption of the city's public utility and transport services making it difficult for our associates to commute to our office. Such natural disasters may also lead to disruption to information systems and telephone service for sustained periods. Damage or destruction that interrupts our provision of outsourcing services could damage our relationships with our clients and may cause us to incur substantial additional expenses to repair or replace damaged equipment or facilities. We may also be liable to our clients for disruption in service resulting from such damage or destruction. While we currently have property damage insurance and business interruption insurance, our insurance coverage may not be sufficient. Furthermore, we may be unable to secure such insurance coverage at premiums acceptable to us in the future or secure such insurance coverage at all. Prolonged disruption of our services as a result of natural disasters would also entitle our clients to terminate their contracts with us.

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Our largest shareholder, Warburg Pincus, is able to significantly influence our corporate actions, and may also enter into transactions that may result in a change in control of our company.

Warburg Pincus beneficially owns approximately 48.6% of our shares. As a result of its ownership position, Warburg Pincus has the ability to significantly influence matters requiring shareholder and board approval including, without limitation, the election of directors, significant corporate transactions such as amalgamations and consolidations, changes in control of our company and sales of all or substantially all of our assets. Actions that are supported by Warburg Pincus are very likely to be taken and the interests of Warburg Pincus may differ from the interests of other shareholders of our company.

A change in control or potential change in control transaction may consume management time and company resources and may have a material adverse impact on our business.

In July 2009, our board of director received unsolicited offers from a few financial institutions and strategic investors to buy a majority or all of the ordinary shares of our company. While such offers or proposed sale may not result in the consummation of a change in control transaction, consideration and evaluation of such offers may consume management time and company resources and distract management's attention. Warburg Pincus, our 48.6% shareholder, may also seek to sell all or a substantial portion of its shareholding in our company, which may result in a change in control in our company. A potential change in control may cause uncertainty among our employees, our creditors and other stakeholders, and may thereby have a material adverse impact on our business. If a change in control transaction is consummated, many of our client contracts may entitle those clients to terminate the client contract with our company. Any of the foregoing events could have a material adverse effect on our business, results of operations, financial condition and cash flows, as well as cause our ADS price to fall.

We have certain anti-takeover provisions in our Articles of Association that may discourage a change in control.

Our Articles of Association contain anti-takeover provisions that could make it more difficult for a third party to acquire us without the consent of our board of directors. These provisions include:

- a classified board of directors with staggered three-year terms; and
- the ability of our board of directors to determine the rights, preferences and privileges of our preferred shares and to issue the preferred shares without shareholder approval, which could be exercised by our board of directors to increase the number of outstanding shares and prevent or delay a takeover attempt.

These provisions could make it more difficult for a third party to acquire us, even if the third party's offer may be considered beneficial by many shareholders. As a result, shareholders may be limited in their ability to obtain a premium for their shares.

It may be difficult for you to effect service of process and enforce legal judgments against us or our affiliates.

We are incorporated in Jersey, Channel Islands, and our primary operating subsidiary, WNS Global, is incorporated in India. A majority of our directors and senior executives are not residents of the US and virtually all of our assets and the assets of those persons are located outside the US. As a result, it may not be possible for you to effect service of process within the US upon those persons or us. In addition, you may be unable to enforce judgments obtained in courts of the US against those persons outside the jurisdiction of their residence, including judgments predicated solely upon the securities laws of the US.

We face competition from onshore and offshore business process outsourcing companies and from information technology companies that also offer business process outsourcing services. Our clients may also choose to run their business processes themselves, either in their home countries or through captive units located offshore.

The market for outsourcing services is very competitive and we expect competition to intensify and increase from a number of sources. We believe that the principal competitive factors in our markets are price, service quality, sales and marketing skills, and industry expertise. We face significant competition from our clients' own in-house groups including, in some cases, in-house departments operating offshore or captive units. Clients who currently outsource a significant proportion of their business processes or information technology services to vendors in India may, for

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various reasons, including diversifying geographic risk, seek to reduce their dependence on any one country. We also face competition from onshore and offshore business process outsourcing and information technology services companies. In addition, the trend toward offshore outsourcing, international expansion by foreign and domestic competitors and continuing technological changes will result in new and different competitors entering our markets. These competitors may include entrants from the communications, software and data networking industries or entrants in geographic locations with lower costs than those in which we operate.

Some of these existing and future competitors have greater financial, human and other resources, longer operating histories, greater technological expertise, more recognizable brand names and more established relationships in the industries that we currently serve or may serve in the future. In addition, some of our competitors may enter into strategic or commercial relationships among themselves or with larger, more established companies in order to increase their ability to address client needs, or enter into similar arrangements with potential clients. Increased competition, our inability to compete successfully against competitors, pricing pressures or loss of market share could result in reduced operating margins which could harm our business, results of operations, financial condition and cash flows.

We are incorporated in Jersey, Channel Island and are subject to Jersey rules and regulations. If the tax benefits enjoyed by our company are withdrawn or changed, we may be liable for higher tax, thereby reducing our profitability.

As a company incorporated in Jersey, Channel Island, we enjoy tax benefits that result in us not having to pay taxes in Jersey. In late 2009 it was reported that concerns had been raised by some members of the ECOFIN Code of Conduct group as to whether the current tax regime for companies incorporated in Jersey could be interpreted as being outside the spirit of the EU Code of Conduct for Business Taxation. The Treasury and Resources Minister of the States of Jersey confirmed in his budget speech on December 8, 2009 that the current tax regime in Jersey had been found to be compliant with the EU Code of Conduct. The Minister has also announced a review of business taxation in Jersey. Although the Minister stated in his budget speech that he understood the fundamental importance of tax neutrality to Jersey's financial service industry and the requirement that this be maintained, the outcome of this review cannot at this time be predicted. We cannot assure you that following the review, the current taxation regime applicable in Jersey will not be amended and render us liable for taxation.

Risks Related to Key Delivery Locations

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

Our primary operating subsidiary, WNS Global, is incorporated in India, and a substantial portion of our assets and employees are located in India. We intend to continue to develop and expand our facilities in India. The Government of India, however, has exercised and continues to exercise significant influence over many aspects of the Indian economy. The Government of India has provided significant tax incentives and relaxed certain regulatory restrictions in order to encourage foreign investment in specified sectors of the economy, including the business process outsourcing industry. Those programs that have benefited us include tax holidays, liberalized import and export duties and preferential rules on foreign investment and repatriation. We cannot assure you that such liberalization policies will continue. Various factors, including a collapse of the present coalition government due to the withdrawal of support of coalition members or the formation of a new unstable government with limited support, could trigger significant changes in India's economic liberalization and deregulation policies and disrupt business and economic conditions in India generally and our business in particular. The Government of India may decide to introduce the reservation policy. According to this policy, all companies operating in the private sector in India, including our subsidiaries in India, would be required to reserve a certain percentage of jobs for the economically underprivileged population in the relevant state where such companies are incorporated. If this policy is introduced, our ability to hire employees of our choice may be restricted. Our financial performance and the market price of our ADSs may be adversely affected by changes in inflation, exchange rates and controls, interest rates, Government of India policies (including taxation policies), social stability or other political, economic or diplomatic developments affecting India in the future.

India has witnessed communal clashes in the past. Although such clashes in India have, in the recent past, been sporadic and have been contained within reasonably short periods of time, any such civil disturbance in the future could result in disruptions in transportation or communication networks, as well as have adverse implications for

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general economic conditions in India. Such events could have a material adverse effect on our business, on the value of our ADSs and on your investment in our ADSs.

If the tax benefits and other incentives that we currently enjoy are reduced or withdrawn or not available for any other reason, our financial condition could be negatively affected.

Under the tax laws in India, except for three delivery centers located in Mumbai, Nashik and Pune, all our delivery centers in India benefit from a holiday from Indian corporate income taxes. As a result, our service operations, including any businesses we acquire, have been subject to relatively low Indian income tax liabilities. We incurred minimal income tax expense on our Indian operations in fiscal 2010 and the first quarter of fiscal 2011 as a result of the tax holiday, compared to approximately \$15.1 million and \$3.3 million that we would have incurred if the tax holiday had not been available for the respective period.

The Indian Finance Act, 2000 provides a tax holiday for companies registered as an exporter of business process outsourcing services with the Software Technology Parks of India, or STPI, over a ten-year period from fiscal 2000 through fiscal 2009. In May 2008, the Government of India passed the Indian Finance Act, 2008, which extended the tax holiday period by an additional year through fiscal 2010. In August 2009, the Government of India passed the Indian Finance (No. 2) Act, 2009, which further extended the STPI tax holiday period by an additional year through fiscal 2011. Because of the extension of the STPI tax holiday through fiscal 2011, we recorded in fiscal 2010 a net deferred tax credit of \$0.5 million on account of a reversal of deferred tax liability on intangibles, partially offset by a reversal of deferred tax assets on lease rentals. The tax holiday enjoyed by our delivery centers located in Bangalore, Chennai, Gurgaon, Mumbai, Nashik and Pune will expire on April 1, 2011 except for the tax holiday enjoyed by three of our delivery centers located in Mumbai, Nashik and Pune which expired on April 1, 2007, April 1, 2008 and April 1, 2009, respectively. Our subsidiaries in Sri Lanka and Costa Rica and our joint venture company in the Philippines also benefit from similar tax exemptions. We incurred minimal income tax expense on our Sri Lanka operations in fiscal 2010 and first quarter of fiscal 2011 as a result of the tax holiday, compared to approximately \$0.5 million and \$0.1 million that we would have incurred if the tax holiday had not been available for the respective period. When our tax holiday expires or terminates, or if the applicable government withdraws or reduces the benefits of a tax holiday that we enjoy, our tax expense will materially increase and this increase will have a material impact on our results of operations. For example, in the absence of a tax holiday in India, income derived from India would be taxed up to a maximum of the then existing annual tax rate which, as of March 31, 2011 was 33.22%.

In 2005, the Government of India implemented the Special Economic Zones Act, 2005, or the SEZ legislation, with the effect that taxable income of new operations established in designated special economic zones, or SEZs, may be eligible for a 15-year tax holiday scheme consisting of a complete tax holiday for the initial five years and a partial tax holiday for the subsequent ten years, subject to the satisfaction of certain capital investment conditions. Our delivery center in Gurgaon benefits from this tax holiday which will expire in fiscal 2022. The SEZ legislation has been criticized on economic grounds by the International Monetary Fund and the SEZ legislation may be challenged by certain non-governmental organizations. It is possible that, as a result of such political pressures, the procedure for obtaining the benefits under the SEZ legislation may become more onerous, the types of land eligible for SEZ status may be further restricted or the SEZ legislation may be amended or repealed. Moreover, there is continuing uncertainty as to the governmental and regulatory approvals required to establish operations in the SEZs or to qualify for the tax benefit. This uncertainty may delay our establishment of operations in the SEZs.

The applicable tax authorities may also disallow deductions or tax holiday benefits claimed by us and assess additional taxable income on us in connection with their review of our tax returns.

We are subject to transfer pricing and other tax related regulations and any determination that we have failed to comply with them could materially adversely affect our profitability.

Transfer pricing regulations to which we are subject require that any international transaction among WNS and its subsidiaries, or the WNS group enterprises, be on arm's-length terms. We believe that the international transactions among the WNS group enterprises are on arm's-length terms. If, however, the applicable tax authorities determine the transactions among the WNS group enterprises do not meet arm's length criteria, we may incur increased tax liability, including accrued interest and penalties. This would cause our tax expense to increase, possibly materially, thereby reducing our profitability and cash flows.

We may be required to pay additional taxes in connection with audits by the Indian tax authorities.

From time to time, we receive orders of assessment from the Indian tax authorities assessing additional taxable income on us and/or our subsidiaries in connection with their review of our tax returns. We currently have a few orders of assessment outstanding that we believe could be material to our company given the magnitude of the claim. For example, in January 2009, we received an order of assessment from the Indian tax authorities that assessed additional taxable income for fiscal 2005 on WNS Global, our wholly-owned Indian subsidiary, that could give rise to an estimated Rs. 728.1 million (\$15.6 million based on the exchange rate on June 30, 2010) in additional taxes, including interest of Rs. 225.9 million (\$4.8 million based on the exchange rate on June 30, 2010). In March 2009, we received from the Indian service tax authority an assessment order demanding payment of Rs. 346.2 million (\$7.4 million based on the exchange rate on June 30, 2010) of service tax and penalty for the period from March 1, 2003 to January 31, 2005. In November 2009, we received a draft order of assessment from the Indian tax authorities (incorporating a transfer pricing order that we had received in October 2009) that assessed additional taxable income for fiscal 2006 on WNS Global that could give rise to an estimated Rs. 759.9 million (\$16.3 million based on the exchange rate on June 30, 2010) in additional taxes, including interest of Rs. 235.9 million (\$5.1 million based on the exchange rate on June 30, 2010). We have disputed the draft assessment order and have filed an appeal on December 29, 2009 before the Dispute Resolution Panel, or DRP, a panel recently set by Government of India as an alternative to first appellate authority. The final order of assessment is expected to be passed in the month of September or October 2010. After consultation with our Indian tax advisors, we believe that the chances of the aforementioned assessments, upon challenge, being sustained at the higher appellate authorities are remote and we intend to vigorously dispute the assessments and orders. We may be required to deposit with the tax authorities all or a portion of the disputed amount pending final resolution of the respective matters. No assurance can be given, however, that we will prevail in our tax disputes. If we do not prevail, payment of additional taxes, interest and penalties may adversely affect our results of operations, financial condition and cash flows. There can also be no assurance that we will not receive similar or additional orders of assessment in the future. See “Part II — Management’s Discussion and Analysis of Financial Condition and Results of Operations — Tax Assessment Orders” for more details on these assessments.

Terrorist attacks and other acts of violence involving India or its neighboring countries could adversely affect our operations, resulting in a loss of client confidence and materially adversely affecting our business, results of operations, financial condition and cash flows.

Terrorist attacks and other acts of violence or war involving India or its neighboring countries may adversely affect worldwide financial markets and could potentially lead to economic recession, which could adversely affect our business, results of operations, financial condition and cash flows. South Asia has, from time to time, experienced instances of civil unrest and hostilities among neighboring countries, including India and Pakistan. In previous years, military confrontations between India and Pakistan have occurred in the region of Kashmir and along the India/Pakistan border. There have also been incidents in and near India such as the recent bombings of the Taj Mahal Hotel and Oberoi Hotel in Mumbai, a terrorist attack on the Indian Parliament, troop mobilizations along the India/Pakistan border and an aggravated geopolitical situation in the region. Such military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult. Resulting political tensions could create a greater perception that investments in Indian companies involve a high degree of risk. Such political tensions could similarly create a perception that there is a risk of disruption of services provided by India-based companies, which could have a material adverse effect on the market for our services. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that were protracted or involved the threat or use of nuclear weapons, we might not be able to continue our operations.

Restrictions on entry visas may affect our ability to compete for and provide services to clients in the US and the UK, which could have a material adverse effect on future revenue.

The vast majority of our employees are Indian nationals. The ability of some of our executives to work with and meet our European and North American clients and our clients from other countries depends on the ability of our senior managers and employees to obtain the necessary visas and entry permits. In response to previous terrorist attacks and global unrest, US and European immigration authorities have increased the level of scrutiny in granting visas. Immigration laws in those countries may also require us to meet certain other legal requirements as a

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condition to obtaining or maintaining entry visas. These restrictions have significantly lengthened the time requirements to obtain visas for our personnel, which has in the past resulted, and may continue to result, in delays in the ability of our personnel to meet with our clients. In addition, immigration laws are subject to legislative change and varying standards of application and enforcement due to political forces, economic conditions or other events, including terrorist attacks. We cannot predict the political or economic events that could affect immigration laws, or any restrictive impact those events could have on obtaining or monitoring entry visas for our personnel. If we are unable to obtain the necessary visas for personnel who need to visit our clients' sites or, if such visas are delayed, we may not be able to provide services to our clients or to continue to provide services on a timely basis, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

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

India has stringent labor legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment. Though we are exempt from a number of these labor laws at present, there can be no assurance that such laws will not become applicable to the business process outsourcing industry in India in the future. In addition, our employees may in the future form unions. If these labor laws become applicable to our workers or if our employees unionize, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, and our profitability may be adversely affected.

Risks Related to our ADSs

Substantial future sales of our shares or ADSs in the public market could cause our ADS price to fall.

Sales by us or our shareholders of a substantial number of our ADSs in the public market, or the perception that these sales could occur, could cause the market price of our ADSs to decline. These sales, or the perception that these sales could occur, also might make it more difficult for us to sell securities in the future at a time or at a price that we deem appropriate or pay for acquisitions using our equity securities. As of June 30, 2010, we had 44,117,085 ordinary shares outstanding, including 21,452,733 shares represented by 21,452,733 ADSs. In addition, as of June 30, 2010, there were options and restricted stock units, or RSUs, outstanding under our 2002 Stock Incentive Plan and our Amended and Restated 2006 Incentive Award Plan to purchase a total of 2,490,397 ordinary shares or ADSs. All ADSs are freely transferable, except that ADSs owned by our affiliates, including Warburg Pincus, may only be sold in the US if they are registered or qualify for an exemption from registration, including pursuant to Rule 144 under the Securities Act of 1933, as amended, or the Securities Act. The remaining ordinary shares outstanding may be sold in the United States if they are registered or qualify for an exemption from registration, including pursuant to Rule 144 under the Securities Act.

The market price for our ADSs may be volatile.

The market price for our ADSs is likely to be highly volatile and subject to wide fluctuations in response to factors including the following:

- announcements of technological developments;
- regulatory developments in our target markets affecting us, our clients or our competitors;
- actual or anticipated fluctuations in our three monthly operating results;
- changes in financial estimates by securities research analysts;
- changes in the economic performance or market valuations of other companies engaged in business process outsourcing;
- addition or loss of executive officers or key employees;

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- sales or expected sales of additional shares or ADSs;
- loss of one or more significant clients; and
- a change in control, or possible change of control, of our company.

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

Holders of ADSs may be restricted in their ability to exercise voting rights.

At our request, the depository of the ADSs will mail to you any notice of shareholders' meeting received from us together with information explaining how to instruct the depository to exercise the voting rights of the ordinary shares represented by ADSs. If the depository timely receives voting instructions from you, it will endeavor to vote the ordinary shares represented by your ADSs in accordance with such voting instructions. However, the ability of the depository to carry out voting instructions may be limited by practical and legal limitations and the terms of the ordinary shares on deposit. We cannot assure you that you will receive voting materials in time to enable you to return voting instructions to the depository in a timely manner. Ordinary shares for which no voting instructions have been received will not be voted.

As a foreign private issuer, we are not subject to the proxy rules of the Commission, which regulate the form and content of solicitations by US-based issuers of proxies from their shareholders. The form of notice and proxy statement that we have been using does not include all of the information that would be provided under the Commission's proxy rules.

We may be classified as a passive foreign investment company which could result in adverse United States federal income tax consequences to US Holders.

We believe we are not a "passive foreign investment company," or PFIC, for United States federal income tax purposes for our taxable year ended March 31, 2010. However, we must make a separate determination each year as to whether we are a PFIC after the close of each taxable year. A non-US corporation will be considered a PFIC for any taxable year if either (i) at least 75% of its gross income is passive income or (ii) at least 50% of the value of its assets (based on an average of the quarterly values of the assets during a taxable year) is attributable to assets that produce or are held for the production of passive income. As noted in our annual report for our taxable year ended March 31, 2007, our PFIC status in respect of our taxable year ended March 31, 2007 was uncertain. If we were treated as a PFIC for any year during which you held ADSs or ordinary shares, we will continue to be treated as a PFIC for all succeeding years during which you hold ADSs or ordinary shares, absent a special election.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunder duly authorized.

Date: July 30, 2010

WNS (HOLDINGS) LIMITED

By: /s/ Alok Misra
Name: Alok Misra
Title: Group Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Facility Agreement dated July 2, 2010 between WNS (Mauritius) Limited, as borrower, WNS (Holdings) Limited and subsidiary guarantors named therein, The Hong Kong and Shanghai Banking Corporation Limited, DBS Bank Ltd and BNP Paribas, as lead arrangers, and others.

US\$94,000,000

FACILITY AGREEMENT

Dated July 2, 2010

for

WNS (HOLDINGS) LIMITED

WNS (MAURITIUS) LIMITED

arranged by

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED

DBS BANK LTD.

and

BNP PARIBAS

with

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED

acting as Agent

MORGAN WALKER SOLICITORS LIMITED

acting as Security Trustee

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This Agreement is dated July 2, 2010 and made between:

- (1) **WNS (HOLDINGS) LIMITED**, a company incorporated under the laws of Jersey with registration number 82262 whose registered office is at 12 Castle Street, St. Helier, Jersey JE2 3RT, Channel Islands as company (the "**Company**");
- (2) **WNS (MAURITIUS) LIMITED**, a company incorporated under the laws of Mauritius with registration number 40115 C1/GBL whose registered office is at c/o Multiconsult Limited, Rogers House, 5, President John Kennedy Street, Port Louis, Mauritius, as borrower (the "**Borrower**");
- (3) **THE COMPANIES** listed in Part I of Schedule 1 (*The Original Guarantors*) as original guarantors (together with the Company, the "**Original Guarantors**");
- (4) **THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, DBS BANK LTD. and BNP PARIBAS** as mandated lead arrangers (whether acting individually or together, the "**Original Arranger**");
- (5) **THE FINANCIAL INSTITUTIONS** listed in Part II of Schedule 1 (*The Original Lenders*) as original lenders (the "**Original Lenders**");
- (6) **THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED** as agent of the other Finance Parties (the "**Agent**");
- (7) **MORGAN WALKER SOLICITORS LIMITED** as security trustee for the Finance Parties (the "**Security Trustee**");
- (8) **HSBC BANK (MAURITIUS) LTD** as account bank (the "**Original Account Bank**"); and
- (9) **THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED** as additional account bank (the "**Additional Account Bank**").

It is agreed as follows:

SECTION 1 INTERPRETATION

1. Definitions and interpretation

1.1 Definitions

In this Agreement:

"**Accession Letter**" means a document substantially in the form set out in Schedule 9 (*Form of Accession Letter*).

"**Account Bank**" means:

- (a) (in respect of the Master Services Agreement Account and the Mauritian Account) the Original Account Bank or any other bank approved by the Agent (acting on the instructions of the Majority Lenders); and

(b) (in respect of the WNS Mauritius Designated Account and the WNS Singapore Designated Account) the Additional Account Bank or any other bank approved by the Agent (acting on the instructions of the Majority Lenders).

"Account Mandate" means:

- (a) the account mandate relating to the establishment and maintenance of the Master Services Agreement Account entered into on 10 March 2009 between WCIL and the Original Account Bank;
- (b) the account mandate relating to the establishment and maintenance of the Mauritian Account entered into on 10 July 2008 between the Borrower and the Original Account Bank;
- (c) the account mandate relating to the establishment and maintenance of the WNS Mauritius Designated Account entered or to be entered into between the Borrower and the Additional Account Bank;
- (d) the account mandate relating to the establishment and maintenance of the WNS Singapore Designated Account entered or to be entered into between WNS Singapore and the Additional Account Bank; and
- (e) any other account mandate relating to the establishment and maintenance of an Account entered into upon the renewal, redesignation or replacement of such Account in accordance with the terms of this Agreement.

"Accounts" means the Master Services Agreement Account, the Mauritian Account, the WNS Mauritius Designated Account and the WNS Singapore Designated Account.

"Acquisition" means the acquisition by WCIL of the entire issued share capital of WNS Singapore pursuant to the Acquisition Documents which was completed in 2008.

"Acquisition Agreement" means the agreement dated 11 July 2008 between the Vendor and the Purchaser (or one of its Affiliates) relating to the sale and purchase of WNS Singapore.

"Acquisition Documents" means the Acquisition Agreement, the Master Services Agreement, the Disclosure Letter and any other document designated as such by the Agent and the Company.

"Additional Guarantor" means a person which becomes an Additional Guarantor in accordance with Clause 25 (*Changes to the Obligors*).

"Adjusted Revenue" means, in respect of any person and any period, its revenue for such period less its repair payments made to automobile repair centres for "fault" repairs in such period.

"Affiliate" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"Agency Agreement" means the agreement entered or to be entered into between, among others, the Borrower, WNS Singapore and the Lenders' NDU Agent.

“Anti-Terrorism Laws” means the Executive Order, the Bank Secrecy Act (31 U.S.C. §§ 5311 et seq.), the Money Laundering Control Act of 1986 (18 U.S.C. §§ 1956 et seq.), the USA Patriot Act, the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 et seq.), the Trading with the Enemy Act (50 U.S.C. App. §§ 1 et seq.), any other law or regulation administered by OFAC, and any similar law enacted in the United States after the date of this Agreement.

“APLMA” means the Asia Pacific Loan Market Association Limited.

“Arranger” means the Original Arrangers.

“Assignment of Put Option Agreement” means the security assignment of the Put Option Agreement governed by the laws of England and Wales entered or to be entered into between the Borrower and the Security Trustee.

“Authorisation” means:

- (f) an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation, lodgement or registration; or
- (g) in relation to anything which will be fully or partly prohibited or restricted by law or regulation if a Governmental Agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

“Available Facility” means the lower of:

- (h) the aggregate for the time being of each Lender’s Commitment; and
- (i) the Refinancing Amount.

“Availability Period” means the period from and including the date of this Agreement to and including 31 July 2010.

“Aviva Global Services Business” means those build-operate-transfer entities and BPO Special Purpose Vehicles which prior to the Acquisition were operated by WNS Singapore.

“Board” means the Board of Governors of the Federal Reserve System of the United States (or any successor thereto).

“Borrower Account Charge” means the charge document governed by the laws of Hong Kong in respect of the WNS Mauritius Designated Account entered or to be entered into between the Borrower and the Security Trustee.

“Borrower Group” means the Borrower, the Guarantors and the Put Providers.

“Borrower Share Sale Proceeds” has the meaning given to “Borrower Share Sale Proceeds” in the WNS Global Services Non Disposal Undertaking.

“Break Costs” means the amount (if any) by which:

- (j) the interest which a Lender should have received for the period from the date of receipt of all or any part of its participation in the Loan or an Unpaid Sum to the last day of the current Interest Period in respect of the Loan or an Unpaid Sum, had the principal amount of the Loan or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

- (k) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount of the Loan or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in Hong Kong, Singapore and:

- (l) (in relation to the determination of any rate of interest or any Utilisation Request) London;
- (m) (in relation to a payment in US Dollars) New York City;
- (n) (in relation to any day for payment of any amount (denominated in any currency other than US Dollars)) the principal financial centre of the jurisdiction of such currency.

"Charged Assets" means the assets charged or purported to be charged or otherwise made the subject of Security pursuant to the Security Documents.

"Chartered Accountant" means a practising accountant who is a member of the Institute of Chartered Accountants of India.

"COBO" means the Control of Borrowing (Jersey) Order 1958, as amended.

"Commitment" means:

- (o) in relation to an Original Lender, the amount in US Dollars set opposite its name under the heading "Commitment" in Part II (*The Original Lenders*) of Schedule 1 (*The Original Parties*) and the amount of any other Commitment transferred to it under this Agreement; and
- (p) in relation to any other Lender, the amount in US Dollars of any Commitment transferred to it under this Agreement, to the extent not cancelled, reduced or transferred by it under this Agreement.

"Compliance Certificate" means a certificate substantially in the form set out in Schedule 5 (*Form of Compliance Certificate*) which is required to be delivered to the Agent from time to time pursuant to Clause 19.2 (*Compliance Certificate*).

"Confidentiality Undertaking" means a confidentiality undertaking substantially in a recommended form of the APLMA or in any other form agreed between the Company and the Agent.

"Controlled Group" means an entity, whether or not incorporated, which is under common control with an Obligor within the meaning of section 4001 of ERISA or is part of a group that includes an Obligor and that is treated as a single employer under section 414 of the Internal Revenue Code. When any provision of this Agreement relates to a past event, the term "member of the Controlled Group" includes any person that was a member of the Controlled Group at the time of that past event.

"Default" means an Event of Default or any event or circumstance specified in Clause 23 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the

making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

“Designated Account Charge” means:

- (q) the WNS Singapore Designated Account Charge;
- (r) the Borrower Account Charge; and
- (s) any other document designated as such by the Agent and the Company.

“Designated Person” means a person or entity:

- (t) listed in the annex to, or otherwise subject to the provisions of, the Executive Order;
- (u) named as a “Specially Designated National and Blocked Person” on the most current list published by OFAC at its official website or any replacement website or other replacement official publication of such list; or
- (v) with which any Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law.

“Disclosure Letter” means the disclosure letter issued by the Vendor to WCIL or one of its Affiliates on or about 16 July 2008 in connection with the Acquisition Agreement.

“Disruption Event” means either or both of:

- (w) a material disruption to those payment or communication systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (x) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payment operations of a Party preventing that, or any other Party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

“Environment” means living organisms including the ecological systems of which they form part and the following media:

- (y) air (including air within natural or man-made structures, whether above or below ground);
- (z) water (including territorial, coastal and inland waters, water under or within land and water in drains and sewers); and
- (aa) land (including land under water).

“Environmental Law” means all laws and regulations of any relevant jurisdiction which:

- (bb) have as a purpose or effect the protection of, and/or prevention of harm or damage to, the Environment;
- (cc) provide remedies or compensation for harm or damage to the Environment; or
- (dd) relate to Hazardous Substances or health and safety matters.

“Environmental Licence” means any Authorisation required at any time under Environmental Law.

“ERISA” means the US Employee Retirement Income Security Act of 1974 (or any successor legislation thereto) and the regulations promulgated and rulings issued thereunder.

“ERISA Affiliate” means each person (as defined in Section 3(9) of ERISA) that is a member of a Controlled Group of any Obligor.

“Event of Default” means any event or circumstance specified as such in Clause 23 (*Events of Default*).

“Executive Order” means the US Executive Order No. 13224 on Blocking Property and Prohibiting Transactions with Persons who Commit, Threaten to Commit, or Support Terrorism, which came into effect on 24 September 2001, as amended.

“Existing Agent” means ICICI Bank UK PLC as agent of the Finance Parties (as defined in the Existing Facility Agreement) under the Existing Facility Agreement.

“Existing Agent’s Certificate” means a certificate from the Existing Agent certifying, among other things, the Refinancing Amount and the account to which such amount shall be credited.

“Existing DSRA” means the DSRA as defined in the Existing Facility Agreement.

“Existing Facility Agreement” means the US\$200,000,000 Facility Agreement dated 10 July 2008 between, among others, the Borrower, the Company and ICICI Bank UK Plc, as amended and restated pursuant to an amendment and restatement agreement dated 10 March 2009, amended pursuant to an amendment letter dated 10 March 2009 and amended and restated pursuant to a second amendment and restatement agreement dated 6 April 2009 and as amended, supplemented or restated from time to time.

“Existing Indebtedness” means all outstanding indebtedness under the Existing Facility Agreement.

“Existing Lenders” means the persons defined as “Lenders” in the Existing Facility Agreement.

“Existing Non Disposal Documents” means the Non Disposal Documents as defined in the Existing Facility Agreement

“Existing Perfection Documents” means all perfection documents delivered to or held by or on behalf of the Existing Lenders, the Existing Agent, the Existing Security Trustee or any of them in connection with the Existing Security

“Existing Security” means all Security and guarantees granted pursuant to the Existing Facility Agreement, including but not limited to the Security Documents (as defined in the Existing Facility Agreement).

"Existing Security Trustee" means Morgan Walker Solicitors Limited (formerly known as Morgan Walker Solicitors LLP) as security trustee for the Finance Parties (as defined in the Existing Facility Agreement) under the Existing Facility Agreement.

"Existing Target Designated Account" means the Target Designated Account as defined in the Existing Facility Agreement

"Existing WNS Mauritius Designated Account" means the WNS Mauritius Designated Account as defined in the Existing Facility Agreement.

"Existing WNS Singapore Designated Account Charge" means the Target Designated Account as defined in the Existing Facility Agreement.

"Facility" means the term loan facility made available under this Agreement as described in Clause 2 (*The Facility*).

"Facility Office" means the office or offices notified by a Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement.

"Fee Letter" means any letter or letters dated on or after the date of this Agreement between, as the case may be, the Arranger and the Borrower, the Agent and the Borrower, or the Security Trustee and the Borrower setting out any of the fees referred to in Clause 11 (*Fees*).

"Finance Document" means:

- (ee) this Agreement;
- (ff) any Security Document;
- (gg) any Non Disposal Document;
- (hh) any Fee Letter; and
- (ii) any other document designated as such by the Agent and the Company.

"Finance Party" means the Agent, the Security Trustee, the Arranger, the Lenders' NDU Agent, an Account Bank or a Lender.

"Financial Indebtedness" means any indebtedness for or in respect of:

- (jj) moneys borrowed;
- (kk) any amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent;
- (ll) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (mm) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease;
- (nn) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

- (oo) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (pp) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (qq) shares which are expressed to be redeemable or any shares or instruments convertible into shares which are otherwise the subject of a put option or guarantee;
- (rr) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (ss) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above.

"Fraudulent Transfer Law" means any applicable US Bankruptcy Law or any applicable US state fraudulent transfer or conveyance law.

"GAAP" means:

- (a) in relation to a company other than the Company, accounting principles, standards and practices in the jurisdiction of its incorporation; and
- (b) in relation to the Company, generally accepted accounting principles, standards and practices in the United States of America or if the Company elects to change its accounting principles, standards and practices in accordance with paragraph (c) of Clause 19.4 (*Requirements as to financial statements*) generally accepted accounting principles, standards and practices under IFRS.

"Governmental Agency" means any government or any governmental agency, semi-governmental or judicial or quasi-judicial or administrative entity or authority (including, without limitation, any stock exchange or any self-regulatory organisation established under any law or regulation).

"Group" means the Company and its Subsidiaries for the time being.

"Guarantor" means an Original Guarantor or an Additional Guarantor.

"Hazardous Substance" means any waste, pollutant, contaminant or other substance (including any liquid, solid, gas, ion, living organism or noise) that may be harmful to human health or other life or the Environment or a nuisance to any person or that may make the use or ownership of any affected land or property more costly.

"Holding Company" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

"IFRS" means the international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

"Increased Costs" has the meaning given to that term in Clause 13 (*Increased Costs*).

"India" means the Republic of India and its constituent states from time to time and includes where the context so requires, the Government of the Republic of India, the Government of any constituent state thereof and any regulatory agency or authority thereof.

"Indirect Tax" means any goods and services tax, consumption tax, value added tax or any Tax of a similar nature.

"Initial Valuation" means the valuation of the Aviva Global Services Business by the Valuer dated 13 May 2010.

"Interest Period" means, in relation to the Loan, each period determined in accordance with Clause 9 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 8.3 (*Default interest*).

"Lender" means:

- (c) any Original Lender; and
- (d) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with Clause 24 (*Changes to the Lenders*),

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

"Lenders' NDU Agent" means IDBI Trusteeship Services Limited, a company incorporated under the Companies Act 1956 of India, and having its registered office at Asian Building, Ground Floor, 17, R. Kamani Marg., Ballard Estate, Mumbai 400 001 as agent of the Agent appointed under the Agency Agreement.

"Liabilities" means all present and future moneys, debts and liabilities due, owing or incurred by any Obligor to any Finance Party under or in connection with any Finance Document (in each case whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently and whether as principal, surety or otherwise).

"LIBOR" means, in relation to the Loan:

- (e) the applicable Screen Rate; or
- (f) (if no Screen Rate is available for US Dollars for the Interest Period of the Loan) the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request quoted by the Reference Banks to leading banks in the London interbank market,

as of the Specified Time on the Quotation Day for the offering of deposits in US Dollars for a period comparable to the Interest Period for the Loan.

"Loan" means the loan made or to be made under the Facility or the principal amount outstanding for the time being of the loan.

"Loan to Value" means the outstanding Utilisation as a percentage of the value of the Aviva Global Services Business as quantified in the most recent Valuation.

"Majority Lenders" means:

- (g) if the Loan is not then outstanding, a Lender or Lenders whose Commitments aggregate more than 66 per cent. of the Total Commitments (or, if the Total Commitments have

been reduced to zero, aggregated more than 66 per cent. of the Total Commitments immediately prior to the reduction); or

- (h) at any other time, a Lender or Lenders whose participations in the Loan then outstanding aggregate more than 66 per cent. of the Loan then outstanding.

"Margin" means:

- (i) subject to paragraph (ii) immediately below, two per cent. (2.0%) per annum; and
- (ii) whilst an Event of Default or a Default under Clause 23.1 (*Non-payment*) is continuing, four per cent. (4.0%) per annum.

"Margin Stock" means "margin stock" or "margin security" within the meaning of Regulation U or Regulation X.

"Master Services Agreement" means the master services agreement dated 11 July 2008 between WCIL and Aviva Global Services (Management Services) Private Limited and the Company.

"Master Services Agreement Account" means the account in the name of WCIL with account number 080-121874-020 held with the Original Account Bank or any other account being a renewal, redesignation or replacement of that account as approved by all Lenders.

"Master Services Agreement Account Charge" means the charge document in respect of the Master Services Agreement Account entered or to be entered into between WCIL and the Security Trustee.

"Material Adverse Effect" means a material adverse effect on or material adverse change in:

- (i) the consolidated condition (financial or otherwise), operations, prospects, assets, performance or business of the Group taken as a whole, including a downgrade of its credit rating from that specified in the confirmation referred to in paragraph 4(g) of Part I (*Conditions precedent*) of Schedule 2 (*Conditions precedent and subsequent*);
- (j) the ability of any Obligor to perform and comply with its obligations under any Finance Document;
- (k) the validity, legality or enforceability of, or the rights or remedies of any Finance Party under, any Finance Document;
- (l) the validity, legality or enforceability of any Security expressed to be created pursuant to any Security Document or on the priority and ranking of any of that Security or the validity, legality or enforceability of any non disposal arrangement expressed to be created pursuant to any Non Disposal Document; or
- (m) India (or in the financial markets in India) or in a territory in which the assets of the Borrower Group are located or in the market for loans to and debt securities of India, including a downgrade of the country rating of India.

"Material Subsidiary" means:

- (n) a Subsidiary of the Company in respect of which the Adjusted Revenue as per its latest audited unconsolidated financial statements as at the date which its latest audited

unconsolidated financial statements were prepared or, as the case may be, for the financial period to which those financial statements relate account for five per cent. or more of the consolidated total Adjusted Revenue of the Group (all as calculated by reference to the latest audited consolidated financial statements of the Company); or

- (o) a Subsidiary of the Company to which has been transferred (whether in a single transaction or a series of transactions (whether related or not)) the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transaction(s) was a Material Subsidiary.

For the purposes of this definition:

- (i) if a Subsidiary becomes a Material Subsidiary under paragraph (b) above, the Material Subsidiary by which the relevant transfer was made shall, subject to paragraph (a) above, cease to be a Material Subsidiary; and
- (ii) if a Subsidiary is acquired by the Company after the end of the financial period to which the latest audited consolidated financial statements of the Company relate, those financial statements shall be adjusted as if that Subsidiary had been shown in them by reference to its then latest audited financial statements (consolidated if appropriate) until audited unconsolidated financial statements of the Company for the financial period in which the acquisition is made have been prepared.

“Mauritian Account” means the account in the name of the Borrower with account number 080 070311 020 held with the Original Account Bank or any other account being a renewal, redesignation or replacement of that account as approved by all Lenders.

“Mauritian Account Charge” means the assignment of a bank account document governed by the laws of Mauritius in respect of the Mauritian Account entered or to be entered into between the Borrower and the Security Trustee.

“Mauritius” means the Republic of Mauritius.

“Month” means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (p) (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
- (q) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
- (r) if an Interest Period begins on the last Business Day of a calendar month and, consistent with the terms of this Agreement, that Interest Period is to be of a duration equal to a whole number of Months, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period.

“Multiemployer Plan” means, at any time, a multiemployer plan (as defined in Section 4001(a)(3) of ERISA) then or at any time during the previous five years maintained for, or contributed to (or to which there is or was an obligation to contribute) on behalf of, employees of any Obligor or ERISA Affiliate.

“NDU Providers Agent” means IDBI Trusteeship Services Limited, a company incorporated under the Companies Act, 1956 of India and having its registered office at Asian Building, Ground Floor, 17, R. Kamani Marg., Ballard Estate, Mumbai 400 001 as constituted legal attorney of the Borrower and WNS Singapore.

“Net Equity Proceeds” means the cash and cash equivalent proceeds received by an Obligor in respect of any issuance of shares or other equity instruments by a member of the Group (other than any issuance of shares or other equity instruments by one member of the Group to another member of the Group) after deducting:

- (s) any fees, transaction costs and expenses properly incurred in connection with that issuance of shares or equity instruments; and
- (t) Taxes paid or reasonably estimated by the Company to be payable (as certified by the Company to the Agent) as a result of that issuance of shares or equity instruments.

“Net Insurance Proceeds” means any proceeds (other than proceeds in relation to third party liabilities that are actually applied to meet such liabilities or proceeds in relation to consequential loss policies that are actually applied to cover operating losses, loss of profits or business interruption) exceeding US\$5,000,000 (or its equivalent in another currency or currencies) in respect of any single claim received by any Obligor under or pursuant to any insurance policy (or equivalent) after the date of this Agreement after deducting:

- (u) any amounts payable to persons holding Security over such proceeds that ranks in priority to the interests of the Finance Parties;
- (v) any fees, transaction costs and expenses properly incurred in connection with that claim; and
- (w) Taxes paid or reasonably estimated by the Company to be payable (as certified by the Company to the Agent) as a result of that claim.

“Net Sale Proceeds” means the cash or cash equivalent proceeds (including, when received, the cash or cash equivalent proceeds of any deferred consideration, whether by way of adjustment to the purchase price or otherwise) received by an Obligor in connection with the sale, transfer or other disposal by any member of the Group of an asset exceeding US\$5,000,000 (or its equivalent in another currency or currencies) in respect of any single disposal after deducting:

- (x) fees and transaction costs and expenses properly incurred in connection with that sale, transfer or disposal;
- (y) Taxes paid or reasonably estimated by the Company to be payable (as certified by the Company to the Agent) as a result of that sale, transfer or disposal; and
- (z) amounts payable to persons holding Security over such asset that ranks in priority to the interests of the Finance Parties.

“Non Disposal Document” means:

- (aa) any Non Disposal Undertaking;
- (bb) any Non Disposal POA;
- (cc) any Designated Account Charge;
- (dd) the Agency Agreement; and
- (ee) any other document designated as such by the Agent and the Company.

“Non Disposal POA” means:

- (ff) the WNS Mauritius Non Disposal POA;
- (gg) the WNS Singapore Non Disposal POA; and
- (hh) any other document designated as such by the Agent and the Company.

“Non Disposal Undertaking” means:

- (ii) the WNS Global Services Non Disposal Undertaking; and
- (jj) any other document designated as such by the Agent and the Company.

“Non Disposal Undertaking Provider” means:

- (kk) the Borrower; and
- (ll) WNS Singapore.

“Obligor” means a Borrower or a Guarantor.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“Original Financial Statements” means:

- (mm) in relation to the Company, the audited consolidated financial statements for the Group for the financial year ended 31 March 2009; and
- (nn) in relation to each Original Obligor other than the Company, its audited financial statements for its financial year ended 31 March 2009.

“Original Obligor” means the Borrower or an Original Guarantor.

“Party” means a party to this Agreement.

“Perfection Documents” means all perfection documents required to be delivered, obtained or served by any Obligor under or pursuant any Security Document (including share certificates, transfers, notices and similar documents)

“Permitted Treasury Transaction” means any Treasury Transaction entered into in the ordinary course of business (and not for investment or speculative purposes) to hedge currency, commodity price or interest rate exposure of a member of the Group.

“Put Option Agreement” means the put option agreement dated 10 July 2008 between the Put Providers and the Borrower (as amended and restated pursuant to an amendment and

restatement agreement dated 6 April 2009 and as amended, supplemented, restated or replaced from time to time).

"Put Provider" means:

- (oo) WNS Global Services;
- (pp) a Subsidiary of WNS Global Services which is also a Material Subsidiary; and
- (qq) any other person who becomes a Put Obligor (as defined in the Put Option Agreement) under the Put Option Agreement or pursuant to clause 21.26 (*Accession of Additional Guarantors and additional Put Providers*).

"Quotation Day" means, in relation to any period for which an interest rate is to be determined, two Business Days before the first day of that period unless market practice differs in the Relevant Interbank Market, in which case the Quotation Day will be determined by the Agent in accordance with market practice in the Relevant Interbank Market (and if quotations for that currency for that period would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

"Refinancing Amount" means the amount of the Existing Indebtedness as at the Utilisation Date minus the WNS Refinancing Amount

"Reference Banks" means the principal London offices of HSBC Bank plc, DBS Bank Ltd. and BNP Paribas or such other banks as may be appointed by the Agent in consultation with the Company.

"Regulation T", **"Regulation U"** or **"Regulation X"** means Regulation T, U or X, as the case may be, of the Board, as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Release Document(s)" means the deed(s) of release or equivalent documentation, in form and substance satisfactory to all the Lenders, duly executed by the Existing Agent, Existing Security Trustee, Existing Lenders, the Lenders Agent (as defined in the Existing Non Disposal Documents) and/or the NDU Provider's Agent (as defined in the Existing Non Disposal Documents) and/or any other party thereto, whereby the Existing Security is irrevocably and unconditionally released and the Existing Non Disposal Documents are irrevocably and unconditionally cancelled and released.

"Relevant Interbank Market" means the London interbank market.

"Relevant Period" has the meaning given to that term in Clause 20.3 (*Definitions*).

"Repayment Date" means each of the dates set out in clause 6.1 (*Repayment of Loan*).

"Repeating Representations" means each of the representations set out in Clause 18 (*Representations*) other than those set out in paragraphs (a), (b) and (c) of Clause 18.11 (*Financial statements*), Clause 18.20 (*Material Subsidiaries*), Clause 18.24 (*Shareholders*), Clause 18.25 (*Anti-Terrorism Laws*), Clause 18.26 (*US Regulation*), Clause 18.27 (*Margin Regulations*) and Clause 18.28 (*Employee Benefit Plans*).

"Screen Rate" means the British Bankers' Association Interest Settlement Rate for US Dollars for the relevant period displayed on the appropriate page of the Reuters screen. If the agreed

page is replaced or service ceases to be available, the Agent may specify another page or service displaying the appropriate rate after consultation with the Company and the Lenders.

“**Security**” means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement (including, without limitation, title transfer and title retention arrangements) having a similar effect.

“**Security Document**” means:

- (rr) the Assignment of Put Option Agreement;
- (ss) the WCIL Share Charge;
- (tt) the Mauritian Account Charge;
- (uu) the Master Services Agreement Account Charge;
- (vv) the WNS Singapore Share Charge;
- (ww) the WNS Singapore Designated Account Charge;
- (xx) the Borrower Account Charge;
- (yy) the WNS Mauritius Share Charge;
- (zz) the WNS UK Fixed and Floating Charge;
- (aaa) any other security document that may at any time be given as security for any of the Liabilities.

“**Security Property**” has the meaning given to it in (*Security trust provisions*).

“**Share or Business Acquisition**” means:

- (bbb) any investment in or acquisition of, whether by incorporation or otherwise, any share in or any security issued by any person, or any interest therein or in the capital of any person, or the making of any capital contribution to any person;
- (ccc) any investment in or acquisition of any business or going concern, or the whole or substantially the whole business of the assets, property or business of any person or any assets that constitute a division or operating unit of the business of any person; or
- (ddd) the entry into any joint venture, consortium, partnership or similar arrangement with any person.

“**Specified Time**” means a time determined in accordance with (*Timetables*).

“**Standing Payment Instruction**” means:

- (eee) in relation to an Original Lender, payment instructions delivered to the Agent in writing on or prior to the date of this Agreement;
- (fff) in relation to any other Lender, payment instructions set out in the Transfer Certificate to which that Lender is signatory, or such other payment instructions as the Lender may notify to the Agent by not less than five Business Day’s notice.

“Subsidiary” means in relation to any person (the **“First Person”**) at any particular time, any other person which is then either controlled, or more than 50 per cent. of whose issued ordinary or common equity share capital (or the like) is then beneficially owned, directly or indirectly, by the First Person (and without limitation, includes a subsidiary within the meaning of Articles 2 and 2A of the Companies (Jersey) Law 1991, as amended).

“Tax” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“Termination Date” means 10 July 2012.

“Third Parties Act” means the Contracts (Rights of Third Parties) Act 1999.

“Top 10 Clients” means, for any financial half-year of the Company, the top 10 clients of the Group by revenue (in US Dollars, converted at the Agent’s spot rate of exchange for the purchase of US Dollars applicable as at 11:00 a.m. on the last day of the most recent financial half-year), calculated by reference to the relevant financial half-year of the Company.

“Total Commitments” means the aggregate of the Commitments, being US\$94,000,000 at the date of this Agreement.

“Transfer Certificate” means a certificate substantially in the form set out in (*Form of Transfer Certificate*), in a recommended form of the APLMA from time to time or in any other form agreed between the Agent and the Company.

“Transfer Date” means, in relation to a transfer, the later of:

(ggg) the proposed Transfer Date specified in the Transfer Certificate; and

(hhh) the date on which the Agent executes the Transfer Certificate.

“Treasury Transaction” means any currency, commodity or interest rate purchase, cap or collar agreement, forward rate agreement, future or option contract, swap or other similar agreement.

“Unpaid Sum” means any sum due and payable but unpaid by the Obligors under the Finance Documents.

“US” and **“United States”** means the United States of America, its territories and possessions.

“USA Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 of the United States, as amended.

“US Bankruptcy Law” means the United States Bankruptcy Code of 1978 (Title 11 of the United States Code) or any other United States federal or state bankruptcy, insolvency or similar law.

“US Guarantor” means a Guarantor that is a US Person.

“US Person” means a “United States Person” as defined in Section 7701(a)(30) of the Internal Revenue Code and includes the sole owner of any entity that is disregarded as being an entity separate from such owner for US federal income tax purposes.

“US\$” or **“US Dollars”** means the lawful currency of the United States of America.

“Utilisation” means the utilisation of the Facility.

“Utilisation Date” means the date on which the Utilisation is, or is to be, made.

“Utilisation Request” means a notice substantially in the form set out in Schedule 3 (*Utilisation Request*).

“Valuation” means the Initial Valuation and each other valuation of the Aviva Global Services Business by the Valuer supplied under this Agreement, in each case showing the then market value of the Aviva Global Services Business and addressed to, or capable of being relied upon by the Finance Parties.

“Valuer” means Grant Thornton or any other valuer appointed by the Borrower.

“Vendor” means AVIVA International Holdings Limited

“WCIL” means WNS Capital Investment Limited.

“WCIL Share Charge” means the share pledge document governed by the laws of Mauritius in respect of the shares in WCIL entered or to be entered into between the Borrower and the Security Trustee.

“WNS Global Services” means WNS Global Services Private Limited, a company incorporated in India with registered number 11-100196.

“WNS Global Services Non Disposal Undertaking” means the non disposal undertaking in respect of the shares in WNS Global Services held by the Borrower and WNS Singapore entered or to be entered into between, among others, the Borrower, WNS Singapore and the Lenders’ NDU Agent.

“WNS Mauritius Designated Account” means the US Dollar denominated designated account in the name of the Borrower held or to be held with the Additional Account Bank (or any other account being a renewal, redesignation or replacement of that account as the Majority Lenders may approve).

“WNS Mauritius Non Disposal POA” means the irrevocable power of attorney granted by or to be granted by the Borrower to the NDU Providers’ Agent in respect of the WNS Global Services Non Disposal Undertaking.

“WNS Mauritius Share Charge” means the share pledge document governed by the laws of Mauritius in respect of the shares in the Borrower entered or to be entered into between the Company and the Security Trustee.

“WNS Refinancing Amount” means the balance of the Existing Indebtedness as at the Utilisation Date not financed under this Facility

“WNS Singapore” means WNS Customer Solutions (Singapore) Private Limited (formerly known as Aviva Global Services Singapore Pte. Ltd.), a company incorporated in Singapore with registered number 200303457R.

“WNS Singapore Designated Account” means the US Dollar denominated designated account in the name of WNS Singapore held or to be held with the Additional Account Bank (or any other

account being a renewal, redesignation, or replacement of that account as the Majority Lenders may approve).

“WNS Singapore Designated Account Charge” means the charge document governed by the laws of Hong Kong in respect of the WNS Singapore Designated Account entered or to be entered into between WNS Singapore and the Security Trustee.

“WNS Singapore Non Disposal POA” means the irrevocable power of attorney granted or to be granted by WNS Singapore to the NDU Providers’ Agent in respect of WNS Global Services Non Disposal Undertaking.

“WNS Singapore Share Charge” means the share charge document governed by the laws of Singapore in respect of the shares in WNS Singapore entered or to be entered into between WCIL and the Security Trustee.

“WNS Singapore Share Sale Proceeds” has the meaning given to “WNS Singapore Share Sale Proceeds” in the WNS Global Services Non Disposal Undertaking.

“WNS UK Fixed and Floating Charge” means the fixed and floating charge document governed by the laws of England entered or to be entered into between WNS Global Services (UK) Limited and the Security Trustee.

1.2 Construction

(a) Unless a contrary indication appears, any reference in this Agreement to:

- (i) The **“Account Bank”**, the **“Agent”**, the **“Arranger”**, the **“Borrower”**, any **“Finance Party”**, any **“Guarantor”**, any **“Lender”**, any **“NDU Provider”**, any **“Obligor”**, the **“Company”**, any **“Party”**, any **“Put Provider”** or the **“Security Trustee”** shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
- (ii) **“assets”** includes present and future properties, revenues and rights of every description;
- (iii) an **“authorised signatory”** means a person that has been duly authorised by another person (the **“other person”**) to execute or sign any Finance Document (or other document or notice to be executed or signed by the other person under or in connection with any Finance Document) on behalf of that other person;
- (iv) **“control”** has the meaning given to it in the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and shall include the right to appoint a majority of the directors or to direct or cause the direction of the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner;
- (v) a **“Finance Document”** or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, restated or replaced and includes any increase in, extension of, or change to any facility made available under that Finance Document or other

agreement or instrument and including any waiver or consent granted in respect of any term of any Finance Document;

- (vi) a “**guarantee**” also includes an indemnity and any other obligation (whatever called) of any person to pay, purchase, provide funds (whether by the advance of money, the purchase of or subscription for shares or other securities, the purchase of assets or services or otherwise) for the payment of, indemnify against the consequences of default in the payment of, or otherwise be responsible for, any indebtedness of any other person (and “**guaranteed**” and “**guarantor**” shall be construed accordingly);
 - (vii) “**indebtedness**” includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - (viii) a “**person**” includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing;
 - (ix) a “**regulation**” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (x) “**shares**” or “**share capital**” includes equivalent ownership interests (and “**shareholder**” and similar expressions shall be construed accordingly);
 - (xi) a law or a provision of law is a reference to that law or, as applicable, that provision as amended or re-enacted; and
 - (xii) a time of day is a reference to London time.
- (b) Section, Clause and Schedule headings are for ease of reference only.
- (c) Unless a contrary indication appears, a term used in any other Finance Document or in any notice or certificate given under or in connection with any Finance Document has the same meaning in that Finance Document, notice or certificate as in this Agreement.
- (d) A Default (other than an Event of Default) is “**continuing**” if it has not been remedied or waived and an Event of Default is “**continuing**” if it has not been waived.
- (e) Unless a contrary indication appears, one person is “**acting in concert**” with another person in relation to their holding of shares in a company if, whether pursuant to any agreement or understanding, formal or informal or otherwise, they actively cooperate to obtain, maintain, consolidate or exercise control over that company.
- (f) Where this Agreement specifies an amount in a given currency (the “**specified currency**”) “**or its equivalent**”, the “**equivalent**” is a reference to the amount of any other currency which when converted into the specified currency utilising the Agent’s spot rate of exchange for the purchase of the specified currency with that other currency at or about 11 a.m. on the relevant date, is equal to the relevant amount in the specified currency.

1.3 **Third Party Rights**

- (a) Except as provided in a Finance Document, the terms of a Finance Document may be enforced and enjoyed only by a Party to it and the operation of the Third Parties Act is excluded.
- (b) Notwithstanding any provision of any Finance Document, the consent of any person who is not a party to a Finance Document is not required to vary, rescind or terminate that Finance Document.

SECTION 2
THE FACILITY

2. The Facility

2.1 The Facility

Subject to the terms of this Agreement, the Lenders make available to the Borrower a term loan facility in US Dollars in an aggregate amount equal to the Total Commitments.

2.2 Finance Parties' rights and obligations

- (a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor shall be a separate and independent debt.
- (c) A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents.

2.3 Obligors' agent

- (a) Each Obligor (other than the Company) irrevocably appoints the Company to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:
 - (i) the Company on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give and receive all notices, consents and instructions (including a Utilisation Request), to agree, accept and execute on its behalf all documents in connection with the Finance Documents (including amendments and variations of and consents under any Finance Document), to execute any new Finance Document and to take such other action as may be necessary or desirable under or in connection with the Finance Documents, and to execute on its behalf any documents required hereunder and to make such agreements capable of being given or made by any Obligor notwithstanding that they may affect such Obligor without further reference to or consent of such Obligor; and
 - (ii) each Finance Party to give any notice, demand or other communication to that Obligor pursuant to the Finance Documents to the Company.
- (b) Each Obligor (other than the Company) confirms that:
 - (i) it will be bound by any action taken by the Company under or in connection with the Finance Documents; and
 - (ii) each Finance Party may rely on any action purported to be taken by the Company on behalf of that Obligor.

2.4 Acts of the Company

- (a) The respective liabilities of each of the Obligors under the Finance Documents shall not be affected by:
- (i) any actual or purported irregularity in any act done, or failure to act, by the Company;
 - (ii) the Company acting (or purporting to act) in any respect outside any authority conferred upon it by any Obligor; or
 - (iii) any actual or purported failure by, or inability of, the Company to inform any Obligor of receipt by it of any notification under the Finance Documents.
- (b) In the event of any conflict between any notices or other communications of the Company and any other Obligor, those of the Company shall prevail.

3. Purpose

3.1 Purpose

- (a) The Borrower shall apply all amounts borrowed by it under the Facility towards the repayment and/or prepayment of the Refinancing Amount and irrevocably and unconditionally authorises the Agent to apply the proceeds of the Utilisation on its behalf to the credit of the account referred to in the Existing Agent's Certificate for such purpose and acknowledges to each of the Finance Parties that such disbursement of the Loan by the Agent direct to such account shall constitute the making of the Loan to the Borrower by the Lenders on the Utilisation Date.
- (b) No amount borrowed under the Facility shall be applied in any manner that may be illegal or contravene any applicable law or regulation in any relevant jurisdiction concerning financial assistance by a company for the acquisition of or subscription for shares or concerning the protection of shareholders' capital.

3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. Conditions of Utilisation

4.1 Initial conditions precedent

The Borrower (or the Company on its behalf) may not deliver a Utilisation Request unless the Agent has received all of the documents and other evidence listed in and appearing to comply with the requirements of Part I (*Conditions precedent*) of (*Conditions precedent and subsequent*) (except to the extent that the Agent has waived the same on the instructions of all Lenders). The Agent shall notify the Company and the Lenders promptly upon receiving such documents and other evidence and notify the Lenders at such time of any waivers granted by it in connection therewith.

The Agent shall notify the Company and the Lenders promptly upon receiving such documents and other evidence.

4.2 Further conditions precedent

The Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) if on the date of the Utilisation Request and on the proposed Utilisation Date:

- (a) no Default is continuing or would result from the proposed Loan; and
- (b) the Repeating Representations to be made by each Obligor are true in all material respects.

4.3 Maximum number of Utilisations

There shall be no more than one Utilisation.

SECTION 3
UTILISATION

5. Utilisation

5.1 Delivery of the Utilisation Request

The Borrower may utilise the Facility by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time or such earlier time as all the Lenders may agree.

5.2 Completion of the Utilisation Request

- (a) The Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:
 - (i) the proposed Utilisation Date is a Business Day within the Availability Period;
 - (ii) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*);
 - (iii) the proposed Interest Period complies with Clause 9 (*Interest Periods*); and
 - (iv) the account and bank to which the proceeds of the Utilisation are to be credited specified in the Utilisation Request are identical to those specified in the Existing Agent's Certificate.
- (b) Only one Loan may be requested in the Utilisation Request.

5.3 Currency and amount

- (a) The currency specified in the Utilisation Request must be US Dollars.
- (b) The amount of the proposed Loan must be an amount equal to the Available Facility.

5.4 Lenders' participation

- (a) If the conditions set out in this Agreement have been met, each Lender shall make its participation in the Loan available by the Utilisation Date through its Facility Office. To the extent any Original Lender is an Existing Lender, its obligation to make its participation in the Loan available may be satisfied in whole or in part by the release by such Original Lender of the Borrower's obligations to such Original Lender in respect of the Borrower's indebtedness to such Original Lender under the Existing Facility Agreement and the Borrower and such Original Lender shall in such circumstances notify the Existing Agent and the Agent (which shall notify the other Parties hereto) of the amount of any such release and satisfaction on or before the Utilisation Date. The Parties acknowledge and agree for the avoidance of doubt that the full amount of such Original Lender's participation in the Loan shall nonetheless be deemed to have been advanced to the Borrower and to be outstanding on the terms of this Agreement on and from the Utilisation Date.
- (b) The amount of each Lender's participation in the Loan will be equal to the proportion borne by its Commitment to the Available Facility immediately prior to making the Loan.
- (c) The Agent shall notify each Lender of the amount of the Loan and the amount of its participation in the Loan by the Specified Time.

SECTION 4
REPAYMENT, PREPAYMENT AND CANCELLATION

6. Repayment

6.1 Repayment of Loan

The Borrower shall repay the Loan on the following dates in the following amounts:

Repayment Date	Repayment Instalment (US\$)
10 January 2011	20,000,000
11 July 2011	20,000,000
10 January 2012	30,000,000
Termination Date	outstanding balance of the Loan

6.2 Reborrowing

The Borrower may not reborrow any part of the Facility which is repaid or prepaid.

6.3 Debt Servicing — dividends and share buyback

The Company shall ensure that sufficient of any proceeds received by an Obligor by way of dividend, share buyback or subordinated shareholder loans are paid to the Agent to be applied in or towards the Company's payment obligations under this Agreement falling due on or prior to the last day of the Interest Period during which such proceeds are received. The Company promptly shall notify the Agent on or before the receipt of any such proceeds and may nominate the order of application of such proceeds towards the debt service obligations in question.

7. Prepayment and cancellation

7.1 Illegality

If, at any time, it becomes or will become unlawful or contrary to any regulation in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in the Utilisation:

- (a) that Lender shall promptly notify the Agent upon becoming aware of that event;
- (b) upon the Agent notifying the Company, the Commitment of that Lender will be immediately cancelled; and
- (c) the Borrower shall repay that Lender's participation in the Loan on the last day of the Interest Period occurring after the Agent has notified the Company or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law or regulation, as the case may be).

7.2 Mandatory prepayment — Net Equity Proceeds

Unless and to the extent that the Majority Lenders agree otherwise, the Company shall ensure that an amount equal to all Net Equity Proceeds is paid to the Agent in prepayment of the Loan in accordance with the terms of this Agreement on or prior to the last day of the Interest Period during which such funds are received by the relevant Obligor.

7.3 Mandatory prepayment — Net Sale Proceeds

The Company shall ensure that an amount equal to all Net Sale Proceeds is paid to the Agent in prepayment of the Loan in accordance with the terms of this Agreement on or prior to the last day of the Interest Period during which such funds are received by an Obligor provided that if no Default is continuing, such amount need not be applied in prepayment of the Loan to the extent that a director of the Company has certified to the Agent that such amount will be re-invested in fixed assets of such member of the Group and such amount is:

- (a) re-invested in fixed assets of such member of the Group within six Months of receipt by a member of the Group; or
- (b) committed to be applied in re-investment in fixed assets of such member of the Group within six Months of receipt by such member of the Group and actually applied in such re-investment within 12 Months of such receipt, failing which, it shall be so applied in prepayment of the Loan.

7.4 Mandatory prepayment — Net Insurance Proceeds

The Company shall ensure that an amount equal to all Net Insurance Proceeds is paid to the Agent in prepayment of the Loan in accordance with the terms of this Agreement on or prior to the last day of the Interest Period during which such funds are received by an Obligor provided that if no Default is continuing, such amount need not be applied in prepayment of the Loan to the extent that such amount relates to Net Insurance Proceeds and a director of the Company has certified to the Agent that such amount will be used to replace the assets to which those Net Insurance Proceeds relate with substantially similar assets or to repair such assets within six Months of receipt by such Obligor and such amount is so applied to such replacement or repair within six months of receipt, failing which, it shall be applied towards prepayment of the Loan in accordance with the terms of this Agreement on or prior to the last day of the then current Interest Period.

7.5 Mandatory prepayment — Loan to Value ratio

The Company shall ensure that the Loan to Value will not at any time be more than 100 per cent. If at any time the Loan to Value exceeds 100 per cent (the "Event"), the Company shall (within 5 Business Days of the Event), notify the Agent of the Event and shall (on or prior to the last day of the Interest Period during which such Event occurs) make a prepayment of the Loan in accordance with the terms of this Agreement so that (immediately after such prepayment) the Loan to Value shall be no more than 100 per cent.

7.6 Cancellation

The Commitments shall automatically be cancelled and reduced to zero at the close of business in London on the last day of the Availability Period.

7.7 Voluntary prepayment of the Loan

- (a) The Borrower may, subject to paragraph (c) below, if it gives the Agent not less than 10 days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay the whole or any part of the Loan (but, if in part, being an amount that reduces the Loan by a minimum amount of US\$5,000,000 (or less if the amount of the Loan then outstanding is less than US\$5,000,000) or in higher integral multiples of US\$1,000,000).

- (b) The Loan may only be prepaid after the last day of the Availability Period (or, if earlier, the day on which the Available Facility is zero).
- (c) Any notice of prepayment given by the Borrower under paragraph (a) above shall only be valid if accompanied by evidence satisfactory to the Agent (acting reasonably) that all Authorisations necessary or desirable in connection with the proposed prepayment have been obtained and are in full force and effect.

7.8 Right of repayment and cancellation in relation to a single Lender

- (a) If:
 - (i) by reason of the introduction after the date of this Agreement of or any change after the date of this Agreement in (or in the interpretation, administration or application of) any law or regulation, any sum payable to any Lender by an Obligor is required to be increased under paragraph (a) of Clause 12.2 (*Tax gross-up*) to a greater extent than would have been required had that payment been made on the date of this Agreement; or
 - (ii) any Lender claims indemnification from the Borrower under Clause 12.3 (*Tax indemnity*) or Clause 13 (*Increased Costs*),the Borrower may, subject to paragraph (c) below, whilst the circumstance giving rise to the requirement or indemnification continues, give the Agent notice of cancellation of the Commitment of that Lender and its intention to procure the repayment of that Lender's participation in the Loan.
- (b) On receipt of a notice referred to in paragraph (a) above, the Commitment of that Lender shall immediately be reduced to zero.
- (c) Any notice of prepayment given by the Borrower under paragraph (a) above shall only be valid if accompanied by evidence satisfactory to the Agent that all Authorisations necessary or desirable in connection with the proposed prepayment have been obtained and are in full force and effect.
- (d) On the last day of each Interest Period which ends after the Borrower has given notice under paragraph (a) above (or, if earlier, the date specified by the Borrower in that notice), the Borrower shall repay that Lender's participation in the Loan.

7.9 Restrictions

- (a) Any notice of cancellation or prepayment given by any Party under this Clause 7 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.
- (b) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.
- (c) Any prepayment under this Agreement shall satisfy the obligations under Clause 6.1 (*Repayment of Loan*) in inverse chronological order and rateably in respect of the outstanding principal owed to each Lender.

- (d) The Borrower shall not repay or prepay all or any part of the Loan or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.
- (e) No amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.
- (f) If the Agent receives a notice under this Clause 7 it shall promptly forward a copy of that notice to either the Company or the affected Lender, as appropriate.

SECTION 5
COSTS OF UTILISATION

8. Interest

8.1 Calculation of interest

The rate of interest on the Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- (a) Margin; and
- (b) LIBOR.

8.2 Payment of interest

The Borrower shall pay accrued interest on the Loan on the last day of each Interest Period for the Loan.

8.3 Default interest

- (a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which is the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Agent (acting reasonably) and assuming that the margin component of the interest payable on such Loan is the Margin applicable whilst an Event of Default under Clause 23.1 (*Non-payment*) is continuing or a Default under Clause 23.1 (*Non-payment*) is continuing. Any interest accruing under this Clause 8.3 shall be immediately payable by the Obligor on demand by the Agent.
- (b) If any overdue amount consists of all or part of the Loan which became due on a day which was not the last day of an Interest Period, the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period for the Loan.
- (c) Any interest under this Clause 8.3 (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

8.4 Notification of rates of interest

The Agent shall promptly notify the Lenders and the Company of the determination of a rate of interest under this Agreement.

9. Interest Periods

9.1 Interest Periods

- (a) Subject to this Clause 9, an Interest Period shall be of three Months.
- (b) An Interest Period for the Loan shall not extend beyond the Termination Date or a Repayment Date.
- (c) Each Interest Period for the Loan shall start on the Utilisation Date or (if already made) on the last day of the preceding Interest Period for the Loan.

9.2 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

10. Changes to the calculation of interest

10.1 Absence of quotations

Subject to Clause 10.2 (*Market disruption*), if LIBOR is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation by the Specified Time on the Quotation Day, the applicable LIBOR shall be determined on the basis of the quotations of the remaining Reference Banks.

10.2 Market disruption

- (a) Subject to any alternative basis agreed and consented to as contemplated by Clause 10.3 (*Alternative basis of interest or funding*), if a Market Disruption Event occurs in relation to the Loan for any Interest Period, then the rate of interest on each Lender's share of the Loan for the Interest Period shall be the rate per annum which is the sum of:
- (i) the Margin; and
 - (ii) the higher of (x) the rate notified to the Agent by that Lender as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in the Loan from whatever source it may reasonably select and (y) in relation to a Market Disruption Event under paragraph (b)(ii) below, LIBOR.
- (b) In this Agreement "**Market Disruption Event**" means:
- (i) at or about noon (London time) on the Quotation Day for the relevant Interest Period the Screen Rate is not available or the Screen Rate is zero or negative and none or only one of the Reference Banks supplies a rate to the Agent to determine LIBOR for US Dollars for the relevant Interest Period; or
 - (ii) before close of business in London on the Quotation Day for the relevant Interest Period, the Agent receives notifications from a Lender or Lenders (whose participations in the Loan exceed 35 per cent. of the Loan) that the cost to it or them of obtaining matching deposits in the Relevant Interbank Market would be in excess of LIBOR.

10.3 Alternative basis of interest or funding

- (a) If a Market Disruption Event occurs and the Agent or the Company so requires, the Agent and the Company shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest.
- (b) Any alternative basis agreed pursuant to paragraph (a) above shall, with the prior consent of all the Lenders and the Company, be binding on all Parties.

- (c) For the avoidance of doubt, in the event that no substitute basis for determining the rate of interest is agreed on or before the end of the 30 day period, the rate of interest shall continue to be determined in accordance with the terms of Clause 10.2 (*Market disruption*).

10.4 Break Costs

- (a) The Borrower shall, within three Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of the Loan or Unpaid Sum being paid by the Borrower on a day other than the last day of an Interest Period for the Loan or Unpaid Sum.
- (b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

11. Fees

11.1 Arrangement fee

The Borrower shall pay to the Arrangers (for their own account) an arrangement fee in the amount and at the times agreed in a Fee Letter.

11.2 Agency fee

The Borrower shall pay to the Agent (for its own account) a fee in the amount and at the times agreed in a Fee Letter.

11.3 Security fee

The Borrower shall pay to the Security Trustee (for its own account) a fee in the amount and at the times agreed in a Fee Letter.

SECTION 6
ADDITIONAL PAYMENT OBLIGATIONS

12. Tax gross-up and indemnities

12.1 Definitions

(a) In this Agreement:

“**Tax Credit**” means a credit against, relief or remission for, or repayment of any Tax.

“**Tax Deduction**” means a deduction or withholding for or on account of Tax from a payment under a Finance Document.

“**Tax Payment**” means either the increase in a payment made by an Obligor to a Finance Party under Clause 12.2 (*Tax gross-up*) or a payment under Clause 12.3 (*Tax indemnity*).

(b) Unless a contrary indication appears, in this Clause 12 a reference to “determines” or “determined” means a determination made in the reasonable discretion of the person making the determination.

12.2 Tax gross-up

(a) All payments to be made by an Obligor to any Finance Party under or in connection with a Finance Document shall be made free and clear of and without any Tax Deduction, unless the Obligor is required by law to make a Tax Deduction in which case the sum payable by the Obligor shall be increased to the extent necessary to ensure that the Finance Party concerned receives a sum, net of any Tax Deduction, equal to the sum which it would have received if no Tax Deduction had been required.

(b) Each Obligor shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Borrower.

(c) If an Obligor is required to make a Tax Deduction, it shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(d) Within 30 days of making either a Tax Deduction or any payment required in connection with a Tax Deduction (or by any such earlier date as may be required by law), each Obligor shall deliver to the Agent details of all Tax Deductions and payments required in connection with such Tax Deductions made during that financial year and, for the Finance Party entitled to any such payment, an original receipt (or certified copy thereof) evidencing to the reasonable satisfaction of that Finance Party that each relevant Tax Deduction has been made or (as applicable) each appropriate payment has been paid to the relevant taxing authority.

(e) Any reference to a person being required by applicable law to make a deduction or withholding for or on account of tax from any payment under any Finance Document shall be construed as including any circumstances in which a person is authorised under the Income Tax (Jersey) Law 1961 (as amended) to make such a deduction where a failure to allow such deduction would

result in a fine being payable under Jersey law and the agreement under which the payment is made being void.

12.3 Tax indemnity

- (a) Without prejudice to Clause 12.2 (*Tax gross-up*), if any Finance Party is required to make any payment of or on account of Tax on or in relation to any sum received or receivable under or in connection with the Finance Documents (including any sum deemed for purposes of Tax to be received or receivable by such Finance Party, whether or not actually received or receivable) or if any liability in respect of any such payment is asserted, imposed, levied or assessed against any Finance Party, the Borrower shall (within three Business Days of demand by the Agent) indemnify the Finance Party which determines it has suffered a loss or liability as a result against such payment or liability together with any interest, penalties, costs and expenses payable or incurred in connection therewith.
- (b) Paragraph (a) above shall not apply:
 - (i) with respect to any Tax imposed:
 - (A) by the jurisdiction in which that Finance Party is incorporated; or
 - (B) by the jurisdiction in which its Facility Office is located,which is calculated by reference to the net income actually received or receivable (but, for the avoidance of doubt, not including any sum deemed for purposes of Tax to be received or receivable by that Finance Party but not actually received or receivable) by that Finance Party; or
 - (ii) to the extent a loss, liability or cost is compensated for by an increased payment under Clause 12.2 (*Tax gross-up*).
- (c) A Finance Party making, or intending to make, a claim under paragraph (a) above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, whereupon the Agent shall notify the Borrower.
- (d) A Finance Party shall, on receiving a payment from the Borrower under this Clause 12.3, notify the Agent.

12.4 Tax Credit

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

- (a) a Tax Credit is attributable either to an increased payment of which that Tax Payment forms part or to that Tax Payment; and
- (b) that Finance Party has obtained, utilised and fully retained that Tax Credit on an affiliated group basis,

the Finance Party shall pay an amount to that Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by that Obligor.

12.5 Stamp taxes

The Borrower shall pay and, within three Business Days of demand, indemnify each Finance Party against any cost, loss or liability that the Finance Party incurs, in relation to, all stamp duty, registration and other similar Taxes payable in respect of any Finance Document (except in relation to any assignment or transfer by a Lender in accordance with Clause 24.1 (*Assignments and transfers by the Lenders*)).

12.6 Indirect Tax

- (a) All consideration expressed to be payable under a Finance Document by any Party to a Finance Party shall be deemed to be exclusive of any Indirect Tax. If any Indirect Tax is chargeable on any supply made by any Finance Party to any Party in connection with a Finance Document, that Party shall pay (unless that Party is the Agent, the Security Trustee or the Arranger, in which case the Borrower shall pay) to the Finance Party (in addition to and at the same time as paying the consideration) an amount equal to the amount of the Indirect Tax.
- (b) Where a Finance Document requires any Party to reimburse a Finance Party for any costs or expenses, that Party shall also at the same time pay and indemnify the Finance Party against all Indirect Tax incurred by the Finance Party in respect of the costs or expenses.

13. Increased Costs

13.1 Increased Costs

- (a) Subject to Clause 13.3 (*Exceptions*) the Borrower shall, within three Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (ii) compliance with any law or regulation made after the date of this Agreement. The terms "**law**" and "**regulation**" in this paragraph (a) shall include, without limitation, any law or regulation concerning capital adequacy, prudential limits, liquidity reserve assets or Tax.
- (b) In this Agreement "**Increased Costs**" means:
 - (i) a reduction in the rate of return from the Facility or on a Finance Party's (or its Affiliate's) overall capital (including, without limitation, as a result of any reduction in the rate of return on capital brought about by more capital being required to be allocated by that Finance Party or one of its Affiliates);
 - (ii) an additional or increased cost; or
 - (iii) a reduction of any amount due and payable under any Finance Document, which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing its obligations under any Finance Document.

13.2 Increased cost claims

- (a) A Finance Party intending to make a claim pursuant to Clause 13.1 (*Increased Costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Borrower.

- (b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

13.3 Exceptions

- (a) Clause 13 (*Increased Costs*) does not apply to the extent any Increased Cost is:
- (i) attributable to a Tax Deduction required by law to be made by an Obligor;
 - (ii) compensated for by Clause 12.3 (*Tax indemnity*) (or would have been compensated for under Clause 12.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 12.3 (*Tax indemnity*) applied); or
 - (iii) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation.
- (b) In this Clause 13.3, a reference to a "**Tax Deduction**" has the same meaning given to the term in Clause 12.1 (*Definitions*).

14. Other indemnities

14.1 Currency indemnity

- (a) If any sum due from an Obligor under the Finance Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:
- (i) making or filing a claim or proof against that Obligor; or
 - (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,
- that Obligor shall as an independent obligation, within three Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.
- (b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

14.2 Other indemnities

The Borrower shall, within three Business Days of demand, indemnify each Finance Party against any cost, loss or liability incurred by that Finance Party as a result of:

- (a) the occurrence of any Event of Default;
- (b) any information produced or approved by or on behalf of a member of the Group in connection with the Facility or Existing Indebtedness being or being alleged to be misleading and/or deceptive in any respect;

- (c) any enquiry, investigation, subpoena (or similar order) or litigation with respect to a member of the Group or with respect to the transactions contemplated or financed under the Finance Documents;
- (d) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 28 (*Sharing among the Finance Parties*);
- (e) funding, or making arrangements to fund, its participation in the Utilisation requested by the Borrower (or the Company on its behalf) in the Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or
- (f) the Loan (or part of the Loan) not being prepaid in accordance with a notice of prepayment given by the Company or as required by this Agreement.

14.3 Indemnity to the Agent and the Security Trustee

The Borrower shall promptly indemnify the Agent and the Security Trustee against any cost, loss or liability incurred by it (acting reasonably) as a result of:

- (a) investigating any event which it reasonably believes is a Default;
- (b) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;
- (c) taking, holding, protecting or enforcing any Security created pursuant to any Finance Document; or
- (d) exercising any of the rights, powers, discretions or remedies vested in it under any Finance Document or by law.

15. Mitigation by the Lenders

15.1 Mitigation

- (a) Each Finance Party shall, in consultation with the Borrower, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.1 (*Illegality*), Clause 12 (*Tax gross-up and indemnities*) (other than Clause 12.6 (*Indirect Tax*)) or Clause 13 (*Increased Costs*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.
- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

15.2 Limitation of liability

- (a) The Borrower shall indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 15.1 (*Mitigation*).
- (b) A Finance Party is not obliged to take any steps under Clause 15.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

16. Costs and expenses

16.1 Transaction expenses

The Borrower shall within five Business Days of demand pay the Security Trustee, the Agent and the Arranger the amount of all costs and expenses (including legal fees) reasonably incurred by any of them in connection with the negotiation, preparation, printing, execution and perfection of this Agreement and any other documents referred to in this Agreement and any other Finance Documents executed after the date of this Agreement and in connection with the administration of the Facility, including (without limitation) the disbursement of the Loan.

16.2 Amendment costs

If the Borrower requests an amendment, waiver or consent, the Borrower shall, within five Business Days of demand, reimburse the Agent and the Security Trustee for the amount of all costs and expenses (including legal fees) reasonably incurred by the Agent or the Security Trustee in responding to, evaluating, negotiating or complying with that request or requirement.

16.3 Enforcement costs

The Borrower shall, within five Business Days of demand, pay to each Finance Party the amount of all costs and expenses (including legal fees) incurred by that Finance Party in connection with the enforcement of, or the preservation of any rights under, any Finance Document.

16.4 Security Trustee expenses

The Borrower shall promptly on demand pay the Security Trustee the amount of all costs and expenses (including legal fees) reasonably incurred by it in connection with the administration or release of any Security created pursuant to any Security Document.

SECTION 7
GUARANTEE

17. Guarantee and indemnity

17.1 Guarantee and indemnity

Each Guarantor irrevocably and unconditionally jointly and severally:

- (a) guarantees to each Finance Party punctual performance by each Obligor of all the Obligors' obligations under the Finance Documents;
- (b) undertakes with each Finance Party that whenever an Obligor does not pay any amount when due under or in connection with any Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) indemnifies each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party if any obligation guaranteed by it (or anything which would have been an obligation if not unenforceable, invalid or illegal) is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Finance Party would otherwise have been entitled to recover.

17.2 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

17.3 Reinstatement

If any payment to or any discharge given by a Finance Party (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is avoided or reduced for any reason (including, without limitation, as a result of insolvency, breach of fiduciary or statutory duties or any similar event):

- (a) the liability of each Obligor shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) each Finance Party shall be entitled to recover that value or amount of that security or payment from each Obligor, as if the payment, discharge, avoidance or reduction had not occurred.

17.4 Waiver of defences

The obligations of each Guarantor under this Clause 17 will not be affected by an act, omission, matter or thing which, but for this Clause 17 would reduce, release or prejudice any of its obligations under this Clause 17 (without limitation and whether or not known to it or any Finance Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, execute, take up or enforce any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment (however fundamental) or replacement of a Finance Document or any other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security;
- (g) any insolvency or similar proceedings; or
- (h) this Agreement or any other Finance Document not being executed by or binding against any other Guarantor or any other party.

17.5 Immediate recourse

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Clause 17. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

17.6 Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under this Clause 17.

17.7 Deferral of Guarantors' rights

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any other guarantor or provider of security for any Obligor's obligations under the Finance Documents; and/or

- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party.

17.8 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

17.9 Waiver of droit de division/droit de discussion

Each Obligor irrevocably waives and abandons any right which such Obligor has or may at any time have under the existing or future laws of Jersey, pursuant to the principle of "*droit de discussion*" or otherwise, to require that recourse be had to the assets of another person before any action is taken under any Finance Document against such Obligor, and each Obligor further irrevocably waives and abandons any right such Obligor has or may at any time have under the existing or future laws of Jersey, pursuant to the principle of "*droit de division*" or otherwise, to require that any other person be made a party to the proceedings or that the Obligors' liability be divided or apportioned with any other person.

17.10 US guarantee limitations

- (a) Each US Guarantor acknowledges that it will receive valuable direct or indirect benefits as a result of the transactions financed by the Finance Documents.
- (b) Each US Guarantor represents, warrants and agrees that as of the date of this Agreement:
 - (i) the aggregate amount of its debts and liabilities, subordinated, contingent or otherwise (including its obligations under the Finance Documents as limited by paragraph (c) below), is not greater than the aggregate value (being the lesser of fair valuation and present fair saleable value) of its assets (the amount of contingent and unliquidated liabilities at any time shall be computed as the amount that, in light of all the facts and circumstances existing at such time, represent the amount that can reasonably be expected to become an actual or matured liability);
 - (ii) its capital is not unreasonably small to carry on its business as it is being conducted;
 - (iii) it has not incurred and does not intend to incur debts beyond its ability to pay as they mature; and
 - (iv) it has not made a transfer or incurred any obligation under any Finance Document with the intent to hinder, delay or defraud any of its present or future creditors.
- (c) Notwithstanding anything to the contrary contained herein or in any other Finance Document, each Finance Party agrees that the maximum liability of each US Guarantor under this Clause 17 shall in no event exceed an amount equal to the greatest amount that would not render such US Guarantor's obligations hereunder and under the other Finance Documents subject to avoidance under US Bankruptcy Law or to being set aside, avoided or annulled under any Fraudulent Transfer Law, in each case after giving effect (i) to all other liabilities of such US Guarantor, contingent or otherwise, that are relevant under such Fraudulent Transfer Law and (ii) to the

value as assets of such US Guarantor (as determined under the applicable provisions of such Fraudulent Transfer Law) of any rights to subrogation, contribution, reimbursement, indemnity or similar rights held by such US Guarantor pursuant to (A) applicable law or (B) any other agreement providing for an equitable allocation among such US Guarantor and the Borrower and other Guarantors of obligations arising under this Agreement or other guarantees of such obligations by such parties.

17.11 Singapore guarantee limitations

With respect to any Guarantor which is incorporated in Singapore,

- (a) this guarantee shall not operate to guarantee or require the payment of or otherwise secure by any of them any money or liability if and insofar as such money was borrowed or such liability was incurred directly or indirectly for the purpose of the acquisition by any person of shares in that Guarantor or a holding company of that Guarantor or the reduction or discharge of any existing liability incurred for the purpose of such acquisition or for the partial repayment of the Existing Indebtedness and payment of certain transaction expenses if and for so long as it would not be lawful under Section 76(1) of the Companies Act, Chapter 50 of Singapore for such money or liability to be guaranteed, paid or secured by this guarantee; and
- (b) the proceeds of enforcement of this guarantee received from any such guarantee shall not be applied to discharge any such money or liability referred to in paragraph (a) above, provided that this Clause 17.11 is not relevant to, and therefore Clause 17.1 (*Guarantee and indemnity*) shall continue to apply to, obligations from time to time incurred by any Obligor under or in connection with the Finance Documents:
 - (i) for the purpose of financing any purpose permitted under the Finance Documents other than those specifically mentioned in paragraph (a) above; and
 - (ii) after the provisions of Section 76(9B) of the Companies Act, Chapter 50 of Singapore, in connection with the giving of this guarantee, have been complied with to the extent applicable.

17.12 Other Waivers

Each Guarantor incorporated under the laws of Mauritius hereby waives to the fullest extent permitted under any applicable laws, any and all of the rights, protection, privileges and defences provided by law to a guarantor, including without limitation:

- (a) the provisions of articles 2021 and 2026 of the Mauritius Civil Code; and
 - (b) all benefits of division and discussion,
- in each case, to the extent applicable.

SECTION 8
REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT

18. Representations

Each Obligor makes the representations and warranties set out in this Clause 18 to each Finance Party on the date of this Agreement.

18.1 Status

- (a) It, each Put Provider and each Non Disposal Undertaking Provider is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.
- (b) It, each Put Provider, each Non Disposal Undertaking Provider and each of its Subsidiaries has the power to own its assets and carry on its business as it is being conducted.

18.2 Binding obligations

The obligations expressed to be assumed by it, each Put Provider and each Non Disposal Undertaking Provider in each Finance Document to which it is a party are legal, valid and binding subject to any general principles of law limiting its or their obligations which are specifically referred to in any legal opinion accepted pursuant to Clause 4 (*Conditions of Utilisation*), Clause 21.30(f) (*Additional documents*) or Clause 25.2 (*Additional Guarantors*).

18.3 Non-conflict with other obligations

The entry into and performance by it, each Put Provider and each Non Disposal Undertaking Provider of, and the transactions contemplated by, the Finance Documents to which it is a party do not and will not conflict with:

- (a) any law or regulation applicable to it (or them);
- (b) its (or their) constitutional documents (including without limitation its COBO consent); or
- (c) any agreement or instrument binding upon it (or them) or any of its Subsidiaries or any of its (or their) or any of its Subsidiaries' assets, nor (except as provided in any Security Document) result in the existence of, or oblige it (or them) or any of its Subsidiaries to create, any Security over any of its or their respective assets.

18.4 Power and authority

It, each Put Provider and each Non Disposal Undertaking Provider has the power to enter into, perform and deliver, and has taken all necessary action to authorise its (and their) entry into, performance and delivery of, the Finance Documents to which it (or they) are a party and the transactions contemplated by those Finance Documents.

18.5 Validity and admissibility in evidence

All Authorisations required or desirable:

- (a) to enable it, each Put Provider and each Non Disposal Undertaking Provider lawfully to enter into, exercise its (and their) rights and comply with its (and their) obligations in the Finance Documents to which it (or they) is a party;

- (b) to make the Finance Documents to which it, each Put Provider and each Non Disposal Undertaking Provider is a party admissible in evidence in its (and their) jurisdiction of incorporation;
- (c) to enable it, each Put Provider and each Non Disposal Undertaking Provider to create the Security expressed to be created pursuant to any Security Document to which it is a party and to ensure that such Security has the priority and ranking it is expressed to have; and
- (d) for it, each Put Provider, each Non Disposal Undertaking Provider and each of its Subsidiaries to carry on its and their business, have been obtained or effected and are in full force and effect, subject to any registrations specifically referred to in any legal opinion accepted pursuant to Clause 4 (*Conditions of Utilisation*), Clause 21.30(f) (*Additional documents*) or Clause 25.2 (*Additional Guarantors*).

18.6 Governing law and enforcement

- (a) Subject to any qualifications specifically referred to in any legal opinion accepted pursuant to Clause 4 (*Conditions of Utilisation*) or Clause 25.2 (*Additional Guarantors*), the choice of English law as the governing law of the Finance Documents (other than the Security Documents and the Non Disposal Documents) will be recognised and enforced in its, each Put Provider's and each Non Disposal Undertaking Provider's jurisdiction of incorporation.
- (b) The choice of law specified in each Security Document and each Non Disposal Document as the governing law of that Security Document or that Non Disposal Document will be recognised and enforced in its, each Put Provider's and each Non Disposal Undertaking Provider's jurisdiction of incorporation.
- (c) Any judgment obtained in England in relation to a Finance Document (or in the jurisdiction of the governing law of that Finance Document) will be recognised and enforced in its, each Put Provider's and each Non Disposal Undertaking Provider's jurisdiction of incorporation (and, in relation to a Finance Document governed by a law other than English law, in the jurisdiction of the governing law of that Finance Document).

18.7 Deduction of Tax

Subject to any qualifications specifically referred to in any legal opinion accepted pursuant to Clause 4 (*Conditions of Utilisation*), Clause 21.30(f) (*Additional documents*) or Clause 25.2 (*Additional Guarantors*), it is not required (and nor is any Put Provider or any Non Disposal Undertaking Provider required) to make any deduction for or on account of Tax from any payment it or they may make under any Finance Document.

18.8 No filing or stamp taxes

Subject to any qualifications specifically referred to in any legal opinion accepted pursuant to Clause 4 (*Conditions of Utilisation*), Clause 21.30(f) (*Additional documents*) or Clause 25.2 (*Additional Guarantors*), under the law of its, any Put Provider's or any Non Disposal Undertaking Provider's jurisdiction of incorporation it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents.

18.9 No Default

- (a) No Default is continuing or might reasonably be expected to result from the making of the Utilisation.
- (b) No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it, any Put Provider, any Non Disposal Undertaking Provider or any of its Subsidiaries or to which its, any Put Provider's, any Non Disposal Undertaking Provider's or any of its Subsidiaries' assets are subject which might have a Material Adverse Effect.

18.10 No misleading information

- (a) Any factual information provided by or on behalf of any member of the Group was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.
- (b) Any financial projections provided by or on behalf of any member of the Group were prepared on the basis of recent historical information and on the basis of reasonable assumptions.
- (c) Nothing has occurred or been omitted from the information so provided and no information has been given or withheld that results in any information provided by or on behalf of any member of the Group being untrue or misleading in any material respect.

18.11 Financial statements

- (a) Its Original Financial Statements were prepared in accordance with GAAP consistently applied.
- (b) Its Original Financial Statements give a true and fair view of its financial condition and operations (consolidated in the case of the Company) as at the end of and for the relevant financial year.
- (c) There has been no material adverse change in its condition (financial or otherwise), assets, operations, prospects, properties, performance or business or the consolidated condition (financial or otherwise), assets, operations, prospects, properties, performance or business of the Group since 31 March 2009.
- (d) As at the date of its most recent financial statements (if any), it had no indebtedness (whether arising under contract or otherwise and regardless of whether or not contingent) which was not disclosed by those financial statements (or by the notes thereto) or reserved against therein, nor any unrealised or anticipated losses which were not so disclosed or reserved against.

18.12 Pari passu ranking

- (a) Subject to any matters specifically referred to in any legal opinion accepted pursuant to Clause 4 (*Conditions of Utilisation*) or Clause 21.30(f) (*Additional documents*), each Security Document creates (or, once entered into, will create) in favour of the Security Trustee for the benefit of the Finance Parties the Security which it is expressed to create with the ranking and priority it is expressed to have.
- (b) Without limiting paragraph (a) above, its, each Put Provider's and each Non Disposal Undertaking Provider's payment obligations under the Finance Documents to which it is a party rank at least *pari passu* with the claims of all their other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law in their place of incorporation applying to companies generally.

18.13 No proceedings pending or threatened

- (a) No litigation, arbitration, investigative or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, might have a Material Adverse Effect have been started or threatened against it, any Put Provider or any Non Disposal Undertaking Provider or any of its Subsidiaries.
- (b) Paragraph (a) above does not apply to litigation, arbitration, investigative or administrative proceedings in respect of:
- (i) Aviva Global Services (Bangalore) Private Limited being added as a respondent to a dispute in relation to the property at #8A, RMZ Centennial, Kundalahalli Main Road, Whitefield, Bangalore, 560048, details of which are set out in the Disclosure Letter;
 - (ii) The following facts, matters or circumstances disclosed in Ernst & Young's Tax Due Diligence Report dated 20 June 2008 (the "E/Y DDR") and the Disclosure Letter
 - (A) risk of the Inland Revenue Authority of Singapore seeking to deem a service income on payments made by Aviva Global Shared Services Private Limited ("AGSS") to its subsidiaries as detailed on page 50 and 51 of the E/Y DDR and at paragraph 18 on of the Disclosure Letter;
 - (B) the transfer pricing assessment of international transactions for the financial year 2003-2004 carried out by the Indian tax authorities in respect of Aviva Global Services (Bangalore) Private Limited ("AGSB") as detailed on pages 20 to 23 of the E/Y DDR and paragraph 18 of the Disclosure Letter;
 - (C) the risk of the relevant tax authorities mounting transfer pricing challenges against AGBS, AGSS, Noida Customer Operations Pvt Limited ("NCOP") and Customer Operations Services (Chennai) Private Limited;
 - (D) the risk of the Indian tax authorities claiming further service tax from AGSS as detailed in paragraph 18 of the Disclosure Letter;
 - (E) the risk of the Indian tax authorities seeking to recover tax from AGSS where tax benefits have been incorrectly received by NCOP in relation to the use of shared office space, as detailed in paragraph 18 of the Disclosure Letter; and
 - (F) the risk of the Sri Lankan tax authorities challenging the zero-rate treatment of Aviva Global Services Lank Pvt Limited's rechargeable income as detailed on pages 60 to 62 of the E/Y DDR;
 - (iii) the litigation detailed in Part I of (*Existing litigation*); and
 - (iv) the tax disputes detailed in Part II of (*Existing litigation*).

18.14 Environmental laws and licences

It and each of its Subsidiaries has:

- (a) complied with all Environmental Laws to which it may be subject;
- (b) obtained all Environmental Licences required or desirable in connection with its business; and

- (c) complied with the terms of those Environmental Licences,
in each case where failure to do so might have a Material Adverse Effect.

18.15 Environmental releases

No:

- (a) property currently or previously owned, leased, occupied or controlled by it or any of its Subsidiaries (including any offsite waste management or disposal location utilised by it or any of its Subsidiaries) is contaminated with any Hazardous Substance; and
- (b) discharge, release, leaching, migration or escape of any Hazardous Substance into the Environment has occurred or is occurring on, under or from that property,

in each case in circumstances where this might have a Material Adverse Effect.

18.16 Title

- (a) It (and each other member of the Group) has good and marketable title to, or valid leases and licences of or is otherwise entitled to use, all material assets necessary or desirable for it to carry on its business as it is being or is proposed to be conducted.
- (b) It has good, clear and marketable title to the assets expressed to be subject to the Security created by it pursuant to any Security Document to which it is a party, free from all Security except the Security created pursuant to, or permitted by, the Finance Documents to which it is a party.

18.17 No immunity

Neither it nor any Put Provider nor any Non Disposal Undertaking Provider nor any of its or their assets are entitled to immunity from suit, execution, attachment or other legal process. Its, each Put Provider's and each Non Disposal Undertaking Provider's entry into the Finance Documents constitutes, and the exercise of its (and their) rights and performance of and compliance with its and their obligations under the Finance Documents will constitute, private and commercial acts done and performed for private and commercial purposes.

18.18 Solvency

- (a) It, each Put Provider and each Non Disposal Undertaking Provider is able to, and has not admitted its or their inability to, pay its or their debts as they mature and has not suspended making payment on any of its or their debts.
- (b) It, each Put Provider and each Non Disposal Undertaking Provider by reason of actual or anticipated financial difficulties, has not commenced, and does not intend to commence, negotiations with one or more of its or their creditors with a view to rescheduling any of its (or their) indebtedness.
- (c) The value of its assets is more than its liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.
- (d) The value of each Put Provider's assets is more than that Put Provider's liabilities (taking into account contingent and prospective liabilities) and each Put Provider has sufficient capital to carry on its business.

- (e) The value of each Non Disposal Undertaking Provider's assets is more than that Non Disposal Undertaking Provider's liabilities (taking into account contingent and prospective liabilities) and each Non Disposal Undertaking Provider has sufficient capital to carry on its business.
- (f) No moratorium has been, or may, in the reasonably foreseeable future be, declared in respect of any of its, any Put Provider's or any Non Disposal Undertaking Provider's indebtedness.

18.19 Authorised signatories

Each person specified as its authorised signatory in any document accepted by the Agent pursuant to paragraph 1(c) of Part I (*Conditions precedent*), paragraph 1(c) of Part II (*Conditions subsequent*) or paragraph 4 of Part III (*Conditions precedent required to be delivered by an Additional Guarantor*) of (*Conditions precedent and subsequent*) or delivered to the Agent pursuant to paragraph (d) of Clause 19.5 (*Information: miscellaneous*) is, subject to any notice to the contrary delivered to the Agent pursuant to Clause 19.5 (*Information: miscellaneous*), authorised to sign a Utilisation Request and other notices on its behalf under or in connection with the Finance Documents.

18.20 Material Subsidiaries

- (a) Each member of the Group which, as at the date of this Agreement, is a Material Subsidiary is listed in (*Material Subsidiaries*).
- (b) The percentage of the Adjusted Revenue of the Group attributable to each Material Subsidiary in accordance with the definition of "Material Subsidiary" is accurately described in (*Material Subsidiaries*).

18.21 No breach of law

It has not (and none of its Subsidiaries has) breached any law or regulation a breach of which might have a Material Adverse Effect.

18.22 Restricted business activities

No member of the Group provides financial services or is in the real estate business.

18.23 Restricted places of business

No Obligor has any place of business in India.

18.24 Shareholders

As at 31 May 2010, only one shareholder of the Company held more than 26 per cent. of the equity share capital of the Company.

18.25 Anti-Terrorism Laws

Neither it nor, to its knowledge, any of its Subsidiaries:

- (a) is in violation of any Anti-Terrorism Law;
- (b) is a Designated Person; or
- (c) deals in any property or interest in property blocked pursuant to any Anti-Terrorism Law.

18.26 US regulation

- (a) It is not a "public utility" within the meaning of, or subject to regulation under, the United States Federal Power Act of 1920 (16 USC §§791 et seq.).

- (b) It is not an “investment company” or a company “controlled” by an “investment company” within the meaning of the United States Investment Company Act of 1940 (15 USC. §§ 80a-1 et seq.) or subject to regulation under any United States federal or state law or regulation that limits its ability to incur or guarantee indebtedness.
- (c) It has not made an “unlawful payment” within the meaning of, and is not in any other way in violation of, the Foreign Corrupt Practices Act (15 USC. §§ 78dd-1 et seq.) or any similar laws.

18.27 Margin regulations

Neither the making of the Utilisation or Loan nor the use of proceeds of the Utilisation or Loan will violate the provisions of Regulations T, U or X.

18.28 Employee benefit plans

No Obligor or ERISA Affiliate has maintained, contributed to or had an obligation to contribute to any defined benefit pension plan or Multiemployer Plan during the past five years or has any present intention to do so.

18.29 Top 10 Clients

The reduction (if any) in revenue generated from the Top 10 Clients for the most recent financial half-year of the Company as compared to the revenue generated from the Top 10 Clients in the immediately preceding financial half-year does not exceed 20 per cent. of the revenue of the Group for the immediately preceding financial half-year. For the purpose of calculation under this Clause 18.29, the amount of all revenue shall be converted into US Dollars at the Agent’s spot rate of exchange for the purchase of US Dollars applicable as at 11:00 a.m. on the last day of the most recent financial half-year.

18.30 Group Structure Chart

The group structure chart set out in (*Group Structure Chart*):

- (a) set out the key components of the Group; and
- (b) is true, complete and accurate in all material respects.

18.31 Repetition

- (a) The Repeating Representations are deemed to be made by each Obligor by reference to the facts and circumstances then existing on the date of each Utilisation Request and the first day of each Interest Period.
- (b) The representations and warranties set out in Clauses 18.1 (*Status*) to 18.5 (*Validity and admissibility in evidence*), Clause 18.8 (*No filing or stamp taxes*), Clause 18.12 (*Pari passu ranking*) and Clause 18.16 (*Title*) shall, in addition to paragraph (a) above, be deemed to be made by each Obligor, by reference to the facts and circumstances then existing on the date of execution of each Finance Document to which it is a party.

19. Information undertakings

The undertakings in this Clause 19 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

19.1 Financial statements

The Company shall supply to the Agent in sufficient copies for all the Lenders:

- (a) as soon as the same become available:
 - (i) but in any event within two Months after the end of each of its financial years, its audited consolidated financial statements for that financial year; and
 - (ii) but in any event within six Months after the end of each of its financial years, the audited financial statements of each Obligor (other than the Company) and each Put Provider for that financial year; and
- (b) as soon as the same become available, but in any event within 60 days after the end of each quarter of each of its financial years, its unaudited consolidated financial statements for that financial quarter.

19.2 Compliance Certificate

- (a) The Company shall supply to the Agent, within 60 days after the end of each of its financial quarters commencing from the financial quarter ending 30 September 2010, a Compliance Certificate setting out (in reasonable detail) computations as to compliance with Clause 20 (*Financial covenants*) as at the end of that financial quarter.
- (b) Each Compliance Certificate shall be signed by a director of the Borrower or the Company or the chief financial officer of the Group.

19.3 Material Subsidiaries

With each set of financial statements delivered by it under paragraph (a)(i) of Clause 19.1 (*Financial statements*) (and within 14 days after any request made by the Agent), the Company shall supply to the Agent, in sufficient copies for all the Lenders, a certificate:

- (a) listing the Material Subsidiaries as at the end of the relevant financial year or financial quarter; and
- (b) setting out in reasonable detail and in a form satisfactory to the Agent (acting on the instructions of the Majority Lenders) the computations necessary to justify the inclusions in, and exclusions from, that list.

19.4 Requirements as to financial statements

- (a) Each set of financial statements delivered pursuant to Clause 19.1 (*Financial statements*) shall be certified by a director of the relevant company or the chief financial officer of the Group as giving a true and fair view of its (or, as the case may be, the Group's consolidated) financial condition and operations as at the end of and for the period in relation to which those financial statements were drawn up.

- (b) Subject to paragraph (c) below, the Company shall procure that each set of financial statements of an Obligor delivered pursuant to Clause 19.1 (*Financial statements*) is prepared using GAAP, accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements unless, in relation to any set of financial statements, it notifies the Agent that there has been a change in GAAP, the accounting practices or financial reference periods and its auditors, its director or the chief financial officer of the Group deliver to the Agent:
- (i) a description of any change necessary for those financial statements to reflect the GAAP, accounting practices and financial reference periods upon which the Original Financial Statements were prepared; and
 - (ii) sufficient information, in form and substance as may be reasonably required by the Agent (acting on the instructions of the Majority Lenders), to enable the Lenders to determine whether Clause 20 (*Financial covenants*) has been complied with and make an accurate comparison between the financial position indicated in those financial statements and the Original Financial Statements.
- Any reference in this Agreement to those financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.
- (c) The Parties agree that although the Original Financial Statements of the Company were prepared using generally accepted accounting principles, standards and practices in the United States of America, the Company may elect to prepare future financial statements using generally accepted accounting principles, standards and practices under IFRS provided that it supplies the Agent with the information referred to in paragraphs (b)(i) and (b)(ii) above.

19.5 Information: miscellaneous

The Company shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):

- (a) all documents dispatched by an Obligor to its shareholders (or any class of them) or its creditors generally at the same time as they are dispatched;
- (b) promptly upon becoming aware of them, the details of any litigation, arbitration, investigative or administrative proceedings which are current, threatened or pending against any member of the Group, and which might, if adversely determined, have a Material Adverse Effect;
- (c) promptly, such further information regarding the financial condition, business and operations of any member of the Group as any Finance Party (through the Agent) may reasonably request; and
- (d) promptly, notice of any change in the authorised signatories of an Obligor, signed by a Director or the secretary of that Obligor, whose specimen signature has previously been provided to the Agent, accompanied (where relevant) by a specimen signature of each new signatory;

- (e) within 60 days after the end of each half-year of each of its financial years, a list of the Top 10 Clients for that financial half-year and such information regarding the revenue generated from such clients as the Agent may request; and
- (f) promptly upon the receipt of any Net Equity Proceeds, Net Sale Proceeds, Net Insurance Proceeds, a confirmation of the same and evidence satisfactory to the Agent (acting on the instructions of the Majority Lenders) that all Authorisations required for making the prepayments under Clauses 7.2 (*Mandatory prepayment — Net Equity Proceeds*), 7.3 (*Mandatory prepayment — Net Sale Proceeds*) or 7.5 (*Mandatory prepayment - Net Insurance Proceeds*) (as the case may be) have been obtained.

19.6 Notification of Default

- (a) Each Obligor shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.
- (b) Promptly upon a request by the Agent, the Company shall supply to the Agent a certificate signed by two of its directors or senior officers on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

19.7 Access books and records

If an Event of Default is continuing, upon the request of the Agent (on the instructions of any Finance Party), the Company shall provide the Agent and any of its representatives, professional advisers and contractors with access to and permit inspection by them of the assets, premises, books and records of any member of the Group in each case at reasonable times and upon reasonable notice.

19.8 Valuation

- (a) The cost and expense of each Valuation shall be borne by the Company.
- (b) The Company shall supply to the Agent with each set of financial statements delivered pursuant to paragraph (a) of Clause 19.1 (*Financial statements*) (in sufficient copies for all the Lenders, if the Agent so requests) a Valuation.
- (c) If requested by the Agent, the Company shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests) a Valuation at such time as the Agent may reasonably request.
- (d) The Company shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests) any valuation prepared by or on behalf of, or received by, it.

19.9 "Know your customer" checks

- (a) If:
 - (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
 - (ii) any change in the status of an Obligor after the date of this Agreement; or
 - (iii) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges any Finance Party (or, in the case of paragraph (iii) above, any prospective new Lender) to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of any Finance Party supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Security Trustee, the Agent (for itself or on behalf of any Finance Party) or any Lender (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Lender) in order for such Finance Party or, in the case of the event described in paragraph (iii) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

- (b) Each Lender shall promptly upon the request of the Agent or the Security Trustee supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent or the Security Trustee (in each case, for itself) in order for the Agent or the Security Trustee to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents, provided that no Lender shall be obliged to disclose to any person (i) any confidential information or (ii) any other information if the disclosure of such information would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of any contractual or fiduciary duty.

20. Financial covenants

20.1 Financial condition

The Company shall ensure that:

- (a) the ratio of Borrowings to Tangible Net Worth will not at any time exceed 2.00 to 1;
- (b) the ratio of Borrowings to EBITDA for the then most recently ended Relevant Period will not at any time exceed 2.50 to 1; and
- (c) the ratio of EBITDA to Debt Service for any Relevant Period will not at any time be less than 1.30 to 1.

20.2 Financial covenant calculations

Borrowings, Capital Expenditure, Debt Service, EBITDA, Interest Expense, Paid-up Capital and Tangible Net Worth shall be calculated and interpreted on a consolidated basis in accordance with the GAAP applicable to the Original Financial Statements of the Company and shall be expressed in US\$ on the basis of the exchange rates used in the latest consolidated quarterly financial statements of the Company.

20.3 Definitions

In this Clause 20:

“**Borrowings**” means, as at any particular time, the aggregate outstanding principal, capital or nominal amount (and any fixed or minimum premium payable on prepayment or redemption) of the Financial Indebtedness of members of the Group but:

- (a) excluding any indebtedness referred to in paragraph (g) of the definition of Financial Indebtedness and any guarantee or indemnity in respect of that indebtedness;
 - (b) excluding any Financial Indebtedness owed by one member of the Group to another member of the Group; and
 - (c) including, in the case of finance or capital leases only, the capital element value thereto,
- and so that no amount shall be included or excluded more than once.

“Capital Expenditure” means any expenditure which, in accordance with GAAP, should be treated as capital expenditure in the audited consolidated financial statements of the Group.

“Debt Service” means, in respect of any Relevant Period, the sum of:

- (a) Interest Expense for that Relevant Period;
- (b) that part of all Borrowings outstanding at the commencement of that Relevant Period originally scheduled for repayment in that Relevant Period (whether or not paid or repaid when due).

“EBITDA” means, in relation to any Relevant Period, the total consolidated operating profit of the Group for that Relevant Period:

- (d) before taking into account:
 - (i) Interest Expense and Interest Income;
 - (ii) Tax;
 - (iii) any share of the profit of any associated company or undertaking, except for dividends received in cash by any member of the Group;
 - (iv) extraordinary and exceptional items;
 - (v) any realised or unrealised exchange gains/losses arising on account of
 - (A) hedges pertaining to Financial Indebtedness; and
 - (B) translation of currency debt;
 - (vi) any loss against book value arising on a disposal or revaluation of any asset in the ordinary course of trading;
 - (vii) to the extent included, any fair value adjustments and amounts written off the value of investments;
 - (viii) any restructuring costs in respect of restructurings approved by the Majority Lenders;
 - (ix) any amortisation of stock based compensation expenses and any fringe benefits and taxes associated therewith to the extent recoverable from employees; and
- (e) after adding back all amounts provided for depreciation and amortisation for that Relevant Period,

as determined (except as needed to reflect the terms of this Clause 20) from the consolidated financial statements of the Company and Compliance Certificates delivered under Clause 19.1 (*Financial statements*) and Clause 19.2 (*Compliance Certificate*).

“Interest Expense” means, in relation to any Relevant Period, the aggregate amount of interest and any other finance charges (whether or not paid, payable or capitalised) accrued by the Group in that Relevant Period in respect of Borrowings:

- (f) including the interest element of leasing and hire purchase payments;
- (g) including commitment fees, commissions, arrangement fees and guarantee fees;
- (h) including amounts in the nature of interest payable in respect of any shares other than equity share capital (including but not limited to the share premium account and the capital redemption reserve);
- (i) excluding any such obligations to any member of the Group; and
- (j) excluding any amount in the nature of accrued interest, fees or periodic payments or premia owing to any member of the Group on any deposit or bank account,

adjusted (but without double counting) by adding back the net amount payable (or deducting the net amount receivable) by members of the Group in respect of that Relevant Period under any interest or (so far as they relate to interest) currency hedging arrangements, all as determined (except as needed to reflect the terms of this Clause 20) from the consolidated financial statements of the Company and Compliance Certificates delivered under Clause 19.1 (*Financial statements*) and Clause 19.2 (*Compliance Certificate*).

“Interest Income” means, in relation to any Relevant Period, the aggregate amount of any interest paid, payable or accrued to the benefit of the Group on any deposit or bank account or cash equivalent investment.

“Paid-up Capital” means, as at any particular time, the aggregate of:

- (c) the amount paid up or credited as paid up on the issued share capital of the Company (other than any shares which are expressed to be redeemable);
- (d) the amount standing to the credit of the consolidated reserves of the Group;
- (e) any additional paid-in capital (APIC); and
- (f) all amounts relating to other comprehensive income (OCI), including translation adjustments.

“Quarter Date” means 31 March, 30 June, 30 September and 31 December in any year.

“Relevant Period” means each period of 12 months ending on a Quarter Date.

“Tangible Net Worth” means, as at any particular time, Paid-up Capital *less* (but without double counting) any amount included in Paid-up Capital which is attributable to:

- (g) goodwill or other intangible assets (excluding other intangible assets created or attributable to the Master Services Agreement being US\$ 226,000,000, determined in the Financial Report);

- (h) amounts set aside for Tax;
- (i) minority interests;
- (j) the amount by which the net book value of any asset has been written up after 31 March 2009 (or, in the case of a person becoming a member of the Group after that date, the date on which that person became or becomes a member of the Group) by way of revaluation or on its transfer from one member of the Group to another; and
- (k) any dividend or other distribution declared, recommended or made by any member of the Group,

ignoring any variation in the credit or debit balance on the Group consolidated profit and loss account since the date of the then latest audited consolidated balance sheet of the Group but taking into account such variation to the extent it is reflected in any later Group consolidated profit and loss statement delivered to the Agent under Clause 19 (*Information undertakings*).

21. General undertakings

The undertakings in this Clause 21 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

21.1 Authorisations

- (a) Each Obligor shall (and the Company shall ensure that each Put Provider and each Non Disposal Undertaking Provider will) promptly:
 - (i) obtain, comply with and do all that is necessary to maintain in full force and effect; and
 - (ii) supply to the Agent certified copies of,
any Authorisation required under any law or regulation to enable it to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document.
- (b) Each Obligor shall (and the Company shall ensure that each Put Provider and each Non Disposal Undertaking Provider will) promptly (but in any event no later than the date falling three Months after the Utilisation Date) make the registrations, obtain all Authorisations and otherwise comply with other requirements specifically referred to in any legal opinion accepted pursuant to Clause 4 (*Conditions of Utilisation*), Clause 21.30(f) (*Additional documents*) or Clause 25.2 (*Additional Guarantors*).
- (c) Each Obligor shall (and the Company shall ensure that each Put Provider and each Non Disposal Undertaking Provider will) ensure that all Authorisations required or desirable for it, each Put Provider, each Non Disposal Undertaking Provider and each of its Subsidiaries to carry on its and their business have been obtained and are in full force and effect.

21.2 Compliance with laws

Each Obligor shall (and the Company shall ensure that each Put Provider and each Non Disposal Undertaking Provider will) comply in all respects with all laws and regulations to which it may be subject, if failure so to comply would materially impair its ability to perform its obligations under the Finance Documents to which it is a party.

21.3 Negative pledge

- (a) No Obligor shall (and the Company shall ensure that no other member of the Group will) create or permit to subsist any Security or non disposal undertaking over any of its assets.
- (b) No Obligor shall (and the Company shall ensure that no other member of the Group will):
- (i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by any member of the Group;
 - (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
 - (iii) enter into or permit to subsist any title retention arrangement;
 - (iv) enter into or permit to subsist any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - (v) enter into or permit to subsist any other preferential arrangement having a similar effect,
- in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.
- (c) Paragraphs (a) and (b) above do not apply to:
- (i) any lien arising by operation of law and in the ordinary course of trading so long as the debt which it secures is paid when due or contested in good faith by appropriate proceedings and properly provisioned;
 - (ii) title retention arrangements arising pursuant to a supplier's usual terms of supply provided that there is no default in payment for any goods so supplied (and no other event is subsisting) which might entitle the supplier to reclaim possession of the relevant goods;
 - (iii) any Security or non disposal undertaking created pursuant to any Finance Document;
 - (iv) any Security or non disposal undertaking created in favour of the Lenders in connection with the refinancing of any existing Financial Indebtedness of an Obligor or a member of the Group in similar (or more favourable) terms to the Finance Documents;
 - (v) any Security securing indebtedness the principal amount of which (when aggregated with the principal amount of any other indebtedness which has the benefit of Security given by any member of the Group other than any permitted under paragraphs (c)(i) to (iv) above) does not exceed US\$35,000,000 (or its equivalent in another currency or currencies); and

(vi) at any time before whichever is the later of the date of the Release Document(s) and the date falling three Months after the date of this Agreement, the Existing Security.

21.4 Disposals

- (a) No Obligor shall (and the Company shall ensure that no other member of the Borrower Group will) enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer or otherwise dispose of any asset.
- (b) Paragraph (a) above does not apply to any sale, lease, transfer or other disposal of an asset (other than a Charged Asset):
- (i) which is made with the prior written consent of the Majority Lenders and where the higher of the market value or consideration receivable (when aggregated with the higher of the market value or consideration receivable for any other sale, lease, transfer or other disposal under this paragraph (i)) does not exceed US\$5,000,000 (or its equivalent in another currency or currencies) in any financial year;
 - (ii) a transfer or disposal of an asset from a member of the Borrower Group to another member of the Borrower Group for the purpose of a solvent internal restructuring of the Borrower Group, provided that, where the disposing member of the Borrower Group is an Obligor, the recipient must either be an Obligor or become an Additional Guarantor prior to the conclusion of such disposal;
 - (iii) arising as a result of any Security permitted under paragraph (c) of Clause 21.3 (*Negative pledge*); or
 - (iv) of cash pursuant to the Finance Documents.

21.5 Merger

No Obligor shall (and the Company shall ensure that no other member of the Group will) enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction (other than share buybacks or capital reductions) nor change its jurisdiction of incorporation without the consent of the Majority Lenders, provided that an Obligor may enter into an amalgamation, demerger, merger, consolidation or corporate reconstruction on a solvent basis (not involving WCIL or any Holding Company of WCIL) where:

- (a) all of the business and assets of that Obligor are retained by one or more other Obligors;
- (b) the surviving entity of that amalgamation, demerger, merger, consolidation or corporate reconstruction is liable for the obligations of the Obligor it has merged with and is incorporated in the same jurisdiction as that Obligor; and
- (c) the Agent and the Security Trustee are given 30 Business Days' notice by the Company of that proposed amalgamation, demerger, merger, consolidation or corporate reconstruction and the Security Trustee, acting reasonably, is satisfied that the Finance Parties will enjoy the same or equivalent Security over the same assets having the same value and over that Obligor and the shares in it (or the shares of the surviving entity).

21.6 Change of business

Each Obligor shall procure that no substantial change is made to the nature of its business (and the Company shall procure that no substantial change is made to the general nature of the business of the Group taken as a whole) from that carried on at the date of this Agreement.

21.7 Insurance

Each Obligor shall (and the Company shall ensure that each other member of the Group will) maintain insurances on and in relation to its business and assets with reputable underwriters or insurance companies against those risks, and to the extent, usually insured against by prudent companies located in the same or a similar location and carrying on a similar business.

21.8 Environmental undertakings

Each Obligor shall (and the Company shall ensure that each other member of the Group will):

- (a) comply with all Environmental Laws to which it may be subject;
- (b) obtain all Environmental Licences required or desirable in connection with its business; and
- (c) comply with the terms of all those Environmental Licences,

in each case where failure to do so might have a Material Adverse Effect or might give rise to the creation of any liability for any Finance Party.

21.9 Environmental claims

Each Obligor shall (and shall ensure that each other member of the Group will) promptly notify the Agent of any claim, notice or other communication received by it in respect of any actual or alleged breach of or liability under Environmental Law which, if substantiated, might have a Material Adverse Effect or might give rise to the creation of any liability for any Finance Party.

21.10 Financial Indebtedness

No Obligor shall (and the Company shall ensure that no other member of the Group will) incur or permit to subsist any Financial Indebtedness other than:

- (a) any Financial Indebtedness listed in (*Existing Financial Indebtedness*);
- (b) Financial Indebtedness arising under the Finance Documents;
- (c) Financial Indebtedness permitted pursuant to the terms of sub-paragraphs (i) or (ii) of paragraph (b) of Clause 21.13 (*Loans and guarantees*);
- (d) unsecured Financial Indebtedness provided to a member of the Group or Put Provider (in addition to that permitted under paragraphs (a) to (c) above) provided that no breach of Clause 20 (*Financial covenants*) has occurred, such Financial Indebtedness ranks no higher than pari passu with the obligations of the Obligors under the Finance Documents and, in the case of the Put Providers, the principal amount thereof (when aggregated with the principal amount of any other unsecured Financial Indebtedness incurred by all other Put Providers) at any time does not exceed US\$25,000,000 (or its equivalent in another currency or currencies); or
- (e) secured Financial Indebtedness provided to a member of the Group in respect of which the prior written consent of the Agent (acting on the instructions of all Lenders) has been

obtained, except that such consent shall not be required in respect of secured Financial Indebtedness (which ranks no higher than pari passu with the obligations of the Obligor under the Finance Documents) provided to members of the Group in an aggregate principal amount not exceeding US\$35,000,000 (or its equivalent in any other currency) at any time (but so that no more than US\$25,000,000 of such amount may be provided at any time to WNS Global Services).

21.11 Acquisitions and investments

- (a) No Obligor shall (and the Company shall ensure that no other member of the Borrower Group shall) make any Share or Business Acquisition.
- (b) Paragraph (a) above does not apply to any Share or Business Acquisition made by any member of the Borrower Group which complies with the following conditions:
 - (i) the target entity:
 - (ii) is not a negative net worth entity,
 - (iii) has not been loss-making for the three immediately previous financial years,
 - (iv) is in similar business as the Borrower Group; and
 - (v) prior to completion of the proposed Share or Business Acquisition the Company submits to the Agent pro forma financial statements and projections of the Group and the proposed target (on a consolidated basis) demonstrating to the satisfaction of the Majority Lenders (acting reasonably) the Company's ability to comply with the financial covenants set out in Clause 20 (*Financial covenants*) over the remaining life of the Facility.

21.12 Financial year

The Borrower shall not alter (and shall ensure that no other member of the Group alters) its financial year so that such financial year ends on any date other than on 31 March of each year.

21.13 Loans and guarantees

- (a) No Obligor shall (and the Company shall ensure that no other member of the Borrower Group will):
 - (i) make any loan, or provide any form of credit or financial accommodation, to any other person; or
 - (ii) give or issue any guarantee, indemnity, bond or letter of credit to or for the benefit of any person; or
 - (iii) permit to subsist any guarantee of any Financial Indebtedness of any of its Subsidiaries.
- (b) Paragraph (a) above does not apply to:
 - (i) any loan made by (subject to sub-paragraph (b)(ii) below) a member of the Borrower Group to another member of the Borrower Group;
 - (ii) (A) any loan made by a member of the Group which is not an Obligor to a member of the Group which is an Obligor; and (B) any loan made by an Obligor to a member of the Group which is

not an Obligor, provided that the aggregate amount outstanding under all such loans mentioned in (A) and (B) above shall not at any time exceed US\$25,000,000;

- (iii) any trade credit granted on customary commercial terms to any customer of a member of the Group;
- (iv) any guarantee granted by the Company in respect of the unsecured borrowings referred to in Clause 21.10(d) (*Financial Indebtedness*);
- (v) any guarantee granted by the Company in respect of a Permitted Treasury Transaction;
- (vi) any performance or payment guarantees given by the Company in respect of payment obligations that do not constitute Financial Indebtedness of a member of the Group pursuant to outsourcing agreements with customers of such member of the Group entered into, in each case, in the ordinary course of its business;
- (vii) any loan where all the proceeds of such loan are used to satisfy a payment obligation of an Obligor under the Finance Documents;
- (viii) by reference to Clause 30.22 of the Master Services Agreement and the defined terms in the Master Services Agreement, the indemnity given by the Supplier to the Customer and all Service Recipients in connection with any claim of alleged or actual infringement of any Third Party IPR arising out of or in connection with Customer's and/or every Service Recipient's receipt and/or use of the Services to be provided by the Supplier in accordance with the Master Services Agreement;
- (ix) any guarantee granted by the Company to the Vendor in respect of the obligations under the Acquisition Documents, provided that the amount guaranteed shall not at any time exceed the amount so guaranteed as at the date of this Agreement.

21.14 **Arm's length dealings**

No Obligor shall (and the Company shall ensure that no other member of the Group will) enter into any arrangement, agreement or commitment with any person or pay any fees, commissions or other sums on any account whatsoever to any persons other than:

- (a) in the ordinary course of trading, at arm's length and on normal commercial terms; or
- (b) as required by the Finance Documents.

21.15 **Restricted payments**

- (a) No Obligor shall:
 - (i) pay, repay or prepay any principal, interest or other amount on or in respect of, or redeem, purchase or defease any Financial Indebtedness owed actually or contingently, to any shareholder of any Obligor or to any Affiliate of any shareholder of any Obligor;

- (ii) declare, pay or make any dividend or other payment or distribution of any kind on or in respect of any class of its shares; or
 - (iii) reduce, return, purchase, repay, cancel or redeem any of its share capital.
- (b) Paragraph (a) above does not apply:
- (i) when no Default is continuing; or
 - (ii) to any payment where all the proceeds of such payment are used to satisfy a payment obligation of an Obligor under the Finance Documents.

21.16 Taxes

- (a) Each Obligor shall pay and discharge all Taxes, rates, rents and governmental charges upon it and its assets before penalties become attached thereto and shall establish adequate reserves for the payment of any Taxes, rates, rents and governmental charges becoming due unless such Taxes, rates, rents and governmental charges are being contested in good faith by appropriate proceedings.
- (b) Each Obligor shall make all filings required under applicable laws and regulations.

21.17 Ownership

The Obligors shall ensure that at all times:

- (a) WNS Singapore owns legally and beneficially 202,668 shares in WNS Global Services free from Security, save as pursuant to:
 - (i) at any time before whichever is the later of the date of the Release Documents(s) and the date falling three Months after the date of this Agreement, the Non Disposal Documents (as defined in the Existing Facility Agreement); and
 - (ii) after their execution, the Non Disposal Documents;
- (b) subject to paragraph (a) above, the Company owns legally and beneficially 100 per cent. of the issued share capital (directly or indirectly) free from Security and maintains control of each of the Put Providers and the Obligors (other than the Company); and
- (c) the Borrower (in the event that the put option granted pursuant to the Put Option is exercised in part or in full, together with the Put Providers) owns legally and beneficially 100 per cent. of the issued share capital free from Security and maintains control of WCIL.

21.18 Maintenance of books and records

Each Obligor shall keep books and records which accurately reflect in all material respects all of its business, affairs and transactions.

21.19 Assets

Each Obligor shall maintain in good working order and condition (ordinary wear and tear excepted) all of its assets necessary for the conduct of its business as conducted from time to time.

21.20 **Pari passu**

Each Obligor shall ensure that its obligations under the Finance Documents to which it is a party rank at all times at least *pari passu* in right of priority and payment with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

21.21 **Capital Expenditure**

The Company shall ensure that the aggregate of the Capital Expenditure of the Borrower Group in any financial year of the Company shall not exceed US\$35,000,000 in any financial year.

21.22 **Statutory auditors**

No Obligor shall change (and the Company shall ensure that no member of the Borrower Group changes) its statutory auditors to any person other than Ernst & Young, KPMG, Deloitte or PwC or firms associated with or affiliated to those firms in jurisdictions where those firms do not themselves have a presence, except with the prior written consent of the Agent (acting on the instructions of the Majority Lenders).

21.23 **Assignment of contracts**

- (a) No Obligor shall assign or transfer (and the Company shall ensure that no other member of the Group shall assign or transfer) any agreement or contract to any person who is not a member of the Group.
- (b) Paragraph (a) above shall not apply to:
 - (i) any assignment or transfer made pursuant to a Finance Document; or
 - (ii) by reference to clause 15.2 of the Master Services Agreement and the defined terms in the Master Services Agreement, any novation of any contract, relating to the provision or receipt of the Services, that is entered into by the Supplier, the Customer and a Sub-contractor or third party after the Commencement Date, in the event that the Customer removes any Services in accordance with the Master Services Agreement, the Master Services Agreement terminates (or any part thereof), or the Master Services Agreement expires.

21.24 **Chartered Accountant's Certificate**

Each Obligor shall ensure that a certificate from a Chartered Accountant in respect of the investment being made by the Put Providers pursuant to the Put Option Agreement is supplied to the Security Trustee within the time limit specified by the Reserve Bank of India regulations and such certificate shall include a confirmation that such investment is made in compliance with all Reserve Bank of India regulations.

21.25 **Cash movements**

The Obligors shall ensure that at all times:

- (a) the Put Providers make sufficient cash available to the Borrower, by way of dividend, share buyback or subordinated shareholder loans in order to enable the Borrower to service the Financial Indebtedness incurred by the Borrower under the Finance Documents;
- (b) the Put Providers have in place all necessary Authorisations to effect any dividend, share buyback or subordinated shareholder loan referred to in paragraph (a) above; and

- (c) the relevant members of the Group have in place all necessary Authorisations to effect any dividend, share buyback or subordinated shareholder loan referred to in clause 6.3 (*Debt servicing — dividends and share buyback*).

21.26 Accession of Additional Guarantors and additional Put Providers

- (a) Each Obligor shall ensure that any person (other than any persons incorporated in India) that becomes a Material Subsidiary after the date of this Agreement becomes a Guarantor by no later than the date which is 60 days after the date on which it became a Material Subsidiary (or such other period which may be mutually agreed between the Company and the Agent).
- (b) Each Obligor shall ensure that any member of the Group (including persons referred to in paragraph (a) above (to the extent permitted by applicable law) and persons that are incorporated in India) that becomes a Material Subsidiary after the date of this Agreement becomes a Put Provider by no later than the date which is 60 days after the date on which it became a Material Subsidiary (or such other period which may be mutually agreed between the Company and the Agent).

21.27 Credit rating

The Obligors shall:

- (a) obtain a rating in respect of the Facility from Standard & Poors Financial Services LLC, Fitch Ratings Ltd. or Moody's Investors Service, Inc. or any other rating agency approved by the Agent (acting on the instructions of all Lenders), between the month of October of each year and the month of January of the following year, and the first of such rating shall be obtained no later than the period from October 2010 to January 2011;
- (b) undertake annual review of such rating as specified by such rating agency;
- (c) promptly inform the Agent of any change or potential change in such rating; and
- (d) bear the cost and expense in connection with the obtaining and periodic reviews of the rating as referred to in paragraphs (a) and (b) above.

21.28 Put Option Agreement or Non Disposal Document

Each Obligor shall (and each Obligor shall ensure that each Put Provider or Non Disposal Undertaking Provider will):

- (a) not at any time amend any term of, or waive or grant any time or indulgence in respect of any term of, or exercise any discretion under the Put Option Agreement or any Non Disposal Document except:
 - (i) on the instructions of the Agent (acting on the instructions of all the Lenders); or
 - (ii) where such amendment, waiver, grant of time or indulgence or exercise of discretion does not have and could not reasonably be expected to have a Material Adverse Effect);
- (b) comply in all material respects with the terms of the Put Option Agreement (where failure to do so could have a Material Adverse Effect);

- (c) promptly notify the Agent upon becoming aware of:
- (i) any breach of or default in any material respect under the Put Option Agreement by any party;
 - (ii) the occurrence of any Put Option Event or Potential Put Option Event (in each case as defined in the Put Option Agreement);
 - (iii) any material dispute between the parties to the Put Option Agreement; and
 - (iv) any notice of, or other act of, revocation, suspension, withdrawal, cancellation or termination of any material provision of the Put Option Agreement or other pending proceedings or proceedings threatened in writing,
- which could have a Material Adverse Effect.

21.29 No-due certificate

Each Obligor shall ensure that the Borrower submits to the Agent by no later than the date falling 15 days after the Utilisation Date a no-due certificate duly executed by the Existing Agent whereby the Existing Agent confirms and acknowledges that, among other things, no amount is outstanding under the Existing Facility Agreement (or any other Finance Documents as defined therein).

21.30 Additional documents

- (a) Each Obligor shall ensure that each of the Existing Perfection Documents and the Perfection Documents (along with any Authorisations and legal opinions that the Agent requests), in each case in form and substance satisfactory to the Agent (acting on the instructions of the Majority Lenders) are delivered to the Agent no later than the date falling three Months after the Utilisation Date.
- (b) The Borrower shall procure that a certified copy of the register of pledges of (x) WCIL (noting the WCIL Share Charge) and (y) the Borrower (noting the WNS Mauritius Share Charge) are provided to the Agent no later than the date falling three Months after the Utilisation Date.
- (c) The Obligors shall procure and, within three Months of the Utilisation Date, provide evidence satisfactory to the Agent that the balances standing to the credit of each of the Existing WNS Mauritius Designated Account and the Existing Target Designated Account are transferred to, the WNS Mauritius Designated Account and the WNS Singapore Designated Account respectively, and that each of the Existing DSRA, Existing WNS Mauritius Designated Account and the Existing Target Designated Account are thereafter closed.
- (d) The Borrower shall, within three Months of the date of this Agreement, provide evidence satisfactory to the Agent (acting on the instructions of the Majority Lenders) that the WNS Mauritius Designated Account is established, including but not limited to a duly signed bank mandate in respect of the WNS Mauritius Designated Account.
- (e) WNS Singapore shall, within three Months of the date of this Agreement, provide evidence satisfactory to the Agent (acting on the instructions of the Majority Lenders) that the WNS Singapore Designated Account is established, including but not limited to a duly signed bank mandate in respect of the WNS Singapore Designated Account.

- (f) The Borrower shall deliver to the Agent all documents and other evidence listed in and appearing to comply with the requirements of Part II (*Conditions subsequent*) of Schedule 2 (*Conditions precedent and subsequent*) in form and substance satisfactory to the Finance Parties by no later than the date falling three Months after the Utilisation Date.
- (g) The Borrower shall serve all relevant notices of prepayment or cancellation in accordance with the Existing Facility Agreement and obtain all Authorisations in connection with such prepayment in sufficient time to enable the repayment and/or prepayment of the Existing Indebtedness to occur on the Utilisation Date.

21.31 Singapore financial assistance

Each Obligor shall ensure that each member of the Group incorporated in Singapore which becomes an Obligor or grants any Security pursuant to or in connection with a Finance Document complies in all respects with section 76 of the Companies Act Chapter 50 of Singapore.

21.32 Anti-Terrorism Laws

- (a) No Obligor shall engage in any transaction that violates any of the applicable prohibitions set forth in any Anti-Terrorism Law.
- (b) None of the funds or assets of any Obligor that are used to repay the Facility shall constitute property of, or shall be beneficially owned directly or indirectly by, any Designated Person and no Designated Person shall have any direct or indirect interest in any Obligor that would constitute a violation of any Anti-Terrorism Law.
- (c) No Obligor shall, and each Obligor shall procure that none of its Subsidiaries will, fund all or part of any payment under this Agreement out of proceeds derived from transactions that violate the prohibitions set forth in any Anti-Terrorism Law.

21.33 US regulation

Each Obligor shall ensure that it will not, by act or omission, become subject to regulation under to any of the laws or regulations described in Clause 18.26 (*US regulation*).

21.34 Margin Regulations

- (a) No Obligor may use the Utilisation, directly or indirectly, to buy or carry Margin Stock or to extend credit to others for the purpose of buying or carrying Margin Stock.
- (b) If requested by the Agent, each Obligor shall furnish to the Agent a statement in conformity with the requirements of FR Form U-1 referred to in Regulation U.

21.35 ERISA

No Obligor or any ERISA Affiliate shall establish, or agree to contribute to, any defined benefit pension plan or Multiemployer Plan without the consent of Majority Lenders.

21.36 Transfer pricing

Each Obligor shall (and shall ensure that each other member of the Group will) comply with all laws relating to transfer pricing.

21.37 Dividends and share capital

- (a) No Obligor shall (and the Company shall ensure that no other member of the Group or Put Provider shall) issue any shares or other equity interests without the prior written consent of the Agent (acting on the instructions of the Majority Lenders), except for any issue of shares by:
- (i) a member of the Borrower Group to a member of the Group which is not a member of the Borrower Group for an amount (when aggregated with the amount of all other share issues by members of the Borrower Group to members of the Group which is not a member of the Borrower Group in the same financial year) not exceeding US\$25,000,000 (or its equivalent in any other currency or currencies) in any financial year;
 - (ii) a member of the Borrower Group to another member of the Borrower Group; or
 - (iii) a member of the Group which is not a member of the Borrower Group to another member of the Group.

21.38 Right of first refusal

The Borrower Group shall grant to the Lenders and/or its affiliates and/or nominees the first right of refusal in the refinancing of the Facility and/or any permitted derivative transaction to be entered into in connection with the Facility.

21.39 Further Assurance

- (a) Each Obligor shall promptly do all such acts and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Trustee may reasonably specify (and in such form as the Security Trustee may reasonably require in favour of Security Trustee or its nominee(s)):
- (i) to perfect the Security created or intended to be created under or evidenced by the Security Documents or for the exercise of any rights, powers and remedies of the Security Trustee or the Finance Parties provided by or pursuant to the Finance Documents or by law;
 - (ii) to confer on the Security Trustee or to confer on the Finance Parties Security over any property and assets of that Obligor or such member of the Borrower Group located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Security Documents; and/or
 - (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created or intended to be created under the Security Documents.
- (b) Each Obligor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Trustee or the Finance Parties by or pursuant to the Finance Documents.

22. Accounts

22.1 Maintenance of Accounts

- (a) The Borrower, WCIL and WNS Singapore shall maintain the Accounts with the Account Bank in accordance with the terms of this Agreement.
- (b) Neither the Borrower nor WCIL shall open any current or other account with any bank or financial institution other than the Accounts without the Agent's prior written consent (acting on the instructions of all Lenders).
- (c) The terms and conditions relating to the establishment and maintenance of the Accounts and the Borrower's, WCIL's and WNS Singapore's ability to deal with the Accounts shall be as set out in this Clause 22 supplemented, to the extent the same are not inconsistent with this Clause 22, by the relevant Account Mandate.
- (d) Notwithstanding paragraph (g) below, WCIL shall ensure that any payments that it receives under or in connection with the Master Services Agreement are paid directly into the Master Services Agreement Account as soon as practicable.
- (e) The Borrower shall ensure that, notwithstanding paragraph (f) below:
 - (i) any Borrower Share Sale Proceeds that it receives are paid into the WNS Mauritius Designated Account; and
 - (ii) any WNS Singapore Share Sale Proceeds that WNS Singapore receives are paid into the WNS Singapore Designated Account.
- (f) Subject to paragraph (e) above, the Borrower shall ensure that any payments it receives are paid into the Mauritian Account as soon as practicable and in any event prior to being transferred to any other Account into which such payments are required to be paid under the terms of this Agreement.
- (g) Subject to paragraph (d) above, WCIL shall ensure that any payments it receives are paid into the Master Services Agreement Account as soon as practicable and in any event prior to being transferred to any other Account into which such payments are required to be paid under the terms of this Agreement.

22.2 Interest

- (a) Each amount from time to time standing to the credit of the Accounts shall bear interest at such rate (if any) as may from time to time be determined by the Account Bank consistent with the relevant Account Mandate relating to the Accounts and shall be credited to the relevant Account in accordance with the relevant Account Mandate.

- (b) Interest shall accrue in accordance with the Account Mandate. Any interest which has accrued shall be for the account of the Borrower, WCIL or WNS Singapore (as the case may be) and the Borrower, WCIL or WNS Singapore (as the case may be) may instruct the Security Trustee to withdraw an amount representing such interest for application in any manner which is not prohibited by the Finance Documents in accordance with the Account Mandate relating to the relevant Account, provided that no such transfer shall be made while a Default has occurred and is continuing.

22.3 Withdrawals

- (a) Unless instructed to do so by the Security Trustee, the Account Bank shall not effect any withdrawal or transfer from any Account (and shall not be liable to the Borrower, WCIL or WNS Singapore for failing to effect the same) if it has been notified by the Agent or the Security Trustee that an Event of Default has occurred and is continuing at the time that the relevant withdrawal or transfer would otherwise be made.
- (b) No withdrawal or transfer from an Account may be made if to do so would cause that Account to be overdrawn.
- (c) On the date of each withdrawal made from an Account where the proceeds of such withdrawal are to be applied in payment to or for the account of the Borrower, WCIL or WNS Singapore, the Borrower, WCIL or WNS Singapore (as the case may be) will be deemed to represent and warrant that no Event of Default has occurred which is continuing and no Default will occur as a result of the withdrawal.
- (d) None of the restrictions contained in this Clause 22 or in any Security Document on the withdrawal of sums standing to the credit of the Accounts shall affect the obligations of the Borrower, WCIL or WNS Singapore to make any payment or repayment required to be made under the Finance Documents on the date the same is so required to be made.
- (e) No sum may be transferred or withdrawn from the WNS Mauritius Designated Account or the WNS Singapore Designated Account except with the prior written consent of the Security Trustee or as expressly permitted by this Clause 22.
- (f) The Security Trustee has sole signing rights in relation to the WNS Mauritius Designated Account and the WNS Singapore Designated Account.
- (g) If no Default has occurred and is continuing, WCIL may withdraw amounts standing to the credit of the Master Services Agreement Account and apply them towards payments made in the ordinary course of business of WCIL. For the purposes of this paragraph (g), "payments made in the ordinary course of business of WCIL" means routine payments made by WCIL for the purposes of its day to day business, including (but not limited to):
- (i) payments made by WCIL in respect of any salaries, bonuses or reimbursement for expenses due and payable to any employees of WCIL;
 - (ii) payment of invoices payable by WCIL in respect of its day to day business; or
 - (iii) payments made by WCIL for the purposes of servicing any Financial Indebtedness (including payment of principal or interest in relation to such Financial Indebtedness) of WCIL incurred in accordance with the terms of this Agreement,

but shall not include:

- (A) any payments made in respect of any costs pursuant to the acquisition of any shares or investments by WCIL;
 - (B) any payments made in respect of any lease and/or buy-back arrangements; and
 - (C) payments of any extraordinary costs or expenses.
- (h) Subject to paragraph (i) below, WCIL has sole signing rights in respect of the Master Services Agreement Account.
- (i) If a Default has occurred and is continuing:
- (i) Neither the Borrower, WCIL nor WNS Singapore shall withdraw any amount from any Account; and
 - (ii) the Security Trustee may debit any amounts standing to the credit of any Account and apply them in the order of priority set out in Clause 29.5 (*Partial payments*).
- (j) If no Default has occurred and is continuing, the Borrower may withdraw amounts standing to the credit of the Mauritian Account and apply them towards payments made in the ordinary course of business of the Borrower. For the purposes of this paragraph (j), "payments made in the ordinary course of business of the Borrower" means routine payments made by the Borrower for the purposes of its day to day business, including (but not limited to):
- (i) payments made by the Borrower in respect of any salaries, bonuses or reimbursement for expenses due and payable to any employees of the Borrower;
 - (ii) payment of invoices payable by the Borrower in respect of its day to day business; or
 - (iii) payments made by the Borrower for the purposes of servicing any Financial Indebtedness (including payment of principal or interest in relation to such Financial Indebtedness) of the Borrower incurred in accordance with the terms of this Agreement,

but shall not include:

- (A) any payments made in respect of any costs pursuant to the acquisition of any shares or investments by the Borrower;
- (B) any payments made in respect of any lease and/or buy-back arrangements;
- (C) payments of any dividends by the Borrower; and
- (D) payments of any extraordinary costs or expenses.

22.4 Access to Accounts

- (a) Each of the Borrower, WCIL and WNS Singapore irrevocably consents to the Agent and the Security Trustee or any of their respective appointed representatives having access to review the books and records of the Account Bank relating to any Account and consents to the Agent and the Security Trustee or any of their respective appointed representatives passing on any information so obtained to any Finance Party in accordance with the provisions of the Finance Documents and, for these purposes only, irrevocably waives any right of confidentiality that may exist in respect of such books and records. The Account Bank shall give to the Borrower, WCIL, WNS Singapore, the Agent and the Security Trustee unrestricted access on reasonable prior

notice to review such books and records of any Account held by the Account Bank, in each case, whilst an Event of Default is continuing.

- (b) Nothing in this Clause 22 will require the Account Bank to disclose to any person any books, records or other information which the Account Bank would not be required to disclose to the Borrower, WCIL or WNS Singapore (as the case may be).

22.5 Administration

- (a) Without prejudice to the Account Bank's obligations under this Clause 22, the Account Bank will not be obliged to make available to or for the account of the Borrower, WCIL, WNS Singapore or any other person any sum which it is expecting to receive for the account of the Borrower, WCIL or WNS Singapore until it has been able to establish that that sum has been credited to the relevant Account held with the Account Bank.
- (b) The Account Bank will provide statements for the Accounts held with it to the Agent and the Security Trustee and to the Company within five Business Days after the last day of:
 - (i) each Interest Period; and
 - (ii) each Month.

22.6 No assignment

No Account nor the Borrower's, WCIL's or WNS Singapore's right, title and interest to or in any Account shall be capable of being assigned, transferred or otherwise disposed of or encumbered (whether in whole or in part) other than pursuant to the Security Documents.

23. Events of Default

Each of the events or circumstances set out in this Clause 23 (other than Clause 23.26 (*Acceleration*)) is an Event of Default.

23.1 Non-payment

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

- (a) its failure to pay is caused by administrative or technical error; and
- (b) payment is made within 5 Business Days of its due date.

23.2 Financial covenants

Any requirement of Clause 20 (*Financial covenants*) is not satisfied.

- (a) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 23.1 (*Non-payment*) or Clause 23.2 (*Financial covenants*)).
- (b) No Event of Default under paragraph (a) above in relation to Clause 21.1 (*Authorisations*) will occur if the failure to comply is capable of remedy and is remedied within 15 days of the Agent giving notice to the Company or the Company becoming aware of the failure to comply.

23.4 Misrepresentation

Any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or on behalf of an Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

23.5 Cross default

- (a) Any Financial Indebtedness of any member of the Group is not paid when due nor within any originally applicable grace period.
- (b) Any Financial Indebtedness of any member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of any default or event of default (however described).
- (c) Any commitment for any Financial Indebtedness of any member of the Group is cancelled or suspended by a creditor of any member of the Group as a result of default or event of default (however described).
- (d) Any creditor of any member of the Group becomes entitled to declare any Financial Indebtedness of any member of the Group due and payable prior to its specified maturity as a result of any default or event of default (however described).
- (e) No Event of Default will occur under this Clause 23.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than US\$5,000,000 (or its equivalent in any other currency or currencies).

23.6 Insolvency

- (a) A member of the Borrower Group is unable to, is presumed or deemed to be unable to or admits its inability to, pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.
- (b) The value of the assets of any member of the Borrower Group is less than its liabilities (taking into account contingent and prospective liabilities, other than those contingent liabilities arising out of the guarantees provided pursuant to clause 17 (*Guarantee and indemnity*) and any guarantee provided in relation to any Financial Indebtedness of WNS Global Services (UK) Limited permitted by clause 21.10(e) (*Financial Indebtedness*)).
- (c) A moratorium is declared in respect of any indebtedness of any member of the Borrower Group.

23.7 Insolvency proceedings

- (a) Any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, judicial management, administration, provisional supervision or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the Borrower Group;
 - (ii) a composition, compromise, assignment or arrangement with any creditor of any member of the Borrower Group;

- (iii) the appointment of a liquidator, receiver, administrative receiver, receiver and manager, administrator, compulsory manager, provisional supervisor or other similar officer in respect of any member of the Borrower Group or any of its assets;
- (iv) enforcement of any Security over any assets of any member of the Borrower Group, judicial manager; or
- (v) any analogous procedure or step is taken in any jurisdiction,

provided that no Event of Default will occur under this paragraph (a) in respect of proceedings relating to a petition to wind-up a member of the Borrower Group which the Majority Lenders determine are frivolous or vexatious and which are discharged or dismissed within 15 Business Days of presentation.

(b) Any US Guarantor:

- (i) applies for, or consents to, the appointment of, or the taking of possession by, a receiver, custodian, trustee, examiner or liquidator of itself or of all or a substantial part of its property;
- (ii) makes a general assignment for the benefit of its creditors;
- (iii) commences a voluntary case under US Bankruptcy Law;
- (iv) files a petition with respect to itself seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganisation, liquidation, dissolution, arrangement or winding-up, or composition or readjustment of debts;
- (v) takes any corporate action for the purpose of effecting any of the foregoing with respect to itself;
- (vi) is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or by reason of actual or anticipated financial difficulties; or
- (vii) is the subject of involuntary proceedings under US Bankruptcy Law.

23.8 Judgments, creditors' process

- (a) A member of the Group fails to comply with or pay any sum due from it under any final judgment or any final order made or given by a court of competent jurisdiction.
- (b) Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of a member of the Group.
- (c) No event of Default will occur under this Clause 23.8 if the aggregate amount of indebtedness unpaid under paragraph (a) and the value of the relevant assets under paragraph (b) is less than US\$5,000,000 (or its equivalent in any other currency or currencies.)

23.9 Moratorium

The Government of India or any relevant Governmental Agency declares a general moratorium or "standstill" (or makes or passes any order or regulation having a similar effect) in respect of

the payment or repayment of any Financial Indebtedness (whether in the nature of principal, interest or otherwise) (or any indebtedness which includes Financial Indebtedness) owed by Indian companies or other entities (and whether such declaration, order or regulation is of general application, applies to a class of persons which includes an Obligor or a Put Provider or to an Obligor or a Put Provider alone).

23.10 Unlawfulness

It is or becomes unlawful for any party (other than a Finance Party) to perform any of its obligations under the Finance Documents.

23.11 Repudiation

Any party (other than a Finance Party) repudiates a Finance Document or evidences an intention to repudiate a Finance Document.

23.12 Security

The Majority Lenders determine that any Security Document is not (once entered into) in full force and effect or does not (once entered into) create in favour of the Security Trustee for the benefit of the Finance Parties the Security which it is expressed to create with the ranking and priority it is expressed to have.

23.13 Expropriation

Any governmental or other authority (whether de jure or de facto) nationalises, compulsorily acquires, expropriates or seizes all or a substantial part of the business or assets of any member of the Group and the Majority Lenders determine that such action has or could reasonably be expected to have a Material Adverse Effect.

23.14 Material adverse change

The Majority Lenders determine that a Material Adverse Effect exists, has occurred or might occur.

23.15 Material litigation

Any litigation, arbitration, investigative or administrative proceeding is current, pending or threatened which the Majority Lenders determine has (or might, if adversely determined, have) a Material Adverse Effect.

23.16 Ownership

- (a) An Obligor (other than the Company) or a Put Provider is not or ceases to be a direct or indirect wholly owned Subsidiary of the Company.
- (b) A Put Provider is not or ceases to be a direct wholly owned Subsidiary of the Borrower, provided that 17 per cent. (rounded to the nearest whole number) of the issued share capital of WNS Global Services may be owned by WNS Singapore.
- (c) WCIL is not or ceases to be a direct, or (as a result of the operation of the Put Option Agreement) indirect, wholly owned Subsidiary of the Borrower.

23.17 Put Option Agreement

- (a) Any party (other than a Finance Party) fails to comply with its obligations under the Put Option Agreement in any manner which could in the reasonable opinion of the Majority Lenders have a Material Adverse Effect.

- (b) Any representation or statement made or deemed to be made by any party (other than a Finance Party) in the Put Option Agreement or any other document delivered by or on behalf of any such party under or in connection with the Put Option Agreement is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.
- (c) Any rights under the Put Option Agreement are assigned by any party to it, other than the assignment by the Borrower pursuant to the Assignment of Put Option Agreement.

23.18 **Non Disposal Document**

- (a) Any party (other than a Finance Party) fails to comply with its obligations under a Non Disposal Document in any manner which could in the reasonable opinion of the Majority Lenders have a Material Adverse Effect.
- (b) Any representation or statement made or deemed to be made by any party (other than a Finance Party) in the Non Disposal Document or any other document delivered by or on behalf of any such party under or in connection with the Non Disposal Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

23.19 **Authorisations**

Any Authorisation:

- (a) as may be necessary for any member of the Group to carry on its business as it is being conducted; or
 - (b) required by any party (other than a Finance Party) to a Finance Document in connection with the entry into, performance, validity and enforceability of, and the transactions contemplated by, the Finance Documents,
- is revoked or otherwise cancelled or not renewed or renewed with any onerous condition in each case which might have a Material Adverse Effect.

23.20 **Change in Largest Shareholder**

Any person (other than the person that was the largest shareholder in the Company on 31 May 2010) is or becomes the largest shareholder in the Company (a "**Change in Largest Shareholder**") and:

- (a) the Group loses more than 10 per cent. of its clients by revenue (calculated by reference to the financial quarter of the Company immediately prior to the financial quarter in which the Change in Largest Shareholder occurs) by the end of the financial quarter of the Company following the financial quarter in which the Change in Largest Shareholder occurs (unless the Company demonstrates to the satisfaction of the Majority Lenders that such loss of clients is not as a result of the Change in Largest Shareholder); or
- (b) the Company does not approach a rating agency satisfactory to the Majority Lenders for a rating review within one month of a Change in Largest Shareholder or the Company does approach a rating agency satisfactory to the Majority Lenders within such timeframe and the rating of the Company is downgraded from that obtained by the Company pursuant to the terms of Clause 21.27 (*Credit rating*) within six months of the Change in Largest Shareholder.

23.21 Change in law

As a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (ii) compliance with any law or regulation made after the date of this Agreement:

- (a) there is or could reasonably be expected to be a material reduction in the rate of return from the Put Option Agreement; or
- (b) there is or could reasonably be expected to be a reduction in the revenue of the Group or the Borrower Group as compared to the immediately preceding financial quarter.

23.22 Declared company

An Obligor is declared by the Minister of Finance in Singapore to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore.

23.23 Cessation of business

An Obligor or a member of the Borrower Group suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business or of the business of the Group taken as a whole.

23.24 Top 10 Clients

There is a reduction in revenue generated from the Top 10 Clients for the most recent financial half-year compared to the revenue generated from the Top 10 Clients for the immediately preceding financial half-year which exceeds 20 per cent. of the revenue of the Group for the immediately preceding financial half-year. For the purpose of calculation under this Clause 23.24, the amount of all revenue shall be converted into US Dollars at the Agent's spot rate of exchange for the purchase of US Dollars applicable as at 11:00 a.m. on the last day of the most recent financial half-year.

23.25 Loan to Value Ratio

The Loan to Value at any time exceeds 100 per cent. (the "Event") unless, within 5 Business Days of the Event, the Company notifies the Agent of the Event and (on or prior to the last day of the Interest Period during which such Event occurs) makes a prepayment of the Loan in accordance with the terms of this Agreement so that (immediately after such prepayment) the Loan to Value no longer exceeds 100 per cent.

23.26 Acceleration

- (a) Subject to paragraph (b) below, on and at any time after the occurrence of an Event of Default the Agent may, and shall if so directed by the Majority Lenders, by notice to the Borrower:
 - (i) cancel the Total Commitments whereupon they shall immediately be cancelled;
 - (ii) declare that all or part of the Loan, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or
 - (iii) declare that all or part of the Loan be payable on demand, whereupon they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders.

- (b) If an Event of Default occurs under Clause 23.7 (*Insolvency proceedings*) in relation to any US Guarantor, each amount expressed by Clause 17 (*Guarantee and indemnity*) to be payable by that US Guarantor on demand shall, after that Event of Default has occurred, be immediately due and payable by that US Guarantor without the need for any demand or other claim on that US Guarantor or any other Obligor.

SECTION 9
CHANGES TO PARTIES

24. Changes to the Lenders

24.1 Assignments and transfers by the Lenders

Subject to this Clause 24, a Lender (the “**Existing Lender**”) may:

- (a) assign any of its rights; or
- (b) transfer by novation any of its rights and obligations,

to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the “**New Lender**”) without the prior consent of, or notice to, any Obligor or any other member of the Group or the Borrower Group.

24.2 Conditions of assignment or transfer

- (a) An assignment will only be effective on:
 - (i) receipt by the Agent of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the other Finance Parties as it would have been under if it was an Original Lender; and
 - (ii) performance by the Agent and the Security Trustee of all “know your customer” or other checks relating to any person that it is required to carry out in relation to such assignment to a New Lender, the completion of which the Security Trustee shall promptly notify to the Agent and the Agent shall promptly notify the Existing Lender and the New Lender (as the case may be).
- (b) A transfer will only be effective if the procedure set out in Clause 24.5 (*Procedure for transfer*) is complied with.

24.3 Assignment or transfer fee

The New Lender shall, on the date upon which the Transfer Certificate (in the case of a transfer) is delivered to the Agent in accordance with Clause 24.5 (*Procedure for transfer*), or the date on which the written confirmation (in the case of an assignment) from the New Lender in accordance with Clause 24.2(a)(i) (*Conditions of assignment or transfer*) is delivered to the Agent, pay to the Agent (for its own account) a fee of US\$2,000.

24.4 Limitation of responsibility of Existing Lenders

- (a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:
 - (i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;
 - (ii) the financial condition of any Obligor;
 - (iii) the performance and observance by any Obligor of its obligations under the Finance Documents or any other documents; or

- (iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document, and any representations or warranties implied by law are excluded.
- (b) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:
 - (i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and
 - (ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.
- (c) Nothing in any Finance Document obliges an Existing Lender to:
 - (i) accept a re-transfer from a New Lender of any of the rights and obligations assigned or transferred under this Clause 24; or
 - (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Finance Documents or otherwise.

24.5 Procedure for transfer

- (a) Subject to the conditions set out in Clause 24.2 (*Conditions of assignment or transfer*), a transfer is effected in accordance with paragraph (b) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of three duly completed Transfer Certificates appearing on their face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute such Transfer Certificates.
- (b) The Agent shall not be obliged to execute any Transfer Certificate unless:
 - (i) the proposed Transfer Date specified in such Transfer Certificate is at least five Business Days after its receipt of such Transfer Certificate; and
 - (ii) the Agent is satisfied it and the Security Trustee have complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the transfer to such New Lender.
- (c) On the Transfer Date:
 - (i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents, each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and their respective rights against one another under the Finance Documents shall be cancelled (being the "**Discharged Rights and Obligations**");

- (ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;
- (iii) the Agent, the Security Trustee, the Arranger, the New Lender and other Lenders shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, the Security Trustee, the Arranger and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and
- (iv) the New Lender shall become a Party as a "Lender".

24.6 Copy of Transfer Certificate to the Company

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate, send to the Company a copy of that Transfer Certificate.

24.7 Universal Succession (Assignments and Transfers)

If a Lender is to be merged with any other person by universal succession, such Lender shall, at its own cost within forty-five days of that merger furnish to the Agent:

- (i) an original or certified true copy of a legal opinion issued by a qualified legal counsel practising law in its jurisdiction of incorporation confirming that all such Lender's assets, rights and obligations generally have been duly vested in the succeeding entity who has succeeded to all relationships as if those assets, rights and obligations had been originally acquired, incurred or entered into by the succeeding entity; and
- (ii) an original or certified true copy of a written confirmation by either the Lender's legal counsel or such other legal counsel acceptable to the Agent and for the benefit of the Agent (in its capacity as agent of the Lenders) that the laws of England and of the jurisdiction in which the Facility Office of such Lender is located and the laws of any other applicable jurisdictions recognise such merger by universal succession under the relevant foreign laws, whereupon a transfer and novations of all such Lender's assets, rights and obligations to its succeeding entity shall have been, or be deemed to have been, duly effected as at the date of the said merger.

If such Lender, in a universal succession, does not comply with the requirements under this Clause 24.7, the Agent has the right to decline to recognise the succeeding entity and demand such Lender and the succeeding entity to either sign and deliver a Transfer Certificate to the Agent evidencing the disposal of all rights and obligations of such Lender to that succeeding entity, or provide or enter into such documents, or make such arrangements acceptable to the Agent (acting on the advice of the Lender's legal counsel (any legal costs so incurred shall be borne by the relevant Lender) in order to establish that all rights and obligations of the relevant Lender under this Agreement have been transferred to and assumed by the succeeding entity.

24.8 Disclosure of information

Any Finance Party may disclose to:

- (a) any of its Affiliates;
- (b) its head office and any other branch;
- (c) any other Finance Parties, any Obligor and any Put Provider; and
- (d) and any other person:
 - (i) to (or through) whom that Lender assigns or transfers (or may potentially assign or transfer) all or any of its rights and obligations under this Agreement;
 - (ii) with (or through) whom that Lender enters into (or may potentially enter into) any sub-participation in relation to, or any other transaction under which payments are to be made by reference to, this Agreement or any Obligor; or
 - (iii) to whom, and to the extent that, information is permitted to be disclosed by Section 47 of the Banking Act, Chapter 19 of Singapore; or
 - (iv) to whom, and to the extent that, information is required to be disclosed by any applicable law or regulation or by any regulatory, supervisory or other authority or Governmental Agency or by any court or tribunal;
- (e) any of its professional advisers and any other persons providing services to it (provided that such person is under a duty of confidentiality, contractual or otherwise, to such Finance Party);
- (f) any person to the extent required for the purpose of any litigation, arbitration or regulatory proceedings or procedure; and
- (g) any insurer or re-insurer of that Finance Party or any Obligor,

any information about any Obligor, the Group, the Put Providers and the Finance Documents as that Finance Party shall consider appropriate if, in relation to paragraphs (d)(i) and (d)(ii) above, the person to whom the information is to be given has entered into a Confidentiality Undertaking. This Clause 24.8 supersedes any previous agreement relating to the confidentiality of this information. The consent and authorisation to disclose contained in this Clause 24.8 shall be without prejudice to, but in addition to, any other consent or right of disclosure which a Finance Party may have under applicable law or regulation. This Clause 24.8 shall survive notwithstanding the full repayment, cancellation or termination of the Facility or the termination of one or more types of banker and customer and/or lender and borrower relationships between any Obligor and any Finance Party. This Clause 24.8 is not and shall not be deemed to constitute, an express or implied agreement by any Finance Party with any Obligor for a higher degree of confidentiality than that prescribed in Section 47 of, and the Third Schedule to, the Banking Act, Chapter 19 of Singapore.

25. Changes to the Obligors

25.1 Transfer by Obligors

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

25.2 Additional Guarantors

- (a) The Company may request that any of its Subsidiaries become an Additional Guarantor. That Subsidiary shall become an Additional Guarantor if:
- (i) the Company delivers to the Agent a duly completed and executed Accession Letter; and
 - (ii) the Agent has received all of the documents and other evidence listed in and appearing to comply with the requirements of Part III (*Conditions precedent required to be delivered by an Additional Guarantor*) of (*Conditions precedent and subsequent*) in relation to that Additional Guarantor.
- (b) The Agent shall notify the Company and the Lenders promptly upon receiving such documents and other evidence.
- (c) The Company shall, on the date upon which an aforesaid Accession Letter (as duly completed and executed by the Company and the proposed Additional Guarantor) is delivered to the Agent, pay to the Agent (for its own account) a fee of US\$3,000 in respect of each proposed Additional Guarantor named therein.

25.3 Repetition of representations

Delivery of an Accession Letter constitutes confirmation by the relevant Subsidiary that the Repeating Representations are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

SECTION 10
THE FINANCE PARTIES

26. Role of the Agent, the Security Trustee and the Arranger

26.1 Appointment of the Agent and the Security Trustee

- (a) The Arranger and each Lender appoints the Agent to act as its agent under and in connection with the Finance Documents.
- (b) Each other Finance Party appoints the Security Trustee to act as security trustee under and in connection with the Finance Documents.
- (c) The Arranger and each Lender authorises the Agent to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

26.2 Duties of the Agent and the Security Trustee

- (a) The Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.
- (b) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (c) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the Lenders.
- (d) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Security Trustee, the Agent or the Arranger) under this Agreement it shall promptly notify the other Finance Parties.
- (e) The Agent shall promptly send to the Security Trustee such certification as the Security Trustee may require pursuant to paragraph 7 (*Basis of distribution*) of (*Security trust provisions*).
- (f) Except as provided in the Finance Documents, the duties of the Agent and the Security Trustee under the Finance Documents are solely mechanical and administrative in nature. Neither the Agent nor the Security Trustee shall have any other duties save as expressly provided in the Finance Documents to which it is party.
- (g) The Security Trustee shall promptly inform the Agent of the contents of any notice or document or payment received by it (in its capacity as security trustee and/or trustee for the Finance Parties) from any Obligor under any Finance Document.
- (h) If the Security Trustee receives notice from any Party referring to a Finance Document, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the Agent.

26.3 Role of the Arranger

Except as specifically provided in the Finance Documents, the Arranger has no obligations of any kind to any other Party under or in connection with any Finance Document.

26.4 Role of the Security Trustee

Except as specifically provided in the Finance Documents, the Security Trustee shall not be an agent of any Finance Party or any Obligor under or in connection with any Finance Document.

26.5 No fiduciary duties

- (a) Nothing in this Agreement constitutes the Agent, the Security Trustee (except as expressly provided in (*Security trust provisions*) and in Clause 26.1(b) (*Appointment of the Agent and the Security Trustee*) or the Arranger as a trustee or fiduciary of any other person.
- (b) Neither the Agent, the Security Trustee (except as expressly provided in (*Security trust provisions*) or in any Security Document) nor the Arranger shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

26.6 Business with the Group

The Agent, the Security Trustee and the Arranger may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

26.7 Rights and discretions of the Agent and the Security Trustee

- (a) The Agent and the Security Trustee may rely on:
 - (i) any representation, notice or document believed by it to be genuine, correct and appropriately authorised and shall have no duty to verify any signature on any document; and
 - (ii) any statement purportedly made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.
- (b) The Agent and the Security Trustee may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders or, as the case may be, as security trustee for the Finance Parties) that:
 - (i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 23.1 (*Non-payment*)); and
 - (ii) any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised.
- (c) Each of the Agent and the Security Trustee may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.
- (d) Each of the Agent and the Security Trustee may act in relation to the Finance Documents through its personnel and agents.
- (e) Each of the Agent and the Security Trustee may disclose to any other Party any information it reasonably believes it has received as agent or, as the case may be, security trustee under this Agreement or the other Finance Documents.
- (f) Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent, the Security Trustee nor the Arranger is obliged to do or omit to do anything if it would or might in

its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

26.8 Majority Lenders' instructions

- (a) Unless a contrary indication appears in a Finance Document, the Agent and the Security Trustee shall (i) exercise any right, power, authority or discretion vested in it as Agent or Security Trustee, as the case may be, in accordance with any instructions given to it by the Majority Lenders (or, if so instructed by the Majority Lenders, refrain from exercising any right, power, authority or discretion vested in it as Agent or Security Trustee, as the case may be) and (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Lenders.
- (b) Unless a contrary indication appears in a Finance Document, any instructions given by the Majority Lenders will be binding on all the Finance Parties.
- (c) Each of the Agent and the Security Trustee may refrain from acting in accordance with the instructions of the Majority Lenders (or, if appropriate, the Lenders) or under paragraph (d) below until it has received such security as it may require for any cost, loss or liability (together with any associated Indirect Tax) which it may incur in complying with the instructions.
- (d) In the absence of instructions from the Majority Lenders (or, if appropriate, the Lenders), the Agent and the Security Trustee may act (or refrain from taking action) as it considers to be in the best interest of the Lenders.
- (e) Neither the Agent nor the Security Trustee is authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document.

26.9 Responsibility for documentation

Neither the Agent, the Security Trustee nor the Arranger:

- (a) is responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Agent, the Arranger, the Security Trustee, an Obligor or any other person given in or in connection with any Finance Document; or
- (b) is responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document.

26.10 Exclusion of liability

- (a) Without limiting paragraph (b) below, neither the Agent nor the Security Trustee will be liable for any action taken by it, or for omitting to take action under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct.
- (b) No Party (other than the Agent or the Security Trustee) may take any proceedings against any officer, employee or agent of the Agent or the Security Trustee in respect of any claim it might have against the Agent or the Security Trustee or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document. Any officer, employee or agent referred to in this paragraph (b) may enjoy the benefit of or enforce the terms of this

paragraph in accordance with the provisions of the Third Parties Act and any such officer, employee or agent may rely on this Clause 26.10.

- (c) Neither the Agent nor the Security Trustee will be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by it if it has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by it for that purpose.
- (d) Nothing in this Agreement shall oblige the Agent, the Security Trustee or the Arranger to carry out any "know your customer" or other checks in relation to any person on behalf of any Lender and each Lender confirms to the Agent, the Security Trustee and the Arranger that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent, the Security Trustee or the Arranger.

26.11 Special Damages and Consequential Loss

Notwithstanding any other term or provision of this Agreement to the contrary, the Agent shall not be liable under any circumstances for special, punitive, indirect or consequential loss or damage of any kind whatsoever including but not limited to loss of profits, whether or not foreseeable, even if the Agent is actually aware of or has been advised of the likelihood of such loss or damage and regardless of whether the claim for such loss or damage is made in negligence, for breach of contract, breach of trust, breach of fiduciary obligation or otherwise. The provisions of this Clause shall survive the termination or expiry of this Agreement or the resignation or removal of the Agent.

26.12 Lenders' indemnity to the Agent and the Security Trustee

- (a) Subject to paragraph (b) below, each Lender shall (in proportion to its Commitment to the Available Facility) indemnify the Agent and the Security Trustee, within three Business Days of demand, against any cost, loss or liability incurred by the Agent or the Security Trustee (otherwise than by reason of its gross negligence or wilful misconduct) in acting as Agent or, as the case may be, Security Trustee under the Finance Documents (unless the Agent or, as applicable, the Security Trustee has been reimbursed by an Obligor pursuant to a Finance Document).
- (b) If the Available Facility is then zero each Lender's indemnity under paragraph (a) above shall be in proportion to its Commitment to the Available Facility immediately prior to its reduction to zero, unless the Loan is then outstanding in which case it shall be in proportion to its participation in the Loan.

26.13 Force Majeure

Notwithstanding anything to the contrary in this Agreement, no Agent shall in any event be liable for any failure or delay in the performance of its obligations hereunder if it is prevented from so performing its obligations by any circumstances beyond the control of such Agent, including without limitation, existing or future law or regulation, any existing or future act of governmental authority, Act of God, flood, war whether declared or undeclared, terrorism, riot, rebellion, civil commotion, strike, lockout, other industrial action, general failure of electricity or other supply, aircraft collision, technical failure, accidental or mechanical or electrical breakdown, computer failure or failure of any money transmission system.

26.14 Resignation of the Agent or the Security Trustee

- (a) The Agent or the Security Trustee may resign and appoint one of its Affiliates as successor by giving notice to the other Finance Parties and the Company.
- (b) Alternatively the Agent or the Security Trustee may resign by giving notice to the other Finance Parties and the Company, in which case the Majority Lenders (after consultation with the Company) may appoint a successor Agent or, as the case may be, Security Trustee.
- (c) If the Majority Lenders have not appointed a successor Agent or, as the case may be, Security Trustee in accordance with paragraph (b) above within 30 days after notice of resignation was given, the Agent or, as the case may be, Security Trustee (after consultation with the Company) may appoint a successor Agent or, as the case may be, Security Trustee.
- (d) The retiring Agent or Security Trustee shall make available to its successor such documents and records and provide such assistance as its successor may reasonably request for the purposes of performing its functions as Agent or Security Trustee under the Finance Documents.
- (e) The resignation notice of the Agent or the Security Trustee shall only take effect upon the appointment of a successor.
- (f) Upon the appointment of a successor, the retiring Agent or Security Trustee shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 26. Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
- (g) After consultation with the Company, the Majority Lenders may, by notice to the Agent or, as the case may be, the Security Trustee, require it to resign in accordance with paragraph (b) above. In this event, the Agent or, as the case may be, the Security Trustee shall resign in accordance with paragraph (b) above.

26.15 Confidentiality

- (a) The Agent (in acting as agent for the Lenders) and the Security Trustee (in acting as security trustee for the Finance Parties) shall be regarded as acting through their respective agency or security trustee division which in each case shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by another division or department of the Agent or, as the case may be, the Security Trustee, it may be treated as confidential to that division or department and the Agent or, as the case may be, the Security Trustee shall not be deemed to have notice of it.
- (c) Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent, the Security Trustee nor the Arranger is obliged to disclose to any person (i) any confidential information or (ii) any other information if the disclosure would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of any contractual or fiduciary duty.

26.16 Relationship with the Lenders

The Agent may treat each Lender as a Lender, entitled to payments under this Agreement and acting through its Facility Office unless it has received not less than five Business Days prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

26.17 Credit appraisal by the Lenders

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Agent, the Security Trustee and the Arranger that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, Security, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (c) whether that Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, Security, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and
- (d) the adequacy, accuracy and/or completeness of any information provided by the Agent, the Security Trustee, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, Security, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

26.18 Reference Banks

If a Reference Bank ceases generally to offer quotations for LIBOR, the Agent shall (in consultation with the Company) appoint another bank or financial institution approved by the Majority Lenders to replace that Reference Bank.

26.19 Deduction from amounts payable by the Agent

If any Party owes an amount to the Agent or the Security Trustee under the Finance Documents the Agent or the Security Trustee (as the case may be) may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent or the Security Trustee (as the case may be) would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

26.20 Management time of the Agent and the Security Trustee

Any amount payable to the Agent or the Security Trustee under Clause 14.3 (*Indemnity to the Agent and the Security Trustee*), Clause 16 (*Costs and expenses*) and Clause 26.12 (*Lenders' indemnity to the Agent and the Security Trustee*) shall include the cost of utilising its management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as it may notify to the Company and the Lenders, and is in addition to any fee paid or payable to it under Clause 11 (*Fees*).

26.21 Security trust provisions

The provisions of (*Security trust provisions*) shall bind each Party.

26.22 USA Patriot Act

Each Lender hereby notifies each Obligor that pursuant to the requirements of the USA Patriot Act, such Lender is required to obtain, verify and record information that identifies such Obligor, which information includes the name and address of such Obligor and other information that will allow such Lender to identify such Obligor in accordance with the USA Patriot Act.

26.23 Anti-Money Laundering and Terrorism

For so long as The Hongkong and Shanghai Banking Corporation Limited or any of its Affiliates is the Agent, the Agent may take and instruct any delegate to take any action which it in its sole discretion considers appropriate so as to comply with any applicable law, regulation, request of a public or regulatory authority or any HSBC Group policy which relates to the prevention of fraud, money laundering, terrorism or other criminal activities or the provision of financial and other services to sanctioned persons or entities. Such action may include but is not limited to the interception and investigation of transactions on accounts (particularly those involving the international transfer of funds) including the source of the intended recipient of fund paid into or out of accounts. In certain circumstances, such action may delay or prevent the processing of instructions, the settlement of transactions over the accounts or the Agent's performance of its obligations under this Finance Documents / Agreement. Where possible, the Agent will use reasonable endeavours to notify the relevant parties of the existence of such circumstances. Neither the Agent nor any delegate of the Agent will be liable for any loss (whether direct or consequential and including, without limitation, loss of profit or interest) caused in whole or in part by any actions which are taken by the Agent or any delegate of the Agent pursuant to this clause. For the purposes of this clause, the "HSBC Group" means HSBC Holdings plc, its subsidiaries and associated companies."

27. Conduct of business by the Finance Parties

No provision of this Agreement will:

- (a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

28. Sharing among the Finance Parties

28.1 Payments to Finance Parties

If a Finance Party (a "**Recovering Finance Party**") receives or recovers any amount from an Obligor other than in accordance with Clause 29 (*Payment mechanics*) and applies that amount to a payment due under the Finance Documents then:

- (a) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery to the Agent;

- (b) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 29 (*Payment mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and
- (c) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the "**Sharing Payment**") equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 29.5 (*Partial payments*).

28.2 **Redistribution of payments**

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) in accordance with Clause 29.5 (*Partial payments*).

28.3 **Recovering Finance Party's rights**

- (a) On a distribution by the Agent under Clause 28.2 (*Redistribution of payments*), the Recovering Finance Party will be subrogated to the rights of the Finance Parties which have shared in the redistribution.
- (b) If and to the extent that the Recovering Finance Party is not able to rely on its rights under paragraph (a) above, the relevant Obligor shall be liable to the Recovering Finance Party for a debt equal to the Sharing Payment which is immediately due and payable.

28.4 **Reversal of redistribution**

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (a) each Finance Party which has received a share of the relevant Sharing Payment pursuant to Clause 28.2 (*Redistribution of payments*) shall, upon request of the Agent, pay to the Agent for account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay); and
- (b) that Recovering Finance Party's rights of subrogation in respect of any reimbursement shall be cancelled and the Borrower will be liable to the reimbursing Finance Party for the amount so reimbursed.

28.5 **Exceptions**

- (a) This Clause 28 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Obligor.

- (b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:
- (i) it notified that other Finance Party of the legal or arbitration proceedings; and
 - (ii) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

ADMINISTRATION

29. Payment mechanics

29.1 Payments to the Agent

- (a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document, that Obligor (subject to Clause 29.9 (*Payments to the Security Trustee*)) or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (b) Payment shall be made to such account with such bank as the Agent specifies.

29.2 Distributions by the Agent

Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 29.3 (*Distributions to an Obligor*), Clause 29.4 (*Clawback*) and Clause 29.9 (*Payments to the Security Trustee*), be made available by the Agent by payment as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five Business Days' prior notice, with a bank in the principal financial centre of the country of that currency. Any notice given to the Agent by a Party under this Clause 29.2 is only effective when the original notice is received by the Agent signed by an authorised officer of that Party.

29.3 Distributions to an Obligor

The Agent and the Security Trustee may (with the consent of the Obligor or in accordance with Clause 30 (*Set-off*)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

29.4 Clawback

- (a) Where a sum is to be paid to the Agent or the Security Trustee under the Finance Documents for another Party, the Agent or, as the case may be, the Security Trustee is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.
- (b) If the Agent or the Security Trustee pays an amount to another Party and it proves to be the case that it had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent or, as the case may be, the Security Trustee shall on demand refund the same to the Agent or, as the case may be, the Security Trustee, together with interest on that amount from the date of payment to the date of receipt by the Agent or, as the case may be, the Security Trustee, calculated by it to reflect its cost of funds.

29.5 Partial payments

- (a) If the Agent receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under the Finance Documents in the following order:
 - (i) **first**, in or towards payment pro rata of any unpaid fees, costs and expenses of the Agent, the Security Trustee or the Arranger under the Finance Documents;
 - (ii) **secondly**, in or towards payment pro rata of any accrued interest or commission or other fee due but unpaid under this Agreement;
 - (iii) **thirdly**, in or towards payment pro rata of any principal due but unpaid under this Agreement; and
 - (iv) **fourthly**, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.
- (b) The Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (a)(ii) to (iv) above.
- (c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

29.6 No set-off by Obligor

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

29.7 Business Days

- (a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

29.8 Currency of account

- (a) Subject to paragraphs (b) to (e) below, US Dollars is the currency of account and payment for any sum due from an Obligor under any Finance Document.
- (b) A repayment of the Loan or an Unpaid Sum or a part of the Loan or an Unpaid Sum shall be made in the currency in which the Loan or that Unpaid Sum is denominated on its due date.
- (c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.
- (d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.
- (e) Any amount expressed to be payable in a currency other than US Dollars shall be paid in that other currency.

29.9 **Payments to the Security Trustee**

Notwithstanding any other provision of any Finance Document, at any time after any Security created by or pursuant to any Security Document becomes enforceable, the Security Trustee may require:

- (a) any Obligor to pay all sums due under any Finance Document; or
- (b) the Agent to pay all sums received or recovered from an Obligor under any Finance Document,

in each case as the Security Trustee may direct for application in accordance with the terms of the Security Documents or (*Security trust provisions*).

30. **Set-off**

Without prior notice to the Obligor, a Finance Party may but is not obliged to, set off any obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any obligation owed by that Finance Party to that Obligor (whether or not matured), regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

31. **Notices**

31.1 **Communications in writing**

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

31.2 **Addresses**

The address, fax number and (if applicable) email address (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (a) in the case of each Original Obligor, that identified with its name below;
- (b) in the case of each Lender, that notified in writing to the Agent on or prior to the date on which it becomes a Party; and
- (c) in the case of the Agent and the Security Trustee, that identified with its name below,

or any substitute address, fax number, email address or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five Business Days' notice.

31.3 **Delivery**

- (a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:
 - (i) if sent by fax before 5:00 p.m. (local time in the place to which it is sent) on a working day in that place, when sent or, if sent by fax at any other time, at 9:00 a.m. (local time in the place to

which it is sent) on the next working day in that place, provided, in each case, that the person sending the fax shall have received a transmission receipt; or

- (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 31.2 (*Addresses*), if addressed to that department or officer. For this purpose, working days are days other than Saturdays, Sundays and bank holidays.

- (b) Any communication or document to be made or delivered to the Agent or the Security Trustee will be effective only when actually received by it and then only if it is expressly marked for the attention of the department or officer identified with its signature below (or any substitute department or officer as it shall specify for this purpose).
- (c) All notices from or to an Obligor shall be sent through the Agent.

31.4 **Reliance**

- (a) Any notice sent under this Clause 31 can be relied on by the recipient if the recipient reasonably believes the notice to be genuine and if it bears what appears to be the signature (original or facsimile) of an authorised signatory of the sender without the need for further enquiry or confirmation.
- (b) Each Party must take reasonable care to ensure that no forged, false or unauthorised notices are sent to another Party.

31.5 **English language**

- (a) Any notice given under or in connection with any Finance Document must be in English.
- (b) All other documents provided under or in connection with any Finance Document must be:
 - (i) in English; or
 - (ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

32. **Calculations and certificates**

32.1 **Accounts**

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are prima facie evidence of the matters to which they relate.

32.2 **Certificates and determinations**

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

32.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

33. Partial invalidity

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

34. Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under the Finance Documents shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

35. Amendments and waivers

35.1 Required consents

- (a) Subject to Clause 35.2 (*Exceptions*), any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Obligors and any such amendment or waiver will be binding on all Parties.
- (b) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 35.

35.2 Exceptions

- (a) An amendment or waiver that has the effect of changing or which relates to:
 - (i) the definition of "**Majority Lenders**" in Clause 1.1 (*Definitions*);
 - (ii) an extension to the date of payment of any amount under the Finance Documents;
 - (iii) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable;
 - (iv) an increase in or an extension of any Commitment;
 - (v) a change to the Borrower, the Guarantors or a Put Provider other than in accordance with Clause 25 (*Changes to the Obligors*);
 - (vi) any provision which expressly requires the consent of all the Lenders;

- (vii) Clause 2.2 (*Finance Parties' rights and obligations*), Clause 24 (*Changes to the Lenders*), Clause 28 (*Sharing among the Finance Parties*) or this Clause 35;
 - (viii) the release of any Security created pursuant to any Security Document or of any Charged Assets (except as provided in any Security Document); or
 - (ix) the nature and scope of the guarantee and indemnity granted under Clause 17 (*Guarantee and indemnity*), shall not be made without the prior consent of all the Lenders.
- (b) An amendment or waiver which relates to the rights or obligations of the Agent, the Security Trustee or the Arranger may not be effected without the consent of the Agent, the Security Trustee or, as the case may be, the Arranger.

36. **Counterparts**

Each Finance Document may be executed in any number of counterparts, and this shall have the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

SECTION 12
GOVERNING LAW AND ENFORCEMENT

37. Governing law

This Agreement and all non-contractual obligations arising from or in connection with this Agreement are governed by English law.

38. Enforcement

38.1 Jurisdiction

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including any dispute relating to any non-contractual obligation arising from or in connection with this Agreement and any dispute regarding the existence, validity or termination of this Agreement) (a "**Dispute**").
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 38.1 is for the benefit of the Finance Parties only. As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

38.2 Service of process

Without prejudice to any other mode of service allowed under any relevant law, each Obligor (other than an Obligor incorporated in England and Wales):

- (a) irrevocably appoints WNS Global Services (UK) Limited as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document and WNS Global Services (UK) Limited by its execution of this Agreement accepts that appointment; and
- (b) agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

38.3 Consent to enforcement etc.

Each Obligor irrevocably and generally consents in respect of any proceedings anywhere in connection with any Finance Document to the giving of any relief or the issue of any process in connection with those proceedings including, without limitation, the making, enforcement or execution against any assets whatsoever (irrespective of their use or intended use) of any order or judgment which may be made or given in those proceedings.

38.4 Waiver of immunity

Each Obligor irrevocably agrees that, should any Party take any proceedings anywhere (whether for an injunction, specific performance, damages or otherwise in connection with any Finance Document), no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) from those proceedings, from attachment (whether in aid of execution, before judgment or otherwise) of its assets or from execution of judgment shall be claimed by it

or with respect to its assets, any such immunity being irrevocably waived. Each Obligor irrevocably agrees that it and its assets are, and shall be, subject to such proceedings, attachment or execution in respect of its obligations under the Finance Documents.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

The Company

WNS (HOLDINGS) LIMITED

Address: 12 Castle Street, St Helier, Jersey, JE2 3RT, Channel Islands

Fax No.: +44 (1534) 847001

Attention: Vikas Gupta / Keshav Muruges

By: /s/ Vikas Gupta

The Borrower

WNS (MAURITIUS) LIMITED

Address: c/o Multiconsult Limited, Rogers House, 5, President John Kennedy Street, Port Louis, Mauritius

Fax No.: 230 (212) 5265

Attention: Johnson Selvadurai / Lyndon Rodrigues / Sonia Lutchmiah / Madhvi Narain

By: /s/ Johnson Selvadurai

The Guarantors

WNS (HOLDINGS) LIMITED

Address: 12 Castle Street, St Helier, Jersey, JE2 3RT, Channel Islands

Fax No.: +44 (1534) 847001

Attention: Vikas Gupta / Keshav Muruges

By: /s/ Vikas Gupta

WNS GLOBAL SERVICES (UK) LIMITED

Address: Acre House, 11-15 William Road, London NW1 3ER, UK

Fax No.: +44 208 754 8570

Attention: Alok Misra / Lyndon Rodrigues / Johnson Selvadurai

By: /s/ Alok Misra

WNS NORTH AMERICA INC.

Address: 420 Lexington Avenue, Suite 2515, New York, NY 10170, USA

Fax No.: +1 212 599-6962

Attention: Vikas Gupta / Steve Reynolds

By: /s/ Vikas Gupta

WNS CAPITAL INVESTMENT LIMITED

Address: c/o Multiconsult Limited, Roger House, 5 President John Kennedy Street, Port-Louis, Mauritius

Fax No.: 230 (212) 5265

Attention: Johnson Selvadurai / Lyndon Rodrigues / Sonia Lutchmiah / Madhvi Narain

By: /s/ Johnson Selvadurai

WNS CUSTOMER SOLUTIONS (SINGAPORE) PRIVATE LIMITED

Address: (i) 3, Anson Road, #07-01, Springleaf Tower, Singapore 079909

Fax No.: +65 6323 4230

Attention: Vikas Gupta / Alok Misra / Pauline Ang Hooi Yeong

By: /s/ Vikas Gupta

ACCIDENTS HAPPEN ASSISTANCE LTD

Address: c/o The Fisher Organisation, Acre House, 11-15 William Road, London NW1, 3ER, United Kingdom

Fax No.: +44 (0) 20 7380 4900

Attention: Vikas Gupta / Alok Misra

By: /s/ Alok Misra

The Arranger

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED

By: /s/ Wanda P W Lee

DBS BANK LTD.

By: /s/ Rishad Reporter

BNP PARIBAS

By: /s/ K Rajagopalan
/s/ Sachin Shah

The Original Lenders

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED

By: /s/ Wanda P W Lee

DBS BANK LTD.

By: /s/ Rishad Reporter

BNP PARIBAS

By: /s/ K Rajagopalan
/s/ Sachin Shah

The Agent

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED

Address: Level 30, HSBC Main Building, 1 Queens Road Central, HONG KONG

Fax No: (852) 2523 4641

Attention: Corporate Trust and Loan Agency

By: /s/ Howard H J Yu

The Security Trustee

MORGAN WALKER SOLICITORS LIMITED

Address: 115A Chancery Lane
London WC2A 1PR
United Kingdom

Fax No: +44 207 831 9638

Attention: Sheetal Gaur

By: /s/ Ashok Sancheti

The Original Account Bank

HSBC BANK (MAURITIUS) LTD

By: /s/ James Boucher

The Additional Account Bank

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED

By: /s/ Wanda P W Lee