

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report _____

Commission file number 001-32945

WNS (Holdings) Limited

(Exact Name of Registrant as Specified in Its Charter)

Not Applicable
(Translation of Registrant's Name Into English)

Jersey, Channel Islands
(Jurisdiction of Incorporation or Organization)

Gate 4, Godrej & Boyce Complex
Pirojshanagar, Vikhroli(W)
Mumbai 400 079, India
(91-22) 4095-2100

(Address and Telephone Number of Principal Executive Offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class

Name of Each Exchange
on Which Registered

American Depositary Shares, each represented by
one Ordinary Share, par value 10 pence per share

The New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

As of March 31, 2008, 42,363,100 ordinary shares, par value 10 pence per share, were issued and outstanding, of which 19,415,759 ordinary shares were held in the form of 19,415,759 American Depositary Shares, or ADSs. Each ADS represents one ordinary share.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Note — Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this report is an annual report, indicate by check mark if the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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CONVENTIONS USED IN THIS ANNUAL REPORT

In this annual 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. Names of our clients are listed in alphabetical order in this annual report, unless otherwise stated.

We also refer in various places within this annual 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 “Item 5. Operating and Financial Review and Prospects.” 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.

We also refer to information regarding the business process outsourcing industry, our company and our competitors from market research reports, analyst reports and other publicly available sources. Although we believe that this information is reliable, we have not independently verified the accuracy and completeness of the information. We caution you not to place undue reliance on this data.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual 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 factors include but are not limited to:

- 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;
- our ability to attract and retain clients;
- 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;
- regulatory, legislative and judicial developments;
- increasing competition in the business process outsourcing industry;

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- political or economic instability in India, Sri Lanka and Jersey;
- worldwide economic and business conditions;
- our ability to successfully grow our revenues, expand our service offerings and market share and achieve accretive benefits from our acquisition of Aviva Global Services Singapore Private Limited, or Aviva Global, and our master services agreement with Aviva Global Services (Management Services) Private Limited, or AVIVA MS, as described below; and
- our ability to successfully consummate strategic acquisitions.

These and other factors are more fully discussed in “Item 3. Key Information — D. Risk Factors,” “Item 5. Operating and Financial Review and Prospects” and elsewhere in this annual report. 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

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. Selected Financial Data

The selected consolidated statement of income data presented below for fiscal 2008, 2007 and 2006, and the selected consolidated balance sheet data as of March 31, 2008 and 2007, have been derived from our consolidated financial statements included elsewhere in this annual report. The selected consolidated statement of income data presented below for fiscal 2005 and 2004 and the selected consolidated balance sheet data as of March 31, 2006, 2005 and 2004 have been derived from our consolidated financial statements which are not included in this annual report. Our consolidated financial statements are prepared and presented in accordance with US GAAP. Our historical results do not necessarily indicate our results expected for any future period.

You should read the following information in conjunction with “Item 5. Operating and Financial Review and Prospects,” and our consolidated financial statements included elsewhere in this annual report.

	For the Year Ended March 31,				
	2008	2007	2006	2005	2004
	(US dollars in millions, except share and per share data)				
Consolidated Statement of Income Data:					
Revenue	\$ 459.9	\$ 352.3	\$ 202.8	\$ 162.2	\$ 104.1
Cost of revenue ⁽¹⁾	363.3	271.2	145.7	140.3	89.7
Gross profit	96.5	81.1	57.1	21.9	14.4
Operating expenses:					
Selling, general and administrative expenses ⁽¹⁾	72.7	52.5	36.3	24.9	18.8
Amortization of intangible assets	2.9	1.9	0.9	1.4	2.6
Impairment of goodwill, intangibles and other assets ⁽²⁾	15.5	—	—	—	—
Operating income (loss)	5.5	26.8	19.9	(4.4)	(7.0)
Other income, net	9.2	2.5	0.5	0.2	0.3
Interest expense	—	(0.1)	(0.4)	(0.5)	(0.1)
Income (loss) before income taxes	14.7	29.2	19.9	(4.7)	(6.8)
Provision for income taxes	(5.2)	(2.6)	(1.6)	(1.1)	—
Net income (loss)	\$ 9.5	\$ 26.6	\$ 18.3	\$ (5.8)	\$ (6.7)
Income (loss) per share/ADS:					
Basic	\$ 0.23	\$ 0.69	\$ 0.56	\$ (0.19)	\$ (0.22)
Diluted	\$ 0.22	\$ 0.65	\$ 0.52	\$ (0.19)	\$ (0.22)
Weighted—average shares/ADSs outstanding (basic)	42,070,206	38,608,188	32,874,299	30,969,658	30,795,888
Weighted—average shares/ADSs outstanding (diluted)	42,945,028	41,120,497	35,029,766	30,969,658	30,795,888

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	As of March 31,				
	2008	2007	2006	2005	2004
	(US dollars in millions)				
Consolidated Balance Sheet Data:					
<i>Assets</i>					
Cash and cash equivalents	\$ 102.7	\$ 112.3	\$ 18.5	\$ 9.1	\$ 14.8
Bank deposits and marketable securities	8.1	12.0	—	—	—
Accounts receivable, net	47.9	40.6	28.1	25.2	18.1
Other current assets ⁽³⁾	23.4	18.5	10.8	9.7	9.5
Total current assets	182.1	183.4	57.4	44.0	42.5
Deposits and deferred tax asset	15.4	6.2	4.3	2.6	1.3
Goodwill and intangible assets, net	96.9	44.5	42.5	26.7	27.6
Deferred contract costs — non current	1.3	—	—	—	—
Property and equipment, net	50.8	41.8	30.6	24.7	15.3
Total assets	346.5	275.9	134.8	98.0	86.6
<i>Liabilities and Shareholders' Equity</i>					
Note payable	—	—	—	10.0	—
Accrual for earn out payment	33.7	—	—	—	—
Total current liabilities	78.1	63.4	53.3	54.8	39.4
Deferred tax liabilities — non-current	1.8	0.0	2.3	—	—
Other non-current liabilities ⁽⁴⁾	5.7	7.0	1.0	0.2	0.5
Total shareholders' equity	227.2	205.5	78.2	43.0	46.7
Total liabilities and shareholders' equity	\$ 346.5	\$ 275.9	\$ 134.8	\$ 98.0	\$ 86.6

The following tables set forth for the periods indicated selected consolidated financial data:

	For the Year Ended March 31,				
	2008	2007	2006	2005	2004
	(US dollars in millions, except percentages and employee data)				
Other Consolidated Financial Data:					
Revenue	\$ 459.9	\$ 352.3	\$ 202.8	\$162.2	\$104.1
Gross profit as a percentage of revenue	21.0%	23.0%	28.1%	13.5%	13.8%
Operating income (loss) as a percentage of revenue	1.2%	7.6%	9.8%	(2.7)%	(6.7)%
Other Unaudited Consolidated Financial and Operating Data:					
Revenue less repair payments ⁽⁵⁾	\$ 290.7	\$ 219.7	\$ 147.9	\$ 99.0	\$ 49.9
Gross profit as a percentage of revenue less repair payments	33.2%	36.9%	38.6%	22.1%	28.9%
Operating income (loss) as a percentage of revenue less repair payments	1.9%	12.2%	13.4%	(4.4)%	(14.1)%
Number of employees (at period end)	18,104	15,084	10,433	7,176	4,472

Notes:

- (1) Includes the following share-based compensation amounts:

	For the Year Ended March 31,				
	2008	2007	2006	2005	2004
	(US dollars in millions)				
Cost of revenue	\$ 2.4	\$ 1.0	\$ 0.1	\$ 0.0	\$ 0.0
Selling, general and administrative expenses	4.4	2.7	1.8	0.2	0.2

- (2) We recorded an impairment charge of \$8.9 million on the goodwill, \$6.4 million on intangible assets and \$0.2 million on other assets acquired in the purchase of Trinity Partners Inc., or Trinity Partners.
- (3) Consists of funds held for clients, employee receivables, prepaid expenses, prepaid income taxes, deferred tax assets and other current assets.
- (4) Consists of obligation under capital leases — non-current, deferred revenue — non-current, deferred rent and accrued pension liability.
- (5) Revenue less repair payments is a non-GAAP measure. See the explanation below, as well as “Item 5. Operating and Financial Review and Prospects — Overview” and notes to our consolidated financial statements included elsewhere in this annual report. The following table reconciles our revenue (a GAAP measure) to revenue less repair payments (a non-GAAP measure):

	For the Year Ended March 31,				
	2008	2007	2006	2005	2004
	(US dollars in millions)				
Revenue	\$ 459.9	\$ 352.3	\$ 202.8	\$ 162.2	\$ 104.1
Less: Payments to repair centers	169.2	132.6	54.9	63.2	54.2
Revenue less repair payments	\$ 290.7	\$ 219.7	\$ 147.9	\$ 99.0	\$ 49.9

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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 claims handling and accident management services, where we arrange for automobile repairs through a network of repair centers. In our accident management services, we act as the principal in our dealings with the repair centers and our clients. The amounts invoiced to our clients for payments made by us to repair centers is reported as revenue. Since we wholly subcontract the repairs to the repair centers, we use revenue less repair payments as a primary measure to allocate resources and measure operating performance.

Revenue less repair payments is a non-GAAP measure. We believe that the presentation of this non-GAAP measure in this annual report provides useful information for investors regarding the financial performance of our business and our two reportable segments. See “Item 5. Operating and Financial Review and Prospects — Results by Reportable Segment.” 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.

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

This annual 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

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 50.6% to \$459.9 million in fiscal 2008 from \$202.8 million in fiscal 2006. Our revenue less repair payments has grown at a compound annual growth rate of 40.2% to \$290.7 million in fiscal 2008 from \$147.9 million in fiscal 2006. Our employees have increased to 18,104 as of

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March 31, 2008 from 10,433 as of March 31, 2006. In January 2008, we launched a 133-seat facility in Bucharest, Romania, to deliver finance and accounting, and customer support services across a range of industries in French, German, Italian and Spanish to clients with European operations. In addition, in fiscal 2008, we set up new delivery centers in Pune, Mumbai, Gurgaon, and Bangalore. Our majority owned subsidiary, WNS Philippines Inc., set up a delivery center in the Philippines in April 2008. WNS Philippines Inc. is a joint venture company set up with Advanced Contact Solutions, Inc., a leader in business process outsourcing, or BPO, services and customer care in the Philippines. We now have delivery centers in five locations in India, Sri Lanka, Romania, the Philippines and the UK. In fiscal 2009, we intend to set up new delivery centers in Mumbai, Nashik, Gurgaon and Pune. In July 2008, we entered into a transaction with AVIVA International Holdings Limited, or AVIVA, consisting of a share sale and purchase agreement pursuant to which we acquired from AVIVA all the shares of Aviva Global and a master services agreement with AVIVA MS, or the AVIVA master services agreement, pursuant to which we will provide BPO services to AVIVA's UK and Canadian businesses. Aviva Global was the business process offshoring subsidiary of AVIVA. See "Item 5. Operating and Financial Review and Prospects — Overview — Recent Developments" for more details on this transaction. We intend to continue expansion in the foreseeable future to pursue existing and potential market opportunities.

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.

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. For fiscal 2008 and 2007, our five largest clients accounted for 57.3% and 55.2% of our revenue and 42.2% and 45.7% of our revenue less repair payments, respectively.

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. For the three months ended June 30, 2007 and 2006, FMFC accounted for 3.7% and 6.5% of our revenue, and 6.0% and 7.5% our revenue less repair payments, respectively. 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 contracts with another major client, AVIVA, provide Aviva Global, which was AVIVA's business process offshoring subsidiary, options to require us to transfer the relevant 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 revenues generated by the Sri Lanka facility. From April 1, 2007 through July 2, 2007, the Sri Lanka facility contributed \$2.0 million of revenue and for the three months ended June 30, 2007 and 2006, the Sri Lanka facility accounted for 1.8% and 2.7% of our revenue, respectively, and 2.8% and 3.1% of our revenue less repair payments, respectively. In fiscal 2007 and 2006, the Sri Lanka facility accounted for 1.9% and 3.3% of our revenue, respectively, and 3.0% and 4.5% of our revenue less repair payments, respectively. With the transaction that we entered into with AVIVA in July 2008 described above, we have, through the acquisition of Aviva Global, resumed control of the Sri Lanka facility and we will continue to retain ownership of the Pune facility and we expect these facilities to continue to generate revenues for us under the AVIVA master services agreement. However, 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.

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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.

Our revenue is highly dependent on clients concentrated in a few industries, as well as clients located primarily in Europe and the United States. Any decrease in demand for outsourced services in these industries or economic slowdowns or factors that affect the worldwide economic and business conditions 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 industry. In fiscal 2008 and 2007, 57.4% and 61.8% of our revenue, respectively, and 32.7% and 38.7% of our revenue less repair payments, respectively, were derived from clients in the BFSI industry. During the same periods, clients in the travel industry contributed 22.5% and 22.8% of our revenue, respectively, and 35.6% and 36.6% 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. A downturn in any of our targeted industries, particularly the BFSI or travel 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. For example, following 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 0.9% and 4.3% of our revenue, respectively, and 1.4% and 6.8% of our revenue less repair payments, respectively. For the three months ended June 30, 2007 and 2006, FMFC accounted for 3.7% and 6.5% of our revenue, respectively, and 6.0% and 7.5% 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 of our operations.

Further, a downturn in worldwide economic and business conditions may result in our clients reducing or postponing their outsourced business requirements, which may in turn decrease the demand for our services and adversely affect our results of operations. In particular, our revenues are highly dependent on the economic health of Europe and the United States. In fiscal 2008 and 2007, 74.5% and 76.3% of our revenue, respectively, and 59.7% and 62.0% of our revenue less repair payments, respectively, were derived from clients located in Europe. During the same periods, 24.7% and 22.9% of our revenue, respectively, and 39.1% and 36.8% of our revenue less repair payments, respectively, were derived from clients located in North America (primarily the United States). Any weakening of the European or United States economy may have an adverse impact on our revenue.

Other developments may also lead to a decline in the demand for our services in these industries. For example, 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.

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 continued service and 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. 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.

We may fail to attract and retain enough sufficiently trained employees to support our operations, as competition for highly skilled personnel is intense 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. In fiscal 2008, our attrition rate for associates (employees who execute business processes for our clients following their completion of a six-month probationary period) was approximately 38.4% which we believe is broadly in line with our peers in the offshore business process outsourcing industry. There is significant competition in India 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 bank 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 a share sale and purchase agreement pursuant to which we acquired all the shares of Aviva Global and the AVIVA master services agreement pursuant to which we will provide BPO services to AVIVA's UK and Canadian businesses. We completed the 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. There are also two facilities in Chennai and Pune, India, which are operated by third party BPO providers but in respect of which Aviva Global has exercised its option to require such BPO providers to transfer such facilities to Aviva Global. The completion of the transfer of the Chennai facility occurred in July 2008. Completion of the transfer of the Pune facility is expected to occur in August 2008. The total consideration for the transaction was approximately £115 million (approximately \$229 million based on the noon buying rate as of June 30, 2008), subject to adjustments for cash, debt and the enterprise values of the companies holding the Chennai and Pune facilities which will be determined on their respective transfer dates to Aviva Global. We incurred a bank loan of \$200 million to fund, together with cash in hand, the consideration for the transaction.

No assurance can be given that the transfer of the Pune facility to Aviva Global described above will be successfully completed on a timely basis or at all. Although, in the event there is any delay in the transfer of the facility, AVIVA MS has agreed to pay us an amount equal to the profit margin we would have received from such facility during the period of delay, a delay in the transfer may impact our ability to achieve the expected benefits from the transaction within a target time frame. In addition, we will need to integrate Aviva Global's various facilities with the rest of our business. We cannot assure you that such integration will be successful. Failure to integrate the acquisition or to manage growth effectively could adversely affect our business, results of operations, financial condition and cash flows. We may not be able to grow our revenues, expand our service offerings and market share, or achieve the accretive benefits that we expected from the acquisition of Aviva Global and the AVIVA master services agreement.

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Furthermore, the bank loan that we have incurred to fund the transaction may put a strain on our financial position. For example, it could:

- increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to payments on the bank loan, thereby reducing the availability of our cash flow to fund capital expenditures, working capital and other general corporate purposes;
- require us to seek lender's consent prior to paying dividends on our ordinary shares; and
- limit our ability to incur additional borrowings or raise additional financing through equity or debt instruments.

In addition, the current rate of interest payable on the bank loan is US dollar LIBOR plus 3% per annum. However, this interest rate is subject to change as we have agreed that the arrangers for the bank loan have the right at any time prior to the completion of the syndication of the bank loan to change the pricing of the bank loan if any such arranger determines that such change is necessary to ensure a successful syndication of the bank loan. We expect the syndication of the bank loan to be completed by March 31, 2009. An increase of 1% in the interest rate payable on our outstanding bank loan will increase the interest payable by \$2 million per annum. There is no assurance that the interest rate for the bank loan will not increase in the future and any increase in interest rate may adversely affect our business, results of operations, financial condition and cash flows.

Wage increases in India 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, because of rapid economic growth in India, increased demand for business process outsourcing to India and increased competition for skilled employees in India, wages for comparably skilled employees in India are increasing at a faster rate than in the US and Europe, which may reduce this competitive advantage. In addition, if the US dollar or the pound sterling further 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.

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 industry experience seasonal changes in their operations in connection with the year-end holiday season and the school year, as well as episodic factors such as adverse weather conditions or strikes by pilots or air traffic controllers. Transaction volumes can be impacted by market conditions affecting the travel and insurance industries, including natural disasters, health scares (such as severe acute respiratory syndrome, or SARS, and avian influenza, or bird flu) and terrorist attacks. In addition, our contracts do not generally commit our clients to providing us with a specific volume of business.

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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 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.

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 five 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 representing 26.4% of our revenue and 20.6% of our revenue less repair payments from our clients in fiscal 2008 will expire on or before March 31, 2009. 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.

If our clients agree to provide us with a specified volume and scale of business or to provide us with business for a specified minimum duration, we may, in return, agree to include certain provisions in our contracts with such clients which provide for downward revision of our prices under certain circumstances. For example, certain client contracts provide that if during the term of the contract, we were to offer similar services to any other client on terms and conditions more favorable than those provided in the contract, we would be obliged to offer equally favorable terms and conditions to the client. This may result in lower revenue and profits under these contracts. Certain other 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 client contracts provide that during the term of the contract and under specified circumstances, we may not provide similar services to their competitors. 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 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.

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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 five 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.

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. One of the most significant components 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 and have a limited operating history. We may not be profitable in the future and may not be able to secure additional business.

We have incurred losses in each of the three fiscal years from fiscal 2003 through fiscal 2005. In future periods, we expect our selling, general and administrative, or SG&A, expenses to continue to increase. 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 additional losses.

In addition, the offshore business process outsourcing industry is a relatively new industry, and we have a limited operating history. We started our business by offering business process outsourcing services as part of British Airways in 1996. In fiscal 2003, we enhanced our focus on providing business process outsourcing services to third parties. As such, we have only focused on servicing third-party clients for a limited time. We may not be able to secure additional business or retain current business with third-parties or add third-party clients in the future.

If we cause disruptions to our clients' businesses or provide inadequate service, 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 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, a failure or inability to meet a contractual requirement could seriously damage our reputation and affect our ability to attract new business.

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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. To the extent that 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 commercial general liability 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.

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 and the Health Insurance Portability and Accountability 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 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.

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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, Sri Lanka, Romania, the Philippines and the UK, 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, Sri Lanka, Mauritius, the US and the UK. 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;
- 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 and financial condition.

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, Business Applications Associate Limited, or BizAps, and Flovate Technologies Limited, or Flovate (which we subsequently renamed as WNS Workflow Technologies Limited), in June 2008, and Chang Limited in April 2008. It is possible that in the future we may not succeed in identifying suitable acquisition targets available for sale on reasonable terms, have access to the capital required to finance potential acquisitions or be able to consummate any acquisition. The inability to identify suitable acquisition targets or 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 and any acquisition we do complete 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. In addition, the key personnel of the acquired company may decide not to work for us. The lack of profitability of any of our acquisitions could have a material adverse effect on our operating results. Future acquisitions 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. Acquisitions 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 another significant charge to earnings in the future when we review our goodwill, intangible or other assets for potential impairment.

As of March 31, 2008, we had goodwill and intangible assets of approximately \$87.5 million and \$9.4 million, respectively, which primarily resulted from the purchases of Marketics, Flovate, Town & Country Assistance Limited (which we subsequently rebranded as WNS Assistance) and WNS Global Services (Private) Limited, or WNS Global. Under US GAAP, we are required to review our goodwill, intangible 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. 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 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 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 commercial liability 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.

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.

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.

A variety of US federal and state legislation has been proposed that, if enacted, could restrict or discourage US companies from outsourcing their services to companies outside the US. For example, legislation has been proposed that would require offshore providers of services requiring direct interaction with clients' customers to identify to clients' customers where the offshore provider is located. Because some of our clients are located in the US, any expansion of existing laws or the enactment of new legislation restricting offshore outsourcing could adversely impact our ability to do business with US clients and have a material and adverse effect on our business, results of operations, financial condition and cash flows. In addition, it is possible that legislation could be adopted that would restrict US private sector companies that have federal or state government contracts from outsourcing their services to offshore service providers. This would affect our ability to attract or retain clients that have such contracts.

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Recent legislation introduced in the UK provides that if a company transfers or outsources its business or a part of its business to a transferee or a service provider, the employees who were employed in such business are entitled to become employed by the transferee or service provider on the same terms and conditions as they had been employed before. The dismissal of such employees as a result of such transfer of business is deemed unfair dismissal and entitles the employee to compensation. As a result, we may become liable for redundancy payments to the employees of our clients in the UK who outsource business to us. We believe this legislation will not affect our existing contracts with clients in the UK. However, we may be liable under any service level agreements we may enter into in the future pursuant to existing master services agreements with our UK clients. In addition, this legislation may have an adverse effect on potential business from clients in the UK.

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 various reasons, including to diversify 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.

Our controlling shareholder, Warburg Pincus, is able to control or significantly influence our corporate actions.

Warburg Pincus beneficially owns more than 50% of our shares. As a result of its ownership position, Warburg Pincus has the ability to control or 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. These actions may be taken even if they are opposed by the other shareholders.

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.

Risks Related to India

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, 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 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 government of India reduces or withdraws tax benefits and other incentives it currently provides to companies within our industry or if the same are not available for any other reason, our financial condition could be negatively affected.

Under the Indian Finance Act, 2000, except for one delivery center located in Mumbai, all our delivery centers in India benefit from a ten-year holiday from Indian corporate income taxes. As a result, our service operations, including any businesses we acquire, have been subject to relatively low Indian tax liabilities. We incurred minimal income tax expense on our Indian operations in fiscal 2008 as a result of the tax holiday, compared to approximately \$11.5 million that we would have incurred if the tax holiday had not been available for that period.

The Indian Finance Act, 2000 phases out the tax holiday 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. The tax holiday enjoyed by our delivery centers in India expires in stages: on

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April 1, 2009 for one of our delivery centers located in Pune and on April 1, 2010 for our other delivery centers located in Mumbai, Pune, Gurgaon, Bangalore and Nashik, except for the tax holiday enjoyed by two of our delivery centers located in Mumbai and Nashik which expired on April 1, 2007 and April 1, 2008, respectively. When our Indian tax holiday expires or terminates, or if the government of India withdraws or reduces the benefits of the Indian tax holiday, our Indian tax expense will materially increase and this increase will have a material impact on our results of operations. In the absence of a tax holiday, income derived from India would be taxed up to a maximum of the then existing annual tax rate which, as of March 31, 2008, was 33.99%.

In May 2007, the Indian Finance Act, 2007 was adopted, with the effect of subjecting Indian companies that benefit from a holiday from Indian corporate income taxes to the minimum alternate tax, or MAT, at the rate of 11.33% in the case of profits exceeding Rs. 10 million and 10.3% in the case of profits not exceeding Rs. 10 million with effect from April 1, 2007. As a result of this amendment to the tax regulations, we became subject to MAT and are required to pay additional taxes commencing fiscal 2008. To the extent MAT paid exceeds the actual tax payable on our taxable income, we would be able to set off such MAT credits against tax payable in the succeeding seven years, subject to the satisfaction of certain conditions.

In addition, in May 2007, the government of India implemented a fringe benefit tax on the allotment of shares pursuant to the exercise or vesting, on or after April 1, 2007, of options and restricted share units, or RSUs, granted to employees. The fringe benefit tax is payable by the employer at the current rate of 33.99% on the difference between the fair market value of the options and RSUs on the date of vesting of the options and RSUs and the exercise price of the options and the purchase price (if any) for the RSUs, as applicable. In October 2007, the government of India published its guidelines on how the fair market value of the options and RSUs should be determined. The new legislation permits the employer to recover the fringe benefit tax from the employees. Accordingly, we have amended the terms of our 2002 Stock Incentive Plan and the 2006 Incentive Award Plan to allow us to recover the fringe benefit tax from all our employees in India except those expatriate employees who are resident in India. In respect of these expatriate employees, we are seeking clarification from the Indian and foreign tax authorities on the ability of such expatriate employees to set off the fringe benefit tax from the foreign taxes payable by them. If they are able to do so, we intend to recover the fringe benefit tax from such expatriate employees in the future.

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. However, the Ministry of Finance in India has expressed concern about the potential loss of tax revenues as a result of the exemptions under the SEZ legislation. 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 of 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.

US and Indian transfer pricing regulations require that any international transaction involving associated enterprises be at an arm's-length price. We consider the transactions among our subsidiaries and us to be on arm's-length pricing terms. If, however, the applicable income tax authorities review any of our tax returns and determine that the transfer prices we have applied are not appropriate, we may incur increased tax liability, including accrued interest and penalties, which would cause our tax expense to increase, possibly materially, thereby reducing our profitability and cash flows.

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 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 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, 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 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.

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. 40.13 per \$1.00 (based on the noon buying rate) in fiscal 2008, which represented an appreciation of the Indian rupee of 11.1% as compared with the average exchange rate of approximately Rs. 45.12 per \$1.00 (based on the noon buying rate) in fiscal 2007, which in turn represented a depreciation of the Indian rupee of 2.2% as compared with the average exchange rate of approximately Rs. 44.17 per \$1.00 (based on the noon buying rate) in fiscal 2006. The average pound sterling/US dollar exchange rate was approximately £0.50 per \$1.00 (based on the noon buying rate) in fiscal 2008, which represented an appreciation of the pound sterling of 5.7% as compared with the average exchange rate of approximately £0.53 per \$1.00 (based on the noon buying rate) in fiscal 2007, which in turn represented an appreciation of the pound sterling of

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5.6% as compared with the average exchange rate of approximately £0.56 per \$1.00 (based on the noon buying rate) in fiscal 2006. 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.

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.

An outbreak of an infectious disease or any other serious public health concerns in Asia or elsewhere could cause our business to suffer.

The outbreak of an infectious disease in Asia or elsewhere could have a negative impact on the economies, financial markets and business activities in the countries in which our end markets are located and could thereby have a material adverse effect on our business. The outbreak of SARS in 2003 in Asia and the outbreak of the avian influenza, or bird flu, across Asia, including India, as well as Europe have adversely affected a number of countries and companies. Although we have not been adversely impacted by these recent outbreaks, we can give no assurance that a future outbreak of an infectious disease among humans or animals will not have a material adverse effect on our business.

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, 2008, we had 42,460,059 ordinary shares outstanding, including 19,511,553 shares represented by 19,511,553 ADSs. In addition, as of June 30, 2008, there were options and RSUs outstanding under our 2002 Stock Incentive Plan and our 2006 Incentive Award Plan to purchase a total of 3,514,007 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 quarterly operating results;
- changes in financial estimates by securities research analysts;

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- 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;
- sales or expected sales of additional shares or ADSs; and
- loss of one or more significant clients.

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 depositary of the ADSs will mail to you any notice of shareholders' meeting received from us together with information explaining how to instruct the depositary to exercise the voting rights of the ordinary shares represented by ADSs. If the depositary 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 depositary 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 depositary 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 US Securities and Exchange Commission's, or Commission, proxy rules 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 current taxable year ended March 31, 2008. 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 ADS or ordinary shares, absent a special elections. See "Item 10. Additional Information — E. Taxation — US Federal Income Taxation — Passive Foreign Investment Company."

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of our Company

WNS (Holdings) Limited was incorporated as a private liability company on February 18, 2002 under the laws of Jersey, Channel Islands, and maintains a registered office in Jersey at Channel House, 7 Esplanade, St Helier, Jersey, Channel Islands. We converted from a private limited company to a public limited company on January 4, 2006 when we acquired more than 30 shareholders as calculated in accordance with Article 17A of the Companies (Jersey) Law, 1991, or the 1991 Law. We gave notice of this to the Jersey Financial Services Commission in accordance with Article 17(3) of the 1991 Law on January 12, 2006. Our principal executive office is located at Gate 4, Godrej & Boyce Complex, Pirojshanagar, Vikhroli (W), Mumbai 400 079, India, and the telephone number for this office is (91-22) 4095-2100. Our website address is www.wnsgs.com. **Information contained on our website does not constitute part of this annual report.** Our agent for service in the US is our subsidiary, WNS North America Inc., 420 Lexington Avenue, Suite 2515, New York, New York 10170.

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We began operations as an in-house unit of British Airways in 1996, and started focusing on providing business process outsourcing services to third parties in fiscal 2003. Warburg Pincus acquired a controlling stake in our company from British Airways in May 2002 and inducted a new senior management team. In fiscal 2003, we acquired Town & Country Assistance Limited (which we subsequently rebranded as WNS Assistance and which constitutes WNS Auto Claims BPO, our reportable segment for financial statement purposes), a UK-based automobile claims handling company, thereby extending our service portfolio beyond the travel industry to include insurance-based automobile claims processing. In fiscal 2004, we acquired the health claims management business of Greensnow Inc. In fiscal 2006, we acquired Trinity Partners (which we merged into our subsidiary, WNS North America Inc.), a provider of business process outsourcing services to financial institutions, focusing on mortgage banking. In August 2006, we acquired from PRG Airlines Services Limited, or PRG Airlines, its fare audit services business. In September 2006, we acquired from GHS Holdings LLC, or GHS, its financial accounting business. In May 2007, we acquired Marketics, a provider of offshore analytics services. In June 2007, we acquired Flovate, a company engaged in the development and maintenance of software products and solutions, which we subsequently renamed as WNS Workflow Technologies Limited. In April 2008, we acquired Chang Limited, an auto insurance claims processing services provider in the UK, through its wholly-owned subsidiary, Call 24/7 Limited, or Call 24/7. In June 2008, we acquired BizAps, a provider of systems applications and products, or SAP, solutions to optimize the enterprise resource planning functionality for our finance and accounting processes. In July 2008, we entered into a transaction with AVIVA consisting of a share sale and purchase agreement pursuant to which we acquired from AVIVA all the shares of Aviva Global and the AVIVA master services agreement, pursuant to which we will provide BPO services to AVIVA's UK and Canadian businesses. Aviva Global was the business process offshoring subsidiary of AVIVA. See "Item 5. Operating and Financial Review and Prospects — Overview — Recent Developments" for more details on this transaction.

We are headquartered in Mumbai, India, and we have client service offices in New York (US) and London (UK) and delivery centers in Ipswich (UK), Bucharest (Romania), India, Sri Lanka and Manila (the Philippines). We completed our initial public offering in July 2006 and our ADSs are listed on the New York Stock Exchange, or the NYSE, under the symbol "WNS."

Our capital expenditures in fiscal 2008, 2007 and 2006 amounted to \$28.1 million, \$27.3 million and \$14.9 million, respectively. Our principal capital expenditures were incurred for the purposes of setting up new delivery centers or expanding existing delivery centers and setting up related technology to enable offshore execution and management of clients' business processes. We expect our capital expenditure needs in fiscal 2009 to be approximately \$35.0 million, a significant amount of which we expect to expend on building new facilities in India. We expect to meet these estimated capital expenditures from cash generated from operating activities and existing cash and cash equivalents (including the remaining proceeds to us from our initial public offering). See "Item 5. Operating and Financial Review and Prospects — Liquidity and Capital Resources" for more information.

B. Business Overview

We are a leading provider of offshore business process outsourcing, or BPO, services. We provide comprehensive data, voice and analytical services that are underpinned by our expertise in our target industry sectors. We transfer the business processes of our clients, which are typically companies located in Europe and North America, to our delivery centers located in India, Sri Lanka, the Philippines, Romania and the UK. We provide high quality execution of client processes, monitor these processes against multiple performance metrics, and seek to improve them on an ongoing basis.

We began operations as an in-house unit of British Airways in 1996, and started focusing on providing business process outsourcing services to third parties in fiscal 2003. According to the National Association of Software and Service Companies, or NASSCOM, an industry association in India, we were among the top two India-based offshore business process outsourcing companies in terms of revenue in 2004, 2005, 2006, 2007 and 2008. As of March 31, 2008, we had 18,104 employees executing over 500 distinct business processes on behalf of over 195 significant clients. Our largest clients in fiscal 2008 in terms of revenue contribution included Air Canada, AVIVA, British Airways, Centrica, Fedex, GfK, Indymac, Liverpool Victoria Insurance Company Ltd, or Liverpool, Marsh, SAGA, SITA, Travelocity and Virgin Atlantic Airways. See "— Clients."

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We design, implement and operate comprehensive business processes for our clients, involving data, voice and analytical components. Our services include industry-specific processes that are tailored to address our clients' business and industry practices, particularly in the travel and banking, financial services and insurance, or BFSI, industries, as well as emerging businesses specifically in the consumer products, retail, professional services, pharmaceutical and media and entertainment industries. In April 2008, we created a new industrial and infrastructure business unit to focus specifically on the industrial and infrastructure industry such as the manufacturing, logistics and utilities industry sectors. In addition, we offer services applicable across multiple industries, in areas such as finance and accounting, and in the areas of market, business and financial research and analytics, which we collectively refer to as finance and accounting services and knowledge services, respectively. Our comprehensive service portfolio allows us to penetrate our clients and the industries we serve.

We generate revenue primarily from providing business process outsourcing services. A portion of our revenue includes payments which we make to automobile repair centers. We evaluate our business performance based on revenue net of these payments, since we believe that revenue less repair payments reflects more accurately the value of the business process outsourcing services we directly provide to our clients. In fiscal 2008, our revenue was \$459.9 million, our revenue less repair payments was \$290.7 million and our net income was \$9.5 million.

Between fiscal 2006 and fiscal 2008, our revenue grew at a compound annual growth rate of 50.6% and our revenue less repair payments grew at a compound annual growth rate of 40.2%, faster than the projected 31.8% compound annual growth rate of the overall Indian offshore business process outsourcing industry for the comparable period as estimated by the NASSCOM Strategic Review, 2008. During this period, we grew both organically and through acquisitions. We believe we have achieved rapid growth and industry leadership through our understanding of the industries in which our clients operate, our focus on operational excellence, and a senior management team with significant experience in the global outsourcing industry. Our revenue is characterized by client, industry, geographic and service diversity, which we believe offers us a sustainable business model.

Industry Overview

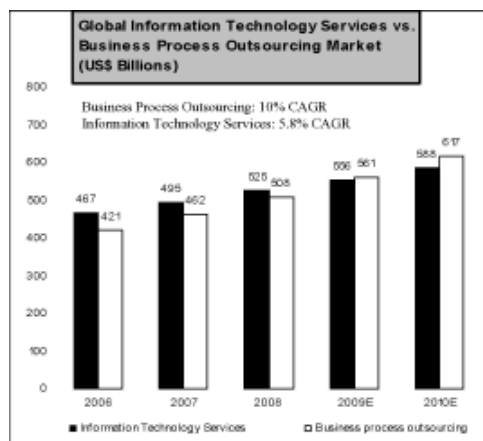
Businesses globally are outsourcing a growing proportion of their business processes to streamline their organizations, focus on core operations, create flexibility, benefit from best-in-class process execution and thereby increase shareholder returns. More significantly, many of these businesses are outsourcing to offshore locations such as India to access a high quality and cost-effective workforce. We are a pioneer in the offshore business process outsourcing industry and are well positioned to benefit from the combination of the outsourcing and offshoring trends.

The global business process outsourcing industry is large and growing rapidly. According to International Data Corporation, or IDC, the global business process outsourcing market was \$420.7 billion in 2006 and is projected to grow at a 10.0% compound annual growth rate from 2007 through 2011 to \$677.2 billion. In comparison, IDC forecasts the information technology services market (excluding business process outsourcing) to grow at a compound annual growth rate of 5.8% over this same period, from \$495.1 billion to \$619.5 billion.

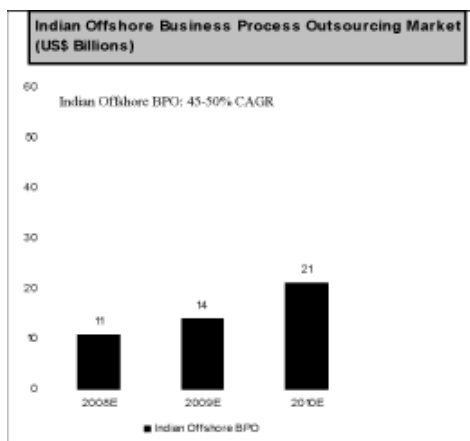
The offshore business process outsourcing industry is growing at a significantly faster rate than the overall global business process outsourcing industry. A joint report, or the NASSCOM-McKinsey report, published by NASSCOM and McKinsey & Company, in December 2005, estimates that the offshore business process outsourcing market will grow at a 37.0% compound annual growth rate, from \$11.4 billion in revenue in fiscal 2005 to \$55.0 billion in revenue in fiscal 2010. The same report estimates that the total value of business processes that could have been provided by offshore business process outsourcing providers in fiscal 2006 represents an addressable market of approximately \$120.0 billion to \$150.0 billion. Accordingly, we believe that offshore business process outsourcing has significant growth potential because we believe it constitutes less than 10.0% of the current addressable market described above. NASSCOM has identified retail banking, insurance, travel and hospitality and automobile manufacturing as the industries with the greatest potential for offshore outsourcing. We provide industry-focused business process outsourcing services to the majority of these industries.

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The following charts set forth the relative growth rate and size of the global business process outsourcing industry and the global information technology industry, in addition to the expected growth rate of the Indian offshore business process outsourcing industry:



Source: IDC
Note: Years ending December 31



Source: NASSCOM — Everest India BPO Study (January 2008)
Note: Years ending March 31

We believe that India is widely considered to be the most attractive destination for offshore business process outsourcing. According to the NASSCOM-McKinsey report, India-based players account for 45.0% of offshore business process outsourcing revenue in fiscal 2006, and India will retain its position as the most favored offshore business process outsourcing destination for the foreseeable future. In addition, according to a joint report, or the NASSCOM-Everest India BPO Study, published by NASSCOM and Everest Research Institute in January 2008, the Indian business process outsourcing market is expected to increase at a compound annual growth rate of more than 38% over the next two years to an estimated \$21.0 billion by 2010 and result in the creation of over two million direct jobs in India. The key factors for India’s predominance include its large, growing and highly educated English-speaking workforce coupled with a business and regulatory environment that is conducive to the growth of the business process outsourcing industry.

While a limited number of global corporations such as General Electric, British Airways (through our subsidiary, WNS Global) and American Express set up in-house business process outsourcing facilities in India in the mid-1990s, offshore business process outsourcing growth only accelerated significantly from 2000 onwards with the emergence of third party providers. This has been followed by a shift in focus from largely call center related outsourcing in areas such as tele-marketing and client service to a wider range of business processes such as finance and accounting, insurance claims administration and market research analysis. This shift in focus has given rise to an India-based offshore industry capable of providing a wide range of complex services.

Offshore business process outsourcing is typically a long-term strategic commitment for companies. The processes that companies outsource are frequently complex and integrated with their core operations. These processes require a high degree of customization and, often, a multi-stage offshore transfer program. Clients would therefore incur high switching costs to transfer these processes back to their home locations or to other business process outsourcing providers. As a result, once an offshore business process outsourcing provider gains the confidence of a client, the resulting business relationship is usually characterized by multi-year contracts with predictable annual revenue.

Given the long-term, strategic nature of these engagements, companies undertake a highly rigorous process in evaluating their offshore business process outsourcing provider. We believe a client typically seeks the following key attributes in a potential offshore business process outsourcing provider:

- established reputation and industry leadership;

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- demonstrated ability to execute a diverse range of mission-critical and often complex business processes;
- capability to scale employees and infrastructure without a diminution in quality of service; and
- ability to innovate, add new operational expertise and drive down costs.

As the offshore business process outsourcing industry evolves further, we believe that scale, reputation and leadership will become more important factors in this selection process.

Competitive Strengths

We believe that we have the following seven competitive strengths necessary to maintain and enhance our position as a leading provider of offshore business process outsourcing services:

Offshore business process outsourcing market leadership

We have received recognition as an industry leader from various industry bodies or publications. For example:

- The International Association of Outsourcing Professionals which developed The Global Outsourcing 100, in conjunction with neoIT, an industry consultant, named us the “Best Performing Finance and Accounting Outsourcing Provider” in 2007 and the leading insurance outsourcer in 2008;
- KLM Dutch Royal Airlines recognized us with the “Partners in Innovation Challenge Award” in 2008;
- The Auto Body Professionals Club, a UK automobile repair trade organization, ranked us as the best accident management company in 2007;
- The Global Six Sigma experts and practitioners ranked us the best achievement of “Six Sigma in Outsourcing” in 2007;
- FAO Research Inc., an independent research firm worldwide, recognized us for “Outstanding Finance and Accounting Best Practices” on two client engagements in 2007;
- The Institute of Directors, an association promoting the development of Indian business leadership, recognized us with the “Golden Peacock Innovation Award” in 2007; and
- NASSCOM named us among the top two India-based offshore business process outsourcing companies in terms of revenue in 2004, 2005, 2006, 2007 and 2008.

We have provided leadership to the offshore business process outsourcing industry as demonstrated by our anticipation of key industry trends. For example, since our emergence as a focused third party business process outsourcing provider, we have proactively targeted two of the most attractive industry sectors, BFSI and travel. In addition, we have recently established a team to focus on the industrial and infrastructure industry sectors as we expect greater demand in these industry sectors for offshore BPO services. We have also focused our service portfolio on complex processes, avoiding services that are less integral to our clients’ operations, such as telemarketing and technical helpdesks, which characterized the offshore business process outsourcing industry at that time.

We believe our early differentiation from other players and the substantial length of our working relationship with many industry-leading clients has significantly contributed to our reputation as a trusted provider of offshore business process outsourcing services. We believe that this reputation is a key differentiator in our attracting and winning clients.

Deep industry expertise

We have established expertise in the industries we target. We have developed our business by creating focused business units that provide industry-specific services. Our industry-focused strategy allows us to retain and enhance expertise thereby enabling us to:

- offer a suite of services that can deliver a comprehensive industry-focused business process outsourcing program;
- leverage our existing capabilities to win additional clients and identify new industry-specific service offerings;
- cultivate client relationships that may involve few processes upon initial engagement to develop deeper engagements ultimately involving a number of integrated processes;
- provide proprietary technology platforms for use in niche areas in specific sectors such as auto insurance and travel;
- recruit and retain talented employees by offering them industry-focused career paths; and
- achieve market leadership in several of the industries we target.

Experience in transferring processes offshore and running them efficiently

Many of the business processes that are outsourced by clients to us are mission critical and core to their operations, requiring substantial project management expertise. We have developed a sophisticated program management methodology intended to ensure smooth transfer of business processes from our clients' facilities to our delivery centers. For example, our highly experienced program management team has transferred over 500 distinct business processes for over 195 significant clients in the last six years.

We focus on managing our client processes effectively on an ongoing basis. Our process delivery is managed by independent empowered teams and measured regularly against pre-defined operational metrics. We have also invested in a 380-person quality assurance team that satisfies the International Standard Organization, or ISO, 9001:2000 standards for quality management systems, and applies Six Sigma, a statistical methodology for improving consistent quality across processes, and other process re-engineering methodologies to further improve our process delivery.

The composition of our revenue enables us to continuously optimize the efficiency of our operations to achieve higher asset utilization. This is driven by our combination of data and voice services across the different time zones of North America and Europe.

Diversified client base across multiple industries and geographic locations

We have a large, diversified client base of over 195 significant clients across Europe and North America, including clients who are market leaders within their respective industries. We have clients across the multiple sectors of the travel and BFSI industries as well as other industries such as manufacturing, logistics, retail, utilities and professional services. To date, many of our clients have transferred a limited number of their business processes offshore. We believe, therefore, that we have a significant opportunity to increase the revenue we generate from these clients in the future as they decide to expand their commitment to offshore business process outsourcing.

Industry-recognized leadership in human capital development

We are recognized as a leader in human resources management among offshore business process outsourcing companies. We have won a number of awards, including being ranked number one in human capital development in 2005 by neoIT and being ranked number one in the Asia Pacific region for excellence in human resources by India's National Institute of Personnel Managers in 2006. Our market leadership and organizational culture enables us to attract and retain high quality employees.

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Our extensive recruiting process utilizes sophisticated tools such as the Predictive Index, a psychometric tool we use to help us screen candidates on multiple parameters and to appropriately match employees to the most suitable positions. We have established the WNS Learning Academy which provides ongoing training to our employees for the purpose of continuously improving their leadership and professional skills. We seek to promote our team leaders and operations managers from within, thereby offering internal advancement opportunities and clear long-term career paths.

Ability to manage the rapid growth of our organization

We have invested significant management effort toward ensuring that our organization is positioned to continuously scale to meet the robust demand for offshore business process outsourcing services. We are capable of evaluating over 10,000 potential employees and recruiting, hiring and training over 1,000 employees each month, enabling us to rapidly expand and support our clients. We have also established a highly scalable operational infrastructure in multiple locations supported by a world-class information technology and communications network infrastructure.

Experienced management team

We benefit from the effective leadership of a global management team with diverse backgrounds including extensive experience in outsourcing. Most of our core senior management team members have been with us since fiscal 2003, and have successfully executed the growth strategy that has increased our client base from 14 clients as of May 2002 to over 195 significant clients as of March 31, 2008 and increased our revenue from \$202.8 million in fiscal 2006 to \$459.9 million in fiscal 2008 and our revenue less repair payments from \$147.9 million in fiscal 2006 to \$290.7 million in fiscal 2008. Moreover, we believe that our management has successfully guided our rapid expansion while increasing client satisfaction, as demonstrated by our in-house customer feedback surveys. In addition to our senior management team, our middle management team provides us with the critical leadership depth needed to manage our rapid growth.

Business Strategy

Our objective is to strengthen our position as a leading offshore business process outsourcing provider. To achieve this, we will seek to expand our client base and further develop our industry expertise, enhance our brand to attract new clients, develop organically new business services and industry-focused operating units and make selective acquisitions. The key elements of our strategy are described below.

Drive rapid growth through penetration of our existing client base

We have a large and diverse existing client base that includes many leading global corporations, most of whom have transferred only a limited number of their business processes offshore. We intend to leverage our expertise in providing comprehensive process solutions by seeking to identify additional processes that can be transferred offshore, cross-selling new services, adding technology-based offerings, and expanding and deepening our existing relationships. We have dedicated account managers tasked with maintaining a thorough understanding of our clients' outsourcing roadmaps as well as identifying and advocating new offshoring opportunities. As a result of this strategy, we have a strong track record of extending the scope of our client relationships over time.

Enhance awareness of the WNS brand name

Our reputation for operational excellence among our clients has been instrumental in attracting and retaining new clients as well as talented and qualified employees. We believe we have benefited from strong word-of-mouth brand equity in the past to scale our business. However, as the size and the complexity of the offshore business process outsourcing market grows, we are increasing our efforts to enhance awareness of the WNS brand in our target markets and among potential employees. To accomplish this, we have recently established a dedicated global marketing team comprised of experienced industry talent and created a new position of chief marketing officer to lead the team in our marketing efforts. We are also focusing on building market awareness of our industry expertise through exposure in industry publications and participation in industry events and conferences. In addition, we are aggressively targeting BPO industry analysts, general management consulting firms, and boutique outsourcing firms, who are usually retained by prospective clients to provide strategic advice, act as intermediaries in the sourcing processes, develop scope specifications and aid in the partner selection process.

Reinforce leadership in existing industries and penetrate new industry sectors

We have a highly successful industry-focused operating model through which we have established a leading offshore business process outsourcing practice in the travel and BFSI sectors. We intend to leverage our in-depth knowledge of these industries to penetrate additional sectors within these industries. For example, in the travel sector, we believe that there are potential opportunities we can exploit in the hotel, cruise-liner and car rental sectors. In addition, we have recently established a dedicated team to focus specifically on the industrial and infrastructure industries such as the manufacturing, logistics and utilities industry sectors. We also intend to leverage our existing expertise in emerging businesses to develop our practice in the consumer products, retail, professional services, pharmaceutical and media and entertainment sectors. We intend to leverage our finance and accounting services and knowledge services, which are applicable across multiple industries, to first penetrate these targeted industries and thereafter build specific industry expertise to achieve scale with an objective of establishing new industry-focused business units.

Broaden industry expertise and enhance growth through selective acquisitions

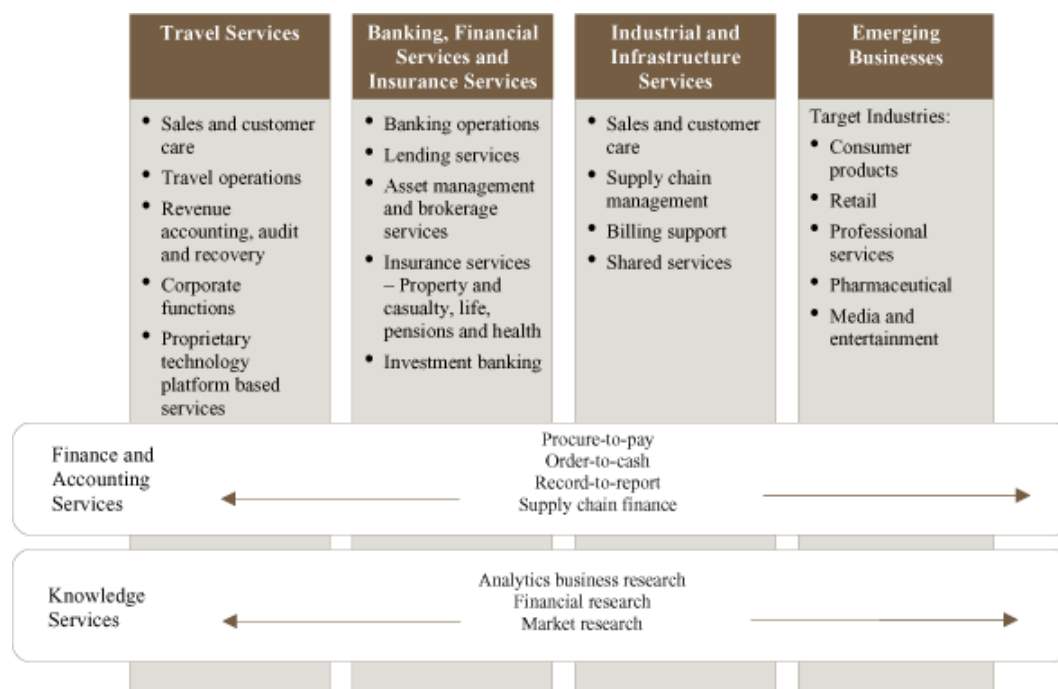
Our acquisition strategy is focused on adding new capabilities and industry expertise. Our acquisition track record demonstrates our ability to integrate, manage and develop the specific capabilities we acquire. Our intention is to continue to pursue targeted acquisitions in the future and to rely on our integration capabilities to expand the growth of our business.

Business Process Outsourcing Service Offerings

We offer our services to four main categories of clients through industry-focused business units. First, we serve clients in the travel industry, including airlines, travel intermediaries and other related service providers, for whom we perform services such as customer service and revenue accounting. Second, we serve clients in the BFSI industry, for whom we perform services such as loan processing and insurance claims management. Third, we serve clients in the industrial and infrastructure industry, including manufacturing, logistics and utilities. Fourth, we serve clients in several other industries, including consumer products, retail, professional services, pharmaceutical and media and entertainment, which we refer to as emerging businesses. In addition to industry-specific services, we offer a range of services across multiple industries, in the areas of finance and accounting services and market, business and financial research and analytical services, which we collectively refer to as finance and accounting services and knowledge services, respectively.

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This structure is depicted in the graphic below:



To achieve in-depth understanding of our clients’ industries and provide industry-specific services, each business unit is staffed by a dedicated team of managers and employees engaged in providing business process outsourcing client solutions, and has its own operations, sales, finance, human resources and training teams. In addition, each business unit draws upon common support services from our information technology, corporate communications, corporate finance, risk management and legal departments, which we refer to as our corporate-enabling units.

Travel Services

We believe that we currently have the largest and most diverse service offering among offshore business process outsourcing service providers in the travel domain.

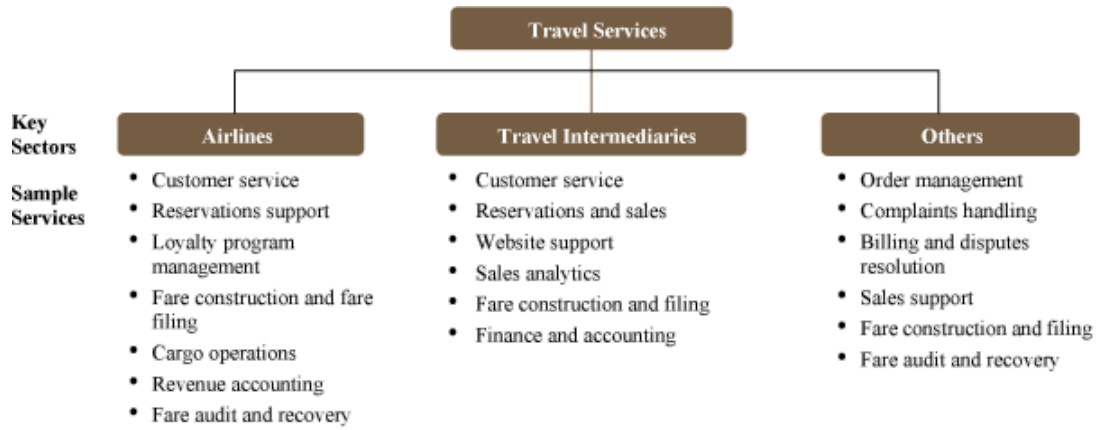
Our service portfolio includes processes that support air, car, hotel, marine and packaged travel services offered by our clients. The key travel industry sectors we serve include:

- airlines;
- travel intermediaries; and
- others such as global distribution systems and network providers.

We serve a diverse client base in this business unit that included Air Canada, British Airways, Virgin Atlantic Airways, SITA and Travelocity in fiscal 2008. During fiscal 2008, we served 24 airlines and 18 travel intermediaries. As of March 31, 2008, we had approximately 7,037 employees in this business unit, several hundred of whom have International Air Transport Association, or IATA, certifications. In fiscal 2008 and 2007, this business unit represented 22.5% and 22.8% of our revenue, and 35.6% and 36.6% of our revenue less repair payments, respectively.

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The following graphic illustrates the key areas in which we provide services to clients in this business unit:



Case Study. We were retained by a major airline client that was faced with increasing competitive pressure from low-cost carriers and needed to reduce its costs. We worked with this client to develop an offshore business process outsourcing strategy to fundamentally alter its service delivery model with the goal of increasing its cost efficiency. We initially started providing business process outsourcing services to this client with 12 employees handling a single process. As of March 31, 2008, approximately 1,182 employees were executing over 85 different processes for this client, which included a variety of complex processes. We categorize these processes into six broad areas:

- customer interaction: customer complaint resolution, loyalty program management;
- passenger revenue accounting: refunds, fare audit, ticket coupon matching, sales accounting;
- cargo operations and accounting: scheduling, booking, flight planning, mail revenue accounting;
- revenue management: seat allocation, processing meal requests, yield maximization through inventory management, fare filing, fare construction and quotation;
- reporting and analytics: aircraft load factor, costs, market share, revenue and competition reports; and
- other miscellaneous services: updating employee records, calculation of medical leave and overtime for staff.

We believe that by transferring these processes to us, the client has achieved significant cost savings, and increased its levels of end-customer satisfaction. These benefits are in addition to process-specific productivity improvements such as higher quality and accuracy levels.

BFSI Services

We were ranked as the leading insurance outsourcer in India by the International Association of Outsourcing Professionals in The Global Outsourcing 100 list for 2008. We also have growing expertise in the retail and mortgage banking, and asset management sectors.

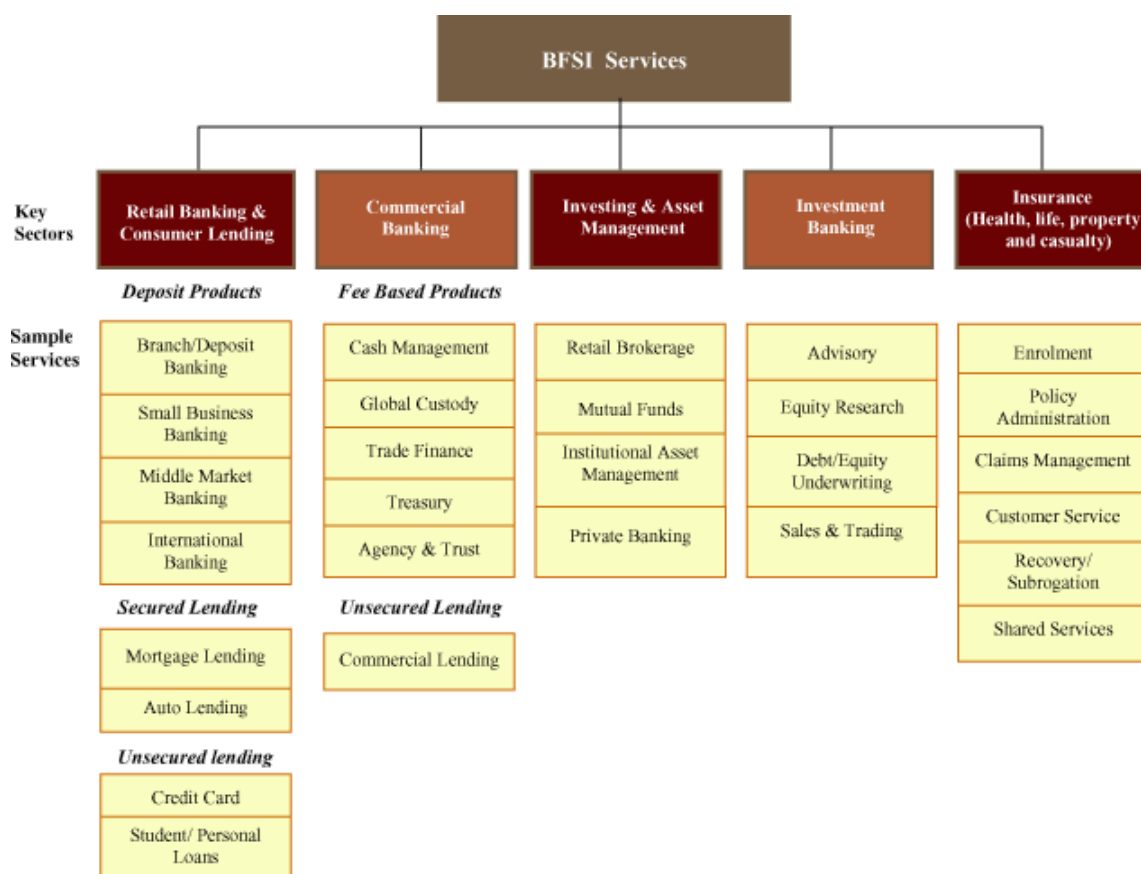
The key BFSI industry sectors we serve are:

- integrated financial institutions;
- commercial and retail banks;
- mortgage banks and investors in mortgage-backed securities;
- asset managers and financial advisory service providers;
- life, property and casualty, and health insurers;
- insurance brokers and loss assessors; and
- self-insured auto fleet owners.

We serve a diverse client base in this business unit that included AVIVA, Indymac, Marsh, SAGA and Liverpool in fiscal 2008. We also serve a large US-based financial advisory provider, a top ten UK auto insurer, a large insurance loss adjuster, several self-insured fleet owners and several mortgage-related companies. As of March 31, 2008, we had approximately 4,690 employees working in this business unit. In fiscal 2008 and 2007, revenue from this business unit represented 57.4% and 61.8% of our revenue and revenue less repair payments from this business unit represented 32.7% and 38.7% of our revenue less repair payments, respectively.

In April 2008, we acquired Chang Limited, an auto insurance claims processing services provider in the UK through its wholly-owned subsidiary, Call 24/7. Call 24/7 provides comprehensive end-to-end solutions to the UK insurance industry by leveraging cost efficient claims processing, technology, and engineering and collision repair expertise to deliver quality service to its insurer clients through the accident management process. Call 24/7 offers a comprehensive suite of back-office insurance claims services, including first notification of loss, third party claims handling, replacement vehicle provisioning and repair management through a national network of approved body shops.

The following graphic illustrates the key areas in which we provide services to clients in this business unit:



In the areas of retail banking, consumer lending and commercial banking, we offer an integrated service delivery solution called Digital Loan Management, or DLM, which combines automated mortgage processing with offshore delivery. Our BFSI business unit also includes our auto claims business, branded WNS Assistance, which is comprised of our WNS Auto Claims BPO segment. WNS Assistance offers a blended onshore-offshore delivery model that enables us to handle the entire automobile insurance claims cycle. We offer comprehensive accident management services to our clients where we arrange for repair of automobiles through a network of repair centers. We also offer claims management services where we process accident insurance claims for our clients. Our employees receive telephone calls reporting automobile accidents, generate electronic insurance claim forms and arrange for automobile repairs in cases of automobile damage. We also provide third party claims handling services including the administration and settlement of property and bodily injury claims while providing repair management and rehabilitation services to our insured and self-insured fleet clients and the end-customers of our insurance company clients. Our service for uninsured losses focuses on recovering repair costs and legal expenses directly from negligent third parties. See “Item 5. Operating and Financial Review and Prospects — Results by Reportable Segment.”

Case Study. A Fortune 300 US financial planning and investment services company was undergoing a spin-off which would result in the client losing its brand name. The client retained us to transform its operating model and improve its baseline performance so as to ensure that it continued to deliver enhanced services to its customers and retain the confidence of its distribution network following the spin-off and the loss of its brand name. To accomplish this, we established a complex operation involving 450 employees across three delivery locations to manage 32 processes. Our

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efforts allowed the company to better manage variable volumes, improve customer service and reduce payout due to adverse claims from customers. The services performed for this client include:

- sales and marketing support activities such as broker and advisor support;
- customer account set-up and maintenance processes such as application processing, application verification, credit evaluation and customer care;
- trading and securities operations such as order entry, reconciliation, reporting and exceptions research; and
- portfolio administration services including net asset value calculation, trade reconciliation and settlements.

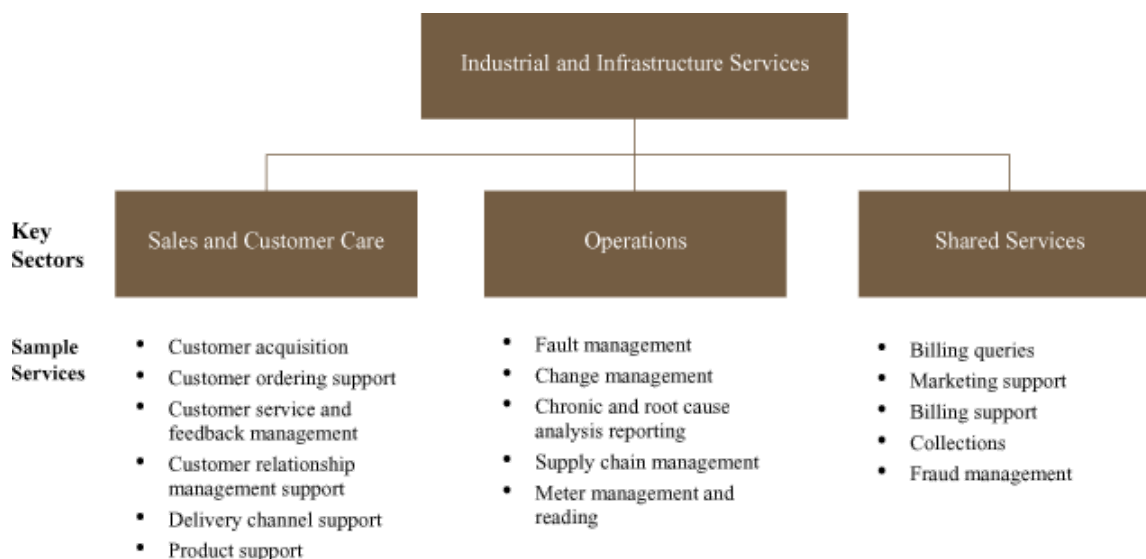
We also delivered significant reduction in the client’s operational costs by changing their fixed-cost structure to a fully variable-pricing model that enabled them to manage volumes in a predictable way.

Industrial and Infrastructure Services

Our industrial and infrastructure services business unit used to be part of our emerging business unit. In April 2008, we created a new industrial and infrastructure services business unit to focus specifically on the needs of the manufacturing, logistics and utilities industries.

We serve a diverse client base that included Centrica, Fedex and Armstrong Industries in fiscal 2008. Our industrial and infrastructure services business unit will be considered as a separate business unit from fiscal 2009.

The following graphic illustrates the key areas in which we provide services to clients in this business unit:



Case Study. A leading global gas utility, which is also a Fortune 100 company, retained us in January 2006 for the outsourcing of its transaction processing and finance and accounting services. The client selected us based on our reputation for operational excellence, process improvement, process migration expertise and our global footprint. Our dedicated transition team conducted a detailed evaluation of their existing processes and successfully transferred their back office and financial and accounting processes, as well as their correspondence, house and voice processes which enables them to communicate with their customers and respond to their queries and complaints via written communications, emails and on the telephone, on a new enterprise resource planning platform to our facilities in India

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within three months. In April 2006, the first process went live in Mumbai and we ramped up the process across multiple locations in a span of six months. Today, there are approximately 1,500 agents across two cities. During the transition period, a dedicated Six Sigma process improvement team worked hand in hand with the operations team in stabilizing the processes, thereby reducing the learning curve and enabling faster delivery of key metrics.

Emerging Businesses

Prior to April 2008, our emerging businesses unit addressed the needs of the manufacturing, logistics, utilities, consumer products, retail, professional services, pharmaceutical and media and entertainment industries. In April 2008, we created a new industrial and infrastructure services business unit to focus specifically on the needs of the manufacturing, logistics and utilities industries. We believe these industries are at a nascent stage of offshore business process outsourcing adoption, and therefore present significant opportunities for growth.

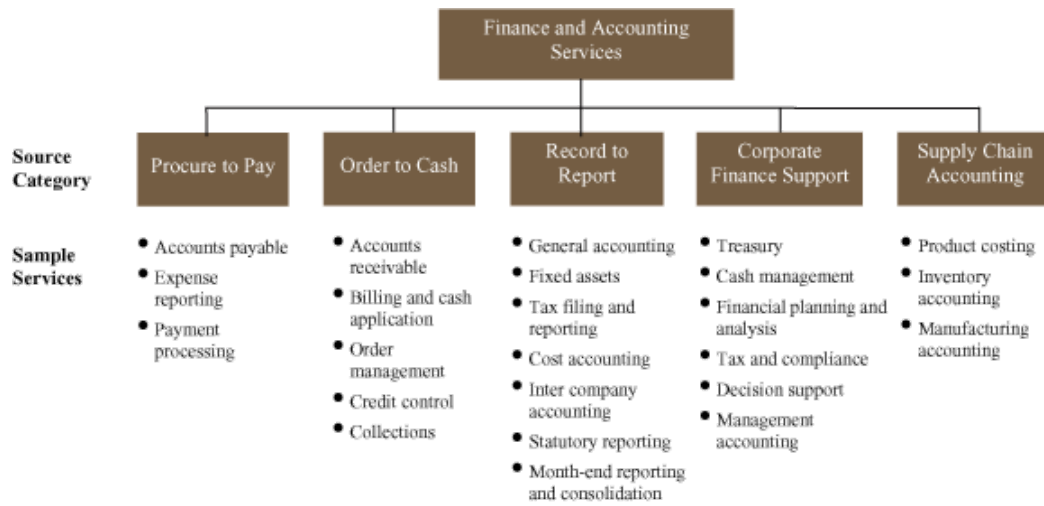
We serve a diverse client base that included GfK in fiscal 2008. In fiscal 2008, we had approximately 5,466 employees in this business unit. In fiscal 2008 and 2007, this business unit represented 20.1% and 15.4% of our revenue and 31.8% and 24.7% of our revenue less repair payments. This includes revenue from our newly created industrial and infrastructure business unit which will be reported as a separate business unit from fiscal 2009.

Our strategy for the emerging businesses unit is to nurture and develop emerging industry-specific capabilities up to a point of critical mass from which new industry-focused operating units may emerge. We utilize two core service capabilities to penetrate emerging businesses. These capabilities are broadly classified as:

- Finance and Accounting Services, focused on finance and accounting services; and
- Knowledge Services, focused on market, business and financial research and analytical services.

Finance and Accounting Services

In our finance and accounting services area, we offer critical finance and accounting services to our clients. The following graphic illustrates the key finance and accounting services we provide:



Case Study. A large media and entertainment conglomerate sought to reduce the responsibilities of its overburdened internal treasury services department that was in charge of providing treasury support services such as foreign exchange hedging, providing financial advice and financial reporting for its affiliated companies. After a rigorous process of security-related due diligence, the client chose us as its partner to enhance its treasury services capabilities

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and reduce operational costs while maintaining a high standard in regulatory compliance. The services we provided fell into the following five categories:

- Planning services — providing daily updates of current and future cash flows of the client’s 150 affiliated companies;
- Back office services — managing core treasury functions;
- Middle office services — providing processes such as credit monitoring, and hedging analysis;
- Accounting service — providing end-to-end accounting services in enterprise resource planning including book closing, account reconciliation and budget preparation; and
- Treasury operations services — providing reports on hedging positions, outstanding balance and money market dividend.

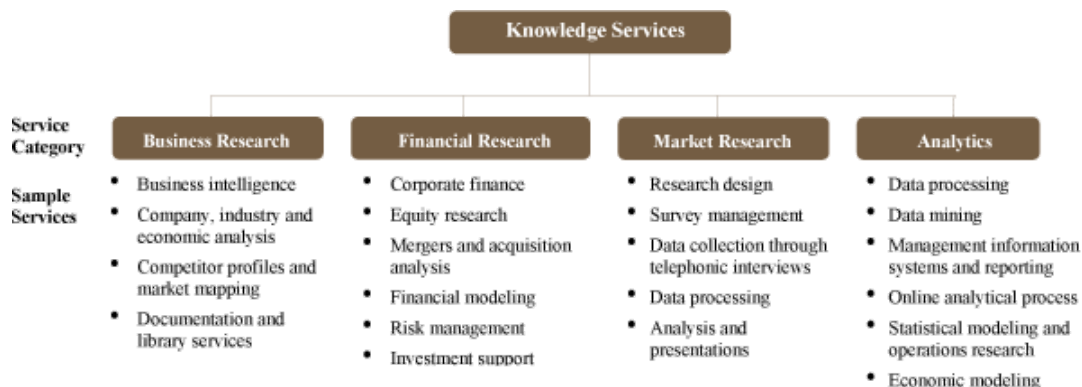
By engaging us to perform critical treasury support services with a strong focus on process integrity and regulatory compliance, the client achieved a substantial reduction in operational costs in fiscal 2008 as compared to fiscal 2007 and compliance with internal controls audit pursuant to the US Sarbanes-Oxley Act of 2002.

Knowledge Services

In the knowledge services area, we offer market, business and financial research and analytical services. Our services include complex and high-end analytics which require specialized skill sets. Many of our employees in this area have graduate degrees in statistics, management or accounting, which we believe enables us to secure higher rates for their services as compared to the rates for our other processes.

In May 2007, we acquired Marketics, a provider of offshore analytics services. Over the last three years, Marketics has developed a wide range of technology-enabled analytic services, primarily targeting the sales and marketing organizations of consumer-centric companies. Marketics’ value proposition is focused on enhancing business decision making through the use of complex analytics such as predictive modeling to understand consumer behavior patterns and sales data analytics to support inventory allocation.

The following graphic illustrates the key knowledge services we provide:



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Case Study. A leading UK-based market research firm retained us in 2000 to outsource its data processing requirements. This relationship commenced with a two-member team collating and tabulating market research data using sophisticated statistical analysis. In 2003, we expanded our relationship with this client to provide similar services for its North American operations. In 2004, we further expanded our service offerings to include data collection and telephone interviews to collect questionnaire responses. We also started providing research support services which are designed to assist the client's research staff by undertaking tasks such as desk research, checking the quality of the outputs from various internal functions, graphically representing the data, data interpretation and advanced statistical analysis. As of March 31, 2008, we had over 166 employees working on such market research projects for this client. We believe that our services have enabled the client to compete more effectively in its market.

Sales and Marketing

The offshore business process outsourcing services sales cycle is time consuming and complex in nature. The extended sales cycle generally includes initiating client contact, submitting requests for information and proposals for client business, facilitating client visits to our operational facilities, performing diagnostics studies and conducting pilot implementations to test our delivery capabilities. Due to the complex nature of our sales cycle, we have organized our sales teams by business units and staffed them with professionals who have specialized industry knowledge. This industry focus enables our sales teams to better understand the prospective client's business needs and offer appropriate industry-focused solutions.

As of March 31, 2008, we had 109 sales and sales support professionals, with 22 based in the UK, 51 based in the US, five based in Romania and 31 based in India. Our sales teams work closely with our sales support team in India, which provides critical analytical support throughout the sales cycle. Our front-line sales teams are responsible for identifying and initiating discussions with prospective clients, and selling services in new areas to existing clients. We have strategically recruited our sales teams primarily from the US and the UK.

We also assign dedicated account managers to each of our key clients. These managers work day-to-day with the client and our service delivery teams to address the client's needs. More importantly, by using the detailed understanding of the client's business and outsourcing objectives gained through this close interaction, our account managers actively identify and target additional processes that can be outsourced to us. Through this methodology, we have developed a strong track record of increasing our sales to existing clients over time.

Clients

As of March 31, 2008, we had a diverse client base of over 195 significant clients across a variety of industries and process types, including companies that we believe are among the leading players in their respective industries. We define significant clients as those who represent an ongoing business commitment to us, which includes substantially all of our clients within our WNS Global BPO segment and some of our clients within our WNS Auto Claims BPO segment. These clients offer only occasional business to us because of the small size of their automobile fleets and the consequent infrequent requirement of our auto claims services.

We believe the diversity in our client profile differentiates us from our competitors. See "Item 5. Operating and Financial Review and Prospects — Overview — Revenue" for additional information on our client base.

In fiscal 2008, the following were among our top 25 clients (including their affiliates) by revenue:

Air Canada	Liverpool
AVIVA	Marsh
British Airways	SAGA
Centrica	SITA
Fedex	Travelocity
GfK	Virgin Atlantic Airways
Indymac	

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The table below sets forth the number of our clients by revenue less repair payments for the periods indicated. We believe that the growth in the number of clients who generate more than \$1 million of annual revenue less repair payments indicates our ability to extend the depth of our relationships with existing clients over time.

	Year Ended March 31,	
	2008	2007
Below \$1.0 million	145	115
\$1.0 million to \$5.0 million	36	30
\$5.0 million to \$10.0 million	8	3
More than \$10.0 million	6	6

Competition

Competition in the business process outsourcing services industry is intense and growing steadily. See “Item 3. Key Information — D. Risk Factors — Risks Related to Our Business — 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.” We compete primarily with:

- focused business process outsourcing service companies based in offshore locations like India, such as Genpact Limited, or Genpact, Firstsource Solutions Ltd., or Firstsource, and ExlService Holdings, Inc., or ExlService;
- business process outsourcing divisions of numerous information technology service companies located in India such as Infosys BPO Ltd (formerly Progeon Ltd) owned by Infosys Technologies Limited, or Infosys, Tata Consultancy Services Limited, or Tata Consultancy, and Wipro BPO, owned by Wipro Technologies Limited; and
- global companies such as Accenture Ltd., Affiliated Computer Services Inc., Electronic Data Systems Corporation, and International Business Machines Corporation, or IBM, which provide an array of products and services, including broad-based information technology, software, consulting and business process outsourcing services.

In addition, departments of certain companies may choose to perform their business processes in-house, in some cases via an owned and operated facility in an offshore location such as India. Their employees provide these services as part of their regular business operations.

While companies such as Infosys (through its business process outsourcing subsidiary, Infosys BPO Ltd) and Tata Consultancy can offer clients integrated information technology and business outsourcing services, we believe these companies focus on information technology as their core business. Global companies such as Accenture and IBM have significant client relationships and information technology capabilities, but we believe these companies are at a disadvantage in the offshore business process outsourcing business on account of their relatively limited offshore focus.

We compete against other offshore business process outsourcing-focused entities like Genpact, Firstsource and ExlService by seeking to provide industry-focused services with an offshore focus and building on our track record of operational excellence.

Intellectual Property

We use a combination of our clients’ software systems, third-party software platforms and systems and, in some cases, our own proprietary software and platforms to provide our services. Our principal proprietary software includes our platform for passenger revenue accounting called JADE, which we use in our travel business unit. In addition, we have an exclusive license to use an auto claims software platform called Claimsflo in the insurance market until 2012. Our proprietary and licensed software allows us to market our services with an integrated solution that combines a technology platform with our core business process outsourcing service offering.

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We customarily enter into licensing and non-disclosure agreements with our clients with respect to the use of their software systems and platforms. Our contracts usually provide that all intellectual property created for the use of our clients will be assigned to them. Our employees are also required to sign confidentiality agreements as a condition to their employment.

We have registered the trademark “WNS” and “WNS-Extending Your Enterprise” in the US and India (in certain relevant categories) and have applied to register these trademarks in the European Union, or the EU.

Technology

We have a dedicated team of technology experts who support clients at each stage of their engagement with us. The team conducts diagnostic studies for prospective clients and designs and executes technology solutions to enable offshore execution and management of the clients’ business processes. We also have wireless-area-network, or WAN, local-area-network, or LAN, and desktop teams that focus on creating and maintaining our large pool of approximately 11,653 workstations and seek to ensure that our associates face minimal loss in time and efficiency in their work processes.

We have a well-developed international telecommunications infrastructure. We use a global wide area network, which we refer to as the WNSNet to connect our clients’ data centers in the UK, Europe, North America and Asia with our delivery centers. WNSNet has extensive security and virus protection capabilities built in to protect the privacy of our clients and their customers and to protect against computer virus attacks. We believe our telecommunications network is adaptable to our clients’ legacy systems as well as to new and emerging technologies. Our telecommunications network is supported by a 24/7 network management system. Our network is designed to eliminate any “single-point-of-failure” in the delivery of services to clients.

Process and Quality Assurance and Risk Management

Our process and quality assurance compliance programs are critical to the success of our operations. We have an independent quality assurance team to monitor, analyze, provide feedback on and report process performance and compliance. Our company-wide quality management system, which employs over 870 quality assurance analysts, focuses on managing our client processes effectively on an ongoing basis. Our process delivery is managed by independent empowered teams and measured regularly against pre-defined operational metrics. We also have a 870-person quality assurance team that satisfies the ISO 9001:2000 standards for quality management systems. We apply the Six Sigma & Lean philosophy, which are statistical methodologies for improving consistent quality across processes as well as quality management principles for improving the operation of our clients’ processes and providing a consistent level of service quality to our clients. As of March 31, 2008, more than 180 of our projects were run according to the Six Sigma principles. We also apply other process re-engineering methodologies to further improve our process delivery and undertake periodic audits of both our information systems policy and implemented controls.

Our risk management framework focuses on two important elements: business continuity planning and information security.

Our approach to business continuity planning involves implementation of an organization-wide business continuity management framework which includes continual self-assessment, strategy formulation, execution and review. Our business continuity strategy leverages our expanding network of delivery centers for operational and technological risk mitigation in the event of a disaster. To manage our business continuity planning program, we employ a dedicated team of experienced professionals. A customized business continuity strategy is developed for key clients, depending on their specific requirements. For mission-critical processes, operations are typically split across multiple delivery centers in accordance with client-approved customized business continuity plans.

Our approach to information security involves implementation of an organization-wide information security management system, or ISMS, which complies with the ISO 27001:2005 for optimal implementation of systems to manage organizational information security risks. These standards seek to ensure that sensitive company information remains secure. Currently, information security systems at nine delivery centers are ISO 27001:2005 certified, and we

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expect to seek similar certifications in our other delivery centers. In addition, we comply with the Payment Card Industry Data Security Standard, which is a multifaceted security standard aimed at helping companies proactively protect cardholder data or sensitive authentication data through the adoption of 12 security requirements.

In addition, our clients may be governed by several regulations specific to their industries or in the jurisdictions where they operate or where their customers are domiciled or in their home jurisdictions which may require them to comply with certain process-specific requirements. As we serve a large number of clients globally and across various industries, we rely on our clients to identify the process-specific compliance requirements and the measures that need to be implemented in order to comply with their regulatory obligations. We assist our clients to maintain compliance in their business processes by implementing control and monitoring procedures and providing training to our clients' employees. The control and monitoring procedures defined by this function are separate from and in addition to our periodic internal audits.

Human Capital

As of March 31, 2008, we had 18,104 employees, of whom approximately 13,767 were employees who execute client operations, whom we refer to as associates. Approximately 13,633 associates are based in India, with approximately 38, 11, and 85 associates in Sri Lanka, Romania, and the UK, respectively. Most of our associates hold university degrees. As of March 31, 2007 and 2006, we had 15,084 and 10,433 employees, respectively. Our employees are not unionized and we have not experienced any work stoppages except for an eight-hour work stoppage at our delivery center at Nashik in April 2008 arising from minor employee grievances which have been resolved. We believe that our employee relations are good. We focus heavily on recruiting, training and retaining our employees.

Recruiting and Retention

We believe that we have developed effective human resource strategies and a strong track record in recruiting. As part of our recruiting strategy, we encourage candidates to view joining our organization as choosing a long-term career in the field of travel, BFSI or another specific industry or service area. We use a combination of recruitment from college campuses and professional institutes, via recruitment agencies, job portals, advertisements and walk-in applications. In addition, a significant number of our applicants are referrals by existing employees. We currently recruit an average of 1,100 employees per month.

In fiscal 2008, our overall attrition rate for all associates, following a six-month probationary period, was approximately 38.4%. We believe this rate is broadly in line with our peers in the offshore business process outsourcing industry.

Training and Development

We devote significant resources to the training and development of our associates. Our training typically covers modules in leadership and client processes, including the functional aspects of client processes such as quality and transfer. Training for new associates may also include behavioral and process training as well as culture, voice and accent training, as required by our clients. We have established the WNS Learning Academy where we offer specialized skills development, such as interviewing, coaching and presentation skills, and leadership development programs for associates as they move up the corporate hierarchy. The WNS Learning Academy is staffed with over 44 full-time trainers and content designers. We customize our training programs according to the nature of the client's business, the country in which the client operates and the services the client requires. By offering such training programs, we seek to ensure that associates who assume leadership positions within our organization are equipped with the necessary skills. Further, the WNS Learning Academy has an in-house e-learning unit which creates computer or web-based learning modules to support ongoing learning and development. The WNS Learning Academy also caters to our knowledge management.

In addition to the training and development of our associates, we also place an emphasis on the learning and development of our team leaders and managers. In fiscal 2008, we implemented a specially designed five day leadership program focused on professional and leadership skills and process improvement for approximately 880

team leaders and managers. A similar program has also been implemented for our full-time and part-time trainers to enhance their performance.

Regulations

Due to the industry and geographic diversity of our operations and services, our operations are subject to a variety of rules and regulations, and several Indian, Sri Lankan, UK, Europe and US federal and state agencies regulate various aspects of our business. See “Item 3. Key Information — D. Risk Factors — Risks Related to our Business — 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.”

Regulation of our industry by the Indian government affects our business in several ways. We benefit from certain tax incentives promulgated by the Indian government, including a tax holiday from Indian corporate income taxes for the operation of most of our Indian facilities which will expire in stages from April 1, 2009 through April 1, 2010 for our delivery centers located in Mumbai, Pune, Gurgaon, Bangalore and Nashik except for the tax holiday enjoyed by two of our delivery centers located in Mumbai and Nashik which expired on April 1, 2007 and April 1, 2008, respectively. As a result of these incentives, our operations have been subject to lower Indian tax liabilities. In May 2007, the Indian Finance Act, 2007 was adopted, with the effect of subjecting Indian companies that benefit from a holiday from Indian corporate income taxes to the MAT at the rate of 11.33% in the case of profits exceeding Rs. 10 million and 10.3% in the case of profits not exceeding Rs. 10 million with effect from April 1, 2007. As a result of this amendment to the tax regulations, we became subject to MAT and are required to pay additional taxes commencing fiscal 2008. To the extent MAT paid exceeds the actual tax payable on the taxable income, we would be able to set off such MAT credits against tax payable in the succeeding seven years, subject to the satisfaction of certain conditions. In addition to this tax holiday, our Indian subsidiaries are also entitled to certain benefits under relevant state legislation/regulations. These benefits include preferential allotment of land in industrial areas developed by the state agencies, incentives for captive power generation, rebates and waivers in relation to payments for transfer of property and registration (including for purchase or lease of premises) and commercial usage of electricity. Our subsidiaries in India are also subject to certain currency transfer restrictions. See “Item 5. Operating and Financial Review and Prospects — Critical Accounting Policies — Income Taxes” and Note 2 to our consolidated financial statements included elsewhere in this annual report for more details regarding foreign currency translations.

Enforcement of Civil Liabilities

We are incorporated in Jersey, Channel Islands. Most of our directors and executive officers reside outside of the US. Substantially all of the assets of these persons and substantially all of our assets are located outside the US. As a result, it may not be possible for investors to effect service of process on these persons or us within the US, or to enforce against these persons or us, either inside or outside the US, a judgment obtained in a US court predicated upon the civil liability provisions of the federal securities or other laws of the US or any state thereof. A judgment of a US court is not directly enforceable in Jersey, but constitutes a cause of action which will be enforced by Jersey courts provided that:

- the court which pronounced the judgment has jurisdiction to entertain the case according to the principles recognized by Jersey law with reference to the jurisdiction of the US courts;
- the judgment is final and conclusive — it cannot be altered by the courts which pronounced it;
- there is payable pursuant to the judgment a sum of money, not being a sum payable in respect of tax or other charges of a like nature or in respect of a fine or other penalty;
- the courts of the US have jurisdiction in the circumstances of the case;
- the judgment can be enforced by execution in the jurisdiction in which the judgment is given;
- the person against whom the judgment is given does not benefit from immunity under the principles of public international law;

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- there is no earlier judgment in another court between the same parties on the same issues as are dealt with in the judgment to be enforced;
- the judgment was not obtained by fraud, duress and was not based on a clear mistake of fact; and
- the recognition and enforcement of the judgment is not contrary to public policy in Jersey, including observance of the principles of natural justice which require that documents in the US proceeding were properly served on the defendant and that the defendant was given the right to be heard and represented by counsel in a free and fair trial before an impartial tribunal.

It is the policy of Jersey courts to award compensation for the loss or damage actually sustained by the person to whom the compensation is awarded. Although the award of punitive damages is generally unknown to the Jersey legal system, that does not mean that awards of punitive damages are not necessarily contrary to public policy. Whether a judgment is contrary to public policy depends on the facts of each case. Exorbitant, unconscionable, or excessive awards will generally be contrary to public policy. Moreover, if a US court gives a judgment for multiple damages against a qualifying defendant, the amount which may be payable by such defendant may be limited by virtue of the Protection of Trading Interests Act 1980, an Act of the UK extended to Jersey by the Protection of Trading Interests Act 1980 (Jersey) Order, 1983, which provides that such qualifying defendant may be able to recover such amount paid by it as represents the excess of such multiple damages over the sum assessed as compensation by the court that gave the judgment. A “qualifying defendant” for these purposes is a citizen of the UK and Colonies, a body corporate incorporated in the UK, Jersey or other territory for whose international relations the United Kingdom is responsible or a person carrying on business in Jersey.

Jersey courts cannot enter into the merits of the foreign judgment and cannot act as a court of appeal or review over the foreign courts. It is doubtful whether an original action based on US federal securities laws can be brought before Jersey courts. A plaintiff who is not resident in Jersey may be required to provide security for costs in the event of proceedings being initiated in Jersey.

There is uncertainty as to whether the courts of India would, and Mourant du Feu & Jeune, our counsel as to Jersey law, have advised us that there is uncertainty as to whether the courts of Jersey would:

- recognize or enforce judgments of US courts obtained against us or our directors or officers predicated upon the civil liability provisions of the securities laws of the US or any state in the US; or
- entertain original actions brought in each respective jurisdiction against us or our directors or officers predicated upon the federal securities laws of the US or any state in the US.

Section 44A of the Code of Civil Procedure, 1908 (India), or the Civil Code, as amended, provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India which the Indian government has by notification declared to be a reciprocating territory, such foreign judgment may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant superior court in India. Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties and does not include arbitration awards. The US has not been declared by the Indian government to be a reciprocating territory for the purposes of Section 44A of the Civil Code.

A judgment of a foreign court may be enforced in India only by a suit upon the judgment, subject to Section 13 of the Civil Code and not by proceedings in execution. This section, which is the statutory basis for the recognition of foreign judgments, states that a foreign judgment is conclusive as to any matter directly adjudicated upon except:

- where the judgment has not been pronounced by a court of competent jurisdiction;
- where the judgment has not been given on the merits of the case;

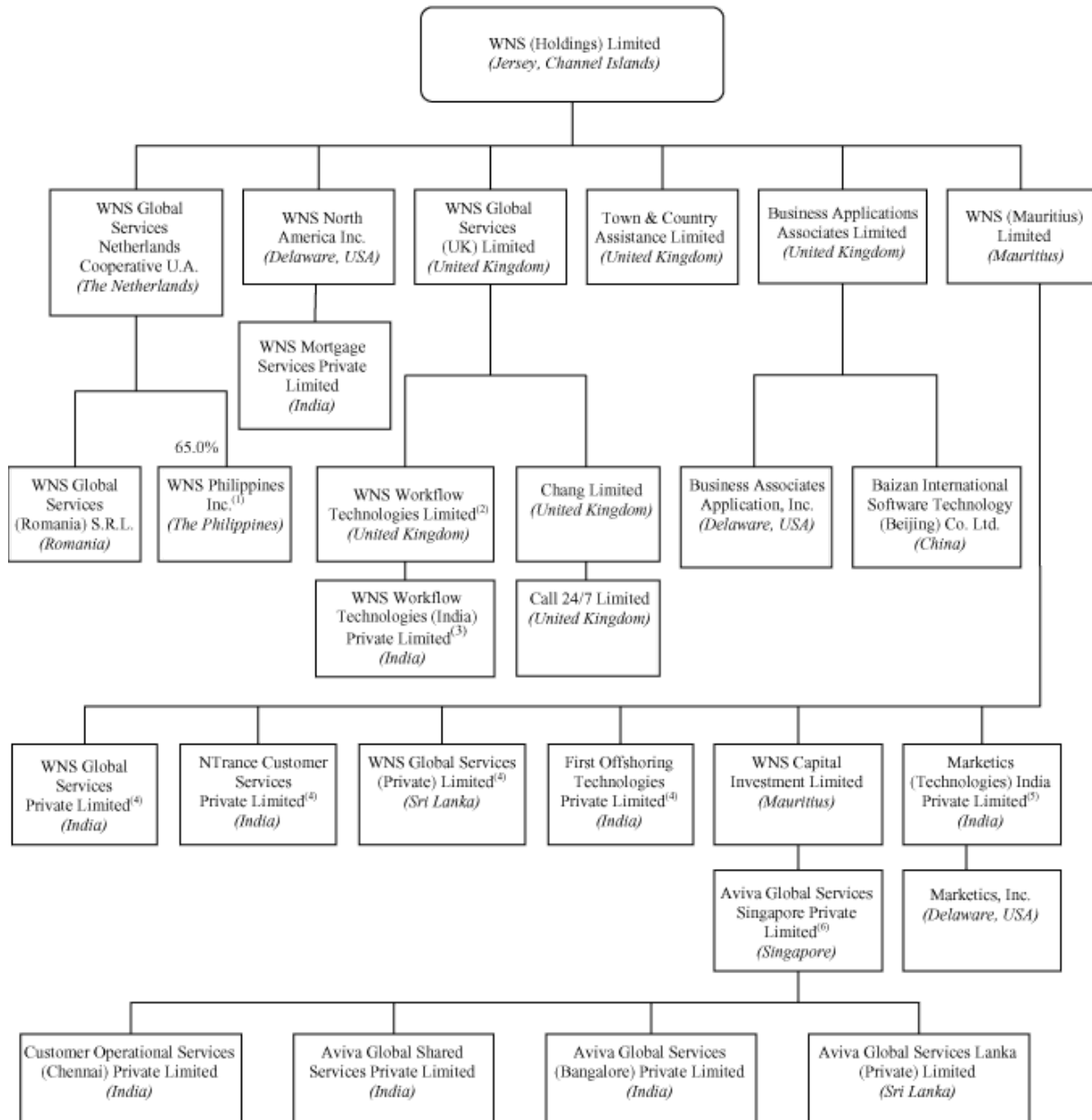
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- where the judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable;
- where the proceedings in which the judgment was obtained were opposed to natural justice;
- where the judgment has been obtained by fraud; or
- where the judgment sustains a claim founded on a breach of any law in force in India.

The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Generally, there are considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India under the Indian Foreign Exchange Management Act, 1999, to repatriate any amount recovered pursuant to such execution. Any judgment in a foreign currency would be converted into Indian rupees on the date of judgment and not on the date of payment.

C. Organizational Structure

The following diagram illustrates our company’s organizational structure and the place of organization of each of our subsidiaries as of the date hereof. Unless otherwise indicated, each of our subsidiary is 100% owned, directly or indirectly, by WNS (Holdings) Limited.



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Notes:

- (1) Our joint venture company set up with Advanced Contact Solutions, Inc. which has a 35.0% ownership interest in WNS Philippines Inc.
- (2) Formerly known as Flovate Technologies Limited.
- (3) Formerly known as Flovate Software Technologies India Private Limited.
- (4) All the shares except one share are owned by WNS (Mauritius) Limited, or WNS Mauritius. The remaining one share is owned by WNS Global Services (UK) Limited, or WNS UK, to satisfy the regulatory requirement to have two shareholders for each company.
- (5) 75.1% of the share capital of Marketics was transferred to us in May 2007 and the remaining 24.9% of the share capital was held in an escrow account to be transferred to us upon payment of a contingent earn-out consideration for the acquisition of Marketics. In July 2008, we made payment of the earn-out consideration. Pursuant thereto, the remaining 24.9% of the share capital of Marketics is in the process of being transferred to us.
- (6) Aviva Global has exercised its call option to acquire Noida Customer Operations Private Limited, a company incorporated in India, from a third party BPO provider. Completion of the transfer is expected to take place in August 2008.

D. Property, Plant and Equipment

As of June 30, 2008, we have an installed capacity of approximately 11,653 workstations, or seats, that can operate on an uninterrupted 24/7 basis and can be staffed on a three-shift per day basis. We lease all of our properties, and most of our leases are renewable at our option. We also have one sales office each in the US, Romania and the UK. The following table describes each of our delivery centers and sales offices, including centers under construction, and sets forth our lease expiration dates:

Location	Total Space (square feet)	Total Number of Workstations/Seats	Lease Expiration	Extendable Until(1)
India:				
Mumbai	478,425	3,553		
Plant 10			February 12, 2011	May 15, 2011
Plant 11 (old)			May 31, 2010/ January 31, 2011	February 28, 2013/ February 28, 2013
Plant 11			January 23, 2009	July 23, 2014
Raheja (Units 001/902)			January 29, 2009	January 29, 2015
Raheja (Unit 101)			April 30, 2009	April 30, 2015
Raheja (Units 002/201)			April 30, 2009	April 30, 2015
Plant 5			February 28, 2010	August 31, 2015
Airoli Phase I(2)			October 31, 2013	October 31, 2018
Airoli Phase II(2)			April 30, 2014	April 30, 2019
Airoli Phase III(2)			October 31, 2014	October 31, 2019
Gurgaon	293,255	1,897		
Towers A & B			October 31, 2009/ November 30, 2009	April 30, 2014/ May 31, 2014
Tower C			September 30, 2010	March 31, 2015
Building 6 (Phase I)			March 15, 2012	September 15, 2017
Building 6 (Phase II)(3)			March 31, 2012	September 30, 2017
Building 6 (Phase III)(3)			December 31, 2012	December 31, 2017
Pune	606,728	3,972		
Sofotel			December 31, 2011	N/A
NTrance			March 9, 2014/ August 5, 2014	N/A N/A
Level 1(4)			February 2, 2012	N/A
Level 2(4)			August 30, 2011	N/A
Level 4(4)			February 2, 2011	N/A
Weikfield(5)			August 14, 2013	August 14, 2017
Marisoft(4)			February 28, 2009	June 30, 2009
Nashik	109,741	827		
Unity(4)			January 31, 2010	January 31, 2010
Shreeniketan			June 30, 2010	December 30, 2009
Vascon(6)			See footnote(7)	N/A
Bangalore	19,468	287		
Prestige Garnet			December 31, 2010	Option to renew for further term of 3 years
Koddihelli			November 24, 2010	Option to renew for a further term of 11 months
Indiranagar			September 30, 2008	Option to renew on mutually agreed terms

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Location	Total Space (square feet)	Total Number of Workstations/Seats	Lease Expiration	Extendable Until(1)
Sri Lanka:	11,521	170		
Colombo (WTC)			November 30, 2008	Option to renew for a further term of 1 to 3 years
Colombo (HNB)			September 30, 2008	N/A
UK:	27,159	414		
Ipswich WNSA			August 26, 2012	N/A
Ipswich(SFH)-WNSA			October 31, 2009	N/A
Ipswich-WNSWT			August 26, 2012	N/A
Marple-Call-24-7			April 3, 2013	N/A
The Lodge-WNS UK Sales			December 15, 2009	N/A
US:				
New York	3,149	N/A	May 31, 2009	N/A
Romania:				
Bucharest	13,971	133	January 1, 2013	N/A(8)
The Philippines:				
Superstone	76,900	400	December 31, 2010	N/A

Notes:

N/A means not applicable.

- (1) Reflects the expiration date if each of our applicable extension options are exercised.
- (2) Delivery centers are under construction and we are in the process of carrying out interior fit out works. We expect to move into these office premises over a period of 18 months commencing in the second quarter of fiscal 2009. The estimated capital expenditure for the interior fit out works for the delivery centers at Airoli Phases I, II and III is \$13.1 million. We estimate that we will have a total of 4,000 seats upon completion. The leases in respect of the delivery centers at Airoli Phase II and III include options to lease an additional 220,225 square feet of space at the same premises.
- (3) Delivery centers are under construction and we are in the process of carrying out interior fit out works. We expect to move into these office premises over a period of 18 months commencing from March 2009. The estimated capital expenditure for the interior fit out works for the delivery centers at Building 6 Phases II and III is \$3.0 million. We estimate that we will have a total of 1,243 seats upon completion.
- (4) These delivery centers are scheduled to be closed in the second half of fiscal 2009.
- (5) Delivery center is under construction and we are in the process of carrying out interior fit out works. We expect to move into these office premises over a period of six months commencing from July 2008. The estimated capital expenditure for the interior fit out works for the delivery center is \$9.6 million, of which \$6.0 million has been spent. We estimate that we will have a total of 2,819 seats upon completion.
- (6) Delivery center is under construction and we are in the process of carrying out interior fit out works. We expect to move into these office premises in the third quarter of fiscal 2009. The estimated capital expenditure for the interior fit out works for the delivery center is \$2.0 million. We estimate that we will have a total of 741 seats upon completion.
- (7) The lease will be for a term of five years commencing from the date of completion of the interior fit out works which is expected to be in the third quarter of 2009.
- (8) No option to renew unless mutually agreed by the parties in writing.

Our delivery centers are equipped with fiber optic connectivity and have backups to their power supply designed to achieve uninterrupted operations. In fiscal 2009, we intend to open new delivery centers in Mumbai, Nashik, Gurgaon and Pune.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion on the financial condition and results of operations of our company should be read in conjunction with our consolidated financial statements and the related notes included elsewhere in this annual report. Some of the statements in the following discussion contain forward-looking statements that involve risks and uncertainties. See “Special Note Regarding Forward-Looking Statements.” Our actual results could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including, but not limited to, those described below and elsewhere in this annual report, particularly in the risk factors described in “Item 3 . Key Information — D. Risk Factors.”

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 and North America. As of March 31, 2008, we had 18,104 employees across all our delivery centers. According to NASSCOM, we were among the top two India-based offshore business process outsourcing companies in terms of revenue in 2004, 2005, 2006, 2007 and 2008.

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 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 net of payments to third party repair centers which is a non-GAAP measure. We believe that revenue less repair payments reflects more accurately the value addition of the business process services that we directly provide to our clients. See “— Results by Reportable Segment.” 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.

Between fiscal 2006 and fiscal 2008, our revenue grew from \$202.8 million to \$459.8 million, representing a compound annual growth rate of 50.6%, and our revenue less repair payments grew from \$147.9 million to \$290.7 million, representing a compound annual growth rate of 40.2%. During this period, we grew both organically and through acquisitions.

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

	Year Ended March 31,		
	2008	2007	2006
Revenue	\$ 459.9	\$ 352.3	\$ 202.8
Less: Payments to repair centers	\$ 169.2	\$ 132.6	\$ 54.9
Revenue less repair payments	\$ 290.7	\$ 219.7	\$ 147.9

Recent Developments

In July 2008, we entered into a transaction with AVIVA consisting of a share sale and purchase agreement and the AVIVA master services agreement.

Pursuant to the share sale and purchase agreement with AVIVA, we acquired all the shares of Aviva Global, which acquisition was completed in July 2008. Aviva Global was the business process offshoring subsidiary of AVIVA with facilities in Bangalore, India, and Colombo, Sri Lanka. Since 2004, we have provided BPO services to AVIVA pursuant to build-operate-transfer, or BOT, contracts from facilities in Pune, India, and Colombo, Sri Lanka. The Sri Lanka facility was transferred to Aviva Global in July 2007. With our acquisition of Aviva Global, we have assumed control of this Sri Lanka facility as well as Aviva Global's Bangalore, India, facilities. The Pune facility will remain with us. In addition, there are two facilities in Chennai and Pune, India, which are operated by third party BPO providers for Aviva Global under similar BOT contracts. Aviva Global has exercised its option to require the third party BPO providers to transfer these facilities to Aviva Global. The completion of the transfer of the Chennai facility occurred in July 2008. Completion of the transfer of the Pune facility is expected to occur in August 2008.

Pursuant to the AVIVA master services agreement, we will 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 will provide a comprehensive spectrum of life and general insurance processing functions to AVIVA MS, 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. As part of the agreement, we also expect to benefit from Aviva Global's proposed contract with AVIVA's Irish subsidiary, Hibernian. We expect Aviva Global to provide insurance back-office services to Hibernian under this proposed contract.

The total consideration for the transaction was approximately £115 million (approximately \$229 million based on the noon buying rate as of June 30, 2008), subject to adjustments for cash, debt and the enterprise values of the companies holding the Chennai and Pune facilities which will be determined on their respective transfer dates to Aviva Global. We incurred a bank loan of \$200 million to fund, together with cash in hand, the consideration for the transaction. For more information on the bank loan, see "— Outstanding Loans."

Our History and Milestones

We began operations as an in-house unit of British Airways in 1996, and became a focused third-party business process outsourcing service provider in fiscal 2003. The following are the key milestones in our operating history since Warburg Pincus acquired a controlling stake in our company from British Airways in May 2002 and inducted a new senior management team.

- In fiscal 2003, we acquired Town & Country Assistance Limited (which we subsequently rebranded as WNS Assistance and which constitutes WNS Auto Claims BPO, our reportable segment for financial statement purposes), a UK-based automobile claims handling company, thereby extending our service portfolio beyond the travel industry to include insurance-based automobile claims processing.
- In fiscal 2003, we invested in capabilities to begin providing enterprise services and knowledge services to address the requirements of emerging industry segments in the offshore outsourcing context.

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- In fiscal 2003 and 2004, we invested in our infrastructure to expand our service portfolio from data-oriented processing to include complex voice and blended data/voice service capabilities, and commenced offering comprehensive processes in the travel and banking, financial services and insurance, or BFSI, industries.
- In fiscal 2004, we acquired the health claims management business of Greensnow Inc.
- In fiscal 2005, we opened facilities in Gurgaon, India, and Colombo, Sri Lanka, thereby expanding our operating footprints across India, Sri Lanka and the UK.
- In fiscal 2006, we acquired Trinity Partners (which we subsequently merged into our subsidiary, WNS North America Inc.), a provider of business process outsourcing services to financial institutions, focusing on mortgage banking.
- In fiscal 2007, we expanded our facilities in Pune, Gurgaon and Mumbai.
- In fiscal 2007, we acquired the fare audit services business of PRG Airlines and the financial accounting business of GHS.
- In May 2007, we acquired Marketics, a provider of offshore analytics services.
- In June 2007, we acquired Flovate, a company engaged in the development and maintenance of software products and solutions, which we subsequently renamed as WNS Workflow Technologies Limited.
- In July 2007, we completed the transfer of our delivery center in Sri Lanka to AVIVA.
- In January 2008, we launched a 133-seat facility in Bucharest, Romania.
- In April 2008, we opened a facility in Manila, the Philippines.
- In April 2008, we acquired Chang Limited, an auto insurance claims processing services provider in the UK through its wholly-owned subsidiary, Call 24/7.
- In June 2008, we acquired BizAps, a provider of SAP solutions to optimize the enterprise resource planning functionality for our finance and accounting processes.
- In July 2008, we entered into the transaction with AVIVA consisting of a share sale and purchase agreement pursuant to which we acquired from AVIVA all the shares of Aviva Global and the AVIVA master services agreement pursuant to which we will provide BPO services to AVIVA's UK and Canadian businesses, as described under “— Recent Developments” above.

As a result of these acquisitions and other corporate developments, our financial results in corresponding periods may not be directly comparable. Since fiscal 2003, the primary driver of our revenue growth has been organic business development, supplemented to a lesser extent by strategic acquisitions.

Revenue

We generate revenue by providing business process outsourcing services to our clients. In fiscal 2008, our revenue was \$459.9 million as compared to \$352.3 million in fiscal 2007, representing an increase of 30.5%. In fiscal 2008, our revenue less repair payments was \$290.7 million as compared to \$219.7 million in fiscal 2007, representing an increase of 32.3%.

We believe that we have been successful in achieving strong 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

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diversified across industries and geographies to our existing large client base. Our client base grew from 14 clients in May 2002 to more than 195 significant clients as of March 31, 2008 (for our definition of “significant clients,” see “Item 4. Information on the Company — B. Business Overview — Clients”). In fiscal 2008, 2007 and 2006, we added 45, 25 and 47 significant clients, respectively.

Our revenue is characterized by client, industry and geographic diversity, as the analysis below indicates.

Revenue by Top Clients

Since the time of the Warburg Pincus investment in our company, we have increased our client base and significantly reduced our client concentration. Prior to this investment, our largest client contributed over 90% of our revenue. In comparison, during fiscal 2008, our largest client contributed 22.1% of our revenue and 12.1% of our revenue less repair payments.

The following table sets forth the percentage of revenue and revenue less repair payments that we derived from our largest clients for the periods indicated:

	Revenue			Revenue Less Repair Payments		
	Year Ended March 31,			Year Ended March 31,		
	2008	2007	2006	2008	2007	2006
Top five clients	57.3%	55.2%	41.0%	42.2%	45.7%	52.8%
Top ten clients	68.2%	70.1%	58.5%	56.0%	61.9%	65.5%
Top 20 clients	77.8%	79.3%	73.0%	70.7%	74.7%	78.1%

In fiscal 2008, we had two clients that individually contributed more than 10% of our revenue — SAGA and Liverpool, which collectively contributed 37.3% of our revenue in fiscal 2008. We also had two clients that individually contributed more than 10% of our revenue less repair payments — Travelocity and Centrica, which collectively contributed 23.1% of our revenue less repair payments in fiscal 2008.

Revenue by Industry

For financial statement reporting purposes, we aggregate several of our operating segments, except for WNS Auto Claims BPO (which we market under the WNS Assistance brand) as it does not meet the aggregation criteria under GAAP. See “— Results by Reportable Segment.”

To achieve in-depth domain expertise and provide industry-specific services to our clients, we organize our business delivery along industry-focused business units. These business units seek to leverage our domain expertise to deliver industry-specific services to our clients. Accordingly, our industry-focused business units are:

- travel;
- BFSI (which includes our WNS Auto Claims BPO segment);
- emerging businesses (which serves the consumer products, retail, professional services, pharmaceutical and media and entertainment industries using core service capabilities provided by our Finance and Accounting Services and Knowledge Services capabilities); and
- industrial and infrastructure which was spun off from emerging business to become a separate business unit in April 2008.

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In May 2002, when Warburg Pincus acquired a majority stake in our business, we were primarily providing business process outsourcing services to airlines. Since then we have expanded our service portfolio across the travel industry and have also established significant operations in BFSI and other industries, which we include in our emerging businesses business unit. Our revenue and revenue less repair payments are diversified along these business units in the proportions and for the periods set forth in the table below:

Business Units	Revenue			Revenue Less Repair Payments		
	Year Ended March 31,			Year Ended March 31,		
	2008	2007	2006	2008	2007	2006
Travel	22.5%	22.8%	33.1%	35.6%	36.6%	45.4%
BFSI	57.4%	61.8%	55.6%	32.7%	38.7%	39.1%
Emerging businesses	20.1%	15.4%	11.3%	31.7%	24.7%	15.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Revenue by Geography

The majority of our clients are located in Europe (primarily the UK) and North America (primarily the US). Since the time of the Warburg Pincus investment in our company in fiscal 2003, we have invested in establishing a sales and marketing presence in North America, which has resulted in an increasing proportion of our revenue coming from North America. The share of our revenue from North America was 24.7% in fiscal 2008, which was essentially level compared to 24.2% in fiscal 2006. The share of our revenue less repair payments from North America has grown to 39.1% in fiscal 2008 from 33.2% in fiscal 2006. We expect the share of our revenue less repair payments from North America to continue to grow in the future.

The following table sets forth the composition of our revenue and revenue less repair payments based on the location of our clients in our key geographies for the periods indicated:

Locations	Revenue			Revenue Less Repair Payments		
	Year Ended March 31,			Year Ended March 31,		
	2008	2007	2006	2008	2007	2006
UK	49.1%	53.9%	62.6%	50.3%	50.5%	49.6%
Europe (excluding UK)	25.4%	22.4%	12.5%	9.4%	11.5%	16.3%
North America (primarily US)	24.7%	22.9%	24.2%	39.1%	36.8%	33.2%
Rest of World	0.8%	0.8%	0.7%	1.2%	1.2%	0.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Our Contracts

We provide our services under contracts with our clients, the majority of which have terms ranging between three and five 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.

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 revenues, except for our contract with one of our top five clients based on revenue less repair payments in fiscal 2008, and the AVIVA master services agreement that we entered into in July 2008 as described under “—Recent Developments” above. Under the terms of our agreement with one of our top five clients, the annual forecasted revenue to be provided to us amounts to \$38.7 million, \$39.9 million and \$41.1 million for calendar years 2008, 2009 and 2010, respectively. 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

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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. 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 nine hours for 250 days a year. 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 Aviva Global in July 2008, 24 months from September 19, 2008 and in the case of the Pune facility which is currently operated by a third party BPO provider, 24 months after 60 days from the date of completion of the transfer of the Pune facility, in each case, with six months' notice upon payment of a termination fee. Under the terms of the AVIVA master services agreement, we are also granted an 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.

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 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); and
- 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.

Our prior contract with one of our major clients, British Airways, would have expired in March 2007. In July 2006, we entered into a definitive contract with British Airways to replace the prior contract. The new contract will expire in May 2012. Under the new contract the parties have agreed to change the basis of pricing for a portion of the contracted services over a transition period from a "per full time equivalent basis" to a "per unit transaction basis." This change could have the effect of reducing the amount of revenue that we receive under this contract for the same level of services. The change to a "per unit transaction price" basis also allows us to share benefits from increases in efficiency in performing services under this contract. In fiscal 2008, this change in the basis of pricing resulted in a decrease in the amount of revenue for the same level of services provided by us but an increase in profitability due to increases in efficiency.

Our prior contracts with another major client, AVIVA, granted Aviva Global, which was AVIVA's business process offshoring subsidiary, the option to require us to transfer 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 revenues generated by the Sri Lanka facility. From April 1, 2007 through July 2, 2007, the Sri Lanka facility contributed \$2.0 million of revenue and for the three months ended June 30, 2007 and 2006, the Sri Lanka facility accounted for 1.8% and 2.7% of our revenue, respectively, and 2.8% and 3.1% of our revenue less repair payments, respectively. In fiscal 2007 and 2006, the Sri Lanka facility accounted for 1.9% and 3.3% of our revenue, respectively, and 3.0% and 4.5% of our revenue less repair payments, respectively. The Sri Lanka facility was transferred at book

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value and did not result in a material gain or loss. With the transaction that we entered into with AVIVA in July 2008 described above, we have, through the acquisition of Aviva Global, resumed control of the Sri Lanka facility and we will continue to retain ownership of the Pune facility and we expect these facilities to continue to generate revenues for us under the AVIVA master services agreement. However, 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.

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 the three months ended June 30, 2007 and 2006, FMFC accounted for 3.7% and 6.5% of our revenue, and 6.0% and 7.5% of our revenue less repair payments, respectively. In fiscal 2007, FMFC accounted for 4.3% of our revenue and 6.8% of our revenue less repair payments. Contractually, FMFC was obligated to provide us with annual minimum revenues, 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; however, the realizability of these claims cannot be determined at this time. We have provided an allowance for doubtful accounts for the entire amount of accounts receivable from FMFC for fiscal 2008 and 2007.

A small part of our revenue is comprised of reimbursements of out-of-pocket expenses incurred by us in providing services to our clients.

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.

Overall, we believe that we have established a sustainable business model 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;
- 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 is 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 SG&A 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.

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Our next most significant component of cost of revenue is employee costs. In addition to employee salaries, employee costs include costs related to recruitment, training and retention. Historically, our employee costs have increased primarily due to increases in number of employees to support our growth and, to a lesser extent, to recruit, train and retain employees. Salary levels in India and our ability to efficiently manage and retain our employees significantly influence our cost of revenue. See “Item 4. Information on the Company — B. Business Overview — Human Capital.” We expect our employee costs to increase as we continue to increase our headcount to service additional business and as wages continue to increase in India. See “Item. 3. Key Information. — D. Risk Factors — Risks Related to Our Business — Wage increases in India may prevent us from sustaining our competitive advantage and may reduce our profit margin.” We seek to mitigate these cost increases through improvements in employee productivity, employee retention and asset utilization.

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.

We create capacity in our operational infrastructure ahead of anticipated demand as it takes six to nine months to build up a new site. Hence, our cost of revenue as a percentage of revenue may be higher during periods in which we carry such additional capacity.

Once we are engaged by a client in a new contract, we normally have a transition period to transfer the clients’ processes to our delivery centers and accordingly incur costs related to such transfer. Therefore, our cost of revenue in relation to our revenue may be higher until the transfer phase is completed, which may last for two to six months.

We entered into a particular contract with a new major client in January 2004 for the outsourcing of their back-office and contact center operations, in which we were required to bear the cost of the client’s resources located in North America that were used by us to provide the business process outsourcing services during a transfer period of approximately one year. The payments for such client resources decreased over the transfer period, which was substantially completed by December 2004. The payment for use of these resources amounted to \$19.2 million during fiscal 2005, which was a significant component of our cost of revenue during fiscal 2005. We may, from time to time, enter into similar contracts in the future.

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.

SG&A expenses as a proportion of revenue were 15.8% in fiscal 2008 as compared with 14.9% for fiscal 2007. SG&A expenses as a proportion of revenue less repair payments were 25.0% in fiscal 2008 as compared with 23.9% for fiscal 2007. However, we expect SG&A expenses as a proportion of revenue less repair payments to decline over the next few years.

We expect our corporate employee costs for general and administrative and other support personnel to increase in fiscal 2009 but at a lower rate than the increase in our revenue less repair payments.

We expect the employee costs associated with sales and marketing and related travel costs to increase in fiscal 2009. See “Item 4. Information on the Company — B. Business Overview — Business Strategy — Enhance awareness of the WNS brand name.” Our sales team is compensated based on achievement of business targets set at the beginning of each fiscal year. Accordingly, we expect this variable component of the sales team costs to increase in line with overall business growth.

Prior to April 1, 2006, we accounted for our employee share-based compensation plan using the intrinsic value method of accounting prescribed by the Accounting Principles Board, or APB, Opinion No. 25, “*Accounting for Stock Issued to Employees*” and related interpretations, as permitted by Statement of Financial Accounting Standards, or SFAS,

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No. 123, "Accounting for Stock-Based Compensation," or SFAS 123. Effective April 1, 2006, we adopted the SFAS No. 123 (revised 2004), "Share-Based Payment," or SFAS 123(R), which is based on the fair value of the equity instruments of an enterprise issued in exchange for employee services, using the prospective transition method. As a result, our income before income taxes and net income for fiscal 2007 were lower by \$0.7 million and \$0.3 million, respectively, than if we had continued to account for share-based compensation under APB Opinion No. 25. Basic and diluted earnings per share for fiscal 2007 would remain unchanged if we had continued to account for share-based compensation under APB Opinion No. 25. See Note 2 to our consolidated financial statements included elsewhere in this annual report for more details.

Under the 2002 Stock Incentive Plan, awards may be granted below fair market value with the approval of our board of directors and we have granted awards below fair market value. For periods prior to our initial public offering in July 2006, the fair value of our ordinary shares was determined at the time of grant of the stock options. The intrinsic value of these awards was recognized as stock compensation expense in accordance with APB Opinion No. 25. In fiscal 2006, we issued stock options under the 2002 Stock Incentive Plan with exercise prices as follows:

Grants made during the quarter ended	Number of options granted	Weighted average exercise price	Weighted average fair value per share	Weighted average intrinsic value per share
June 30, 2005	160,500	\$ 5.44	\$ 5.65	\$ 0.21
September 30, 2005	828,100	6.27	6.27	—
December 31, 2005	45,479	6.07	6.07	—
March 31, 2006	447,400	11.72	11.99	0.27

The intrinsic value method was used to recognize the stock compensation expense over the vesting period of those options.

We applied a methodology that considered a set of factors to determine the fair value of our shares at the time we granted the stock options to our employees. Because we were a private company at the time of the grants and were in a growth phase, such methodology considered a range of factors that we believe impacted the value of our shares. If available, we considered recent sales of stock to third parties to be a strong form of evidence of the fair value of our shares. In the absence of contemporaneous third party sales of stock, we believe that historical and projected revenue provided a reliable and relevant measure to determine the fair value of our company as a whole, which was then used to compute the per share fair value. Other factors considered in determining fair value included:

- Achievement of major milestones by us, such as key new client wins and acquisitions;
- Public company comparables and private market transactions for sale of equity;
- The absence of a public trading market for our shares;
- Our recent operating results at the time of a grant;
- The fact that we are majority owned by a single shareholder; and
- The likelihood of us selling our shares to the public in the future.

We consistently applied a valuation methodology on a contemporaneous basis. Our valuation did not change significantly during the quarters ended June 30, 2005 and September 30, 2005, as there were no significant milestones beyond our last significant milestone of having completed the migration of a significant contract in February 2005.

On November 16, 2005, we completed our acquisition of Trinity Partners and began to integrate its operations into our company. We also had client wins in December 2005 that revised our projected revenues. We estimated the fair value of our ordinary shares at December 31, 2005 to be \$9.50 to take into consideration these factors as well as the appointment of advisors in preparation for an initial public offering. We used the fair value of our ordinary shares at December 31, 2005 to determine the intrinsic value of 35,000 options granted in early January 2006. In February 2006,

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we granted 412,400 options with an exercise price of \$12.20. We determined the fair value of our ordinary shares in February 2006 to be \$12.20 taking into consideration the new client wins in January and February 2006, substantial progress with respect to the Trinity Partners integration and the commencement of diligence and other preparations for an initial public offering.

Amortization of Intangible Assets

Amortization of intangible assets is associated with our acquisitions of Trinity Partners in November 2005 (see Note 5 to our consolidated financial statements included elsewhere in this annual report for more details), PRG Airlines' fare audit services business in August 2006, GHS' financial accounting business in September 2006, Marketics in May 2007 and Flovate in June 2007.

Other Income, Net

Other income, net is comprised of interest expenses, other expenses and other income. Other expenses and other income include interest income and foreign exchange gains or losses. Interest expense primarily relates to interest charges arising from short-term note payable which is paid prior to each fiscal year end.

Operating Data

Our profit margin is largely a function of our asset utilization and the rates we are able to recover for our services. One of the most significant components 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. Generally, an improvement in the seat utilization rate will improve our profitability unless there are other factors which increase our costs such as an increase in lease rentals, large ramp-ups to build new seats, and increases in costs related to repairs and renovations to our existing or used seats. In addition, an increase in seat utilization rate as a result of an increase in the volume of work will generally result in a lower cost per seat and a higher profit margin as the total fixed costs of our built up seats remain the same while each seat is generating more revenue.

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

	As of March 31,		
	2008	2007	2006
Total headcount	18,104	15,084	10,433
Built up seats (1)	11,062	8,794	6,534
Used seats (1)	8,559	7,769	5,004
Seat utilization rate (2)	1.6	1.7	1.6

Notes:

- (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.
- (2) The seat utilization rate is calculated by dividing the total headcount by the number of built up seats to show the rate at which we are able to utilize our built up seats.

Foreign Exchange

Exchange Rates

Although a substantial portion of our revenue and revenue less repair payments is denominated in pound sterling (70.8% and 53.8%, respectively, in fiscal 2008, 71.5% and 54.4%, respectively, in fiscal 2007, and 70.2% and 59.1%, respectively, in fiscal 2006) and US dollars (25.6% and 40.5%, respectively, in fiscal 2008, 24.8% and 39.8%, respectively, in fiscal 2007, and 24.4% and 33.4%, respectively, in fiscal 2006), most of our expenses (net of payments to repair centers) (72.0% in fiscal 2008, 86.0% in fiscal 2007 and 77.5% in fiscal 2006) are incurred and paid in Indian rupees. 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. We report our financial results in US dollars and our results of operations may be adversely affected if the pound sterling depreciates against

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the US dollar or the Indian rupee appreciates against the US dollar. See “Item 11. Quantitative and Qualitative Disclosures About Market Risk — B. Risk Management Procedures — Components of Market Risk — Exchange Rate Risk.”

In addition, we carry current assets and current liabilities such as accounts receivable and accounts payable in foreign currencies on our balance sheet. The translation of such balance sheet accounts denominated in foreign currencies into US dollars (which is our reporting currency) is at the rate in effect at the balance sheet date. Adjustments resulting from the translation of our financial statements from functional currency to reporting currency are accumulated and reported as other comprehensive income (loss), which is a separate component of shareholder’s equity. Foreign currency transaction gains and losses are recorded as other income or expense.

Currency Regulation

Our Indian subsidiary, WNS Global, is registered as an exporter of business process outsourcing services with the Software Technology Parks of India, or STPI. According to the prevailing foreign exchange regulations in India, an exporter of business process outsourcing services registered with the STPI is required to receive its export proceeds in India within a period of 12 months from the date of such exports in order to avail itself of the tax and other benefits associated with STPI status. Units which are not registered with STPI are required to receive these proceeds within six months. In the event that such a registered exporter has received any advance against exports in foreign exchange from its overseas customers, it is required to render the requisite services so that such advances are earned within a period of 12 months from the date of such receipt. If WNS Global does not meet these conditions, it will be required to obtain permission from the Reserve Bank of India to receive and realize such foreign currency earnings.

A majority of the payments we receive from our clients are denominated in pound sterling, US dollars and Euros. For most of our clients, our operating subsidiaries in the UK and the US enter into contractual agreements directly with our clients for the provision of business process outsourcing services by WNS Global. WNS Global holds the foreign currency it receives in an export earners foreign currency account. All foreign exchange requirements, such as for the import of capital goods, expenses incurred during overseas travel by employees and discharge of foreign exchange expenses or liabilities, can be met using the foreign currency in the export earners foreign currency account in India. As and when funds are required by us, the funds in the export earners’ foreign currency account may be transferred to an ordinary rupee-denominated account in India.

There are currently no Jersey, UK or US foreign exchange control restrictions on the payment of dividends on our ordinary shares or on the conduct of our operations.

Income Taxes

We operate in multiple tax jurisdictions including India, Sri Lanka, Romania, the Philippines, the UK and the US. As a result, our effective tax rate will change from year to year based on recurring factors such as the geographical mix of income before taxes, state and local taxes, the ratio of permanent items to pretax book income and the implementation of various global tax strategies, as well as non-recurring events.

Our Indian operations are eligible to claim income tax exemption with respect to profits earned from export revenue by various delivery centers registered with STPI. This benefit used to be available from the date of commencement of operations to March 31, 2009, subject to a maximum of ten years. 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. We have 14 such delivery centers in India in fiscal 2008 and ten such delivery centers in fiscal 2007 and 2006. The tax benefits of these delivery centers will expire in stages: on April 1, 2009 for one of our delivery centers located in Pune and on April 1, 2010 for our other delivery centers located in Mumbai, Pune, Gurgaon, Bangalore and Nashik, except for the tax benefits enjoyed by two of our delivery centers located in Mumbai and Nashik which expired on April 1, 2007 and April 1, 2008, respectively.

Our Sri Lankan operations are also eligible to claim income tax exemption with respect to profits earned from export revenue by our delivery centers registered with the Board of Investment, Sri Lanka. This tax holiday is available for five years from the year of assessment in which our Sri Lankan subsidiary commences to make profits or any year of

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assessment not later than two years from the date of commencement of operations, whichever is the earlier. This tax holiday expires in the year of assessment 2010. Thereafter, income tax will be leviable at the rate of 15% on the first Sri Lankan rupees 5 million of income and at the rate of 35% on income exceeding Sri Lankan rupees 5 million.

As a result of the tax benefits described above, our income derived from our business process outsourcing service operations are not subject to corporate tax in India and Sri Lanka. The additional income tax expense we would otherwise have had to pay at the statutory rates in India and Sri Lanka, if the tax exemption was not available, would have been approximately \$11.5 million for fiscal 2008, \$8.7 million for fiscal 2007 and \$4.7 million for fiscal 2006. When our tax holiday expires or is withdrawn by Indian tax authorities, our tax expense will materially increase. In the absence of a tax holiday, income derived from India would be taxed up to a maximum of the then prevailing annual tax rate which, as of March 31, 2008, was 33.99%. We have not recognized a deferred tax asset on carried forward losses as there is uncertainty regarding the availability of such operating losses in subsequent years.

In May 2007, the Indian Finance Act, 2007 was adopted, with the effect of subjecting Indian companies that benefit from a holiday from Indian corporate income taxes to the MAT at the rate of 11.33% in the case of profits exceeding Rs. 10 million and 10.3% in the case of profits not exceeding Rs. 10 million with effect from April 1, 2007. To the extent MAT paid exceeds the actual tax payable on the taxable income, such companies would be able to set off such MAT credits against tax payable in the succeeding seven years, subject to the satisfaction of certain conditions. As a result of this amendment to the tax regulations, we became subject to MAT and are required to pay additional taxes commencing fiscal 2008. To the extent MAT paid exceeds the actual tax payable on our taxable income, we would be able to set off such MAT credits against tax payable in the succeeding seven years, subject to the satisfaction of certain conditions. We expect to be able to set off our MAT payments against our increased tax liability based on taxable income when our tax holiday expires or is withdrawn by the Indian tax authorities.

In addition, in May 2007, the government of India implemented a fringe benefit tax on the allotment of shares pursuant to the exercise or vesting, on or after April 1, 2007, of options and RSUs granted to employees. The fringe benefit tax is payable by the employer at the current rate of 33.99% on the difference between the fair market value of the options and RSUs on the date of vesting of the options and RSUs and the exercise price of the options and the purchase price (if any) for the RSUs, as applicable. In October 2007, the government of India published its guidelines on how the fair market value of the options and RSUs should be determined. The new legislation permits the employer to recover the fringe benefit tax from the employees. Accordingly, we have amended the terms of our 2002 Stock Incentive Plan and the 2006 Incentive Award Plan to allow us to recover the fringe benefit tax from all our employees in India except those expatriate employees who are resident in India. In respect of these expatriate employees, we are seeking clarification from the Indian and foreign tax authorities on the ability of such expatriate employees to set off the fringe benefit tax from the foreign taxes payable by them. If they are able to do so, we intend to recover the fringe benefit tax from such expatriate employees in the future.

In 2005, the government of India implemented the SEZ legislation with the effect that taxable income of new operations established in designated special economic zones, or SEZs, may be eligible for tax exemption equal to (i) 100% of their profits or gains derived for the first five years from the commencement of operations; (ii) 50% of those profits or gains for the next five years; and (iii) 50% of those profits or gains for a further five years, subject to satisfying certain capital investment requirements.

We may establish one or more new operations centers in designated SEZs that would be eligible for the benefits of the SEZ legislation, subject to the receipt of requisite governmental and regulatory approvals. In fiscal 2008, we established an operation center in a designated SEZ in Gurgaon that is eligible for the benefits of the SEZ legislation. The Ministry of Finance in India has however expressed concern about the potential loss of tax revenues as a result of the exemptions under the SEZ legislation. The SEZ legislation has been criticized on economic grounds by the International Monetary Fund and may be challenged in courts by certain non-governmental organizations. It is possible that, as a result of such political pressures, the procedure for obtaining the benefits of 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 the establishment of additional operations in the SEZs.

Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements included elsewhere in this annual report which have been prepared in accordance with US GAAP. Note 2 to our consolidated financial statements included elsewhere in this annual report describes our significant accounting policies and is an essential part of our consolidated financial statements.

We believe the following to be critical accounting policies. By “critical accounting policies,” we mean policies that are both important to the portrayal of our financial condition and financial results and require critical management judgments and estimates. Although we believe that our judgments and estimates are appropriate, actual future results may differ from our estimates.

Revenue Recognition

We generate revenue by providing business process outsourcing services to our clients. Business process outsourcing services involve providing back-office administration, data management, contact center management and automobile claims handling services. We recognize revenue when we have persuasive evidence of an arrangement, services have been rendered, the fee is determinable and collectibility is reasonably assured. We conclude that we have persuasive evidence of an arrangement when we enter into an agreement with our clients with terms and conditions that describe the service and the related payments and are legally enforceable. We consider revenue to be determinable when the services have been provided in accordance with the agreement. When the terms of the agreement specify service level parameters that must be met, we monitor such service level parameters and determine if there are any service credits or penalties that we need to account for. Revenue is recognized net of any service credits that are due to a client. A substantial portion of our revenue is from large companies, where we do not believe we have a significant credit risk.

We generally do not have minimum commitment arrangements. In the limited instances where we have entered into such arrangements, the contracts either provide for a minimum revenue commitment on an annual basis or a cumulative basis over multiple years, stated in terms of annual minimum amounts. In such minimum commitment arrangements where a minimum commitment is specific to an annual period, any revenue shortfall is invoiced and recognized at the end of this period. When the shortfall in a particular year can be offset with revenue received in excess of minimum commitments in a subsequent year, we recognize deferred revenue for the shortfall which has been invoiced and received. To the extent we have sufficient experience to conclude that the shortfall will not be satisfied by excess revenue in a subsequent period, the deferred revenue will be recognized as revenue in that period. In order to determine whether we have sufficient experience, we consider several factors which include (i) the historical volume of business done with a client as compared with initial projections of volume as agreed to by the client and us; (ii) the length of time for which we have such historical experience; (iii) future volume expected based on projections received from the client; and (iv) our internal expectations of the ongoing volume with the client. Otherwise the deferred revenue will remain until such time we can conclude that it will not receive revenues in excess of the minimum commitment. For certain agreements, we have retroactive discounts related to meeting agreed volumes. In such situations, we record revenue at the discounted rate, although we initially bill at the higher rate, unless we can determine that the agreed volumes will not be met.

We invoice our clients depending on the terms of the arrangement, which include billing based on a per employee, per transaction or cost-plus basis. Amounts billed or payments received, where all the conditions for revenue recognition have not been met, are recorded as deferred revenue and are recognized as revenue when all recognition criteria have been met. However, the costs related to the performance of such work are recognized in the period the services are rendered. For certain of our clients, we perform process transition activities upon execution of the contract with such client. We defer the revenue and the cost attributable to certain process transition activities with respect to our clients where such activities do not represent the culmination of a separate earning process. Such revenue and cost are subsequently recognized ratably over the period in which the related services are performed. The deferment of cost is limited to the amount of the deferred revenue. Any cost in excess of the deferred revenue will be recognized during the period it was incurred.

Certain contracts allow us to invoice our clients for out-of-pocket expenses incurred to render services to our clients and we recognize such reimbursements as revenue.

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We provide automobile claims handling services, which include claims handling and administration, or claims handling, and arranging for repairs with repair centers across the UK and the related payment processing for such repairs, or accident management. With respect to claims handling, we enter into contracts with our clients to process all their claims over the contract period, where the fees are determined either on a per claim basis or is a fixed payment for the contract period. Where our contracts are on a per claim basis, we invoice the client at the inception of the claim process. We estimate the processing period for the claims and recognize revenue over the estimated processing period. This processing period generally ranges between one to two months. The processing time may be greater for new clients and the estimated service period is adjusted accordingly. The processing period is estimated based on historical experience and other relevant factors, if any. Where the fee is a fixed payment for the contract period, revenue is recognized on a straight line basis over the period of the contract. In certain cases, the fee is contingent upon the successful recovery of a claim by the client. In these circumstances, the revenue is not recognized until the contingency is resolved.

In order to provide automobile accident management services, we negotiate with and set up a network of repair centers where vehicles involved in an accident can be repaired. We are the principal in these transactions between the repair center and the client. The repair centers bill us for the negotiated costs of the repair and we invoice such costs to the client. We recognize the amounts invoiced to the client as revenue as we have determined that we meet the criteria established by Emerging Issues Task Force, or EITF, No. 99-19, "*Reporting Revenue Gross as a Principal versus Net as an Agent.*" Factors considered in determining that we are the principal in the transaction include whether (i) we negotiate the labor rates with repair centers; (ii) we determine which repair center should be used; (iii) we are responsible for timely and satisfactory completion of repairs; and (iv) we bear the credit risk. In certain circumstances, a portion of the repair costs may be insured. In such situations, the payment received from the insurance company is not recognized as revenue or cost of revenue. We invoice the repair center for referral fees and recognize it as revenue.

Share-based Compensation

We provide share-based awards such as stock options and RSUs to our employees, directors and executive officers through various equity compensation plans. In December 2004, the Financial Accounting Standards Board, or FASB, issued the SFAS 123(R) that addressed the accounting of share-based payment transactions in which a company receives employee services in exchange for equity instruments of the company or liabilities that are based on the fair value of the company's equity instruments or that may be settled by the issuance of such equity instruments. Prior to April 1, 2006, we accounted for our employee share-based compensation plan using the intrinsic value method of accounting prescribed by APB Opinion No. 25 and related Interpretations, as permitted by SFAS 123. Effective from April 1, 2006, we adopted SFAS 123(R) and used the prospective transition method of accounting to account for our employee share-based compensation plan. Under that transition method, non-public entities that used the minimum-value method (whether for financial statement recognition or for pro forma disclosure purposes) continue to account for non-vested equity awards outstanding at the date of adoption of SFAS 123(R) in the same manner as they had been accounted for prior to adoption.

In accordance with the provisions of SFAS 123(R), share-based compensation for all awards granted, modified or settled on or after April 1, 2006 that we expect to vest is recognized on a straight line basis over the requisite service period, which is generally the vesting period of the award. SFAS 123(R) requires the use of a valuation model to calculate the fair value of share-based awards. We elected to use the Black-Scholes-Merton pricing model to determine the fair value of share-based awards on the date of grant. RSUs are measured based on the fair market value of the underlying shares on the date of grant.

In determining the fair value of share-based awards using the Black-Scholes option pricing model, we are required to make certain estimates of the key assumptions that include expected term, expected volatility of our shares, dividend yield and risk free interest rate. Estimating these key assumptions involves judgment regarding subjective future expectations of market prices and trends. The assumptions for expected term and expected volatility have the most significant effect on calculating the fair value of our stock options. We have estimated the expected term to be 3.5 years in the case of stock options and two years in the case of RSUs. As we have less than two years of trading history, we have analyzed the volatility of certain listed peer companies to estimate the volatility in stock prices SFAS 123(R) also requires forfeitures to be estimated at the date of grant. Our estimate of forfeitures is based on our historical activity and past trends, which we believe is indicative of expected forfeitures. In subsequent periods, if the actual rate of forfeitures differs from our estimate, the forfeiture rates will be revised, as necessary.

Business Combinations

Our acquisitions have been accounted under the purchase method of accounting. We identify tangible and intangible assets that we have acquired and estimate the fair values on the date of the acquisition. We determine the fair values of the acquired assets taking into consideration information supplied by the management of the acquired entities, external valuations and other relevant information. We primarily determine the valuations based on an estimate of the future discounted cash flow projections. We also estimate the useful lives of the assets acquired to determine the period over which we will depreciate or amortize the assets. Where there are significant differences between the tax bases and book bases of the assets acquired or liabilities assumed, we also create deferred tax assets or liabilities at the date of the acquisition. The determination of fair values requires significant judgment both by management and by outside specialists engaged to assist in this process. The remainder of the purchase price, if any, is recorded as goodwill.

Goodwill, Intangible Assets and Property and Equipment

We determine reporting units based on our analysis of segments and estimate the goodwill to be allocated to each reporting unit.

The goodwill impairment test is a two-step process, which requires us to make judgments in determining what assumptions to use in the calculation. The first step of the process consists of estimating the fair value of each of our reporting units, based on a discounted cash flow model, using revenue and profit forecasts and comparing those estimated fair values with the carrying values which include the allocated goodwill. If the estimated fair value is less than the carrying value, a second step is performed to compute the amount of the impairment by determining the implied fair value of goodwill. The determination of a reporting unit's implied fair value of goodwill requires the allocation of the estimated fair value of the reporting unit to the assets and liabilities of the reporting unit. Any unallocated fair value representing the implied fair value of goodwill is then compared to its corresponding carrying value. If the carrying value exceeds the implied fair value of goodwill, the difference is recognized as an impairment charge.

The implied fair value of reporting units is determined by our management and is generally based upon future cash flow projections for the reporting unit, discounted to present value. We consider external valuations when management considers it appropriate to do so.

We amortize intangible assets with definite lives over the estimated useful lives and review them for impairment, if indicators of impairment arise. We estimate the useful lives of intangible assets after consideration of historical results and anticipated results based on our current plans.

We initially record purchased property and equipment, which includes amounts recorded under capital leases, at cost. Advances paid towards the acquisition of property and equipment and the cost of property and equipment not put to use before the balance sheet date are reported under the caption capital work-in-progress. Depreciation and amortization of property and equipment are computed using the straight-line method over the estimated useful lives of the assets. We estimate the useful lives of intangible assets after consideration of historical results and anticipated results based on our current plans.

We perform impairment reviews of intangible assets and property and equipment when events or circumstances indicate that the value of the assets may be impaired. Indicators of impairment include operating or cash flow losses, significant decreases in market value or changes in the physical condition of the property and equipment. When indicators of impairment are present, the evaluation of impairment is based upon a comparison of the carrying amount of the intangible asset or property and equipment to the estimated future undiscounted net cash flows expected to be generated by the asset. If estimated future undiscounted cash flows are less than the carrying amount of the asset, the asset is considered impaired. The impairment expense is determined by comparing the estimated fair value of the intangible asset or property and equipment to its carrying value, with any shortfall from fair value recognized as an expense in the current period. The estimate of undiscounted cash flows and the fair value of assets require several assumptions and estimates.

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We cannot predict the occurrence of future events that might adversely affect the reported value of goodwill, intangible assets or property and equipment. Such events include, but are not limited to, strategic decisions made in response to economic and competitive conditions, the impact of the environment on our customer base, and material negative change in relationship with significant customers.

Income Taxes

We apply the asset and liability method of accounting for income taxes as described in SFAS No. 109, "Accounting for Income Taxes," or SFAS 109. Under this method, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. We recognize valuation allowances to reduce the deferred tax assets to an amount that is more likely than not to be realized. In assessing the likelihood of realization, we consider estimates of future taxable income.

Effective April 1, 2007, we adopted the provisions of the Financial Accounting Standards Board Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, — an interpretation of FASB Statement No. 109," or FIN 48. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements described by SFAS 109 and prescribes a recognition threshold of "more likely than not" to be sustained upon examination. As a result of the implementation of FIN 48, we recognized the effect of unrecognized tax obligations related to tax positions taken in prior periods which was \$1.3 million. The required amount of provisions for contingencies of any type may change in the future due to new developments.

Results of Operations

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

	Revenue			Revenue Less Repair Payments		
	Year Ended March 31,			Year Ended March 31,		
	2008	2007	2006	2008	2007	2006
Cost of revenue	79.0%	77.0%	71.9%	66.8%	63.1%	61.4%
Gross profit	21.0%	23.0%	28.1%	33.2%	36.9%	38.6%
Operating expenses:						
SG&A	15.8%	14.9%	17.9%	25.0%	23.9%	24.6%
Amortization of intangibles assets	0.6%	0.5%	0.4%	1.0%	0.9%	0.6%
Impairment of goodwill, intangibles and other assets	3.4%	—	—	5.3%	—	—
Operating income	1.2%	7.6%	9.8%	1.9%	12.1%	13.4%
Other income, net	2.0%	0.7%	0.0%	3.2%	1.1%	0.0%
Provision for income taxes	(1.1)%	(0.7)%	(0.8)%	(1.8)%	(1.2)%	(1.1)%
Net income	2.1%	7.6%	9.0%	3.3%	12.0%	12.3%

The following table reconciles revenue (a GAAP measure) to revenue less repair payments (a non-GAAP measure) across our business:

	Year Ended March 31,		
	2008	2007	2006
Revenue	100.0%	100.0%	100.0%
Less: Payments to repair centers	36.8%	37.6%	27.1%
Revenue less repair payments	63.2%	62.4%	72.9%

Fiscal 2008 Compared to Fiscal 2007

Revenue. Revenue in fiscal 2008 was \$459.9 million as compared to \$352.3 million in fiscal 2007, representing an increase of \$107.6 million, or 30.5%. This increase in revenue of \$107.6 million was primarily attributable to an increase in revenue from existing clients of \$92.6 million on account of an increase in capacity, an expansion of the number of processes that we executed for these clients, and an increase in volumes for the existing processes, and an increase in revenue from new clients of \$15.0 million (including \$9.0 million and \$0.1 million in revenue from new clients as a result of our acquisitions of Marketics in May 2007 and Flovate in June 2007, respectively). Revenue from the UK, Europe (excluding the UK) and North America (primarily the US) accounted for \$225.9 million, \$116.9 million and \$113.7 million, respectively, of our revenue for fiscal 2008, representing an increase of 19.0%, 48.0% and 40.8%, respectively, from fiscal 2007.

Revenue Less Repair Payments. Revenue less repair payments in fiscal 2008 was \$290.7 million, an increase of 32.3% over our revenue less repair payments of \$219.7 million in fiscal 2007. This increase in revenue less repair payments of \$71.0 million was primarily attributable to an increase in revenue less repair payments from existing clients of \$56.6 million on account of an increase in capacity, an expansion of the number of processes that we executed for these clients and an increase in volumes for the existing processes. The increase in revenue less repair payments from new clients was \$14.4 million (including \$9.0 million and \$0.1 million in revenue less repair payments from new clients as a result of our acquisitions of Marketics in May 2007 and Flovate in June 2007, respectively). Contract prices across the various types of processes remained substantially stable over this period. Revenue less repair payments from the UK, Europe (excluding the UK) and North America (primarily the US) accounted for \$146.2 million, \$27.4 million and \$113.7 million, respectively, of our revenue in fiscal 2008, representing increases of 31.8%, 8.5% and 40.8%, respectively, from fiscal 2007. We realized an increase in revenue less repair payments across all our business units in fiscal 2008, most significantly in our emerging businesses unit, followed by our travel services business unit and, to a lesser degree, in our BFSI business units.

Cost of Revenue. Cost of revenue in fiscal 2008 was 79.0% of revenue as compared to 77.0% of revenue in fiscal 2007. Cost of revenue in fiscal 2008 was \$363.3 million, an increase of \$92.1 million or 34.0% over our cost of revenue of \$271.2 million in fiscal 2007. Payments made to repair centers increased by \$36.6 million to \$169.2 million in fiscal 2008 from \$132.6 million in fiscal 2007 mainly due to increased business from existing clients. Operating employee compensation increased by \$42.1 million due to an increase in headcount and wages which were partially offset by a decrease in travel costs by \$0.8 million. In addition, infrastructure costs increased by \$11.0 million and depreciation cost increased by \$3.2 million due to the opening of new delivery centers, one each in Mumbai, Pune, Gurgaon and Bangalore. Share-based compensation cost included in operating employee compensation increased by \$1.4 million in fiscal 2008 as compared to fiscal 2007.

Gross Profit. Gross profit in fiscal 2008 was \$96.5 million, or 21.0% of revenue, as compared to \$81.1 million, or 23.0% of revenue, in fiscal 2007. Gross profit as a percentage of revenue less repair payments was 33.2% in fiscal 2008 compared to 36.9% in fiscal 2007. Gross profit as a percentage of revenue less repair payments decreased by approximately 3.7% in fiscal 2008 as compared to fiscal 2007 primarily on account of the loss of FMFC, a mortgage services client and an increase in cost of revenue of \$92.1 million as discussed above.

SG&A Expenses. SG&A expenses in fiscal 2008 were \$72.7 million, an increase of 38.6% over our SG&A expenses of \$52.5 million in fiscal 2007. Non-operating employee compensation was higher by \$5.0 million and related travel expenses were higher by \$0.7 million largely on account of our increased marketing efforts and the expansion of our management team. Share-based compensation costs, which are included in non-operating employee compensation, increased by \$1.7 million in fiscal 2008 as compared to fiscal 2007. Other SG&A cost elements such as (i) professional fees increased by \$3.4 million partially on account of legal expenses incurred in relation to our claims filed in FMFC's voluntary petition for relief under Chapter 11 of the Bankruptcy Code in August 2007, (ii) other employee related costs such as recruitment and training costs increased by \$1.5 million due to our continued expansion and increase in headcount, (iii) provision for bad debts increased by \$1.4 million on account of the provision for doubtful accounts for the accounts receivable from FMFC for services through June 2007, (iv) the recently introduced fringe benefit tax payable by us on the allotment of shares pursuant to the exercise or vesting, on or after April 1, 2007, of options and RSUs granted to employees of \$2.5 million, (v) facilities costs increased by \$1.5 million due primarily to the setting up of new delivery centers, one each in Mumbai, Pune, Gurgaon and Bangalore, (vi) fringe benefit tax on other expenses increased by \$1.2 million, (vii) depreciation cost increased by \$0.5 million

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due to the opening of new delivery centers, one each in Mumbai, Pune, Gurgaon and Bangalore, and (viii) other administration related expenses such as communication costs, computer maintenance cost and marketing cost increased by \$2.5 million. SG&A expenses as a percentage of revenue was 15.8% in fiscal 2008 as compared to 14.9% in fiscal 2007. SG&A expenses as a percentage of revenue less repair payments was 25.0% in fiscal 2008 as compared to 23.9% in fiscal 2007.

Amortization of Intangible Assets. Amortization of intangible assets was \$2.9 million in fiscal 2008, an increase of 51.3% over \$1.9 million in fiscal 2007. The increase was primarily on account of amortization of intangible assets acquired through our acquisitions of Marketics in May 2007 and Flovate in June 2007 which was partially offset by a decrease in amortization charge on account of the impairment of intangible assets acquired through our acquisition of Trinity Partners arising from FMFC's voluntary petition for relief under Chapter 11 of the US Bankruptcy Code in August 2007.

Impairment of Goodwill, Intangibles and Other Assets. We performed impairment reviews of goodwill and intangible assets when FMFC filed a voluntary petition for relief under Chapter 11 of the US Bankruptcy Code in August 2007. Based on the impairment review, all unamortized goodwill and intangible assets acquired in connection with the acquisition of Trinity Partners in November 2005 was impaired in August 2007. We had \$15.5 million of impairment of goodwill, intangibles and other assets in fiscal 2008 consisting of impairment of \$9.1 million of goodwill recognized and an impairment of \$6.4 million of intangible and other assets acquired with the acquisition of Trinity Partners in November 2005. We had no impairment of goodwill, intangibles and other assets in fiscal 2007.

Operating Income. Income from operations in fiscal 2008 was \$5.5 million compared to \$26.8 million in fiscal 2007, due to the reasons discussed above. Income from operations as a percentage of revenue was 1.2% in fiscal 2008 as compared to 7.6% in fiscal 2007. Income from operations as a percentage of revenue less repair payments was 1.9% in fiscal 2008 as compared to 12.1% in fiscal 2007.

Other Income, Net. Other income, net in fiscal 2008 was \$9.2 million as compared to \$2.5 million in fiscal 2007, an increase of \$6.7 million, primarily on account of an increase in interest income by \$1.8 million to \$5.3 million in fiscal 2008 as compared to \$3.5 million in fiscal 2007, and a foreign exchange gain of \$2.9 million in fiscal 2008 as compared to a foreign exchange loss of \$1.4 million in fiscal 2007.

Interest Expense. We had no interest expense in fiscal 2008 compared to an interest expense of \$0.1 million in fiscal 2007.

Provision for Income Taxes. Provision for income taxes in fiscal 2008 was \$5.2 million, an increase of 101.8% over our provision for income taxes of \$2.6 million in fiscal 2007. This increase is primarily on account of higher profits in our WNS Auto Claims BPO segment resulting in higher tax expense. Profits earned from our WNS Auto Claims BPO segment are generated from our operations in UK while profits earned from our WNS Global BPO segment are primarily generated from our operations in India which are eligible for tax exemptions with respect to profits earned from export revenue by various delivery centers that benefit from a tax holiday. Tax as a percentage of net income before tax was 35.3% in fiscal 2008 as compared to 8.8% in fiscal 2007.

Net Income. Net income in fiscal 2008 was \$9.5 million as compared to \$26.6 million in fiscal 2007. Net margin was 2.1% in fiscal 2008 as compared to 7.5% in fiscal 2007. Net margins as percentage of revenue less repair payments was 3.3% in fiscal 2008 as compared to 12.1% in fiscal 2007.

Fiscal 2007 Compared to Fiscal 2006

Revenue. Revenue in fiscal 2007 was \$352.3 million, an increase of 73.7% over revenue of \$202.8 million in fiscal 2006. This increase in revenue of \$149.5 million was primarily attributable to an increase in revenue from existing clients of \$76.6 million on account of an expansion of the number of processes that we executed for these clients and an increase in volumes for the existing processes. The increase in revenue from new clients was \$72.9 million. Revenue from the UK, Europe (excluding the UK) and North America (primarily the US) accounted for \$189.9 million, \$79.0 million and \$80.8 million, respectively, of our revenue for fiscal 2007, representing an increase of 49.6%, 210.8% and 64.4%, respectively, from fiscal 2006.

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Revenue Less Repair Payments. Revenue less repair payments in fiscal 2007 was \$219.7 million, an increase of 48.5% over our revenue less repair payments of \$147.9 million in fiscal 2006. This increase in revenue less repair payments of \$71.8 million was primarily attributable to an increase in revenue less repair payments from existing clients of \$50.3 million on account of an expansion of the number of processes that we executed for these clients and an increase in volumes for the existing processes. The increase in revenue less repair payments from new clients was \$21.5 million. Contract prices across the various types of processes remained substantially stable over this period. Revenue less repair payments from the UK, Europe (excluding the UK) and North America (primarily the US) accounted for \$110.9 million, \$25.3 million and \$80.8 million, respectively, of our revenue in fiscal 2007, representing increases of 51.3%, 5.0% and 64.4%, respectively, from fiscal 2006. We realized increases in revenue less repair payments across each of our business units in fiscal 2007, most significantly in our emerging businesses unit, followed by our BFSI business unit and to a lesser degree, in our travel business unit.

Cost of Revenue. Cost of revenue in fiscal 2007 was 77.0% of revenue as compared to 71.9% of revenue in fiscal 2006. Cost of revenue in fiscal 2007 was \$271.2 million, an increase of 86.1% over our cost of revenue of \$145.7 million in fiscal 2006. Payments made to repair centers increased by \$77.7 million to \$132.6 million in fiscal 2007 from \$54.9 million in fiscal 2006 due to the addition of a new client which accounted for \$51.4 million of the increase and increased business from existing clients which accounted for the balance of \$26.3 million of the increase. Operating employee compensation increased by \$26.9 million and travel costs increased by \$2.7 million over this period due to an increase in headcount. In addition, infrastructure costs increased by \$18.1 million due to the opening of two new delivery centers, one each in Pune and Mumbai, and the expansion of existing centers. Share-based compensation costs included in operating employee compensation increased by \$0.9 million in fiscal 2007 as compared to fiscal 2006.

Gross Profit. Gross profit in fiscal 2007 was \$81.1 million, or 23.0% of revenue, as compared to \$57.1 million, or 28.1% of revenue, in fiscal 2006. Gross profit as a percentage of revenue less repair payments was 36.9% in fiscal 2007 compared to 38.6% in fiscal 2006. Gross profit as a percentage of revenue less repair payments decreased by approximately 1.7% in fiscal 2007 as compared to fiscal 2006 primarily on account of \$2.4 million of revenue recognized during fiscal 2006 that had been deferred from fiscal 2005, an increase in employee costs of \$26.9 million and an increase of infrastructure costs of \$18.1 million as discussed above.

SG&A Expenses. SG&A expenses in fiscal 2007 were \$52.5 million, an increase of 44.3% over our SG&A expenses of \$36.3 million in fiscal 2006. Non-operating employee compensation was higher by \$6.7 million and related travel expenses were higher by \$2.4 million largely on account of our increased marketing efforts and the expansion of our management team. Share-based compensation costs, which are included in non-operating employee compensation, increased by \$0.9 million in fiscal 2007 as compared to fiscal 2006. Other SG&A cost elements such as (i) facilities costs increased by \$5.5 million due primarily to the setting up of two new delivery centers, one each in Pune and Mumbai, and the expansion of existing delivery centers, (ii) professional fees increased by \$1.3 million, and (iii) depreciation increased by \$0.3 million in fiscal 2007 as compared to fiscal 2006. SG&A expenses as a percentage of revenue was 14.9% in fiscal 2007 as compared to 17.9% in fiscal 2006. SG&A expenses as a percentage of revenue less repair payments was 23.9% in fiscal 2007 as compared to 24.6% in fiscal 2006, as our revenue less repair payments grew more rapidly than our SG&A expenses.

Amortization of Intangible Assets. Amortization of intangible assets was \$1.9 million in fiscal 2007, an increase of 121.5% over \$0.9 million in fiscal 2006. The increase was primarily on account of intangible assets acquired through our acquisition of Trinity Partners in November 2005.

Operating Income. Income from operations in fiscal 2007 was \$26.8 million compared to \$19.9 million in fiscal 2006, due to the reasons discussed above. Income from operations as a percentage of revenue was 7.6% in fiscal 2007 as compared to 9.8% in fiscal 2006. Income from operations as a percentage of revenue less repair payments was 12.1% in fiscal 2007 as compared to 13.4% in fiscal 2006. We had recognized \$2.4 million of revenue during fiscal 2006 that had been deferred from fiscal 2005, as all revenue recognition criteria had not been met at the end of fiscal 2005.

Other Income, Net. Other income, net in fiscal 2007 was \$2.5 million as compared to \$0.5 million in fiscal 2006, an increase of \$2.0 million, primarily on account of interest income earned on our net proceeds from our initial public offering which are held in term deposits and demand deposits. Interest income was \$3.5 million in fiscal 2007 as compared to \$0.4 million in fiscal 2006. The increase in income was partially offset by foreign exchange loss. We

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recorded a foreign exchange loss of \$1.4 million in fiscal 2007 as compared to a foreign exchange loss of \$0.4 million in fiscal 2006.

Interest Expense. Interest expense in fiscal 2007 was \$0.1 million, a decrease from \$0.4 million in fiscal 2006.

Provision for Income Taxes. Provision for income taxes in fiscal 2007 was \$2.6 million, an increase of 63.5% over our provision for income taxes of \$1.6 million in fiscal 2006. Tax as a percentage of net income before tax was 8.8% in fiscal 2007 as compared to 7.9% in fiscal 2006.

Net Income. Net income in fiscal 2007 was \$26.6 million as compared to \$18.3 million in fiscal 2006. Net margins were 7.5% in fiscal 2007 as compared to 9.0% in fiscal 2006. Net margins as percentage of revenue less repair payments were 12.1% in fiscal 2007 as compared to 12.3% in fiscal 2006.

Results by Reportable Segment

For purposes of evaluating operating performance and allocating resources, we have organized our company by operating segments. See Note 15 to our consolidated financial statements included elsewhere in this annual report. For financial statement reporting purposes, we aggregate the segments that meet the criteria for aggregation as set forth in SFAS No. 131, “*Disclosures about Segments of an Enterprise and Related Information*,” or SFAS 131. We have separately reported our auto claims segment (or WNS Assistance), as it does not meet the aggregation criteria under SFAS 131. Accordingly, pursuant to SFAS 131, we have two reportable segments: WNS Global BPO and WNS Auto Claims BPO.

WNS Global BPO is primarily delivered out of our offshore delivery centers in India and Sri Lanka. This segment includes all of our business activities with the exception of WNS Auto Claims BPO. WNS Auto Claims BPO is our automobile claims management business called WNS Assistance, which is primarily based in the UK and is part of our BFSI business unit. See “Item 4. Information on the Company — B. Business Overview — Business Process Outsourcing Service Offerings.” We report WNS Auto Claims BPO as a separate segment for financial statement reporting purposes since a substantial part of our reported revenue in this business consists of amounts invoiced to our clients for payments made by us to automobile repair centers, resulting in lower long-term gross margins when measured on the basis of revenue, relative to the WNS Global BPO segment.

Amounts we invoice our clients for the automobile repair costs that we pay to repair centers is recognized as revenue because we act as principal in our dealings with the repair centers and our clients in our WNS Auto Claims BPO business. We are responsible for the repairs, including determining the repair center to be used and negotiating labor rates with such repair centers. We also bear the credit risk of recovery of these payments from our clients beyond certain advance payments from our clients. However, since we wholly subcontract the repairs to the repair centers, we evaluate our business performance based on our revenue net of these payments to repair centers, which we call revenue less repair payments. Though a non-GAAP measure, we believe that revenue less repair payments reflects more accurately the value of our services to our clients, and we use revenue less repair payments as the primary measure to allocate resources and evaluate segmental performance. We also use segment operating income (loss), which is defined as segment income (loss) before unallocated costs, as a secondary measure to evaluate segment performance during a period. Operating margins in our WNS Auto Claims BPO segment, when calculated on the basis of revenue less repair payments, are comparable to operating margins in our WNS Global BPO segment.

Our management allocates resources based on segment revenue less repair payments and measures segment performance based on revenue less repair payments and to a lesser extent on segment operating income. The accounting policies of our reportable segments are the same as those of our company. See “— Critical Accounting Policies.” We may in the future change our reportable segments based on how our business evolves.

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The following table shows revenue and revenue less repair payments for our two reportable segments for the periods indicated:

	Year Ended March 31, 2008		Year Ended March 31, 2007		Year Ended March 31, 2006	
	WNS Global BPO	WNS Auto Claims BPO	WNS Global BPO	WNS Auto Claims BPO	WNS Global BPO	WNS Auto Claims BPO
	(US dollars in millions)					
Segment revenue ⁽¹⁾	\$ 261.2	\$ 199.7	\$ 195.0	\$ 158.8	\$ 125.2	\$ 79.6
Less: Payments to repair centers	—	169.1	—	132.6	—	54.9
Revenue less repair payments ⁽¹⁾	261.2	30.6	195.0	26.2	125.2	24.7
Cost of revenue ⁽²⁾	181.7	11.1	122.1	17.0	76.8	15.9
Other costs ⁽³⁾	63.3	5.0	45.6	4.2	30.9	3.6
Segment operating income	<u>\$ 16.2</u>	<u>\$ 14.5</u>	<u>\$ 27.3</u>	<u>\$ 5.1</u>	<u>\$ 17.5</u>	<u>\$ 5.1</u>

Notes:

- (1) Segment revenue and revenue less repair payments include inter-segment revenue of \$1.1 million for fiscal 2008, \$1.5 million for fiscal 2007 and \$2.0 million for fiscal 2006.
- (2) Cost of revenue includes inter-segment expenses of \$1.1 million for fiscal 2008, \$1.5 million for fiscal 2007 and \$2.0 million for fiscal 2006, and excludes stock-based compensation expenses of \$2.4 million for fiscal 2008, \$1.0 million for fiscal 2007 and \$0.1 million for fiscal 2006, which are not allocable between our segments.
- (3) Excludes stock-based compensation expenses of \$4.4 million for fiscal 2008, \$2.7 million for fiscal 2007 and \$1.8 million for fiscal 2006, which are not allocable between our segments. SG&A expenses comprise other costs and stock-based compensation expenses.

In fiscal 2008, WNS Global BPO accounted for 56.6% of our revenue and 89.5% of our revenue less repair payments, as compared to 54.9% of our revenue and 88.1% of our revenue less repair payments in fiscal 2007.

WNS Global BPO

Segment Revenue. Revenue in the WNS Global BPO segment increased by 34.0% to \$261.2 million in fiscal 2008 from \$195.0 million in fiscal 2007. This increase was primarily driven by an increase in the volume of transactions executed for existing clients, which contributed \$54.3 million of the increase, and an increase in revenue from new clients, which contributed \$11.9 million of the increase (including \$9.0 million of revenue contributed by Marketics which we acquired in May 2007).

Revenue in the WNS Global BPO segment increased by 55.7% to \$195.0 million in fiscal 2007 from \$125.2 million in fiscal 2006. This increase was primarily driven by an increase in the volume of transactions executed for existing clients, which contributed \$56.3 million of the increase, and an increase in revenue from new clients, which contributed \$13.5 million of the increase.

Contract prices across the various types of processes remained substantially stable over these periods.

Segment Operating Income. Segment operating income in the WNS Global BPO segment decreased by 40.6% to \$16.2 million in fiscal 2008 from an operating income of \$27.3 million in fiscal 2007. The decrease was primarily attributable to higher cost of revenue and other costs.

The key components of our cost of revenue are employee costs (which comprise employee salaries and costs related to recruitment, training and retention), infrastructure-related costs (which comprise depreciation charges, lease rentals, facilities management costs and telecommunication network costs), and travel related costs. Employee related costs represent the largest component of our cost of revenue for the WNS Global BPO segment. Our cost of revenue increased by \$59.6 million to \$181.7 million in fiscal 2008 from \$122.1 million in fiscal 2007, primarily on account of an increase in employee costs and wages by \$42.9 million due to the increase in headcount. In addition, infrastructure costs increased by \$13.4 million and depreciation costs increased by \$3.9 million due to the opening of new delivery centers, one each in Mumbai, Pune, Gurgaon and Bangalore, which was partially offset by a decrease in travel cost by \$0.7 million.

The key components of our other costs are corporate employee costs for sales and marketing, general and administrative and other support personnel, travel expenses, legal and professional fees, brand building expenses, and other general expenses not related to cost of revenue. Our other costs increased by \$17.7 million to \$63.3 million in fiscal 2008 from \$45.6 million in fiscal 2007. The increase in other costs was primarily on account of an increase in

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non-operating employee compensation by \$3.3 million, an increase in travel expenses by \$0.7 million and an increase in professional fees by \$3.5 million due to an increase in our marketing efforts and the expansion of our management team. In addition, administration costs increased by \$10.2 million primarily due to (i) the recently introduced fringe benefit tax payable by us on the allotment of shares pursuant to the exercise or vesting, on or after April 1, 2007, of options and RSUs granted to employees of \$2.5 million, (ii) an increase in fringe benefit tax on other expenses by \$1.2 million, (iii) an increase in bad debts provision of \$1.4 million, (iv) an increase in infrastructure cost of \$1.3 million and depreciation cost of \$0.4 million due to the opening of new delivery centers, one each in Mumbai, Pune, Gurgaon and Bangalore, (v) an increase in other employee related costs such as recruitment and training cost of \$1.5 million, and (vi) an increase in other administrative expense of \$1.8 million. Segment operating margin for fiscal 2008 decreased by 7.8% to 6.2% of revenue as compared to fiscal 2007.

Segment operating income in the WNS Global BPO segment increased by 55.7% to \$27.3 million in fiscal 2007 from \$17.5 million in fiscal 2006. This change was primarily attributable to an increase in revenue in fiscal 2007. The increase in revenue was partially offset by higher cost of revenue and other costs. Our cost of revenue increased by \$45.3 million to \$122.1 million in fiscal 2007 from \$76.8 million in fiscal 2006, primarily on account of an increase in employee costs by \$27.6 million and an increase in travel costs by \$2.6 million due to the increase in headcount. In addition, infrastructure costs increased by \$11.3 million and depreciation cost increased by \$3.8 million due to the opening of two new delivery centers, one each in Pune and Mumbai, and the expansion of existing centers.

Our other costs increased by \$14.7 million to \$45.6 million in fiscal 2007 from \$30.9 million in fiscal 2006. The increase in other costs was primarily on account of an increase in non-operating employee compensation by \$5.7 million, an increase in travel expenses by \$2.3 million and an increase in professional fees by \$1.0 million due to an increase in our marketing efforts and the expansion of our management team. In addition, administration costs increased by \$5.7 million primarily due to (i) an increase in facility cost by \$1.2 million and an increase in depreciation cost by \$0.3 million due to the setting up of two new delivery centers, one each in Pune and Mumbai, and the expansion of existing delivery centers, (ii) an increase in other employee related costs such as recruitment and training cost by \$0.8 million, and (iii) an increase in other administrative expense by \$3.4 million. Segment operating margin for fiscal 2007 remained unchanged at 14.0% of revenue as compared to fiscal 2006.

WNS Auto Claims BPO

Segment Revenue. Revenue in the WNS Auto Claims BPO segment increased by 25.8% to \$199.7 million in fiscal 2008 from \$158.8 million in fiscal 2007, primarily due to an increase in the volume of transactions executed for our existing clients, which contributed \$37.9 million of the increase, and an increase in revenue from new clients, which contributed \$3.0 million of the increase (including \$0.1 million of revenue contributed by Flovate which we acquired in June 2007). Payments made to repair centers in fiscal 2008 were \$169.2 million, an increase of 27.6% from \$132.6 million in fiscal 2007. This was primarily due to an increase in the volume of transactions executed for our new clients and the addition of new clients. Revenue less repair payments in this segment increased by 16.8% to \$30.6 million in fiscal 2008 from \$26.2 million in fiscal 2007 due to additional revenue from existing and new clients of \$2.0 million and \$2.4 million, respectively.

Revenue in the WNS Auto Claims BPO segment increased by 99.5% to \$158.8 million in fiscal 2007 from \$79.6 million in fiscal 2006, primarily due to the addition of a significant new client, which contributed \$59.1 million of the increase, and the assumption of the role as principal in our dealings with third party repair centers for our accident management services for an existing significant client, which contributed \$52.7 million of the increase. This increase in revenue was partially offset by a decrease in revenues from existing clients of \$32.6 million. Payments made to repair centers in fiscal 2007 were \$132.6 million, an increase of 141.5% from \$54.9 million in fiscal 2006. This was primarily due to the addition of a significant new client, which contributed \$51.4 million of the increase, and our assumption of the role as principal in our dealings with third party repair centers for accident management services for an existing significant client, which contributed \$53.6 million of the increase. This increase in revenue was partially offset by a decrease in revenues from existing clients of \$27.3 million. Revenue less repair payments in this segment increased by 6.1% to \$26.2 million in fiscal 2007 from \$24.7 million in fiscal 2006, due to the addition of a significant new client. Contract prices across the various types of processes remained substantially stable over these periods.

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Segment Operating Income. Segment operating income increased by 184.3% to \$14.5 million in fiscal 2008 from \$5.1 million in fiscal 2007. This increase of 184.3% was primarily on account of an increase in revenue which was partially offset by an increase in our cost of revenue and other costs. As claims management revenue is recognized over the period that claims are processed, a portion of such revenue is deferred at the end of a period. Our processing period generally ranges between one to two months. Claims management revenue deferred at March 31, 2007 was higher than claims management revenue deferred at March 31, 2008 by \$0.3 million. Our cost of revenue increased by \$30.6 million to \$180.2 million in fiscal 2008 from \$149.6 million in fiscal 2007. The largest component of our cost of revenue is payments to repair centers as part of our automobile management services where we arrange for repairs through a network of repair centers. Other primary components of our cost of revenue are employee costs (which comprise employee salaries and costs related to recruitment, training and retention), infrastructure-related costs (which comprise depreciation charges, lease rentals, facilities management costs and telecommunication network costs), and travel related costs. The increase in cost of revenue was primarily on account of an increase in payments to repair centers by \$36.5 million to \$169.1 million in fiscal 2008 from \$132.6 million in fiscal 2007 due to the addition of new clients. This increase was partially offset by a decrease in our employee costs by \$2.6 million, a decrease in infrastructure related costs by \$2.4 million, a decrease in depreciation cost by \$0.7 million and a decrease in travel costs by \$0.2 million. The key components of our other costs are non-operating employee compensation, travel costs, professional expenses and administration related costs. Our other costs increased by \$0.8 million to \$5.0 million in fiscal 2008 from \$4.2 million in fiscal 2007 due to an increase in administration costs by \$0.9 million which was partially offset by a decrease in our professional expenses by \$0.1 million. Our travel costs and employee costs remained stable during this period. Segment operating margin for fiscal 2008 increased by 4.0% to 7.2% of revenue as compared to 3.2% in fiscal 2007. Segment operating income as a percentage of revenue less repair was 47.3% in fiscal 2008 as compared to 19.4% in fiscal 2007.

Segment operating income decreased by 1.4% to \$5.07 million in fiscal 2007 from \$5.14 million in fiscal 2006. This decrease of 1.4% was mainly on account of a ramp up for a significant customer. Claims management revenue deferred at March 31, 2006 was higher than claims management revenue deferred at March 31, 2007 by \$0.2 million. In addition, our increase in revenue in fiscal 2007 was offset by an increase in our cost of revenue and other costs. Our cost of revenue increased by \$78.8 million to \$149.6 million in fiscal 2007 from \$70.8 million in fiscal 2006. The increase in cost of revenue was primarily on account of an increase in payments to repair centers by \$77.7 million to \$132.6 million in fiscal 2007 from \$54.9 million in fiscal 2006 due to the addition of a new client which accounted for \$51.4 million of the increase and an increase in business from existing clients which accounted for the balance of \$26.3 million, an increase in infrastructure related costs by \$1.1 million and an increase in travel costs by \$0.1 million. This increase was partially offset by a decrease in our employee costs by \$0.1 million. Our other costs increased by \$0.6 million to \$4.2 million in fiscal 2007 from \$3.6 million in fiscal 2006 due to an increase in non-operating employee compensation by \$0.3 million and an increase in our professional expenses by \$0.2 million as a result of our increased marketing efforts and the expansion of our management team. In addition, our administration costs increased by \$0.1 million. Our travel costs remained stable during this period. Segment operating margin for fiscal 2007 decreased by 3.2% to 3.2% of revenue as compared to 6.4% in fiscal 2006. Segment operating income as a percentage of revenue less repair payments was 19.4% in fiscal 2007 as compared to 20.8% in fiscal 2006.

Quarterly Results

The following table presents unaudited quarterly financial information for each of our last eight fiscal quarters on a historical basis. We believe the quarterly information contains all adjustments necessary to fairly present this information. As a business process outsourcing services provider, we anticipate and respond to demand from our clients. Accordingly, we have limited control over the timing and circumstances under which our services are provided. Typically, we show a decrease in our first-quarter margins as a result of salary increases. For these and other reasons, we can experience variability in our operating results from quarter to quarter. The operating results for any quarter are not necessarily indicative of the results for any future period.

	Fiscal 2008				Fiscal 2007			
	Three Months Ended				Three Months Ended			
	March 2008	December 2007	September 2007	June 2007	March 2007	December 2006	September 2006	June 2006
	(Unaudited, US dollars in millions)							
Revenue ⁽¹⁾	\$ 116.1	\$ 115.6	\$ 115.6	\$ 112.5	\$ 110.7	\$ 102.0	\$ 86.6	\$ 53.0
Cost of revenue	88.8	91.9	92.5	90.2	85.2	81.3	67.3	37.4
Gross profit	27.3	23.8	23.1	22.3	25.5	20.7	19.3	15.6
Operating expenses:								
SG&A ⁽²⁾	21.4	17.8	18.8	14.7	16.3	14.0	12.1	10.1
Amortization of intangibles assets	0.7	0.9	0.5	0.8	0.5	0.5	0.5	0.5
Impairment of goodwill, intangibles and other assets	—	—	15.5	—	—	—	—	—
Operating income (loss)	5.3	5.1	(11.6)	6.8	8.7	6.2	6.7	5.0
Other income (loss), net	2.2	2.0	2.2	2.7	1.3	1.3	(0.1)	(0.1)
(Provision) for income taxes	(1.4)	(1.7)	(1.0)	(1.0)	(1.2)	(0.5)	(0.6)	(0.3)
Net income (loss)	6.1	5.5	(10.5)	8.4	8.8	7.0	6.0	4.6

The following table sets forth for the periods indicated selected consolidated financial data:

	Fiscal 2008				Fiscal 2007			
	Three Months Ended				Three Months Ended			
	March 2008	December 2007	September 2007	June 2007	March 2007	December 2006	September 2006	June 2006
	(Unaudited)							
Gross profit as a percentage of revenue	23.5%	20.6%	20.0%	19.8%	23.1%	20.3%	22.2%	29.4%
Operating income (loss) as a percentage of revenue	4.5%	4.4%	(10.1)%	6.0%	7.9%	6.2%	7.7%	9.4%
Gross profit as a percentage of revenue less repair payments	36.4%	32.1%	32.2%	32.0%	39.8%	36.3%	36.4%	34.3%
Operating income (loss) as a percentage of revenue less repair payments	7.0%	6.9%	(16.2)%	9.7%	13.7%	11.0%	12.6%	11.0%

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

	Fiscal 2008				Fiscal 2007			
	Three Months Ended				Three Months Ended			
	March 2008	December 2007	September 2007	June 2007	March 2007	December 2006	September 2006	June 2006
	(Unaudited)							
Revenue	\$ 116.1	\$ 115.6	\$ 115.6	\$ 112.5	\$ 110.7	\$ 102.0	\$ 86.6	\$ 53.0
Less: Payments to repair centers	41.0	41.6	43.8	42.8	46.7	44.8	33.6	7.5
Revenue less repair payments	\$ 75.1	\$ 74.1	\$ 71.7	\$ 69.8	\$ 64.0	\$ 57.2	\$ 53.0	\$ 45.5

Notes:

- (1) The financial information for the quarters from and including the quarter ended June 2007 reflects the acquisitions of Marketics in May 2007 and Flovate in June 2007.
- (2) Our SG&A expenses for the three months period ended September 30, 2007 include a provision for bad debts of \$1.4 million towards accounts receivable from FMFC, one of our mortgage services customer that filed a voluntary petition for relief under Chapter 11 of the US Bankruptcy Code in August 2007. We have filed our claims with the bankruptcy court for the unpaid invoices, lost profit on the minimum revenue commitment and certain administrative claims.

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Contractual Obligations

Our principal commitments consist of obligations under operating leases for office space, which represent minimum lease payments for office space, purchase obligations for property and equipment and capital leases for computers. The following table sets out our total future contractual obligations as of March 31, 2008 on a consolidated basis:

	Total	Less than 1 Year	Payments Due By Period		
			2-3 Years (US dollars in thousands)	4-5 Years	More than 5 Years
Operating leases	\$ 74,652	\$ 15,820	\$ 23,932	\$ 12,794	\$ 22,106
Purchase obligations	\$ 1,826	\$ 1,826	—	—	—
Capital lease obligations	—	—	—	—	—
Total	<u>\$ 76,478</u>	<u>\$ 17,646</u>	<u>\$ 23,932</u>	<u>\$ 12,794</u>	<u>\$ 22,106</u>

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements or obligations.

Liquidity and Capital Resources

Historically, our sources of funding have principally been from cash flow from operations supplemented by equity and short-term debt financing as required. Our capital requirements have principally been for the establishment of operations facilities to support our growth and acquisitions.

In fiscal 2008 and 2007, our net income was \$9.5 million and \$26.6 million, respectively. By implementing our growth strategy (see “Item 4. Information on the Company — B. Business Overview — Business Strategy”), we intend to generate higher revenue in the future in an effort to maintain our profitable position.

As of March 31, 2008, we had cash and cash equivalents of \$102.7 million. We typically seek to invest our available cash on hand in bank deposits or short-term money market accounts. As of March 31, 2008, we had an unused line of credit of Rs. 361.8 million (\$9.0 million) from the Hong Kong and Shanghai Banking Corporation, Mumbai Branch.

In July 2008, we incurred a bank loan of \$200 million to fund, together with cash in hand, the consideration for the transaction with AVIVA described under “— Overview — Recent Developments” above. For more information on the bank loan, see “— Outstanding Loans.”

In May 2007, we completed the acquisition of Marketics. The consideration for the acquisition is an initial payment of \$30.0 million in May 2007 and a contingent earn-out consideration of \$33.7 million calculated based on the performance and results of operations of Marketics for its fiscal year ended March 31, 2008 which was paid in July 2008. 75.1% of the share capital of Marketics was transferred to us in May 2007 and the remaining 24.9% of the share capital of Marketics is in the process of being transferred to us pursuant to the payment of the contingent earn-out consideration. We paid the initial \$30.0 million payment from our cash and cash equivalents (including the net proceeds to us from our initial public offering) in May 2007 and the \$33.7 million contingent earn-out consideration also from our cash and cash equivalents in July 2008. We have consolidated 100% of the results of operation of Marketics from May 1, 2007.

In June 2007, we completed the acquisition of Flovate (which we subsequently renamed as WNS Workflow Technologies Limited). We paid £3.3 million in cash in June 2007 and deposited into an escrow account an additional retention amount of £0.7 million, which has since been paid to the selling shareholders.

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In April 2008, we completed the acquisition of Chang Limited. The consideration for the acquisition is an initial payment of \$16.0 million and a contingent earn-out consideration of up to \$3.2 million to be calculated based on the performance and results of operations of Chang Limited for its fiscal year ending March 31, 2009 payable in April 2009. We paid the initial \$16.0 million payment, and we intend to pay the contingent earn-out consideration, from cash generated from operating activities and existing cash and cash equivalents.

In June 2008, we completed the acquisition of BizAps. The consideration for the acquisition is an initial payment of \$10.0 million and a contingent earn-out consideration of up to \$9.0 million to be calculated based on the performance and results of operations of BizAps for its fiscal years ending June 30, 2009 and 2010 payable in July 2010. We paid the initial \$10.0 million payment, and we intend to pay the contingent earn-out consideration, from cash generated from operating activities and existing cash and cash equivalents.

In July 2008, we entered into the transaction with AVIVA consisting of the share sale and purchase agreement pursuant to which we acquired all the shares of Aviva Global and the AVIVA master services agreement pursuant to which we will provide BPO services to AVIVA's UK and Canadian businesses, as described under "— Overview — Recent Developments" above. The total consideration for the transaction was approximately £115 million (approximately \$229 million based on the noon buying rate as of June 30, 2008), subject to adjustments for cash, debt and the enterprise values of the companies holding the Chennai and Pune facilities which will be determined on their respective transfer dates to Aviva Global. We incurred a bank loan of \$200 million to fund, together with cash in hand, the consideration for the transaction.

Our business strategy requires us to continuously expand our delivery capabilities. We expect to incur capital expenditures on setting up new delivery centers or expanding existing delivery centers and setting up related technology to enable offshore execution and management of clients' business processes. We expect our capital expenditures needs in fiscal 2009 to be approximately \$35.0 million. As of March 31, 2008, we had material commitments for capital expenditures of \$18.0 million relating to the purchase of property and equipment for our delivery centers. We believe that our anticipated cash generated from operating activities and, cash and cash equivalents in hand will be sufficient to meet out estimated capital expenditures for fiscal 2009.

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 need to obtain further financing. We cannot assure you that additional financing, if needed, will be available on favorable terms or at all.

Outstanding Loans

In July 2008, we entered into a secured 4.5 year term loan facility of \$200 million to finance our transaction with AVIVA described under "— Overview — Recent Developments" above. We drew down the full amount of \$200 million under the facility in July 2008. The rate of interest payable on the facility is US dollar LIBOR plus 3% per annum. However, this interest rate is subject to change as we have agreed that the arrangers for the bank loan have the right at any time prior to the completion of the syndication of the bank loan to change the pricing of the bank loan if any such arranger determines that such change is necessary to ensure a successful syndication of the bank loan. We expect the syndication of the bank loan to be completed by March 31, 2009. The interest period for the loan is three months or such other period as we may select. We are currently paying interest on a three-month basis under this loan. The loan is repayable in eight semi-annual installments with the first installment falling due on July 10, 2009.

Under this facility, we are subject to change of control covenants and financial covenants as to gearing (the ratio of total borrowings to tangible net worth), borrowings (ratio of total borrowings to earnings before interest, taxes, depreciation and amortization, or EBITDA), debt service coverage (ratio of EBITDA to debt service), and the ratio of the aggregate outstanding under the facility to the value of Avival Global. As of the date hereof, we are in compliance with all of these covenants.

The facility is secured by, among other things, guarantees provided by us and certain of our subsidiaries, namely, WNS Capital Investment Limited, WNS UK and WNS North America Inc., a fixed and floating charge over the assets of WNS UK, share pledges over WNS Capital Investment Limited, WNS UK, WNS North America Inc. and WNS Mauritius, and charges over certain bank accounts.

Cash Flows from Operating Activities

Cash flows provided by operating activities were \$41.1 million for fiscal 2008 and \$39.3 million for fiscal 2007. The increase in cash flows from operating activities in fiscal 2008 as compared to fiscal 2007 was attributable to an increase by \$7.9 million in net income as adjusted for impairment, depreciation, amortization, share-based compensation, allowance for doubtful accounts and deferred income taxes. This increase was partially offset by an increase of \$6.2 million in working capital. The increase in working capital was primarily attributable to a decrease in deferred revenue by \$13.0 million in our WNS Auto Claims BPO segment arising from advance billing by us for projects that have not been completed which was partially offset by a decrease in accounts receivable by \$4.1 million, a decrease in prepaid income tax by \$1.4 million due to an increase in MAT payable in fiscal 2008 and an increase in accounts payable by \$1.3 million due to an increase in the volume of business.

Cash flows provided by operating activities were \$39.3 million for fiscal 2007 and \$34.8 million for fiscal 2006. The increase in cash flows from operating activities in fiscal 2007 as compared to fiscal 2006 was attributable to an increase by \$12.0 million in net income as adjusted for depreciation, amortization, share-based compensation, allowance for doubtful accounts and deferred income taxes. This increase was partially offset by an increase of \$7.5 million in working capital. The increase in working capital was primarily attributable to an increase in accounts receivable by \$7.0 million on account of increased revenues, an increase in prepaid expenses of \$1.4 million primarily on account of an option premium paid on our foreign exchange hedging contracts, an increase in advances of \$5.8 million primarily due to service tax paid that was recoverable from the government of India and higher corporate tax paid by our UK subsidiary, a decrease in accounts payable by \$5.7 million and an increase in excess tax benefits from share based compensation aggregating to \$5.7 million. The increase was partially offset by an increase in accounts payable and accruals by \$6.8 million due to an increase in the volume of work, an increase in deferred revenue by \$10.3 million arising primarily from advance billing by us for projects which have not been completed and a decrease in deposits by \$1.0 million.

Accounts receivables as of March 31, 2008 and 2007 represented 10.4% and 11.5% of our revenue in fiscal 2008 and fiscal 2007, respectively. The lower receivable as a percentage of our annual revenue in fiscal 2008 was primarily due to better collections of accounts receivables.

Cash Flows from Investing Activities

Cash flows used in investing activities were \$58.5 million in fiscal 2008 as compared with \$38.6 million in fiscal 2007. The increase in cash flows used in investing activities in fiscal 2008 from fiscal 2007 was primarily on account of higher acquisition cost of \$35.2 million paid towards the acquisitions of Marketics and Flovate as compared to the acquisition cost of \$0.9 million for PRG Airlines' fare audit services business and GHS's financial accounting business in fiscal 2007, an increase in capital expenditure by \$0.7 million incurred for leasehold improvements, purchase of computers, furniture, fixtures and other office equipment associated with expanding the capacity of our delivery centers, and lower proceeds from the sale of our computers and office equipment by \$1.7 million. The increase in outflow is partially offset by net inflow from maturity of bank deposits and marketable securities of \$15.9 million and net proceeds of \$1.6 million received on account of our transfer of the Sri Lanka facility to AVIVA.

Cash flows used in investing activities were \$38.6 million in fiscal 2007 as compared with \$18.7 million used in fiscal 2006. The increase in cash flows used in investing activities in fiscal 2007 from fiscal 2006 was primarily attributable to an increase in capital expenditures by \$12.6 million, the placement of \$12.0 million in bank deposits, cash payments aggregating \$0.9 million as part of the purchase consideration for the acquisition of the fare audit services business of PRG Airlines, which was partially offset by the receipt of proceeds from the sale of computers and office equipment of \$1.8 million. The increased capital expenditures in fiscal 2007 were primarily for leasehold improvements, purchase of computers, furniture and other office equipment associated with expanding the capacity of our delivery centers. Cash flows used in investing activities in fiscal 2006 included a cash payment of \$3.9 million towards the acquisition of Trinity Partners.

Cash Flows from Financing Activities

Cash inflow from financing activities were \$5.6 million in fiscal 2008 as compared to \$91.0 million in fiscal 2007 primarily due to receipt of the net proceeds from our initial public offering in July 2006 of \$78.8 million in fiscal 2007, a decrease in the proceeds from the exercise of employee stock options by \$2.5 million and a decrease in excess tax benefits from share-based compensation expense by \$4.1 million.

Cash inflow from financing activities were \$91.0 million in fiscal 2007 as compared with cash outflow of \$6.4 million in fiscal 2006 primarily because of the receipt of our net proceeds from our initial public offering in July 2006 of \$78.8 million and an increase in proceeds received from the exercise of employee stock options by \$2.7 million. In accordance with SFAS 123(R), we classified excess tax benefits from share-based compensation expense of \$5.7 million as cash flows from financing activities rather than cash flows from operating activities for the fiscal 2007. We repaid a loan of \$10.0 million in fiscal 2006.

We believe that our cash flow from operating activities will be sufficient to meet our estimated capital expenditures, working capital and other cash needs until at least March 31, 2009, the end of fiscal 2009.

Recently Issued Accounting Standards

In September 2006, the FASB issued SFAS No. 157, "*Fair Value Measurements*," or SFAS 157. SFAS 157 defines "fair value" as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS 157 provides guidance for the determination of fair value, and establishes a fair value hierarchy for assessing the sources of information used in fair value measurements. SFAS 157 became effective for us on April 1, 2008. We do not believe that the adoption of this accounting standard will have a significant impact on our consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, "*The Fair Value Option for Financial Assets and Financial Liabilities — Including an amendment of FASB Statement No. 115*," or SFAS 159, which permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. SFAS 159 became effective for us on April 1, 2008. We do not believe that the adoption of this accounting standard will have a significant impact on our consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141 (revised), "*Business Combinations*," or SFAS 141(R). The standard changes the way companies account for business combinations including requiring the acquiring entity in a business combination to recognize assets acquired and liabilities assumed in the transaction, establishing the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed and requiring the acquiring entity to disclose information needed by investors to understand the nature and financial effect of the business combination. SFAS 141(R) is effective for fiscal years beginning after December 15, 2008, with early adoption prohibited. We are currently evaluating the impact of the adoption of SFAS 141(R) on our consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160, "*Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51*," or SFAS 160. SFAS 160 requires an entity to classify noncontrolling financial interests in its subsidiaries as a separate component of equity. Additionally, transactions between an entity and its noncontrolling interests are required to be treated as equity transactions. SFAS 160 is effective for fiscal years beginning after December 15, 2008, with early adoption prohibited. We do not expect the adoption of SFAS 160 to have a material impact on our consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, "*Disclosures about Derivative Instruments and Hedging Activities — an amendment of FASB Statement No. 133*," or SFAS 161. This standard changes the disclosure requirements for derivative instruments and hedging activities. Entities are required to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under Statement 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. This standard is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008 with early adoption permitted. We are currently evaluating its impact on our financial statements.

In April 2008, the FASB issued FASB Staff Position (FSP) No. Financial Accounting Standard 142-3, "*Determination of the Useful Life of Intangible Assets*," or FSP No. FAS 142-3. FSP No. FAS 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, "*Goodwill and Other Intangible Assets*." We are required to adopt FSP No. FAS 142-3 for fiscal years beginning after December 15, 2008. We are evaluating the impact of the adoption of FSP No. FAS 142-3 on our financial statements.

In May 2008, the FASB issued SFAS No. 162, "*The Hierarchy of Generally Accepted Accounting Principles*," or SFAS 162. SFAS 162 identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements that are presented in conformity with generally accepted accounting principles. SFAS 162 will become effective 60 days after the Commission's approval of the Public Company Accounting Oversight Board amendments to Auditing Standards (AU) Section 411, "*The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*." We do not expect the adoption of SFAS 162 to have a material impact on our financial statements.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES**A. Directors and Executive Officers**

Our board of directors consists of seven directors.

The following table sets forth the name, age (as of June 30, 2008) and position of each of our directors and executive officers as of the date hereof.

<u>Name</u>	<u>Age</u>	<u>Designation</u>
Directors		
Ramesh N. Shah	60	Chairman of the Board
Neeraj Bhargava	44	Director and Group Chief Executive Officer
Jeremy Young	43	Director
Eric B. Herr ⁽¹⁾⁽²⁾⁽³⁾	60	Director
Deepak S. Parekh ⁽³⁾⁽⁴⁾⁽⁵⁾	63	Director
Richard O. Bernays ⁽¹⁾⁽⁴⁾⁽⁶⁾	65	Director
Anthony Armitage Greener ⁽¹⁾⁽³⁾⁽⁴⁾⁽⁷⁾	68	Director
Executive Officers		
Ramesh N. Shah	60	Chairman of the Board
Neeraj Bhargava	44	Group Chief Executive Officer
Alok Misra ⁽⁸⁾	41	Group Chief Financial Officer
Anup Gupta ⁽⁹⁾	36	Group Chief Operating Officer
J.J. Selvadurai ⁽¹⁰⁾	49	Managing Director of European Operations

Notes:

- (1) Member of the Nominating and Corporate Governance Committee.
- (2) Chairman of the Audit Committee.
- (3) Member of the Compensation Committee.
- (4) Member of the Audit Committee.
- (5) Chairman of the Nominating and Corporate Governance Committee.
- (6) Chairman of the Compensation Committee. Mr. Bernays was appointed as Chairman of the Compensation Committee in place of Mr. Shah with effect from July 2007.
- (7) Appointed as a director in June 2007. Sir Anthony was appointed as a member of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee with effect from July 2007.
- (8) Appointed as Group Chief Financial Officer in place of Mr. Zubin Dubash with effect from February 18, 2008.
- (9) Formerly the Chief Executive Officer — Travel Services. Promoted to Group Chief Operating Officer with effect from September 10, 2007.
- (10) On October 1, 2007, Mr. J.J. Selvadurai assumed the position of Managing Director of WNS UK in place of Mr. Alan Stephen Dunning. At the same time, the position of Managing Director of WNS UK became an executive level position and was renamed as “Managing Director of European Operations.” Mr. Dunning has since undertaken a senior advisory role to help us further expand our UK and European businesses.

In September 2007, we reorganized our corporate structure pursuant to which Anup Gupta, our Group Chief Operating Officer, assumed the overall responsibility of performing the policy-making functions in respect of all our business units and became in charge of all our business units, except WNS Assistance, with the assistance of the respective Chief Executive Officer of each business unit whose roles were correspondingly reduced as compared to their roles prior to the management reorganization. Ramesh N. Shah remains in charge of, and retains overall responsibility of performing the policy-making functions of, WNS Assistance. The Chief Executive Officers for our Travel Services, BFSI, WNS Assistance, Industrial and Infrastructure Services, Finance and Accounting Services and Knowledge Services business units are Ambreesh Mahajan, Arjun Singh, Bernard Donoghue, Manish Sinha, Sulakshana Patankar and Anish Nanavaty, respectively. Summarized below is relevant biographical information covering at least the past five years for each of our directors and executive officers.

Directors

Ramesh N. Shah is our Chairman and was appointed to our board of directors in July 2005. Mr. Shah is based in New York. In addition to his role as Chairman of our board of directors, he mentors our North American sales team and manages key external stakeholder relationships. Prior to WNS, he was the chief executive officer for the retail banking division at GreenPoint Bank and has held senior positions at American Express, Shearson and Natwest. Mr. Shah received a Master of Business Administration from Columbia University and a Bachelor of Arts degree from Bates College. The business address for Mr. Shah is 420 Lexington Avenue, Suite 2515, New York, New York 10170, USA.

Neeraj Bhargava is our co-founder and Group Chief Executive Officer and was appointed to our board of directors in May 2004. Mr. Bhargava is based in Mumbai, India. Mr. Bhargava's responsibilities as Group Chief Executive Officer include executing our business strategy and managing the overall performance and growth of our organization. Mr. Bhargava served as our President and Group Chief Financial Officer from 2002 until May 2004 when he became our Group Chief Executive Officer. Mr. Bhargava received a Master of Business Administration from the Stern School of Business, New York University, and a Bachelor of Arts degree in Economics from St. Stephen's College, Delhi University. The business address for Mr. Bhargava is Gate 4, Godrej & Boyce Complex, Pirojshanagar, Vikhroli West, Mumbai 400 079, India.

Jeremy Young was appointed to our board of directors as a nominee of Warburg Pincus in May 2004. Mr. Young is based in London. He held various positions at Baxter Healthcare International, Booz, Allen & Hamilton International and Cellular Transplant/Cytherapeutics before he joined Warburg Pincus in 1992. He received a Master of Arts degree in English from Cambridge University and a Master of Business Administration from Harvard Business School. He focuses on business services and is also a director of Fibernet Communications, Warburg Pincus Roaming II S.A and e-Verger Limited. The business address for Mr. Young is Warburg Pincus International LLC, Almack House, 28 King Street, St. James, London SW1Y 6QW, England.

Eric B. Herr was appointed to our board of directors in July 2006. Mr. Herr is based in the United States. He currently serves as the Chairman of the board of directors for Workscape Inc. (since 2005) and on the board of directors of Taleo Corporation (since 2002). He also serves as the Chairman of the audit committee of Taleo Corporation. From 1992 to 1997, Mr. Herr served as Chief Financial Officer of Autodesk, Inc. Mr. Herr received a Master of Arts degree in Economics from Indiana University and a Bachelor of Arts degree in Economics from Kenyon College. The business address for Mr. Herr is P.O. Box 719, Bristol, NH 03222, USA.

Deepak S. Parekh was appointed to our board of directors in July 2006. Mr. Parekh is based in Mumbai, India. He currently serves as the Chairman (since 1993) and Chief Executive Officer of Housing Development Finance Corporation Limited, a housing finance company in India which he joined in 1978. Mr. Parekh is the non-executive Chairman (since 1994) of one of our clients, GlaxoSmithKline Pharmaceuticals Ltd. Mr. Parekh is also a director of several Indian public companies such as Siemens Ltd. (since 2003), HDFC Chubb General Insurance Co. Ltd. (since 2002), HDFC Standard Life Insurance Co. Ltd. (since 2000), HDFC Asset Management Co. Ltd (since 2000), Housing Development Finance Corporation Ltd (since 1985), Castrol India Ltd. (since 1997), GlaxoSmithKline Pharmaceuticals Ltd. (since 1994), Infrastructure Development Finance Co. Ltd (since 1997), Hindustan Lever Ltd. (since 1997), Hindustan Oil Exploration Corporation Ltd. (since 1994), Mahindra & Mahindra Ltd. (since 1990) and The Indian Hotels Co. Ltd. (since 2000). Mr. Parekh received a Bachelor of Commerce degree from the Bombay University and holds a Financial Chartered Accountant degree from England and Wales. The business address for Mr. Parekh is Housing Development Finance Corporation Limited, Ramon House, H.T. Parekh Marg, 169 Backbay Reclamation, Churchgate, Mumbai — 400020, India.

Richard O. Bernays was appointed to our board of directors in November 2006 and is based in London. Prior to his retirement in 2001, Mr. Bernays held various senior positions at Old Mutual, plc, a London-based international financial services company, and most recently served as Chief Executive Officer of Old Mutual International. Prior to that, he was with Jupiter Asset Management in 1996, Hill Samuel Asset Management from 1991 to 1996, and Mercury Asset Management from 1971 to 1992. Mr. Bernays currently serves in several board roles, including as non-executive chairman of Hermes Pensions Management and as the non-executive director of Throgmorton Trust plc, Gartmore Global Trust plc, Impax Environmental Markets Trust plc, Martin Curie Income and Growth Trust, Majid Al Futaim Trust and Charter European Trust plc. Mr. Bernays is also a member of the Supervisory Board of the

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National Provident Life. He received a Masters of Arts degree from Trinity College, Oxford University. The business address of Mr. Bernays is Lloyds Chambers, 1 Portsoken Street, London E1 8H2, England.

Sir Anthony Armitage Greener was appointed to our board of directors in June 2007. Sir Anthony is based in London and is the Chairman of the Qualifications and Curriculum Authority. He was the Deputy Chairman of British Telecom from 2001 to 2006 and the Chairman of Diageo plc from 1997 to 2000. Prior to that, Sir Anthony was the Chairman and Chief Executive of Guinness plc from 1992 to 1997 and the Chief Executive Officer of Dunhill Holdings from 1974 to 1986. Sir Anthony is presently a director of Williams Sonoma. Sir Anthony was honored with a knighthood in 1999 for his services to the beverage industry. Sir Anthony is a Fellow Member of the Chartered Institute of Management Accountants, and Vice-President of the Chartered Institute of Marketing. The business address of Sir Anthony is 83, Piccadilly, London W1J 8QA, England.

Executive Officers

Ramesh N. Shah is the Chairman of our board of directors. Please see “— Directors” above for Mr. Shah’s biographical information.

Neeraj Bhargava is our Group Chief Executive Officer. Please see “— Directors” above for Mr. Bhargava’s biographical information.

Alok Misra serves as our Group Chief Financial Officer. Mr. Misra is based in Mumbai, India and joined WNS in February 2008. Mr. Misra’s responsibilities as Group Chief Financial Officer include finance and accounting, legal and regulatory compliance and risk management. Prior to joining WNS, Mr. Misra was group chief financial officer at Mphasis (part of Electronic Data Systems) and financial controller at ITC Limited. He is a Fellow of the Institute of Chartered Accountants in India. Mr. Misra received an honors degree in commerce from Calcutta University. The business address for Mr. Misra is Gate 4, Godrej & Boyce Complex, Pirojshanagar, Vikhroli West, Mumbai 400 079, India.

Anup Gupta serves as Group Chief Operating Officer. Mr. Gupta is based in Mumbai and is responsible for managing the performance of our business units and enabling units which are our non-business support units such as risk management, facilities procurement, administration and human resource. Prior to his appointment as our Group Chief Operating Officer, Mr. Gupta served as the Chief Executive Officer of our travel services business unit, and has led many new initiatives since joining our company in 2002. Prior to that, Mr. Gupta was a Principal at eVentures India, a News Corp. and SoftBank backed-venture fund, where he developed many companies in the offshore services areas. Previously, Mr. Gupta was a management consultant with Booz Allen & Hamilton. Mr. Gupta received a Masters of Business Administration from the Indian Institute of Management, Calcutta and a Bachelor of Technology from the Indian Institute of Technology, Kharagpur where he graduated at the top of his class. The business address for Mr. Gupta is Gate 4, Godrej & Boyce Complex, Pirojshanagar, Vikhroli West, Mumbai 400 079, India.

J.J. Selvadurai is Managing Director of European Operations. Prior to that, he was the Chief Executive Officer of our enterprise services business unit until September 2007. Mr. Selvadurai is a business process outsourcing industry specialist with over 20 years of experience in offshore outsourcing. He pioneered such services in Sri Lanka and set up and managed many processing centers in the Philippines, India, Pakistan and the UK. Mr. Selvadurai is a certified electronic data management and processing trainer. Prior to joining WNS in 2002, Mr. Selvadurai was Asia Managing Director (Business Process Outsourcing services) of Hays plc, a FTSE 100 B2B services company. Mr. Selvadurai is certified in data management and is a member of the data processing institute. The business address for Mr. Selvadurai is Ash House, Fairfield Avenue, Staines, Middlesex, TW18 4AN, England.

B. Compensation

Our Compensation Philosophy and Practice

The following contains a description and analysis of the compensation arrangements and decisions we made for our executive officers and other managers for fiscal 2008 and 2007. Other managers refer to our officers who are holding positions of Executive Vice President, Senior Vice President or their equivalent.

General Philosophy

A combination of base salary, performance-based bonus and equity awards (as long-term incentives) is used to compensate our executive officers and other managers. The compensation for our executive officers and other managers is designed (a) to be competitive with compensation packages of comparable information technology and IT-enabled services, or ITES, companies in India, particularly ITES companies in the BPO sector as we compete directly with these companies for the same talent-pool to provide services to similar clients; and (b) to retain and attract talent from the US and Europe which is required to meet our needs as a global BPO company, particularly as all of our clients are based outside of India.

The information technology and BPO sectors have been leading growth sectors in India in the recent years and compete with each other for managerial talent required to drive their growth. We, in turn, routinely adjust our compensation levels in order to attract and retain employees with the requisite managerial skills and background. We also routinely review compensation packages offered by peer companies in the countries where our executive officers and other managers are located to assess our competitiveness. In particular, to serve the needs of our clients in the UK and the US, we set our compensation levels with a view to be in a competitive position to actively recruit senior management talent based in these two countries.

In general, at the beginning of each fiscal year, our board of directors sets individual and group performance targets for our executive officers and other managers. For our executive officers, the incentive awards, consisting of performance-based bonus and equity award, are linked primarily to our growth for earnings (net income excluding stock compensation and amortization charges) and revenue less repair payments and other strategically important targets. For other managers, the incentive awards are linked primarily to the achievement of the operational goals for the areas of operations managed by them and, to a lesser extent, to our overall annual performance.

Determination of Compensation

The compensation committee is provided with the primary authority to determine and approve the compensation package, as well as the individual elements of the compensation package, of our executive officers. Consistent with the last two fiscal years, an independent global human resource consulting firm, Mercer Human Resource Consulting, or Mercer, was retained by the compensation committee to assist it in the determination of the key elements of our compensation package. To aid the compensation committee in making its determination, our Chairman of the Board, our Group Chief Executive Officer, and our Chief People Officer, who is the head of our human resource department, provide recommendations to the compensation committee regarding the compensation of our executive officers based upon Mercer's recommendations as well as their own analyses. To determine the compensation of our executive officers, the compensation committee, in turn, reviews the performance of these executive officers, and participates in discussions with the Chairman of the Board and the Group Chief Executive Officer, and considers their recommendations in the light of Mercer's compensation survey findings of comparable companies and recommendations to determine and approve our executive officers' compensations. For other managers, the compensation committee determines the maximum equity awards to be granted and the guidelines for making such grants and authorizes the Group Chief Executive Officer, in consultation with the Chairman of the Board, to determine the awards to be granted to these members of the management team subject to the maximum number of awards and guidelines. In addition, our Group Chief Executive Officer, our Chairman of the Board and our Chief People Officer, in consultation with the Chief Executive Officer of each of our business units and the head of each of our enabling units, determine the base salary and bonus of our other managers.

Target Overall Compensation

We set our overall compensation targets in close consultation with Mercer. In fiscal 2006, in conjunction with our preparation for our initial public offering in July 2006, Mercer's work included conducting a survey of the prevailing compensation practices within the information technology and ITES/BPO industries in India and the US to advise the compensation committee on compensation structures and appropriate amounts and nature of compensation for our executive officers and other managers to ensure that our compensation package is competitive in our markets. The companies selected by Mercer for its survey for benchmarking our executive officers' compensation also included companies in similar industries and size that were recently listed in the US at that time. The selected peer group of companies included SynTel, LLC and Convergys Corporation from the data processing, outsourced services and telecommunication services industries, and Cognizant Technology Solutions Corporation, Covansys Corp. and Kanbay, Inc. from the information technology consulting and other services industries.

The Mercer survey provided us with a starting point in the determination of our overall compensation targets. In addition, we considered factors which from our experience have been important in the retention of our employees and the feedback received from our employees as well as potential employees during recruitment to determine the overall compensation targets. In the case of our Group Chief Executive Officer, we also considered our overall performance under his leadership and the opportunity cost of finding a suitable replacement for him. Based upon Mercer's recommendations and the other considerations discussed above, the compensation committee determined and approved the fiscal 2008 target overall compensation for our executive officers.

Allocation Among Compensation Components

The compensation package for our executive officers and other managers comprises a base salary, a cash bonus and the grant of equity awards in the form of stock options and RSUs linked to performance. The mix of compensation components varies based on the seniority level of the executive officer. We typically allocate proportionately more performance-based compensation for the more senior levels of management to ensure that their total compensation reflects our overall success or failure and to motivate these senior management team members to meet appropriate performance measures, thereby maximizing total return to shareholders. Correspondingly, the weight of the base salary component in the overall compensation is greater for lower levels of management.

Each vested option is exercisable into one ordinary share and each vested RSU entitles the holder of such RSU to receive one ordinary share. In fiscal 2008, only employees holding the positions of Executive Vice President and above were granted stock options and RSUs. Senior Vice Presidents and Vice Presidents were granted RSUs. The value of three stock options is equivalent to the value of one RSU and the mix of equity awards between stock options and RSUs granted to our Executive Vice Presidents and above were in the ratio of 3 to 2.

Base Salary. We pay a base salary to our executive officers and other managers to enable them to maintain a standard of living in keeping with their professional standing and background within their communities. Data from Mercer's survey of our peer group of companies was a significant factor in determining the salary levels. We also relied heavily on our recruiting experience for senior executive level positions. It is our experience that base salary levels are considered to be more important in attracting the right candidates for our Senior Vice President level positions and below than for more senior management level positions and we set base salaries accordingly to compete for the right talent at each level.

Cash Bonus. Cash performance bonuses are awarded at the end of each fiscal year based upon the achievement of individual and group performance targets. The cash performance bonuses payable are accrued every month. Statutorily applicable taxes and contributions payable on these amounts are deducted before payment. Our executive officers and other managers have a diverse set of measurable goals that are designed to promote the interests of our three key constituencies, namely, shareholders, customers and employees, and includes building our organization capabilities as well as other strategically important initiatives. These goals reflect their key responsibilities during the year, which range from sales targets to operational goals, and are typically listed as each individual's key performance indicators. The key performance indicators are identified during the individual's annual performance review process. The key performance indicators include the following key financial metrics:

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- group profit after taxes, plus share-based compensation expenses plus amortization of intangible assets;
- operating margins;
- annual revenue less repair payments; and
- exit revenue less repair payments, which is the average monthly revenue less repair payments earned calculated based on the last two months of the fiscal year.

In addition, for fiscal 2008 and 2007, the key performance indicators included the following additional performance targets for the following executive officers:

- Chairman of the Board — achievement of specified revenue targets in the US;
- Group Chief Executive Officer — retention of key managers holding a position of Assistant Vice President and above and the successful completion of our initial public offering;
- Group Chief Financial Officer — achievement of profit after tax targets, acquisition targets and statutory compliance; and
- Managing Director of European Operations — achievement of specified revenue targets in the UK and Europe.

Further, the Mercer study, which benchmarked peer group companies, was used to set bonus targets as a percentage of the base salary for our executive officers and other managers.

Equity Awards. SFAS 123(R), which requires stock options granted to be recognized as an accounting expense, became effective for us on April 1, 2006. As a result, RSUs, as a compensation tool, became as attractive as stock options and we decided to grant RSUs together with stock options in the equity award component of compensation. We believe that RSUs provide as much incentive as stock options to motivate employees to perform at a high level. An added attraction of RSUs for a growing company like ours is that fewer RSUs need to be granted to provide equivalent value as compared to stock options, thereby reducing the dilutive impact to shareholders.

In determining equity compensation, our board of directors first determines the maximum equity dilution that may result from equity awards and the maximum amount of equity-based compensation expense that may be incurred for the fiscal year. Thereafter, based upon the recommendations of our human resource department, we determine the proportion of stock options and RSUs to be granted for each level of our executive officers and other managers. Finally, with the approval of our compensation committee, we determine the total number of stock options and RSUs to be granted to each level of our executive officers and other managers based on the fair market value of the options on the grant date. The grant of these awards is based upon an individual's performance and typically occurs after the end of the fiscal year as a part of the annual performance appraisal process. However, for fiscal 2007, most of the grants were made in July 2006. For fiscal 2008, most of the grants were made in April 2007 in respect of services rendered in fiscal 2007. The existing or vested equity holdings of an employee or the number of prior awards granted are not taken into consideration in determining the number of awards to be granted.

The performance goals for the award of equity awards to our executive officers and other managers are the same as the performance goals to be considered for cash performance bonus payments. Both stock options and RSUs typically vest over a period of three years in equal installments from the date of grant. Under the 2002 Stock Incentive Plan, an individual must remain in our employment and must not have resigned prior to the date of vesting. Under the 2006 Incentive Award Plan, an individual must remain in our employment prior to the date of vesting even if he has resigned prior to the date of vesting. The share-based compensation expenses are amortized over the vesting period.

Mercer has recommended regular annual equity grants to our executive officers and other managers at the levels of Senior Vice Presidents and above. Based on Mercer's recommendation, we use a tiered approach that denominates award values as a percentage of salary. These awards vest in equal installments over a period of three years on each

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anniversary of the date of grant. In fiscal 2008, we granted RSUs to our executive officers and other managers at the levels of Vice Presidents and above.

Retirement Benefits

We maintain retirement benefit plans in the form of certain statutory and incentive plans for our executive officers and other managers. The features and benefits of these plans are largely governed by applicable laws and market practices in the countries in which we operate and, accordingly, vary from country to country in which we operate. For more information, see “— Employee Benefit Plans.”

Perquisites and Other Benefits

The perquisites and benefits granted to our executive officers and other managers are designed to comply with the tax regulations of the applicable country and therefore vary from country to country in which we operate. To the extent consistent with the tax regulations of the applicable country, the benefits include:

- medical insurance;
- leave travel assistance;
- telephone expenses reimbursement;
- food coupons;
- company car schemes;
- petrol and maintenance for cars;
- health clubs;
- accident and life insurance (based on the level of seniority);
- leased residential accommodation; and
- relocation benefits (individually negotiated).

We review and adjust our benefits based upon the competitive practices in the local industry, inflation rates, and tax regulations every fiscal year. Our underlying philosophy is to provide the benefits that are ordinarily required by our employees for their well-being in their daily lives and to negotiate group-level discounted rates so that all of our employees will be able to pay less than what they would otherwise pay as individuals for the same level of benefits, and maximize the overall value of their compensation package.

In countries where it is not possible or it does not make economic sense to provide the same level of benefits that may be provided in other locations, we pay equivalent cash compensation to our employees.

Severance Benefits

Under each of our employment agreements with our Group Chief Executive Officer, Chairman of Board and Group Chief Financial Officer, if we terminated their employment without cause or if they terminated their employment with us for good reasons, such as a material decrease in their role and responsibilities or in their salary or bonuses opportunity), they would be entitled to receive the severance benefits described at “— Employment Agreements of Certain Directors” below.

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Under each of our employment agreements with our other executive officers, if we terminated their employment without cause or if the executive officer resigned for good reason, such executive officer will be entitled to receive a lump sum severance payment in an amount ranging between three to 12 months of their base salary, and in some cases, up to one year's target bonus, and an acceleration of vesting of stock options and RSUs.

Change in Control Arrangements

In the event of a change in control, all granted but unvested stock options and RSUs under the 2006 Incentive Award Plan would immediately vest and become exercisable by our executive officers subject to certain conditions set out in the applicable stock option plans.

Compensation of Directors and Executive Officers

The aggregate compensation (including contingent or deferred payment) paid to our directors and executive officers for services rendered in fiscal 2008 was \$3.3 million, which comprised of \$2.0 million paid towards salary, \$1.0 million paid towards bonus and \$0.3 million paid towards social security, medical and other benefits. This included compensation paid to Mr. Alan Stephen Dunning for services rendered during the first half of fiscal 2008 when he served as the Managing Director of WNS UK and to Mr. J.J. Selvadurai for services rendered during the second half of fiscal 2008 as the Managing Director of WNS UK, which became an executive officer level position and was renamed as "Managing Director of European Operations" on October 1, 2007. The total compensation paid to our most highly compensated executive in fiscal 2008 was \$0.9 million (which was comprised of \$0.5 million paid towards salary, \$0.3 million paid towards bonus payments and \$68,431 paid towards social security, medical and other benefits).

The following table sets forth the total fiscal 2008 compensation paid to our executive officers in fiscal 2008 who were holding such positions as of March 31, 2008. The individual compensation of Alok Misra and Anup Gupta are disclosed in the statutory annual accounts of our subsidiary, WNS Global, filed with the Registrar of Companies in the state of India where its registered office is located. We are voluntarily disclosing the individual compensation of our other executive officers.

Name	As of March 31, 2008		
	Salary	Bonus	Other Benefits
Ramesh N. Shah	\$ 400,000	\$ 185,000	\$ 51,608
Neeraj Bhargava	480,000	325,000	68,431
Alok Misra ⁽¹⁾	41,691	—	2,172
Anup Gupta ⁽²⁾	393,747	148,920	20,438
J.J. Selvadurai ⁽³⁾	180,265	70,968	76,234

Notes:

- (1) Appointed as Group Chief Financial Officer in place of Mr. Zubin Dubash with effect from February 18, 2008.
- (2) Promoted to Group Chief Operating Officer with effect from September 10, 2007.
- (3) Promoted to Managing Director of European Operations with effect from October 1, 2007.

The aggregate compensation paid to our non-executive directors in fiscal 2008 was \$279,874 which comprised of sitting fees.

Our directors and executive officers were granted an aggregate 125,018 options and 161,233 RSUs under the 2006 Incentive Award Plan in fiscal 2008.

Under the 2006 Incentive Award Plan, our independent directors each received options to purchase 14,000 shares initially and an option to purchase 7,000 shares upon reelection to our board of directors at each annual meeting of shareholders thereafter. On August 7, 2007, our board of directors adopted an amendment to the 2006 Incentive Award Plan to eliminate the provision for fixed grants of options to our directors. The number of awards to be granted to our independent directors will instead be determined by our board of directors or our compensation committee. Pursuant to this, our board of directors and our compensation committee determined that each independent director will be granted 2,000 options and 2.500 RSUs for fiscal 2008. The options granted to independent directors will be non-qualified options with a per share exercise price equal to 100% of the fair market value of a share on the date that

the option is granted. Options granted to independent directors will become exercisable in cumulative annual installments of 33 1/3% on each of the first, second and third anniversaries of the date of grant.

Employment Agreements of Certain Directors

The employment agreement we have entered into with Mr. Neeraj Bhargava in July 2006 to serve as our Group Chief Executive Officer for a three-year term will renew automatically for additional one-year increments, unless either we or Mr. Bhargava elect not to renew the term. Under the agreement, Mr. Bhargava is entitled to receive compensation, health and other benefits and perquisites commensurate with his position. In addition, pursuant to the agreement, in April 2007, Mr. Bhargava was granted stock options and RSUs to purchase an aggregate of 65,600 shares that will vest over a three-year period, subject to his continued employment with us. If Mr. Bhargava's employment is terminated by us without cause (as defined in the employment agreement), he will be entitled to receive his base salary for a period of 12 months after the date of such termination, in addition to all accrued and unpaid salary, accrued and unused vacation and any unreimbursed expenses. Mr. Bhargava would also be entitled to health benefits during those 12 months to the extent permitted under our health plans.

If Mr. Bhargava's employment is terminated by us without cause or by Mr. Bhargava for good reason (each as defined in the employment agreement) and Mr. Bhargava executes a general release and waiver of claims against us, subject to his continued compliance with certain non-competition and confidentiality obligations, Mr. Bhargava will be entitled to receive severance payments and benefits from us as follows: (i) 24 months of base salary and healthcare benefits from his date of termination; (ii) a lump sum payment equal to twice his effective target bonus; and (iii) accelerated vesting of the stock options and RSUs granted under this employment agreement through the end of the month of termination. If we experience a change in control while Mr. Bhargava is employed under this agreement, all of the stock options and RSUs granted to Mr. Bhargava under this employment agreement will vest and the stock options will become exercisable on a fully accelerated basis.

The employment agreement we have entered into with Mr. Ramesh Shah in July 2006 to serve as our chairman for a three-year term will renew automatically for additional one-year increments, unless either we or Mr. Shah elect not to renew the term. Under the agreement, Mr. Shah is entitled to receive compensation, health and other benefits and perquisites commensurate with his position. In addition, pursuant to the agreement, in April 2007, Mr. Shah was granted stock options and RSUs to purchase an aggregate of 54,688 shares that will vest over a three-year period, subject to his continued employment with us. If Mr. Shah's employment is terminated by us without cause (as defined in the employment agreement), he will be entitled to receive his base salary for 12 months after the termination, in addition to all accrued and unpaid salary, earned bonus, accrued and unused vacation and all benefits as set out in the employment agreement.

If Mr. Shah's employment is terminated by us without cause or by Mr. Shah for good reason (each as defined in the employment agreement) and Mr. Shah executes a general release and waiver of claims against us, subject to his continued compliance with certain non-competition and confidentiality obligations, Mr. Shah will be entitled to receive severance payments and benefits from us as follows: (i) 24 months of base salary and healthcare benefits from his date of termination; (ii) a lump sum payment equal to twice his effective target bonus; and (iii) accelerated vesting of the stock options and RSUs granted under this employment agreement through the end of the month of termination. If we experience a change in control while Mr. Shah is employed under this agreement, all of the stock options and RSUs granted to Mr. Shah under this employment agreement will vest and the stock options will become exercisable on a fully accelerated basis.

Options and Restricted Share Units Granted

The following table sets forth information concerning options and RSUs granted to our directors and executive officers in fiscal 2008 on the following terms:

Name	Number of Ordinary Shares Underlying		Exercise Price Per Share ⁽¹⁾	Expiration Date
	Options Granted	RSUs Granted		
Directors				
Ramesh N. Shah	21,875	32,813	\$ 27.75	April 5, 2017
Neeraj Bhargava	26,250	39,350	\$ 27.75	April 5, 2017
Jeremy Young	—	—	—	—
Eric B. Herr	2,000	2,500	\$ 22.98	August 7, 2017
Deepak S. Parekh	2,000	2,500	\$ 22.98	August 7, 2017
Richard O. Bernays	2,000	2,500	\$ 22.98	August 7, 2017
Anthony Armitage Greener ⁽²⁾	2,000	2,500	\$ 22.98	August 7, 2017
	14,000	—	\$ 28.48	June 15, 2017
Executive Officers				
Alok Misra ⁽³⁾	13,260	16,620	\$ 15.32	February 17, 2018
Anup Gupta ⁽⁴⁾	8,203	12,305	\$ 27.75	April 5, 2017
	8,000	12,000	\$ 15.68	December 20, 2017
J.J. Selvadurai ⁽⁵⁾	8,227	12,340	\$ 27.75	April 5, 2017

Notes:

- (1) Applicable in respect of options granted. There is no exercise price for RSUs.
- (2) Appointed as a director in June 2007. The information in this table excludes options to purchase 14,000 shares granted to Sir Anthony Armitage Greener in June 2007.
- (3) Appointed as Group Chief Financial Officer in place of Mr. Zubin Dubash with effect from February 18, 2008.
- (4) Promoted to Group Chief Operating Officer with effect from September 10, 2007.
- (5) Promoted to Managing Director of European Operations with effect from October 1, 2007.

Employee Benefit Plans

We maintain employee benefit plans in the form of certain statutory and incentive plans covering substantially all of our employees. As of March 31, 2008, the amount set aside or accrued by us to provide pension, retirement or similar benefits was \$2.2 million.

Provident Fund

In accordance with Indian and Sri Lankan laws, all of our employees in India and Sri Lanka are entitled to receive benefits under the Provident Fund, a defined contribution plan to which both we and the employee contribute monthly at a pre-determined rate (currently 12% of the employee's base salary). These contributions are made to the Government Provident Fund and we have no further obligation under this fund apart from our monthly contributions. We contributed an aggregate of \$5.1 million in fiscal 2008, \$3.2 million in fiscal 2007 and \$1.8 million in fiscal 2006 to the Government Provident Fund.

US Savings Plan

Eligible employees in the US participate in a savings plan, or the US Savings Plan, pursuant to Section 401(k) of the United States Internal Revenue Code of 1986, as amended, or the Code. The US Savings Plan allows our employees to defer a portion of their annual earnings on a pre-tax basis through voluntary contributions thereunder. The US Savings Plan provides that we can make optional contributions up to the maximum allowable limit under the Code.

UK Pension Scheme

Eligible employees in the UK contribute to a defined contribution pension scheme operated in the UK. The assets of the scheme are held separately from ours in an independently administered fund. The pension expense represents contributions payable to the fund by us.

Gratuity

In accordance with Indian and Sri Lankan laws, we provide for gratuity pursuant to a defined benefit retirement plan covering all our employees in India and Sri Lanka. Our gratuity plan provides for a lump sum payment to eligible employees on retirement death, incapacitation or on termination of employment in an amount based on the employee's salary and length of service with us (subject to a maximum of approximately \$8,000 per employee in India). In India, we provide the gratuity benefit of two Indian subsidiaries through actuarially determined contributions pursuant to a non-participating annuity contract administered and managed by the Life Insurance Corporation of India, or LIC, and AVIVA Life Insurance Company Pvt. Ltd., or AVIVA Life Insurance. Under this plan, the obligation to pay gratuity remains with us although LIC and AVIVA Life Insurance administer the plan. We contributed an aggregate of \$0.1 million, \$0.1 million and \$0.2 million in fiscal 2008, 2007 and 2006, respectively, to LIC and AVIVA Life Insurance. Our Sri Lanka subsidiary and five of our Indian subsidiaries have unfunded gratuity obligations.

Compensated Absence

Our liability for compensated absences is determined on an accrual basis for the entire unused vacation balance standing to the credit of each employee as at year-end and were charged to income in the year in which they accrue.

2002 Stock Incentive Plan

We adopted the 2002 Stock Incentive Plan on July 3, 2002 to help attract and retain the best available personnel to serve us and our subsidiaries as officers, directors and employees. We terminated the 2002 Stock Incentive Plan upon our adoption of the 2006 Incentive Award Plan effective upon the pricing of our initial public offering as described below. Upon termination of the 2002 Stock Incentive Plan, the shares that would otherwise have been available for the grant under the 2002 Stock Incentive Plan were effectively rolled over into the 2006 Incentive Award Plan, and any awards outstanding remain in full force and effect in accordance with the terms of the 2002 Stock Incentive Plan.

Administration. The 2002 Stock Incentive Plan is administered by our board of directors, which may delegate its authority to a committee (in either case, the "Administrator"). The Administrator has complete authority, subject to the terms of the 2002 Stock Incentive Plan and applicable law, to make all determinations necessary or advisable for the administration of the 2002 Stock Incentive Plan.

Eligibility. Under the 2002 Stock Incentive Plan, the Administrator was authorized to grant stock options to our officers, directors and employees, and those of our subsidiaries, subject to the terms and conditions of the 2002 Stock Incentive Plan.

Stock Options. Stock options vest and become exercisable as determined by the Administrator and set forth in individual stock option agreements, but may not, in any event, be exercised later than ten years after their grant dates. In addition, stock options may be exercised prior to vesting in some cases. Upon exercise, an optionee must tender the full exercise price of the stock option in cash, check or other form acceptable to the Administrator, at which time the stock options are generally subject to applicable income, employment and other withholding taxes. Stock options may, in the sole discretion of the Administrator as set forth in applicable award agreements, continue to be exercisable for a period following an optionee's termination of service. Shares issued in respect of exercised stock options may be subject to additional transfer restrictions. Any grants of stock options under the 2002 Stock Incentive Plan to US participants were in the form of non-qualified stock options. Optionees, other than optionees who are employees of our subsidiaries in India, are entitled to exercise their stock options for shares or ADSs in the company.

Corporate Transactions. If we engage in a merger or similar corporate transaction, except as may otherwise be provided in an individual award agreement, outstanding stock options will be terminated unless they are assumed by a successor corporation. In addition, the Administrator has broad discretion to adjust the 2002 Stock Incentive Plan and any stock options thereunder to account for any changes in our capitalization.

Amendment. Our board of directors may amend or suspend the 2002 Stock Incentive Plan at any time, provided that any such amendment or suspension must not impact any holder of outstanding stock options without such holder's consent.

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Transferability of Stock Options. Each stock option may be exercised during the optionee's lifetime only by the optionee. No stock option may be sold, pledged, assigned, hypothecated, transferred or disposed of by an optionee other than by express permission of the Administrator (only in the case of employees of non-Indian subsidiaries), by will or by the laws of descent and distribution.

Number of Shares Authorized; Outstanding Options. As of the date of termination of the 2002 Stock Incentive Plan on July 25, 2006, the day immediately preceding the date of pricing of our initial public offering, an aggregate of 6,082,042 of our ordinary shares had been authorized for grant under the 2002 Stock Incentive Plan, of which options to purchase 2,116,266 ordinary shares were issued and exercised and options to purchase 3,875,655 ordinary shares were issued and outstanding. Of the options to purchase 3,875,655 ordinary shares, options to purchase 2,516,425 ordinary shares have been exercised and options to purchase 1,143,528 ordinary shares remain outstanding as of June 30, 2008. In addition, as of June 30, 2008, options under the 2002 Stock Incentive Plan to purchase an aggregate of 413,336 ordinary shares were held by all our directors and executive officers as a group. The exercise prices of these options range from £0.9970 to £7.0000. The expiration dates of these options range from July 1, 2012 to February 21, 2016. Options granted under the 2002 Stock Incentive Plan that are forfeited, lapsed or canceled, settled in cash, that expire or are repurchased by us at the original purchase price would have been available for grant under the 2002 Stock Incentive Plan and would be effectively rolled over into the 2006 Incentive Award Plan.

2006 Incentive Award Plan

We adopted the 2006 Incentive Award Plan on June 1, 2006. The purpose of the 2006 Incentive Award Plan is to promote the success and enhance the value of our company by linking the personal interests of the directors, employees and consultants of our company and our subsidiaries to those of our shareholders and by providing these individuals with an incentive for outstanding performance. The 2006 Incentive Award Plan is further intended to provide us with the ability to motivate, attract and retain the services of these individuals.

Shares Available for Awards. Subject to certain adjustments set forth in the 2006 Incentive Award Plan, the maximum number of shares that may be issued or awarded under the 2006 Incentive Award Plan is equal to the sum of (x) 3,000,000 shares, (y) any shares that remain available for grant under the Stock Incentive Plan, and (z) any shares subject to awards under the Stock Incentive Plan which terminate, expire or lapse for any reason or are settled in cash on or after the effective date of the 2006 Incentive Award Plan. The maximum number of shares which may be subject to awards granted to any one participant during any calendar year is 500,000 shares and the maximum amount that may be paid to a participant in cash during any calendar year with respect to cash-based awards is \$10,000,000. To the extent that an award terminates or is settled in cash, any shares subject to the award will again be available for the grant. Any shares tendered or withheld to satisfy the grant or exercise price or tax withholding obligation with respect to any award will not be available for subsequent grant. Except as described below with respect to independent directors, no determination has been made as to the types or amounts of awards that will be granted to specific individuals pursuant to the 2006 Incentive Award Plan.

Administration. The 2006 Incentive Award Plan is administered by our board of directors, which may delegate its authority to a committee. We anticipate that the compensation committee of our board of directors will administer the 2006 Incentive Award Plan, except that our board of directors will administer the plan with respect to awards granted to our independent directors. The plan administrator will determine eligibility, the types and sizes of awards, the price and timing of awards and the acceleration or waiver of any vesting restriction, provided that the plan administrator will not have the authority to accelerate vesting or waive the forfeiture of any performance-based awards.

Eligibility. Our employees, consultants and directors and those of our subsidiaries are eligible to be granted awards, except that only employees of our company and our qualifying corporate subsidiaries are eligible to be granted options that are intended to qualify as "incentive stock options" under Section 422 of the Code.

Awards

- *Options.* The plan administrator may grant options on shares. The per share option exercise price of all options granted pursuant to the 2006 Incentive Award Plan will not be less than 100% of the fair market value of a share on the date of grant. No incentive stock option may be granted to a grantee who owns more than 10% of our

outstanding shares unless the exercise price is at least 110% of the fair market value of a share on the date of grant. To the extent that the aggregate fair market value of the shares subject to an incentive stock option become exercisable for the first time by any optionee during any calendar year exceeds \$100,000, such excess will be treated as a non-qualified option. The plan administrator will determine the methods of payment of the exercise price of an option, which may include cash, shares or other property acceptable to the plan administrator (and may involve a cashless exercise of the option). The term of options granted under the 2006 Incentive Award Plan may not exceed ten years from the date of grant. However, the term of an incentive stock option granted to a person who owns more than 10% of our outstanding shares on the date of grant may not exceed five years.

Under the 2006 Incentive Award Plan, our independent directors each received options to purchase 14,000 shares initially and an option to purchase 7,000 shares upon reelection to our board of directors at each annual meeting of shareholders thereafter. On August 7, 2007, our board of directors adopted an amendment to the 2006 Incentive Award Plan to eliminate the provision for fixed grants of options to our directors. The number of awards to be granted to our independent directors will instead be determined by our board of directors or our compensation committee. Pursuant to this, our board of directors and our compensation committee determined that each independent director will be granted 2,000 options and 2,500 RSUs for fiscal 2008. The options granted to independent directors will be non-qualified options with a per share exercise price equal to 100% of the fair market value of a share on the date that the option is granted. Options granted to independent directors will become exercisable in cumulative annual installments of 33 1/3% on each of the first, second and third anniversaries of the date of grant.

- *Restricted Shares.* The plan administrator may grant shares subject to various restrictions, including restrictions on transferability, limitations on the right to vote and/or limitations on the right to receive dividends.
- *Share Appreciation Rights.* The plan administrator may grant share appreciation rights representing the right to receive payment of an amount equal to the excess of the fair market value of a share on the date of exercise over the fair market value of a share on the date of grant. The term of share appreciation rights granted may not exceed ten years from the date of grant. The plan administrator may elect to pay share appreciation rights in cash, in shares or in a combination of cash and shares.
- *Performance Shares and Performance Shares Units.* The plan administrator may grant awards of performance shares denominated in a number of shares and/or awards of performance share units denominated in unit equivalents of shares and/or units of value, including dollar value of shares. These awards may be linked to performance criteria measured over performance periods as determined by the plan administrator.
- *Share Payments.* The plan administrator may grant share payments, including payments in the form of shares or options or other rights to purchase shares. Share payments may be based upon specific performance criteria determined by the plan administrator on the date such share payments are made or on any date thereafter.
- *Deferred Shares.* The plan administrator may grant awards of deferred shares linked to performance criteria determined by the plan administrator. Shares underlying deferred share awards will not be issued until the deferred share awards have vested, pursuant to a vesting schedule or upon the satisfaction of any vesting conditions or performance criteria set by the plan administrator. Recipients of deferred share awards generally will have no rights as shareholders with respect to such deferred shares until the shares underlying the deferred share awards have been issued.
- *Restricted Share Units.* The plan administrator may grant RSUs, subject to various vesting conditions. On the maturity date, we will transfer to the participant one unrestricted, fully transferable share for each vested RSU scheduled to be paid out on such date. The plan administrator will specify the purchase price, if any, to be paid by the participant for such shares.
- *Performance Bonus Awards.* The plan administrator may grant a cash bonus payable upon the attainment of performance goals based on performance criteria and measured over a performance period determined appropriate by the plan administrator. Any such cash bonus paid to a “covered employee” within the meaning of Section 162(m) of the Code may be a performance-based award as described below.

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- *Performance-Based Awards.* The plan administrator may grant awards other than options and share appreciation rights to employees who are or may be “covered employees,” as defined in Section 162(m) of the Code, that are intended to be performance-based awards within the meaning of Section 162(m) of the Code in order to preserve the deductibility of these awards for federal income tax purposes. Participants are only entitled to receive payment for performance-based awards for any given performance period to the extent that pre-established performance goals set by the plan administrator for the period are satisfied. The plan administrator will determine the type of performance-based awards to be granted, the performance period and the performance goals. Generally, a participant will have to be employed by us on the date the performance-based award is paid to be eligible for a performance-based award for any period.

Adjustments. In the event of certain changes in our capitalization, the plan administrator has broad discretion to adjust awards, including without limitation, (i) the aggregate number and type of shares that may be issued under the 2006 Incentive Award Plan, (ii) the terms and conditions of any outstanding awards, and (iii) the grant or exercise price per share for any outstanding awards under such plan to account for such changes. The plan administrator also has the authority to cash out, terminate or provide for the assumption or substitution of outstanding awards in the event of a corporate transaction.

Change in Control. In the event of a change in control of our company in which outstanding awards are not assumed by the successor, such awards will generally become fully exercisable and all forfeiture restrictions on such awards will lapse. Upon, or in anticipation of, a change in control, the plan administrator may cause any awards outstanding to terminate at a specific time in the future and give each participant the right to exercise such awards during such period of time as the plan administrator, in its sole discretion, determines.

Vesting of Full Value Awards. Full value awards (generally, any award other than an option or share appreciation right) will vest over a period of at least three years (or, in the case of vesting based upon attainment of certain performance goals, over a period of at least one year). However, full value awards that result in the issuance of an aggregate of up to 5% to the total issuable shares under the 2006 Incentive Award Plan may be granted without any minimum vesting periods. In addition, full value awards may vest on an accelerated basis in the event of a participant’s death, disability, or retirement, or in the event of our change in control or other special circumstances.

Non-transferability. Awards granted under the 2006 Incentive Award Plan are generally not transferable.

Termination or Amendment. Unless terminated earlier, the 2006 Incentive Award Plan will remain in effect for a period of ten years from its effective date, after which no award may be granted under the 2006 Incentive Award Plan. With the approval of our board of directors, the plan administrator may terminate or amend the 2006 Incentive Award Plan at any time. However, shareholder approval will be required for any amendment (i) to the extent required by applicable law, regulation or stock exchange rule, (ii) to increase the number of shares available under the 2006 Incentive Award Plan, (iii) to permit the grant of options or share appreciation rights with an exercise price below fair market value on the date of grant, (iv) to extend the exercise period for an option or share appreciation right beyond ten years from the date of grant, or (v) that results in a material increase in benefits or a change in eligibility requirements. Any amendment or termination must not materially adversely affect any participant without such participant’s consent.

Outstanding Awards. As of June 30, 2008, options or RSUs to purchase an aggregate of 2,370,479 ordinary shares were outstanding, out of which options or restricted share units to purchase 1,033,170 ordinary shares were held by all our directors and executive officers as a group. The exercise prices of these options range from \$15.32 to \$30.31 and the expiration dates of these options range from July 25, 2016 to April 7, 2018. The weighted average grant date fair value of RSUs granted during the years ended March 31, 2008 and 2007 were \$21.68 and \$22.26 per ADS, respectively. There were no grants of RSUs during the years ended March 31, 2006 and 2005. There is no purchase price for the RSUs.

Fringe Benefit Tax

In May 2007, the government of India implemented a fringe benefit tax on the allotment of shares pursuant to the exercise or vesting, on or after April 1, 2007, of options and RSUs granted to employees. The fringe benefit tax is payable by the employer at the rate of 33.99% on the difference between the fair market value of the options and the RSUs on the date of vesting of the options and the RSUs and the exercise price of the options and the purchase price (if any) for the RSUs, as applicable. In October 2007, the government of India published its guidelines on how the fair market value of the options and RSUs should be determined. The new legislation permits the employer to recover the fringe benefit tax from the employees. Accordingly, we have amended the terms of our 2002 Stock Incentive Plan and the 2006 Incentive Award Plan to allow us to recover the fringe benefit tax from all our employees in India except those expatriate employees who are resident in India. In respect of these expatriate employees, we are seeking clarification from the Indian and foreign tax authorities on the ability of such expatriate employees to set off the fringe benefit tax from the foreign taxes payable by them. If they are able to do so, we intend to recover the fringe benefit tax from such expatriate employees in the future.

C. Board Practices

Composition of the Board of Directors

Our Memorandum and Articles of Association provide that our board of directors consists of not less than three directors, and such maximum number as our directors may determine from time to time. Our board of directors currently consists of seven directors. Messrs. Herr, Parekh, Bernays and Sir Anthony satisfy the “independence” requirements of the NYSE rules.

All directors hold office until the expiry of their term of office, their resignation or removal from office for gross negligence or criminal conduct by a resolution of our shareholders or until they cease to be directors by virtue of any provision of law or they are disqualified by law from being directors or they become bankrupt or make any arrangement or composition with their creditors generally or they become of unsound mind. The term of office of the directors is divided into three classes:

- Class I, whose term will expire at the annual general meeting to be held in July 2010;
- Class II, whose term will expire at the annual general meeting to be held in September 2008; and
- Class III, whose term will expire at the annual general meeting to be held in 2009.

Our directors for fiscal 2008 are classified as follows:

- Class I: Sir Anthony Armitage Greener and Mr. Richard O. Bernays;
- Class II: Mr. Ramesh N. Shah and Mr. Neeraj Bhargava; and
- Class III: Mr. Jeremy Young, Mr. Eric B. Herr and Mr. Deepak S. Parekh.

The appointments of Messrs. Ramesh N. Shah and Neeraj Bhargava will expire at the next annual general meeting to be held in September 2008. We will seek shareholders’ approval for the re-election of Mr. Shah and Mr. Bhargava at the next annual general meeting.

At each annual general meeting after the initial classification or special meeting in lieu thereof, the successors to directors whose terms will then expire serve from the time of election until the third annual meeting following election or special meeting held in lieu thereof. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. This classification of the board of directors may have the effect of delaying or preventing changes in control of management of our company.

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There are no family relationships among any of our directors or executive officers. The employment agreements governing the services of two of our directors provide for benefits upon termination of employment as described above.

Our board of directors held 12 meetings in fiscal 2008.

Committees of the Board

Our board of directors has three standing committees: an audit committee, a compensation committee and a nominating and corporate governance committee.

Audit Committee

The audit committee comprises four directors: Messrs. Eric Herr (Chairman), Deepak Parekh, Richard O. Bernays, and Sir Anthony Armitage Greener who replaced Mr. Guy Sochovsky when the latter resigned as a director in July 2007. Each of Messrs. Herr, Parekh and Bernays and Sir Anthony satisfies the “independence” requirements of Rule 10A-3 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and the NYSE rules. The principal duties and responsibilities of our audit committee are as follows:

- to serve as an independent and objective party to monitor our financial reporting process and internal control systems;
- to review and appraise the audit efforts of our independent accountants and exercise ultimate authority over the relationship between us and our independent accountants; and
- to provide an open avenue of communication among the independent accountants, financial and senior management and the board of directors.

The audit committee has the power to investigate any matter brought to its attention within the scope of its duties. It also has the authority to retain counsel and advisors to fulfill its responsibilities and duties. Mr. Herr serves as our audit committee financial expert, within the requirements of the rules promulgated by the Commission relating to listed-company audit committees.

The audit committee held five meetings in fiscal 2008.

Compensation Committee

The compensation committee comprises four directors: Messrs Richard O. Bernays (Chairman), Eric Herr, Deepak Parekh and Sir Anthony Armitage Greener. Each of Messrs. Bernays, Herr and Parekh and Sir Anthony satisfies the “independence” requirements of the NYSE listing standards. Sir Anthony was appointed as a member of our compensation committee in place of Mr. Ramesh Shah in July 2007. Mr. Bernays was appointed as Chairman of the compensation committee in place of Mr. Ramesh Shah in July 2007. The scope of this committee’s duties includes determining the compensation of our executive officers and other key management personnel. The compensation committee also administers the 2002 Stock Incentive Plan and the 2006 Incentive Award Plan, reviews performance appraisal criteria and sets standards for and decides on all employee shares options allocations when delegated to do so by our board of directors.

The compensation committee held six meetings in fiscal 2008.

Nominating and Corporate Governance Committee

The nominating and corporate governance committee comprises four directors: Messrs. Deepak Parekh (Chairman), Eric Herr, Richard O. Bernays and Sir Anthony Armitage Greener. Each of Messrs. Parekh, Herr and Bernays and Sir Anthony satisfies the “independence” requirements of the NYSE listing standards. Sir Anthony was appointed as a member of our nominating and corporate governance committee in place of Mr. Jeremy Young in July 2007. The principal duties and responsibilities of the nominating and governance committee are as follows:

- to assist the board of directors by identifying individuals qualified to become board members and members of board committees, to recommend to the board of directors nominees for the next annual meeting of shareholders, and to recommend to the board of directors nominees for each committee of the board of directors;
- to monitor our corporate governance structure; and
- to periodically review and recommend to the board of directors any proposed changes to the corporate governance guidelines applicable to us.

The nominating and corporate governance committee held three meetings in fiscal 2008.

D. Employees

For a description of our employees, see “Item 4. Information on the Company — B. Business Overview — Human Capital.”

E. Share Ownership

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of June 30, 2008 by each of our directors and all our directors and executive officers as a group. As used in this table, beneficial ownership means the sole or shared power to vote or direct the voting or to dispose of or direct the sale of any security. A person is deemed to be the beneficial owner of securities that can be acquired within 60 days upon the exercise of any option, warrant or right. Ordinary shares subject to options, warrants or rights that are currently exercisable or exercisable within 60 days are deemed outstanding for computing the ownership percentage of the person holding the options, warrants or rights, but are not deemed outstanding for computing the ownership percentage of any other person. The amounts and percentages as of June 30, 2008 are based on an aggregate of 42,460,059 ordinary shares outstanding as of that date.

Name	Number of Ordinary Shares Beneficially Owned	
	Number	Percent
Directors		
Ramesh N. Shah ⁽¹⁾	392,395	0.924%
Neeraj Bhargava ⁽²⁾	267,118	0.629%
Jeremy Young ⁽³⁾	21,366,644	50.322%
Eric B. Herr	4,667	0.011%
Deepak S. Parekh	4,667	0.011%
Richard O. Bernays	4,667	0.011%
Anthony Armitage Greener	—	—
Executive Officers		
Alok Misra	—	—
Anup Gupta	124,970	0.294%
J.J. Selvadurai ⁽⁴⁾	267,688	0.630%
All our directors and executive officers as a group (ten persons)⁽⁵⁾	22,432,816	52.873%

Notes:

- (1) Of the 392,395 shares beneficially owned by Ramesh N. Shah, 141,265 shares are indirectly held via a trust which is controlled by Mr. Shah, and the remainder are held directly.
- (2) Of the 267,118 shares beneficially owned by Neeraj Bhargava, 87,300 shares are indirectly held via a trust which is controlled by Mr. Bhargava, and the remainder is held directly.
- (3) Jeremy Young is a director of our company and a Managing Director and member of Warburg Pincus LLC. All shares indicated as owned by Mr. Young was a result of his affiliation with the Warburg Pincus entities. Mr. Young disclaims beneficial ownership of all shares held by the Warburg Pincus entities.
- (4) Of the 267,688 shares beneficially owned by J.J. Selvadurai, 251,666 shares are indirectly held via a trust which is controlled by Mr. Selvadurai, and the remainder is held directly by his relatives.
- (5) Includes the shares beneficially owned by Jeremy Young, nominee director of Warburg Pincus, because of his affiliation with the Warburg Pincus entities. Mr. Young disclaims beneficial ownership of all shares held by the Warburg Pincus entities.

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The following table sets forth information concerning options and RSUs held by our directors and executive officers as of June 30, 2008 on the following terms:

Name	Option Awards				RSU Awards	
	Number of shares underlying unexercised options (Exercisable)	Exercise Price per share	Number of shares underlying unexercised options (Unexercisable)	Exercise Price per Share	Number of shares underlying RSUs held that have vested	Number of shares underlying RSUs held that have not vested
Directors						
Ramesh N. Shah	166,666	£ 3.50	83,334	£ 3.50	—	151,118
	38,333	\$ 20.00	76,667	\$ 20.00	—	—
	7,292	\$ 27.75	14,583	\$ 27.75	—	—
Neeraj Bhargava	1	£ 0.9971	—	—	—	180,324
	50,000	£ 3.50	50,000	£ 3.50	—	—
	45,000	\$ 20.00	90,000	\$ 20.00	—	—
	8,750	\$ 27.75	17,500	\$ 27.75	—	—
Jeremy Young	—	—	—	—	—	—
Eric B. Herr	4,667	\$ 20.00	9,333	\$ 20.00	—	2,500
	—	—	2,000	\$ 22.98	—	—
Deepak S. Parekh	4,667	\$ 20.00	9,333	\$ 20.00	—	2,500
	—	—	2,000	\$ 22.98	—	—
Richard O. Bernays	4,667	\$ 28.87	9,333	\$ 28.87	—	2,500
	—	—	2,000	\$ 22.98	—	—
Anthony Armitage Greener ⁽¹⁾	4,667	\$ 28.48	9,333	\$ 28.48	—	2,500
	—	—	2,000	\$ 22.98	—	—
Executive Officers						
Alok Misra ⁽²⁾	—	—	13,260	\$ 15.32	—	41,279
Anup Gupta ⁽³⁾	3,334	£ 3.0000	—	—	4,935	83,403
	23,334	£ 3.5000	23,333	£ 3.50	—	—
	6,667	£ 7.0000	6,667	£ 7.00	—	—
	6,667	\$ 20.00	13,333	\$ 20.00	—	—
	1,667	\$ 30.31	3,333	\$ 30.31	—	—
	2,734	\$ 27.75	5,469	\$ 27.75	—	—
	—	—	8,000	\$ 15.68	—	—
J.J. Selvadurai ⁽⁴⁾	6,667	\$ 20.00	13,333	\$ 20.00	4,946	58,639
	1,667	\$ 30.21	3,333	\$ 30.21	—	—
	2,742	\$ 27.75	5,485	\$ 27.75	—	—

Notes:

- (1) Appointed as a director in June 2007. The information in this table excludes the options to purchase 14,000 shares granted to Sir Anthony in June 2007.
- (2) Appointed as Group Chief Financial Officer with effect from February 18, 2008.
- (3) Promoted to Group Chief Operating Officer with effect from September 10, 2007.
- (4) Promoted to Managing Director of European Operations with effect from October 1, 2007.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table sets forth information regarding beneficial ownership of our ordinary shares as of June 30, 2008 held by each person who is known to us to have 5.0% or more beneficial share ownership based on an aggregate of 42,460,059 ordinary shares outstanding as of that date.

Prior to our initial public offering in July 2006, Warburg Pincus owned 64.70%, British Airways owned 14.61% and Theodore Agnew owned 5.54% of our then outstanding shares. Warburg Pincus sold 1,490,000 of its ordinary shares, British Airways sold its entire shareholding and Theodore Agnew sold 1,075,925 of his shares in our initial public

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offering, following which Warburg Pincus owned 53.64% and Theodore Agnew owned 2.21% of our then outstanding shares and British Airways ceased to be a shareholder.

Beneficial ownership is determined in accordance with the rules of the Commission and includes shares over which the indicated beneficial owner exercises voting and/or investment power or receives the economic benefit of ownership of such securities. Ordinary shares subject to options currently exercisable or exercisable within 60 days are deemed outstanding for the purposes of computing the percentage ownership of the person holding the options but are not deemed outstanding for the purposes of computing the percentage ownership of any other person.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage Beneficially Owned
Warburg Pincus ⁽¹⁾	21,366,644	50.32%
FMR LLC ⁽²⁾	6,285,400	14.80%
Tiger Global Management, L.L.C. ⁽³⁾	2,246,266	5.29%
Nalanda India Fund Limited ⁽⁴⁾	2,210,253	5.21%

Notes:

- (1) Information is based on a report on Schedule 13G jointly filed with the Commission on August 22, 2006 by Warburg Pincus Private Equity VIII, L.P., or WP VIII, Warburg Pincus International Partners, L.P., or WPIP, Warburg Pincus Netherlands International Partners I, CV, or WP Netherlands, Warburg, Pincus Partners, LLC, or WPP LLC, Warburg, Pincus & Co., or Warburg Pincus, and Warburg Pincus LLC, or WP LLC. The sole general partner of each of WP VIII, WPIP and WP Netherlands is WPP LLC. WPP LLC is managed by Warburg Pincus. WP LLC manages each of WP VIII, WPIP and WP Netherlands. Charles R. Kaye and Joseph P. Landy are each Managing General Partners of Warburg Pincus and Co-President and Managing Members of WP LLC. Each of Warburg Pincus, WPP LLC, WP LLC, Mr. Kaye and Mr. Landy disclaims beneficial ownership of the ordinary shares except to the extent of any indirect pecuniary interest therein.
- (2) Formerly FMR Corp. Information is based on a report on Amendment No. 1 to Schedule 13G jointly filed with the Commission on February 14, 2008 by FMR LLC, Edward C. Johnson 3d, Fidelity Management & Research Company and Fidelity Mid Cap Stock Fund. Edward C. Johnson 3d is the Chairman of FMR LLC. Fidelity Management & Research Company, a wholly owned subsidiary of FMR Corp., is the investment adviser to Fidelity Mid Cap Stock Fund.
- (3) Information is based on a report on Schedule 13G jointly filed with the Commission on September 26, 2006 by Charles P. Coleman, III and Tiger Global Management, L.L.C, or Tiger. Tiger serves as the management company of two domestic private investment partnerships and the investment manager of an offshore investment vehicle. Mr. Coleman is the Managing Member of Tiger.
- (4) Information is based on a report on Schedule 13G filed with the Commission on March 20, 2008 by Nalanda India Fund Limited.

None of our major shareholders have different voting rights from our other shareholders.

As of June 30, 2008, 21,560,877 of our ordinary shares, representing 50.78% of our outstanding ordinary shares, were held by a total of 15 holders of record with addresses in the US. As of the same date, 19,511,553 of our ADSs (representing 19,511,553 ordinary shares), representing 45.95% of our outstanding ordinary shares, were held by a total of one registered holder of record with addresses in and outside of the US. Since certain of these ordinary shares and ADSs were held by brokers or other nominees, the number of record holders in the US may not be representative of the number of beneficial holders or where the beneficial holders are resident. All holders of our ordinary shares are entitled to the same voting rights.

Related Party Transactions

In May 2002, we entered into a Registration Rights Agreement, or the Registration Rights Agreement, pursuant to which we had granted, subject to certain conditions, to our shareholders, Warburg Pincus and British Airways (so long as British Airways holds not less than 20% of our ordinary shares on a fully diluted basis), certain demand registration rights which entitled these shareholders to require us to use our reasonable efforts to prepare and file a registration statement under the Securities Act. Pursuant to the Registration Rights Agreement, we had also granted, subject to certain conditions, to Warburg Pincus and British Airways certain piggy-back registration rights entitling these shareholders to sell their respective ordinary shares in a registered offering of the company. We had agreed to bear the expenses incurred in connection with such registrations, excluding underwriting discounts and commissions and certain shareholder legal fees. We had also agreed, under certain circumstances, to indemnify the underwriters in connection with such registrations. Our shareholders, Warburg Pincus and British Airways, had agreed to indemnify us and the underwriters in connection with any such registrations provided that their obligation to indemnify is limited to the amount of sale proceeds received by them.

Pursuant to the terms of the Registration Rights Agreement, we were prohibited from entering into any merger, consolidation or reorganization in which the company would not be the surviving corporation unless the successor

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corporation agrees to assume the obligations and duties of the company under the Registration Rights Agreement. We were also prohibited, except with the prior written consent of Warburg Pincus and British Airways, from entering into similar agreements granting registration rights to any shareholder or prospective shareholder. Following the completion of our initial public offering in July 2006, British Airways ceased to be our shareholder and its rights under the Registration Rights Agreement terminated. The Registration Rights Agreement expired on May 20, 2007.

In May 2002, we entered into a master services agreement with British Airways, which was a principal shareholder until it sold its entire shareholding in our initial public offering in July 2006. This agreement provided that we would render business process outsourcing services to British Airways and its affiliates as per services level agreements agreed between us and British Airways. The agreement had a term of five years and would have expired in March 2007. In July 2006, we entered into a contract with British Airways which replaced this 2002 agreement. The renewed contract will expire in May 2012. In fiscal 2008, British Airways accounted for \$18.4 million of our revenue, representing 4.0% of our revenue and 6.3% of our revenue less repair payments. In fiscal 2007, British Airways accounted for \$15.0 million of our revenue, representing 4.3% of our revenue and 6.8% of our revenue less repair payments. In fiscal 2006, British Airways accounted for \$14.7 million of our revenue, representing 7.2% of our revenue and representing 9.9% of our revenue less repair payments.

In fiscal 2003, we entered into agreements with certain affiliates of another of our principal shareholders, Warburg Pincus, to provide business process outsourcing services. In fiscal 2008, 2007 and 2006, these affiliates in the aggregate accounted for \$3.5 million, \$2.2 million and \$1.6 million, representing 0.8%, 0.6% and 0.8% of our revenue and 1.2%, 1.0% and 1.1% of our revenue less repair payments. We have also entered into agreements with certain other affiliates of Warburg Pincus under which we purchase equipment and certain enterprise resource planning services from them. In fiscal 2008, 2007 and 2006, these affiliates in the aggregate accounted for \$189,000, \$202,087 and \$193,000 in expenses.

In fiscal 2004, we entered into an agreement with Flovate, a company in which Edwin Donald Harrell, who was until April 2006 one of our executive officers, is a majority shareholder, under which we license certain software. Flovate is engaged in the development and maintenance of software products and solutions primarily used by WNS Assistance in providing services to its customers. In fiscal 2008, 2007 and 2006, payments by us to Flovate pursuant to this agreement amounted to \$0.8 million, \$4.6 million and \$3.1 million in the aggregate.

On June 6, 2007, we entered into an agreement with Edwin Donald Harrell, Theodore Agnew and Clare Margaret Agnew to purchase all the shares of Flovate for a consideration comprising £3.3 million in cash and have deposited an additional retention amount of £0.7 million into an escrow account which has been paid to the selling shareholders.

In fiscal 2006, WP International Holdings II LLC, an affiliate of our majority shareholder, Warburg Pincus, extended a loan of £74,783 to Edwin Donald Harrell, who was until April 2006 one of our executive officers. The purpose of this loan was to assist Mr. Harrell to finance the purchase of our ordinary shares upon exercise of his stock options. The loan was repaid by Mr. Harrell in April 2006.

In fiscal 2006, WP International Holdings II LLC, an affiliate of our majority shareholder, Warburg Pincus, extended a loan of £139,999 to one of our executive officers, J. J. Selvadurai. The purpose of this loan was to assist Mr. Selvadurai to finance the purchase of our ordinary shares upon exercise of his stock options. The loan was repaid by Mr. Selvadurai in March 2006.

On January 1, 2005, we entered into an agreement with Datacap Software Private Limited, or Datacap, pursuant to which Datacap granted us the license to use its proprietary ITES software program. J.J. Selvadurai, our Managing Director of European Operations, is a principal shareholder of Datacap. In fiscal 2008, we paid \$26,000 for the license under the agreement.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

Please see “Item 18. Financial Statements” for a list of the financial statements filed as part of this annual report.

Legal Proceedings

We are defendants in legal proceedings relating to our leasehold rights for a property on which part of our operations facility in Nashik, India, is situated. The plaintiffs contend that the lease is invalid and seek to evict us from this facility. The court has accepted our contention that the matter should be referred to arbitration and further proceedings have been stayed. No arbitrator has yet been appointed by the parties. We believe that the suit is without merit and will vigorously defend it. In the event that our defense is not successful, we expect the direct financial impact of an unsuccessful defense would be minimal, although an eviction could cause a disruption to our operations if we are unable to find a suitable alternative location.

On June 6, 2006, we received a notice from the Indian Service Tax Authority requiring us to explain why they should not recover from us service tax amounting to Rs. 173.12 million for the period March 1, 2003 to January 31, 2005 in respect of the business process outsourcing services provided by us to certain clients. In addition, the notice asked us to explain why penalty and interest should not be levied in connection with this tax. We have been advised by legal counsel that this tax demand, if levied, is not tenable under Indian law. We have filed our response to the notice. No final order has been passed by the tax authorities since then. In the meantime, the Indian Service Tax Authority has requested for, and we have provided, supporting documents and clarifications in respect of the matter.

Except for the above, as of the date of this annual report, we are not a party to any other legal proceedings that could reasonably be expected to materially harm our company.

Dividend Policy

Subject to the provisions of the 1991 Law, and our Articles of Association, we may by ordinary resolution declare annual dividends to be paid to the shareholders according to their respective rights and interests in our distributable reserves. Any dividends we may declare must not exceed the amount recommended by our board of directors. Our board may also declare and pay an interim dividend or dividends, including a dividend payable at a fixed rate, if paying an interim dividend or dividends appears to the board to be justified by our distributable reserves. See “Item 10. Additional Information — B. Memorandum and Articles of Association.” We can only declare dividends if our directors who are to authorize the distribution make a prior statement that, having made full enquiry into our affairs and prospects, they have formed the opinion that:

- immediately following the date on which the distribution is proposed to be made, we will be able to discharge our liabilities as they fall due; and
- having regard to our prospects and to the intentions of our directors with respect to the management of our business and to the amount and character of the financial resources that will in their view be available to us, we will be able to continue to carry on business and we will be able to discharge our liabilities as they fall due until the expiry of the period of 12 months immediately following the date on which the distribution is proposed to be made or until we are dissolved under Article 150 of the 1991 Law, whichever first occurs.

We have never declared or paid any dividends on our ordinary shares. Any future determination to pay cash dividends will be at the discretion of our board of directors and will be dependent upon our results of operations and cash flows, our financial position and capital requirements, general business conditions, legal, tax, regulatory and any contractual restrictions on the payment of dividends and any other factors our board of directors deems relevant at the time.

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Subject to the deposit agreement governing the issuance of our ADSs, holders of ADSs will be entitled to receive dividends paid on the ordinary shares represented by such ADSs.

B. Significant Changes

There has been no significant subsequent events following the close of the last fiscal year up to the date of this annual report that are known to us and require disclosure in this document for which disclosure was not made in this annual report.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

Our ADSs evidenced by American Depositary Receipts, or ADRs, commenced trading on the NYSE, on July 26, 2006 at an initial offering price of \$20.00 per ADS. The ADRs evidencing ADSs were issued by our depositary, Deutsche Bank Trust Company Americas, pursuant to a deposit agreement. The number of our outstanding ordinary shares (including the underlying shares for ADSs) as of June 30, 2008 was 42,460,059. As of June 30, 2008, there were 19,511,553 ADSs outstanding (representing 19,511,553 ordinary shares).

The high and low last reported sale price per ADS since trading on July 26, 2006 are as shown below:

	Price per ADS on NYSE	
	High	Low
Fiscal Year:		
2007(1)	\$35.83	\$20.79
2008	\$29.85	\$12.81
Financial Quarter:		
2007		
Second quarter(1)	\$29.85	\$20.79
Third quarter	\$34.63	\$27.70
Fourth quarter	\$35.83	\$28.00
2008		
First quarter	\$29.85	\$24.61
Second quarter	\$28.65	\$16.15
Third quarter	\$25.00	\$15.31
Fourth quarter	\$17.99	\$12.81
2009		
First quarter	\$20.00	\$15.60
Month:		
January 2008	\$17.48	\$12.81
February 2008	\$17.99	\$13.95
March 2008	\$16.42	\$14.20
April 2008	\$20.00	\$15.60
May 2008	\$19.74	\$16.83
June 2008	\$18.99	\$16.70

Note:

(1) From July 2006 following the completion of our initial public offering on the NYSE.

B. Plan of Distribution

Not applicable.

C. Markets

Our ADSs are listed on the NYSE under the symbol "WNS."

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

General

We were incorporated in Jersey, Channel Islands, as a private limited company (with registered number 82262) on February 18, 2002 pursuant to the 1991 Law. We converted from a private limited company to a public limited company on January 4, 2006 when we acquired more than 30 shareholders as calculated in accordance with Article 17A of the 1991 Law. We gave notice of this to the Jersey Financial Services Commission, or JFSC, in accordance with Article 17(3) of the 1991 Law on January 12, 2006.

The address of our share registrar and secretary is Capita IRG (Offshore) Limited at Victoria Chambers, Liberation Square, 1/3 The Esplanade, St. Helier, Jersey JE2 3QA, Channel Islands. Our registered office and our share register are maintained at the premises of Capita IRA (Offshore) Limited.

Our activities are regulated by our Memorandum and Articles of Association. We adopted an amended and restated Memorandum and Articles of Association by special resolution of our shareholders passed on May 22, 2006. This amended and restated Memorandum and Articles of Association came into effect immediately prior to the completion of our initial public offering in July 2006. The material provisions of our amended and restated Memorandum and Articles of Association are described below. In addition to our Memorandum and Articles of Association, our activities are regulated by (among other relevant legislation) the 1991 Law. Our Memorandum of Association states our company name, that we are a public company, that we are a par value company, our authorized share capital and that the liability of our shareholders is limited to the amount (if any) unpaid on their shares. Below is a summary of some of the provisions of our Articles of Association. It is not, nor does it purport to be, complete or to identify all of the rights and obligations of our shareholders. The summary is qualified in its entirety by reference to our Memorandum and Articles of Association. See “Item 19. Exhibits — Exhibit 1.1” and “Item 19. Exhibits — Exhibit 1.2.”

The rights of shareholders described in this section are available only to persons who hold our certificated shares. ADS holders do not hold our certificated shares and therefore are not directly entitled to the rights conferred on our shareholders by our Articles of Association or the rights conferred on shareholders of a Jersey company by the 1991 Law, including, without limitation: the right to receive dividends and the right to attend and vote at shareholders meetings; the rights described in “— Other Jersey Law Considerations — Mandatory Purchases and Acquisitions” and “— Other Jersey Law Considerations — Compromises and Arrangements,” the right to apply to a Jersey court for an order on the grounds that the affairs of a company are being conducted in a manner which is unfairly prejudicial to the interests of its shareholders; and the right to apply to the JFSC to have an inspector appointed to investigate the affairs of a company. ADS holders are entitled to receive dividends and to exercise the right to vote only in accordance with the deposit agreement.

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Share Capital

As of June 30, 2008, the authorized share capital is £5,100,000 divided into 50,000,000 ordinary shares of 10 pence each and 1,000,000 preferred shares of 10 pence each. We had 43,363,100 and 42,460,059 ordinary shares outstanding as of March 31, 2008 and June 30, 2008, respectively. There are no preferred shares outstanding as of March 31, 2008 and June 30, 2008. Pursuant to Jersey law and our Memorandum and Articles of Association, our board of directors by resolution may establish one or more classes of preferred shares having such number of shares, designations, dividend rates, relative voting rights, liquidation rights and other relative participation, optional or other special rights, qualifications, limitations or restrictions as may be fixed by the board without any further shareholder approval. Such rights, preferences, powers and limitations as may be established could also have the effect of discouraging an attempt to obtain control of us. None of our shares have any redemption rights.

Capacity

Under the 1991 Law, the doctrine of *ultra vires* in its application to companies is abolished and accordingly the capacity of a Jersey company is not limited by anything in its memorandum or articles or by any act of its members.

Changes in Capital or our Memorandum and Articles of Association

Subject to the 1991 Law and our Articles of Association, we may by special resolution at a general meeting:

- increase our authorized or paid-up share capital;
- consolidate and divide all or any part of our shares into shares of a larger amount;
- sub-divide all or any part of our shares into shares of smaller amount than is fixed by our Memorandum of Association;
- convert any of our issued or unissued shares into shares of another class;
- convert all our issued par value shares into no par value shares and vice versa;
- convert any of our paid-up shares into stock, and reconvert any stock into any number of paid-up shares of any denomination;
- convert any of our issued limited shares into redeemable shares which can be redeemed;
- cancel shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of the authorized share capital by the amount of the shares so cancelled;
- reduce our issued share capital; or
- alter our Memorandum or Articles of Association.

General Meetings of Shareholders

We may at any time convene general meetings of shareholders. We hold an annual general meeting for each fiscal year. Under the 1991 Law, no more than 18 months may elapse between the date of one annual general meeting and the next.

Our Articles of Association provide that annual general meetings and meetings calling for the passing of a special resolution require 21 days' notice of the place, day and time of the meeting in writing to our shareholders. Any other general meeting requires no less than 14 days' notice in writing. Our directors may, at their discretion, and upon a request made in accordance with the 1991 Law by shareholders holding not less than one tenth of our total voting rights our directors shall, convene a general

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meeting. Our business may be transacted at a general meeting only when a quorum of shareholders is present. Two shareholders entitled to attend and to vote on the business to be transacted (or a proxy for a shareholder or a duly authorized representative of a corporation which is a shareholder) and holding shares conferring not less than one-third of the total voting rights, constitute a quorum provided that if at any time all of our issued shares are held by one shareholder, such quorum shall consist of the shareholder present in person or by proxy.

The annual general meetings deal with and dispose of all matters prescribed by our Articles of Association and by the 1991 Law including:

- the consideration of our annual financial statements and report of our directors and auditors;
- the election of directors (if necessary);
- the appointment of auditors and the fixing of their remuneration;
- the sanction of dividends; and
- the transaction of any other business of which notice has been given.

Failure to hold an annual general meeting is an offence by our company and its directors under the 1991 Law and carries a potential fine of up to £5,000 for our company and each director.

Voting Rights

Subject to any special terms as to voting on which any shares may have been issued or may from time to time be held, at a general meeting, every shareholder who is present in person (including any corporation present by its duly authorized representative) shall on a show of hands have one vote and every shareholder present in person or by proxy shall on a poll have one vote for each share of which he is a holder. In the case of joint holders only one of them may vote and in the absence of election as to who is to vote, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

A shareholder may appoint any person (whether or not a shareholder) to act as his proxy at any meeting of shareholders (or of any class of shareholders) in respect of all or a particular number of the shares held by him. A shareholder may appoint more than one person to act as his proxy and each such person shall act as proxy for the shareholder for the number of shares specified in the instrument appointing the person a proxy. If a shareholder appoints more than one person to act as his proxy, each instrument appointing a proxy shall specify the number of shares held by the shareholder for which the relevant person is appointed his proxy. Each duly appointed proxy has the same rights as the shareholder by whom he was appointed to speak at a meeting and vote at a meeting in respect of the number of shares held by the shareholder for which the relevant proxy is appointed his proxy.

For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof or in order to make a determination of shareholders for any other proper purpose, our directors may fix in advance a date as the record date for any such determination of shareholders.

Shareholder Resolutions

An ordinary resolution requires the affirmative vote of a simple majority (i.e., more than 50%) of our shareholders entitled to vote in person (or by corporate representative in case of a corporate entity) or by proxy at a general meeting.

A special resolution requires the affirmative vote of a majority of not less than two-thirds of our shareholders entitled to vote in person (or by corporate representative in the case of a corporate entity) or by proxy at a general meeting.

Our Articles of Association prohibit the passing of shareholder resolutions by written consent to remove an auditor or to remove a director before the expiry of his term of office.

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Dividends

Subject to the provisions of the 1991 Law and of the Articles of Association, we may, by ordinary resolution, declare dividends to be paid to shareholders according to their respective rights and interests in our distributable reserves. However, no dividend shall exceed the amount recommended by our directors.

Subject to the provisions of the 1991 Law, we may declare and pay an interim dividend or dividends, including a dividend payable at a fixed rate, if an interim dividend or dividends appears to us to be justified by our distributable reserves.

Except as otherwise provided by the rights attached to any shares, all dividends shall be declared and paid according to the amounts paid up (as to both par and any premium) otherwise than in advance of calls, on the shares on which the dividend is paid. All dividends unclaimed for a period of ten years after having been declared or become due for payment shall, if we so resolve, be forfeited and shall cease to remain owing by us.

We may, with the authority of an ordinary resolution, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid-up shares or debentures of any other company, or in any one or more of those ways.

We may also with the prior authority of an ordinary resolution, and subject to such conditions as we may determine, offer to holders of shares the right to elect to receive shares, credited as fully paid, instead of the whole, or some part, to be determined by us, of any dividend specified by the ordinary resolution.

For the purposes of determining shareholders entitled to receive a dividend or distribution, our directors may fix a record date for any such determination of shareholders. A record date for any dividend or distribution may be on or at any time before any date on which such dividend or distribution is paid or made and on or at any time before or after any date on which such dividend or distribution is declared.

Ownership Limitations

Our Articles of Association and the 1991 Law do not contain limits on the number of shares that a shareholder may own.

Transfer of Shares

Every shareholder may transfer all or any of his shares by instrument of transfer in writing in any usual form or in any form approved by us. The instrument must be executed by or on behalf of the transferor and, in the case of a transfer of a share which is not fully paid up, by or on behalf of the transferee. The transferor is deemed to remain the holder until the transferee's name is entered in the register of shareholders.

We may, in our absolute discretion and without giving any reason, refuse to register any transfer of a share or renunciation of a renounceable letter of allotment unless:

- it is in respect of a share which is fully paid-up;
- it is in respect of only one class of shares;
- it is in favor of a single transferee or not more than four joint transferees;
- it is duly stamped, if so required; and
- it is delivered for registration to our registered office for the time being or another place that we may from time to time determine accompanied by the certificate for the shares to which it relates and any other evidence as we may reasonably require to prove the right of the transferor or person renouncing to make the transfer or renunciation.

Share Register

We maintain our register of members in Jersey. It is open to inspection during business hours by shareholders without charge and by other persons upon payment of a fee not exceeding £5. Any person may obtain a copy of our register of members upon payment of a fee not exceeding £0.50 per page and providing a declaration under oath as required by the 1991 Law.

Variation of Rights

If at any time our share capital is divided into different classes of shares, the special rights attached to any class, unless otherwise provided by the terms of issue of the shares of that class, may be varied or abrogated with the consent in writing of the holders of the majority of the issued shares of that class, or with the sanction of an ordinary resolution passed at a separate meeting of the holders of shares of that class, but not otherwise. To every such separate meeting all the provisions of our Articles of Association and of the 1991 Law relating to general meetings or to the proceedings thereat shall apply, *mutatis mutandis*, except that the necessary quorum shall be two persons holding or representing at least one-third in nominal amount of the issued shares of that class but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those holders who are present in person shall be a quorum.

The special rights conferred upon the holders of any class of shares issued with preferred or other special rights shall be deemed to be varied by the reduction of the capital paid up on such shares and by the creation of further shares ranking in priority thereto, but shall not (unless otherwise expressly provided by our Articles of Association or by the conditions of issue of such shares) be deemed to be varied by the creation or issue of further shares ranking after or *pari passu* therewith. The rights conferred on holders of ordinary shares shall be deemed not to be varied by the creation, issue or redemption of any preferred or preference shares.

Capital Calls

We may, subject to the provisions of our Articles of Association and to any conditions of allotment, from time to time make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) *provided that* (except as otherwise fixed by the conditions of application or allotment) no call on any share shall be payable within 14 days of the date appointed for payment of the last preceding call, and each member shall (subject to being given at least 14 clear days' notice specifying the time or times and place of payment) pay us at the time or times and place so specified the amount called on his shares.

If a member fails to pay any call or installment of a call on or before the day appointed for payment thereof, we may serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest (at a rate not exceeding ten per cent. per annum to be determined by us) which may have accrued and any expenses which may have been incurred by us by reason of such non-payment. The notice shall name a further day (not earlier than fourteen days from the date of service thereof) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed, the shares on which the call was made will be liable to be forfeited.

Borrowing Powers

Our Articles of Association contain no restrictions on our power to borrow money or to mortgage or charge all or any part of our undertaking, property and assets.

Issue of Shares and Preemptive Rights

Subject to the provisions of the 1991 Law and to any special rights attached to any shares, we may allot or issue shares with those preferred, deferred or other special rights or restrictions regarding dividends, voting, return of capital or other matters as our directors from time to time determine. We may issue shares that are redeemable or are liable to be redeemed at our option or the option of the holder in accordance with our Articles of Association. Subject to the provisions of the 1991 Law, the unissued shares at the date of adoption of our Articles of Association and shares created thereafter shall be at the disposal of our directors. We cannot issue shares at a discount to par value. Securities,

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contracts, warrants or other instruments evidencing any preferred shares, option rights, securities having conversion or option rights or obligations may also be issued by the directors without the approval of the shareholders or entered into by us upon a resolution of the directors to that effect on such terms, conditions and other provisions as are fixed by the directors, including, without limitation, conditions that preclude or limit any person owning or offering to acquire a specified number or percentage of shares in us in issue, other shares, option rights, securities having conversion or option rights or obligations of us or the transferee of such person from exercising, converting, transferring or receiving the shares, option rights, securities having conversion or option rights or obligations.

There are no pre-emptive rights for the transfer of our shares either within the 1991 Law or our Articles of Association.

Directors' Powers

Our business shall be managed by the directors who may exercise all of the powers that we are not by the 1991 Law or our Articles of Association required to exercise in a general meeting. Accordingly, the directors may (among other things) borrow money, mortgage or charge all of our property and assets (present and future) and issue securities.

Meetings of the Board of Directors

A director may, and the secretary on the requisition of a director shall, at any time, summon a meeting of the directors by giving to each director and alternate director not less than 24 hours' notice of the meeting *provided that* any meeting may be convened at shorter notice and in such manner as each director or his alternate director shall approve *provided further that* unless otherwise resolved by the directors notices of directors' meetings need not be in writing.

Subject to our Articles of Association, our board of directors may meet for the conducting of business, adjourn and otherwise regulate its proceedings as it sees fit. The quorum necessary for the transaction of business may be determined by the board of directors and unless otherwise determined shall be three persons, each being a director or an alternate director of whom two shall not be executive directors. Where more than three directors are present at a meeting, a majority of them must not be executive directors in order for the quorum to be constituted at the meeting. A duly convened meeting of the board of directors at which a quorum is present is necessary to exercise all or any of the board's authorities, powers and discretions.

Our board of directors may from time to time appoint one or more of their number to be the holder of any executive office on such terms and for such periods as they may determine. The appointment of any director to any executive office shall be subject to termination if he ceases to be a director. Our board of directors may entrust to and confer upon a director holding any executive office any of the powers exercisable by the directors, upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Remuneration of Directors

Our directors shall be entitled to receive by way of fees for their services as directors any sum that we may, by ordinary resolution in general meeting from time to time determine. That sum, unless otherwise directed by the ordinary resolution by which it is voted, shall be divided among the directors in the manner that they agree or, failing agreement, equally. The remuneration (if any) of an alternate director shall be payable out of the remuneration payable to the director appointing him as may be agreed between them.

The directors shall be repaid their traveling and other expenses properly and necessarily expended by them in attending meetings of the directors or members or otherwise on our affairs.

If any director shall be appointed agent or to perform extra services or to make any special exertions, the directors may remunerate such director therefor either by a fixed sum or by commission or participation in profits or otherwise or partly one way and partly in another as they think fit, and such remuneration may be either in addition to or in substitution for his above mentioned remuneration.

Directors' Interests in Contracts

Subject to the provisions of the 1991 Law, a director may hold any other office or place of profit under us (other than the office of auditor) in conjunction with his office of director and may act in a professional capacity to us on such terms as to tenure of office, remuneration and otherwise as we may determine and, provided that he has disclosed to us the nature and extent of any of his interests which conflict or may conflict to a material extent with our interests at the first meeting of the directors at which a transaction is considered or as soon as practical after that meeting by notice in writing to the secretary or has otherwise previously disclosed that he is to be regarded as interested in a transaction with a specific person, a director notwithstanding his office (1) may be a party to, or otherwise interested in, any transaction or arrangement with us or in which we are otherwise interested, (2) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by us or in which we are otherwise interested, and (3) shall not, by reason of his office, be accountable to us for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

Restrictions on Directors' Voting

A director, notwithstanding his interest, may be counted in the quorum present at any meeting at which any contract or arrangement in which he is interested is considered and, subject as provided above, he may vote in respect of any such contract or arrangement. A director, notwithstanding his interest, may be counted in the quorum present at any meeting at which he is appointed to hold any office or place of profit under us, or at which the terms of his appointment are arranged, but the director may not vote on his own appointment or the terms thereof or any proposal to select that director for re-election.

Number of Directors

Our board shall determine the maximum and minimum number of directors provided that the minimum number of directors shall be not less than three.

Directors' Appointment, Resignation, Disqualification and Removal

Our board is divided into three classes that are, as nearly as possible, of equal size. Each class of directors (other than initially) is elected for a three-year term of office but the terms are staggered so that the term of only one class of directors expires at each annual general meeting. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. This classification of the board of directors may have the effect of delaying or preventing changes in control of management of our company. Our board of directors shall have power (unless they determine that any vacancy should be filled by us in general meeting) at any time and from time to time to appoint any person to be a director, either to fill any vacancy or as an addition to the existing directors. A vacancy for these purposes only will be deemed to exist if a director dies, resigns, ceases or becomes prohibited or disqualified by law from acting as a director, becomes bankrupt or enters into an arrangement or composition with his creditors, becomes of unsound mind or is removed by us from office for gross negligence or criminal conduct by ordinary resolution. A vacancy for these purposes will not be deemed to exist upon the expiry of the term of office of a director. At any general meeting at which a director retires or at which a director's period of office expires we shall elect, by ordinary resolution of the general meeting, a director to fill the vacancy, unless our directors resolve to reduce the number of directors in office. Where the number of persons validly proposed for election or re-election as a director is greater than the number of directors to be elected, the persons receiving the most votes (up to the number of directors to be elected) shall be elected as directors and an absolute majority of the votes cast shall not be a pre-requisite to the election of such directors.

The directors shall hold office until they resign, they cease to be a director by virtue of a provision of the 1991 Law, they become disqualified by law or the terms of our Articles of Association from being a director, they become bankrupt or make any arrangement or composition with their creditors generally or they become of unsound mind or they are removed from office by us for gross negligence or criminal conduct by ordinary resolution in general meeting.

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A director is not required to hold any of our shares.

Capitalization of Profits and Reserves

Subject to our Articles of Association, we may, upon the recommendation of our directors, by ordinary resolution resolve to capitalize any of our undistributed profits (including profits standing to the credit of any reserve account), any sum standing to the credit of any reserve account as a result of the sale or revaluation of an asset (other than goodwill) and any sum standing to the credit of our share premium account or capital redemption reserve.

Any sum which is capitalized shall be appropriated among our shareholders in the proportion in which such sum would have been divisible amongst them had the same been applied in paying dividends and applied in (1) paying up the amount (if any) unpaid on the shares held by the shareholders, or (2) issuing to shareholders, fully paid shares (issued either at par or a premium) or (subject to our Articles of Association) our debentures.

Unclaimed Dividends

Any dividend which has remained unclaimed for a period of ten years from the date of declaration thereof shall, if the directors so resolve, be forfeited and cease to remain owing by us and shall thenceforth belong to us absolutely.

Indemnity, Limitation of Liability and Officers Liability Insurance

Insofar as the 1991 Law allows and, to the fullest extent permitted thereunder, we may indemnify any person who was or is involved in any manner (including, without limitation, as a party or a witness), or is threatened to be made so involved, in any threatened, pending or completed investigation, claim, action, suit or proceeding, whether civil, criminal, administrative or investigative including, without limitation, any proceeding by or in the right of ours to procure a judgment in our favor, but excluding any proceeding brought by such person against us or any affiliate of ours by reason of the fact that he is or was an officer, secretary, servant, employee or agent of ours, or is or was serving at our request as an officer, secretary, servant, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against all expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such proceeding. Such indemnification shall be a contract right and shall include the right to receive payment in advance of any expenses incurred by the indemnified person in connection with such proceeding, provided always that this right is permitted by the 1991 Law.

Subject to the 1991 Law, we may enter into contracts with any officer, secretary, servant, employee or agent of ours and may create a trust fund, grant a security interest, make a loan or other advancement or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in the indemnity provisions in our Articles of Association.

Our directors are empowered to arrange for the purchase and maintenance in our name and at our expense of insurance cover for the benefit of any current or former officer of ours, our secretary and any current or former agent, servant or employee of ours against any liability which is incurred by any such person by reason of the fact that he is or was an officer of ours, our secretary or an agent, servant or employee of ours.

Subject to the 1991 Law, the right of indemnification, loan or advancement of expenses provided in our Articles of Association is not exclusive of any other rights to which a person seeking indemnification may otherwise be entitled, under any statute, memorandum or articles of association, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. The provisions of our Articles of Association inure for the benefit of the heirs and legal representatives of any person entitled to indemnity under our Articles of Association and are applicable to proceedings commenced or continuing after the adoption of our Articles of Association whether arising from acts or omissions occurring before or after such adoption.

If any provision or provisions of our Articles of Association relative to indemnity are held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions thereof shall not in any way be affected or impaired; and (ii) to the fullest extent possible, the provisions of our

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Articles of Association relative to indemnity shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

Nothing in our Articles of Association prohibits us from making loans to officers, our secretary, servants, employees or agents to fund litigation expenses prior to such expenses being incurred.

Distribution of Assets on a Winding-up

Subject to any particular rights or limitations attached to any shares, if we are wound up, our assets available for distribution among our shareholders shall be applied first in repaying to our shareholders the amount paid up (as to both par and any premium) on their shares respectively, and if such assets shall be more than sufficient to repay to our shareholders the whole amount paid up (as to both par and any premium) on their shares, the balance shall be distributed among our shareholders in proportion to the amount which at the time of the commencement of the winding up had been actually paid up (as to both par and any premium) on their shares respectively.

If we are wound up, we may, with the approval of a special resolution and any other sanction required by the 1991 Law, divide the whole or any part of our assets among our shareholders in specie and our liquidator or, where there is no liquidator, our directors, may, for that purpose, value any assets and determine how the division shall be carried out as between our shareholders or different classes of shareholders. Similarly, with the approval of a special resolution and subject to any other sanction required by the 1991 Law, all or any of our assets may be vested in trustees for the benefit of our shareholders.

Other Jersey Law Considerations

Purchase of Own Shares

The 1991 Law provides that we may, with the sanction of a special resolution, purchase any of our shares which are fully paid, pursuant to a contract approved in advance by the shareholders. No shareholder whose shares we propose to purchase is entitled to vote on the resolutions sanctioning the purchase or approving the purchase contract.

We may fund the purchase of our own shares from any source provided that our directors are satisfied that immediately after the date on which the purchase is made, we will be able to discharge our liabilities as they fall due and that having regard to (i) our prospects and to the intentions of our directors with respect to the management of our business and (ii) the amount and character of the financial resources that will in their view be available to us, we will be able to (a) continue to carry on our business and (b) discharge our liabilities as they fall due until the expiry of the period of 12 months immediately following the date on which the purchase was made or until we are dissolved, whichever occurs first.

We cannot purchase our shares if, as a result of such purchase, only redeemable shares would be in issue. Any shares that we purchase must be cancelled.

Mandatory Purchases and Acquisitions

The 1991 Law provides that where a person (which we refer to as the “offeror”) makes an offer to acquire all of the shares (or all of the shares of any class of shares) other than treasury shares in a company (other than any shares already held by the offeror at the date of the offer), if the offeror has by virtue of acceptances of the offer acquired or contracted to acquire not less than 90% in nominal value of the shares (or class of shares) to which the offer relates, the offeror by notice may compulsorily acquire the remaining shares. A holder of any such shares may apply to the Jersey court for an order that the offeror not be entitled to purchase the holder’s shares or that the offeror purchase the holder’s shares on terms different to those of the offer.

Where, prior to the expiry of the offer period, the offeror has by virtue of acceptances of the offer acquired or contracted to acquire not less than 90 per cent. in nominal value of all of the shares of the target company (other than treasury shares), the holder of any shares (or class of shares) to which the offer relates who has not accepted the offer may require the offeror to acquire those shares. In such circumstances, each of the offeror and the holder of the shares

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are entitled to apply to the Jersey court for an order that the offeror purchase the holder's shares on terms different to those of the offer.

Compromises and Arrangements

Where a compromise or arrangement is proposed between a company and its creditors, or a class of them, or between the company and its shareholders, or a class of them, the Jersey court may on the application of the company or a creditor or member of it or, in the case of a company being wound up, of the liquidator, order a meeting of the creditors or class of creditors, or of the shareholders of the company or class of shareholders (as the case may be), to be called in a manner as the court directs.

If a majority in number representing 3/4ths in value of the creditors or class of creditors, or 3/4ths of the voting rights of shareholders or class of shareholders (as the case may be), present and voting either in person or by proxy at the meeting agree to a compromise or arrangement, the compromise or arrangement, if sanctioned by the court, is binding on all creditors or the class of creditors or on all the shareholders or class of shareholders, and also on the company or, in the case of a company in the course of being wound up, on the liquidator and contributories of the company.

No Pre-Emptive Rights

Neither our Articles of Association nor the 1991 Law confers any pre-emptive rights on our shareholders.

No Mandatory Offer Requirements

In some countries, the trading and securities legislation contains mandatory offer requirements when shareholders have reached certain share ownership thresholds. There are no mandatory offer requirements under Jersey legislation.

Non-Jersey Shareholders

There are no limitations imposed by Jersey law or by our Articles of Association on the rights of non-Jersey shareholders to hold or vote on our ordinary shares or securities convertible into our ordinary shares.

Rights of Minority Shareholders

Under Article 141 of the 1991 Law, a shareholder may apply to court for relief on the ground that our affairs are being conducted or have been conducted in a manner which is unfairly prejudicial to the interests of our shareholders generally or of some part of our shareholders (including at least the shareholder making the application) or that an actual or proposed act or omission by us (including an act or omission on our behalf) is or would be so prejudicial. What amounts to unfair prejudice is not defined in the 1991 Law. There may also be common law personal actions available to our shareholders.

Under Article 143 of the 1991 Law (which sets out the types of relief a court may grant in relation to an action brought under Article 141 of the 1991 Law), the court may make an order regulating our affairs, requiring us to refrain from doing or continuing to do an act complained of, authorizing civil proceedings and providing for the purchase of shares by us or by any of our other shareholders.

Jersey Law and our Memorandum and Articles of Association

The content of our Memorandum and Articles of Association reflect the requirements of the 1991 Law. Jersey company law draws very heavily from company law in England and there are various similarities between the 1991 Law and English company law. However, the 1991 Law is considerably more limited in content than English company law and there are some notable differences between English and Jersey company law. There are, for example, no provisions under Jersey law (as there are under English law):

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- controlling possible conflicts of interests between us and our directors, such as loans by us or directors, and contracts between us and our directors other than a duty on directors to disclose an interest in any transaction to be entered into by us or any of our subsidiaries which to a material extent conflicts with our interest;
- specifically requiring particulars to be shown in our accounts of the amount of loans to officers or directors' emoluments and pensions, although these would probably be required to be shown in our accounts in conformity to the requirement that accounts must be prepared in accordance with generally accepted accounting principles;
- requiring us to file details of charges other than charges of Jersey realty; or
- as regards statutory preemption provisions in relation to further issues of shares.

Comparison of Jersey Law and Delaware Law

Set forth below is a comparison of certain shareholder rights and corporate governance matters under Delaware law and Jersey law:

<u>Corporate Law Issue</u>	<u>Delaware Law</u>	<u>Jersey Law</u>
<i>Special Meetings of Shareholders</i>	Shareholders of a Delaware corporation generally do not have the right to call meetings of shareholders unless that right is granted in the certificate of incorporation or by-laws. However, if a corporation fails to hold its annual meeting within a period of 30 days after the date designated for the annual meeting, or if no date has been designated for a period of 13 months after its last annual meeting, the Delaware Court of Chancery may order a meeting to be held upon the application of a shareholder.	Under the 1991 Law, directors shall, notwithstanding anything in a Jersey company's articles of association, call a general meeting on a shareholders' requisition. A shareholders' requisition is a requisition of shareholders holding not less than one-tenth of the total voting rights of the shareholders of the company who have the right to vote at the meeting requisitioned. Failure to call an annual general meeting in accordance with the requirements of the 1991 Law is a criminal offense on the part of a Jersey company and its directors. The JFSC may, on the application of any officer, secretary or shareholder call, or direct the calling of, an annual general meeting.
<i>Interested Director Transactions</i>	Interested director transactions are not voidable if (i) the material facts as to the interested director's relationship or interests are disclosed or are known to the board of directors and the board in good faith authorizes the transaction by the affirmative vote of a majority of the disinterested directors, (ii) the material facts are disclosed or are known to the shareholders entitled to vote on such transaction and the transaction is specifically approved in good faith by vote of the majority of shares entitled to vote on the matter or (iii) the transaction is fair as to the corporation as of the time it is authorized, approved or ratified by the board of directors, a committee or the	A director of a Jersey company who has an interest in a transaction entered into or proposed to be entered into by the company or by a subsidiary which conflicts or may conflict with the interests of the company and of which the director is aware, must disclose the interest to the company. Failure to disclose an interest entitles the company or a member to apply to the court for an order setting aside the transaction concerned and directing that the director account to the company for any profit. A transaction is not voidable and a director is not accountable notwithstanding a failure to disclose if the transaction is confirmed by special resolution and the nature and extent of the director's interest in the transaction are disclosed in

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<u>Corporate Law Issue</u>	<u>Delaware Law</u>	<u>Jersey Law</u>
	shareholders.	reasonable detail in the notice calling the meeting at which the resolution is passed. Without prejudice to its power to order that a director account for any profit, a court shall not set aside a transaction unless it is satisfied that the interests of third parties who have acted in good faith thereunder would not thereby be unfairly prejudiced and the transaction was not reasonable and fair in the interests of the company at the time it was entered into.
<i>Cumulative Voting</i>	Delaware law does not require that a Delaware corporation provide for cumulative voting. However, the certificate of incorporation of a Delaware corporation may provide that shareholders of any class or classes or of any series may vote cumulatively either at all elections or at elections under specified circumstances.	There are no provisions in the 1991 Law relating to cumulative voting.
<i>Approval of Corporate Matters by Written Consent</i>	Unless otherwise specified in a Delaware corporation's certificate of incorporation, action required or permitted to be taken by shareholders at an annual or special meeting may be taken by shareholders without a meeting, without notice and without a vote, if consents in writing setting forth the action, are signed by shareholders with not less than the minimum number of votes that would be necessary to authorize the action at a meeting. All consents must be dated. No consent is effective unless, within 60 days of the earliest dated consent delivered to the corporation, written consents signed by a sufficient number of holders to take action are delivered to the corporation.	Insofar as the memorandum or articles of a Jersey company do not make other provision in that behalf, anything which may be done at a meeting of the company (other than remove an auditor) or at a meeting of any class of its shareholders may be done by a resolution in writing signed by or on behalf of each shareholder who, at the date when the resolution is deemed to be passed, would be entitled to vote on the resolution if it were proposed at a meeting. A resolution shall be deemed to be passed when the instrument, or the last of several instruments, is last signed or on such later date as is specified in the resolution.
<i>Business Combinations</i>	With certain exceptions, a merger, consolidation or sale of all or substantially all the assets of a Delaware corporation must be approved by the board of directors and a majority of the outstanding shares entitled to vote thereon.	A sale or disposal of all or substantially all the assets of a Jersey company must be approved by the board of directors and, only if the Articles of Association of the company require, by the shareholders in general meeting. A merger between two or more Jersey companies must be documented in a merger agreement which must be approved by special resolution of each of the companies merging.

Corporate Law Issue

Limitations on Directors Liability

Delaware Law

A Delaware corporation may include in its certificate of incorporation provisions limiting the personal liability of its directors to the corporation or its shareholders for monetary damages for many types of breach of fiduciary duty. However, these provisions may not limit liability for any breach of the duty of loyalty, acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, the authorization of unlawful dividends, shares repurchases or shares barring redemptions, or any transaction from which a director derived an improper personal benefit. Moreover, these provisions would not be likely to bar claims arising under US federal securities laws.

Jersey Law

The 1991 Law does not contain any provisions permitting Jersey companies to limit the liability of directors for breach of fiduciary duty. Any provision, whether contained in the articles of association of, or in a contract with, a Jersey company or otherwise, whereby the company or any of its subsidiaries or any other person, for some benefit conferred or detriment suffered directly or indirectly by the company, agrees to exempt any person from, or indemnify any person against, any liability which by law would otherwise attach to the person by reason of the fact that the person is or was an officer of the company is void (subject to what is said below).

Indemnification of Directors and Officers

A Delaware corporation may indemnify a director or officer of the corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in defense of an action, suit or proceeding by reason of his or her position if (i) the director or officer acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and (ii) with respect to any criminal action or proceeding, the director or officer had no reasonable cause to believe his or her conduct was unlawful.

The prohibition referred to above does not apply to a provision for exempting a person from or indemnifying the person against (a) any liabilities incurred in defending any proceedings (whether civil or criminal) (i) in which judgment is given in the person's favor or the person is acquitted, (ii) which are discontinued otherwise than for some benefit conferred by the person or on the person's behalf or some detriment suffered by the person, or (iii) which are settled on terms which include such benefit or detriment and, in the opinion of a majority of the directors of the company (excluding any director who conferred such benefit or on whose behalf such benefit was conferred or who suffered such detriment), the person was substantially successful on the merits in the person's resistance to the proceedings, (b) any liability incurred otherwise than to the company if the person acted in good faith with a view to the best interests of the company, (c) any liability incurred in connection with an application made to the court for relief from liability for negligence, default, breach of duty or breach of trust under Article 212 of the 1991 Law in which relief is granted to the person by the court or (d) any liability against which the company normally maintains insurance for persons other than directors.

Corporate Law Issue

Appraisal Rights

Delaware Law

A shareholder of a Delaware corporation participating in certain major corporate transactions may, under certain circumstances, be entitled to appraisal rights pursuant to which the shareholder may receive cash in the amount of the fair value of the shares held by that shareholder (as determined by a court) in lieu of the consideration the shareholder would otherwise receive in the transaction.

Jersey Law

The 1991 Law does not confer upon shareholders any appraisal rights.

Shareholder Suits

Class actions and derivative actions generally are available to the shareholders of a Delaware corporation for, among other things, breach of fiduciary duty, corporate waste and actions not taken in accordance with applicable law. In such actions, the court has discretion to permit the winning party to recover attorneys' fees incurred in connection with such action.

Under Article 141 of the 1991 Law, a shareholder may apply to court for relief on the ground that a company's affairs are being conducted or have been conducted in a manner which is unfairly prejudicial to the interests of its shareholders generally or of some part of its shareholders (including at least the shareholder making the application) or that an actual or proposed act or omission by the company (including an act or omission on its behalf) is or would be so prejudicial. There may also be common law personal actions available to shareholders. Under Article 143 of the 1991 Law (which sets out the types of relief a court may grant in relation to an action brought under Article 141 of the 1991 Law), the court may make an order regulating the affairs of a company, requiring a company to refrain from doing or continuing to do an act complained of, authorizing civil proceedings and providing for the purchase of shares by a company or by any of its other shareholders.

Inspection of Books and Records

All shareholders of a Delaware corporation have the right, upon written demand under oath stating the purpose thereof, to inspect or obtain copies of the corporation's shares ledger and its other books and records for any proper purpose.

The register of shareholders and books containing the minutes of general meetings or of meetings of any class of shareholders of a Jersey company must during business hours be open to the inspection of a shareholder of the company without charge. The register of directors and secretaries must during business hours (subject to such reasonable restrictions as the company may by its articles or in general meeting impose, but so that not less than two hours in each business day be allowed for inspection) be open to the inspection of a shareholder or director of the company without charge.

Corporate Law Issue

Amendments to Charter

Delaware Law

Amendments to the certificate of incorporation of a Delaware corporation require the affirmative vote of the holders of a majority of the outstanding shares entitled to vote thereon or such greater vote as is provided for in the certificate of incorporation; a provision in the certificate of incorporation requiring the vote of a greater number or proportion of the directors or of the holders of any class of shares than is required by Delaware corporate law may not be amended, altered or repealed except by such greater vote.

Jersey Law

The memorandum and articles of association of a Jersey company may only be amended by special resolution (being a two-third majority) passed by shareholders in general meeting or by written resolution signed by all the shareholders entitled to vote.

Governance Standards for Listed Companies

We are subject to the NYSE listing standards, although, because we are a foreign private issuer, those standards are considerably different from those applied to US companies. Under the NYSE rules, we need to only (i) establish an independent audit committee that has specified responsibilities; (ii) provide prompt certification by our chief executive officer of any material non-compliance with any corporate governance rules of the NYSE; (iii) provide periodic (annual and interim) written affirmations to the NYSE with respect to our corporate governance practices, and (iv) provide a brief description of significant differences between our corporate governance practices and those followed by US companies.

We are deemed to be a “controlled company” under the rules of the NYSE, and qualify for the “controlled company” exception to the board of directors and committee composition requirements under the rules of the NYSE. However, we are not relying on this “controlled company” exception. Messrs. Eric B. Herr, Richard O. Bernays and Deepak S. Parekh, and Sir Anthony Armitage Greener are members of our board of directors and they serve on each of our audit committee, compensation committee and nominating and corporate governance committee. Each of Messrs. Herr, Bernays and Parekh, and Sir Anthony Armitage Greener satisfies the “independence” requirements of the NYSE listing standards and the “independence” requirements of Rule 10A-3 of the Exchange Act. Accordingly, each of our committees are fully independent.

Transfer Agent and Registrar

The transfer agent and registrar for our ADSs is Deutsche Bank Trust Company Americas.

C. Material Contracts

The following is a summary of each contract that is or was material to us during the last two years.

Share Sale and Purchase Agreement, dated July 11, 2008, relating to the sale and purchase of shares in Aviva Global Services Singapore Private Limited between Aviva International Holdings Limited and WNS Capital Investment Limited.

On July 11, 2008, our wholly-owned subsidiary, WNS Capital Investment Limited, entered into a share sale and purchase agreement with AVIVA, pursuant to which WNS Capital Investment Limited acquired all the shares of Aviva Global. This acquisition is part of a transaction with AVIVA that included the AVIVA master services agreement described below. We completed the acquisition of Aviva Global concurrently with the execution of this share sale and purchase agreement. Pursuant to the agreement, Aviva Global has exercised its option to require third party BPO providers to transfer to it two facilities in Chennai and Pune, India operated by these third party BPO providers under BOT contracts with Aviva Global. The completion of the transfer of the Chennai facility occurred in

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July 2008. Completion of the Pune facility is expected to occur in August 2008. The total consideration for the transaction, including the AVIVA master services agreement described below, was approximately £115 million, subject to adjustments for cash, debt and the enterprise values of the companies holding the Chennai and Pune facilities which will be determined on their respective transfer dates to Aviva Global. We incurred a bank loan of \$200 million to fund, together with cash in hand, the consideration for the transaction.

Master Services Agreement, dated July 11, 2008, between Aviva Global Services (Management Services) Private Limited and WNS Capital Investment Limited.

On July 11, 2008, WNS Capital Investment Limited entered into the AVIVA master services agreement with Aviva Global Services (Management Services) Private Limited, or AVIVA MS, pursuant to which AVIVA MS agrees to appoint us as service provider and prime contractor to supply certain BPO services to the AVIVA group for a term of eight years and four months. Under the agreement, AVIVA MS has agreed to provide us a minimum volume of business, or Minimum Revenue Commitment, during the term of the contract. The Minimum Revenue 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 nine hours for 250 days a year. In the event the mean average monthly volume of business in any rolling three month period does not reach the Minimum Revenue Commitment, AVIVA MS has agreed to pay us a minimum commitment fee as liquidated damages. The agreement may be terminated by AVIVA MS for a variety of reasons, including a material breach of agreement by us, or at will 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 Aviva Global in July 2008, 24 months from September 19, 2008 and in the case of the Pune facility which is currently operated by a third party BPO provider, 24 months after 60 days from the date of completion of the transfer of the Pune facility, in each case, with six months' notice upon payment of a termination fee. We may also terminate the agreement for a variety of reasons, including the failure by AVIVA MS to pay any invoiced amounts where such invoiced amounts are overdue for a period of at least 30 business days or if it is otherwise in material breach of the agreement.

Facility Agreement, dated July 11, 2008, by and among WNS (Mauritius) Limited as borrower, WNS (Holdings) Limited, WNS Capital Investment Limited, WNS UK and WNS North America Inc. as guarantors, ICICI Bank UK Plc as lender, arranger and agent, ICICI Bank Canada as lender and arranger and Morgan Walker Solicitors LLP as security trustee.

On July 11, 2008, we entered into a secured 4.5 year term loan facility of \$200 million to finance our transaction with AVIVA described under "Item 5. Operating and Financial Review and Prospects — Overview — Recent Developments" above. We drew down the full amount of \$200 million under the facility in July 2008. The rate of interest payable on the facility is US dollar LIBOR plus 3% per annum. However, this interest rate is subject to change as we have agreed that the arrangers for the bank loan have the right at any time prior to the completion of the syndication of the bank loan to change the pricing of the bank loan if any such arranger determines that such change is necessary to ensure a successful syndication of the bank loan. We expect the syndication of the bank loan to be completed by March 31, 2009. The interest period for the loan is three months or such other period as we may select. We are currently paying interest on a three-month basis under this loan. The loan is repayable in eight semi-annual installments with the first installment falling due on July 10, 2009.

Under this facility, we are subject to change of control covenants and financial covenants as to gearing (the ratio of total borrowings to tangible net worth), borrowings (ratio of total borrowings to earnings before interest, taxes, depreciation and amortization, or EBITDA), debt service coverage (ratio of EBITDA to debt service), and the ratio of the aggregate outstanding under the facility to the value of Avival Global.

The facility is secured by, among other things, guarantees provided by us and certain of our subsidiaries, namely, WNS Capital Investment Limited, WNS UK and WNS North America Inc., a fixed and floating charge over the assets of WNS UK, share pledges over WNS Capital Investment Limited, WNS UK, WNS North America Inc. and WNS Mauritius, and charges over certain bank accounts.

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Share Purchase Agreement, dated April 20, 2007, by and among Marketics Technologies (India) Private Limited, WNS (Mauritius) Limited, Mr. Vinay Mishra, Mr. S. Ramakrishan, Mr. Shankar Maruwada and the other selling shareholders named therein.

On April 20, 2007, WNS Mauritius entered into a share purchase agreement, or the Share Purchase Agreement, with all the shareholders of Marketics, including among others, the founders of Marketics, Mr. Vinay Mishra, Mr. S. Ramakrishan and Mr. Shankar Maruwada, to purchase all the shares of Marketics. The consideration for the acquisition is an initial payment of \$30 million in May 2007 and a contingent earn-out consideration of \$33.7 million which was paid in July 2008 and calculated based on the performance and results of operations of Marketics for fiscal 2008 and determined in accordance with the Share Purchase Agreement. 75.1% of the share capital of Marketics was transferred to us in May 2007 and the remaining 24.9% of the share capital of Marketics was held in an escrow account and will be transferred to us upon payment of the contingent earn-out consideration for the acquisition of Marketics. In July 2008, we made payment of the earn-out consideration. Pursuant thereto, the remaining 24.9% of the share capital of Marketics is in the process of being transferred to us. The Share Purchase Agreement will terminate upon the transfer of 24.9% of the share capital or otherwise by the mutual consent of all parties thereto.

Lease Deed dated January 25, 2006 between DLF Cyber City and WNS Global Services (Private) Limited.

On January 25, 2006, WNS Global entered into a lease agreement with DLF Cyber City for the leases of two office spaces in Gurgaon, India, with an aggregate built up area of 51,244 square feet at a monthly rental of Rs. 30 per square feet. The lease commenced on April 1, 2006 for a term of 54 months from the commencement date with an option to renew for a further term of 54 months. If WNS Global renews the lease, the rental payable will be at fair market value. In addition, WNS Global has agreed to pay for all levies, duties, taxes on property, charges, rates, cesses and fees imposed by the Central or State Government or any other regulatory authority of India. WNS Global also has agreed to be responsible for power, electricity and water charges. WNS Global is not entitled to terminate the lease within the first 36 months of each of the leases. Thereafter, WNS Global may terminate the leases by giving DLF Cyber City six months' prior notice in writing.

Lease Deed dated March 10, 2005 between DLF Cyber City and WNS Global Services (Private) Limited.

On March 10, 2005, WNS Global entered into a lease agreement with DLF Cyber City for the leases of two office spaces in Gurgaon, India, with an aggregate built up area of 90,995 square feet at a monthly rental of Rs. 30 per square feet. The leases commenced on May 1, 2005 and June 1, 2005, respectively, for a term of 54 months each from the respective commencement dates with an option to renew for a further term of 54 months. If WNS Global renews the lease, the rental payable will be at fair market value. In addition, WNS Global has agreed to pay for all levies, duties, taxes on property, charges, rates, cesses and fees imposed by the Central or State Government or any other regulatory authority of India. WNS Global also has agreed to be responsible for power, electricity and water charges. WNS Global is not entitled to terminate the lease within the first 36 months of each of the leases. Thereafter, WNS Global may terminate the leases by giving DLF Cyber City six months' prior notice in writing.

Leave and License Agreements dated November 10, 2005 between Godrej & Boyce Manufacturing Company Ltd. and WNS Global Services (Private) Limited with respect to Plant 10.

On November 10, 2005, WNS Global entered into three agreements with Godrej & Boyce Manufacturing Company Ltd., or GBMC, pursuant to which GBMC granted a license to WNS Global to occupy three office premises with an aggregate area of 84,429 square feet within the industrial building constructed by GBMC in Vikhroli, India, known as Plant 10. Each agreement is for a term of 33 months commencing on August 16, 2005 and ended on May 15, 2008. The monthly license fees payable under each of the three leases are Rs. 592,020, Rs. 8,670 and Rs. 203,600. GBMC has agreed to pay for all municipal taxes, cess, duties, impositions and levies imposed by the Municipal Corporation of Greater Mumbai. Any future increases of the municipal taxes and outgoings subsequent to the first assessment will be borne by WNS Global and GBMC equally. WNS Global has agreed to be responsible for power and water charges. The agreements may be terminated by the non-defaulting party giving 30 days' prior written notice in the event of a breach of any term of the agreement unless the breach is remedied within the 30 day period or in the event of insolvency. WNS Global may terminate the agreement by giving 180 days' prior written notice.

Leave and License Agreement dated May 30, 2006 between Godrej & Boyce Manufacturing Company Ltd. and WNS Global Services (Private) Limited with respect to Plant 11.

On May 30, 2006, WNS Global entered into an agreement with GBMC pursuant to which GBMC granted a license to WNS Global to occupy office premises with an aggregate area of 69,611 square feet within the industrial building constructed by GBMC in Vikhroli, India, known as Plant 11, for a term of 33 months commencing on April 24, 2006 and renewable for a further term of 33 months at the option of WNS. The monthly license fee payable is Rs. 663,354. GBMC has agreed to pay for all existing taxes and outgoings in respect of the licensed premises including all municipal taxes, cess, duties, impositions and levies imposed by the Municipal Corporation of Greater Mumbai. Any

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future increases of such municipal taxes and outgoings subsequent to the first assessment will be borne by WNS Global and GBMC equally. WNS Global has agreed to be responsible for power, electricity and water charges and minor repair works. The agreement may be terminated by the non-defaulting party by giving 30 days' prior written notice in the event of a breach of any term of the agreement unless such breach is remedied within the 30 day period or in the event of insolvency.

Leave and License Agreement dated December 29, 2006 between Sofotel Software Services Private Limited and WNS Global Services (Private) Ltd.

On December 29, 2006, WNS Global entered into four agreements with Sofotel Software Services Private Limited, or Sofotel, pursuant to which Sofotel granted a license to WNS Global to occupy office premises located in the Commercial Office Building with an aggregate area of 142,800 square feet for a term of 60 months commencing on January 1, 2007. The monthly license fees payable under each of the four agreements are Rs. 1,661,415, Rs. 1,635,469, Rs. 1,632,738 and Rs. 1,570,378, for the first 36 months. Thereafter, the license fees will increase by an amount not exceeding 15% by mutual agreement. The agreements may be terminated by the non-defaulting party by giving 90 days' prior written notice in the event of a breach of a material term of the agreement unless such breach is remedied within the 90 day period or in the event of insolvency. WNS Global may terminate each agreement by giving 12 months' prior written notice.

D. Exchange Controls

There are currently no Jersey or United Kingdom foreign exchange control restrictions on the payment of dividends on our ordinary shares or on the conduct of our operations. Jersey is in a monetary union with the United Kingdom. There are currently no limitations under Jersey law or our Articles of Association prohibiting persons who are not residents or nationals of United Kingdom from freely holding, voting or transferring our ordinary shares in the same manner as United Kingdom residents or nationals.

Exchange Rates

Substantially all of our revenue is denominated in pound sterling or US dollars and most of our expenses, other than payments to repair centers, are incurred and paid in Indian rupees. We report our financial results in US dollars. 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. The results of our operations are affected as the Indian rupee and the pound sterling appreciate or depreciate against the US dollar and, as a result, any such appreciation or depreciation will likely affect the market price of our ADSs in the US.

The following table sets forth, for the periods indicated, information concerning the exchange rates between Indian rupees and US dollars based on the noon buying rate:

Fiscal Year:	Period End(1)	Average(2)	High	Low
2004	Rs. 43.40	Rs. 45.78	Rs. 47.46	Rs. 43.40
2005	43.62	44.87	46.45	43.27
2006	44.48	44.21	46.26	43.05
2007	43.10	45.06	46.83	42.78
2008	40.02	40.13	43.05	38.48

Month:	High	Low
February 2008	Rs. 40.11	Rs. 39.12
March 2008	40.46	39.76
April 2008	40.45	39.73
May 2008	42.93	40.45
June 2008	42.97	42.38
July 2008	43.29	41.10

Notes:

- (1) The noon buying rate at each period end and the average rate for each period may differ from the exchange rates used in the preparation of financial statements included elsewhere in this annual report.
- (2) Represents the average of the noon buying rate on the last day of each month during the period.

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The following table sets forth, for the periods indicated, information concerning the exchange rates between the pound sterling and US dollars based on the noon buying rate:

Fiscal Year:	Period End(1)		Average(2)		High		Low	
2004	£	0.54	£	0.59	£	0.65	£	0.53
2005		0.53		0.54		0.57		0.51
2006		0.57		0.56		0.58		0.52
2007		0.51		0.52		0.58		0.50
2008		0.50		0.50		0.52		0.47

Month:	High		Low	
February 2008	£	0.52	£	0.50
March 2008		0.50		0.49
April 2008		0.51		0.50
May 2008		0.51		0.50
June 2008		0.51		0.50
July 2008		0.51		0.50

Notes:

- (1) The noon buying rate at each period end and the average rate for each period may differ from the exchange rates used in the preparation of financial statements included elsewhere in this annual report.
- (2) Represents the average of the noon buying rate on the last day of each month during the period.

E. Taxation

Jersey Tax Consequences

General

The following summary of the anticipated tax treatment in Jersey in relation to the payments on the ordinary shares is based on the taxation law in force at the date of this annual report, and does not constitute legal or tax advice and investors should be aware that the relevant fiscal rules and practice and their interpretation may change. We encourage you to consult your own professional advisors on the implications of subscribing for, buying, holding, selling, redeeming or disposing of ordinary shares (or ADSs) and the receipt of interest and distributions, whether or not on a winding-up, with respect to the ordinary shares (or ADSs) under the laws of the jurisdictions in which they may be taxed.

We are an “exempt company” within the meaning of Article 123A of the Income Tax (Jersey) Law, 1961, as amended, or the Jersey Income Tax Law, for the calendar year ending December 31, 2008. The retention of “exempt company” status is conditional upon the Comptroller of Income Tax being satisfied that no Jersey resident has a beneficial interest in us, except as permitted by published concessions granted by the Comptroller from time to time. The Comptroller of Income Tax has indicated that where more than ten persons are beneficially interested in an exempt company, a holding by Jersey residents of less than 10% of the share capital shall not be treated as a beneficial interest.

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The Comptroller of Income Tax has confirmed to us that no holding of ADSs held by Jersey residents will be treated as a beneficial interest in shares which would cause us to lose our “exempt company” status.

As an “exempt company,” we will not be liable for Jersey income tax other than on Jersey source income, except by concession bank deposit interest on Jersey bank accounts. For so long as we are an “exempt company,” payments in respect of the shares will not be subject to any taxation in Jersey, unless the shareholder is resident in Jersey, and no withholding in respect of taxation will be required on those payments to any holder of shares.

Amendments have been made to the Jersey Income Tax Law that will have the following effects from January 1, 2009: (i) our “exempt company” status will cease to be available to us, (ii) we will either (a) continue to be regarded as non resident in Jersey under the Jersey Income Tax Law and accordingly, will not be liable to pay Jersey income tax or (b) be regarded as resident in Jersey under the Jersey Income Tax Law but, being neither a financial services company nor a specified utility company under the Jersey Income Tax Law at the date hereof, will not be liable to pay Jersey income tax, (iii) we will continue to be able to pay dividends on our ordinary shares without any withholding or deduction for or on account of Jersey tax, and (iv) holders of our ordinary shares (other than Jersey residents) will not be subject to any Jersey tax in respect of the holding, sale or other disposition of their ordinary shares.

On May 6, 2008, Jersey introduced a 3% general sales tax on goods and services. We have the benefit of exemption or end user relief from this charge as we have obtained international services entity status (for which an annual administrative fee of £100 is payable).

Currently, there is no double tax treaty or similar convention between the US and Jersey.

As part of an agreement reached in connection with the EU Savings Tax Directive income in the form of interest payments, and in line with steps taken by other relevant third countries, introduced with effect from July 1, 2005 a retention tax system in respect of payments of interest, or other similar income, made to an individual beneficial owner resident in an EU Member State by a paying agent established in Jersey (the terms “beneficial owner” and “paying agent” are defined in the EU Savings Tax Directive). The retention tax system applies for a transitional period prior to the implementation of a system of automatic communication to EU Member States of information regarding such payments. The transitional period will only end after all EU Member States apply automatic exchange of information and EU Member States unanimously agree that the US has committed to exchange of information upon request. During this transitional period, such an individual beneficial owner resident in an EU Member State is entitled to request a paying agent not to retain tax from such payments but instead to apply a system by which the details of such payments are communicated to the tax authorities of the EU Member State in which the beneficial owner is resident.

The retention tax system and disclosure arrangements are implemented by means of bilateral agreements with each of the EU Member States, the Taxation (Agreements with European Union Member States) (Jersey) Regulations 2005 and Guidance Notes issued by the Policy & Resources Committee of the States of Jersey. Based on these provisions and the current practice of the Jersey tax authorities, dividend distributions to shareholders and income realized by shareholders in a Jersey company upon the sale, refund or redemption of shares do not constitute interest payments for the purposes of the retention tax system and therefore neither a Jersey company nor any paying agent appointed by it in Jersey is obliged to levy retention tax in Jersey under these provisions in respect thereof. However, the retention tax system could apply in the event that an individual resident in an EU Member State, otherwise receives an interest payment in respect of a debt claim (if any) owed by a company to the individual.

Taxation of Dividends

Under existing Jersey law, provided that the ordinary shares and ADSs are not held by, or for the account of, persons resident in Jersey for income tax purposes, payments in respect of the ordinary shares and ADSs, whether by dividend or other distribution, will not be subject to any taxation in Jersey and no withholding in respect of taxation will be required on those payments to any holder of our ordinary shares or ADSs. This will continue to remain the case after the amendments to the Jersey Income Tax Law become effective on January 1, 2009.

Holders of our ordinary shares or ADSs who are resident in Jersey for Jersey income tax purposes suffer deduction of tax on payment of dividends by us at the standard rate of Jersey income tax for the time being in force. From January 1,

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2009, any individual investor who is resident in Jersey who, directly or indirectly, owns more than 2% of our ordinary shares or ADSs may be subject to the deemed dividend or full attribution provisions which seek to tax shareholders or ADS holders of securities on all or a proportion of our profits in proportion to their shareholdings.

Taxation of Capital Gains and Estate and Gift Tax

Under current Jersey law, there are no death or estate duties, capital gains, gift, wealth, inheritance or capital transfer taxes. No stamp duty is levied in Jersey on the issue or transfer of ordinary shares or ADSs. In the event of the death of an individual sole shareholder, duty at rates of up to 0.75% of the value of the ordinary shares or ADSs held may be payable on the registration of Jersey probate or letters of administration which may be required in order to transfer or otherwise deal with ordinary shares or ADSs held by the deceased individual sole shareholder.

US Federal Income Taxation

The following discussion describes certain material US federal income tax consequences to US Holders (defined below) under present law of an investment in the ADSs or ordinary shares. This summary applies only to US Holders that hold the ADSs or ordinary shares as capital assets and that have the US dollar as their functional currency. This discussion is based on the tax laws of the US as in effect on the date of this annual report and on US Treasury regulations in effect or, in some cases, proposed, as of the date of this annual report, as well as judicial and administrative interpretations thereof available on or before such date. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below.

The following discussion does not address the tax consequences to any particular investor or to persons in special tax situations, such as:

- banks;
- certain financial institutions;
- insurance companies;
- broker dealers;
- traders that elect to mark-to-market;
- tax-exempt entities;
- persons liable for alternative minimum tax;
- real estate investment trusts;
- regulated investment companies;
- US expatriates;
- persons holding ADSs or ordinary shares as part of a straddle, hedging, conversion or integrated transaction;
- persons that actually or constructively own 10% or more of our voting stock; or
- persons holding ADSs or ordinary shares through partnerships or other pass-through entities.

In particular, it is noted that we are a controlled foreign corporation, or CFC, for US federal income tax purposes, and therefore, if you are a US shareholder owning 10% or more of our voting stock directly, indirectly and/or under the

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applicable attribution rules, the US federal income tax consequences to you of owning our ADSs or ordinary shares may be significantly different than those described below in several respects. If you own 10% or more of our voting stock directly, indirectly and/or under the applicable attribution rules, you should consult your own tax advisors regarding the US federal income tax consequences of your investment in our ADSs or ordinary shares.

US HOLDERS OF OUR ADSs OR ORDINARY SHARES ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE APPLICATION OF THE US FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE AND LOCAL AND NON-US TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR ADSs OR ORDINARY SHARES.

The discussion below of the US federal income tax consequences to “US Holders” will apply to you if you are a beneficial owner of ADSs or ordinary shares and you are, for US federal income tax purposes:

- a citizen or resident of the US;
- a corporation (or other entity taxable as a corporation) organized under the laws of the United States, any State thereof or the District of Columbia;
- an estate whose income is subject to US federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more US persons for all substantial decisions of the trust or (2) has a valid election in effect under applicable US Treasury regulations to be treated as a US person.

If you are a partner in a partnership or other entity taxable as a partnership that holds ADSs or ordinary shares, your tax treatment will depend on your status and the activities of the partnership.

The discussion below assumes that the representations contained in the deposit agreement are true and that the obligations in the deposit agreement and any related agreement will be complied with in accordance with their terms. If you hold ADSs, you should be treated as the holder of the underlying ordinary shares represented by those ADSs for US federal income tax purposes.

Distributions

Subject to the passive foreign investment company rules discussed below, the gross amount of distributions made by us with respect to the ADSs or ordinary shares (including the amount of any taxes withheld therefrom) will be includable in your gross income in the year received (or deemed received) as dividend income to the extent that such distributions are paid out of our current or accumulated earnings and profits as determined under US federal income tax principles. We do not intend to calculate our earnings and profits under US federal income tax principles, therefore, a US Holder should expect that a distribution will be treated as a dividend. No dividends received deduction will be allowed for US federal income tax purposes with respect to dividends paid by us.

With respect to non-corporate US Holders, including individual US Holders, for taxable years beginning before January 1, 2011, under current law dividends may be “qualified dividend income” that is taxed at the lower applicable capital gains rate provided that (1) we are not a PFIC (as discussed below) for either our taxable year in which the dividend is paid or the preceding taxable year, (2) certain holding period requirements are met, and (3) the ADSs or ordinary shares, as applicable, are readily tradable on an established securities market in the US. Under US Internal Revenue Service, or IRS, authority, common shares, or ADSs representing such shares, are considered to be readily tradable on an established securities market in the US if they are listed on the NYSE, as our ADSs are. You should consult your own tax advisors regarding the availability of the lower rate for dividends paid with respect to ADSs or ordinary shares, including the effects of any change in law after the date of this annual report.

The amount of any distribution paid in pound sterling will be equal to the US dollar value of such pound sterling on the date such distribution is received by the depository, in the case of ADSs, or by you, in the case of ordinary shares,

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regardless of whether the payment is in fact converted into US dollars at that time. Gain or loss, if any, realized on the sale or other disposition of such pound sterling will be US source ordinary income or loss, subject to certain exceptions and limitations. The amount of any distribution of property other than cash will be the fair market value of such property on the date of distribution.

Subject to certain exceptions, for foreign tax credit purposes, dividends distributed by us with respect to ADSs or ordinary shares generally will constitute foreign source income. You are urged to consult your tax advisors regarding the foreign tax credit limitation and source of income rules with respect to distributions on the ADSs or ordinary shares.

Sale or Other Disposition of ADSs or Ordinary Shares

Subject to the PFIC rules discussed below, upon a sale or other taxable disposition of ADSs or ordinary shares, you generally will recognize a capital gain or loss for US federal income tax purposes in an amount equal to the difference between the US dollar value of the amount realized and your tax basis in such ADSs or ordinary shares. If the consideration you receive for the ADSs or ordinary shares is not paid in US dollars, the amount realized will be the US dollar value of the payment received. Your initial tax basis in your ADSs or ordinary shares will equal the US dollar value of the cost of such ADSs or ordinary shares, as applicable.

Subject to certain exceptions and limitations, capital gain or loss on a sale or other taxable disposition of ADSs or ordinary shares generally will be US source gain or loss and treated as long-term capital gain or loss, if your holding period in the ADSs or ordinary shares exceeds one year. Subject to the passive foreign investment company rules discussed below and other limitations, if you are a non-corporate US Holder, including an individual US Holder, any long-term capital gain will be subject to US federal income tax at preferential rates. The deductibility of capital losses is subject to significant limitations.

Passive Foreign Investment Company

A non-US corporation is considered a PFIC for any taxable year if either:

- at least 75% of its gross income is passive income, or
- at least 50% of its assets (determined on the basis of a quarterly average) is attributable to assets that produce or are held for the production of passive income.

We will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, 25% or more (by value) of the stock.

Based on our current and anticipated operations and composition of our assets, we do not believe we were a PFIC for our current taxable year ended on March 31, 2008. However, 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 ADS or ordinary shares, absent a special election as discussed below.

If we are a PFIC for any taxable year during which you hold ADSs or ordinary shares, you will be subject to special tax rules with respect to any “excess distribution” that you receive and any gain you recognize from a sale or other disposition (including a pledge) of the ADSs or ordinary shares, unless you make a “mark-to-market” or qualified electing fund (“QEF”) election (if available) as discussed below. Distributions you receive in a taxable year that are greater than 125% of the average annual distributions you received during the shorter of the three preceding taxable years or your holding period for the ADSs or ordinary shares will be treated as an excess distribution.

Under these special tax rules:

- the excess distribution or gain will be allocated ratably over your holding period for the ADSs or ordinary shares,

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- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which we became a PFIC, will be treated as ordinary income, and
- the amount allocated to each other year will be subject to tax at the highest tax rate in effect for that year and the interest charge normally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or “excess distribution” cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the ADSs or ordinary shares cannot be treated as capital, even if you hold the ADSs or ordinary shares as capital assets.

In addition, if we are a PFIC, to the extent any of our subsidiaries are also PFICs, you may be deemed to own shares in such subsidiaries that are directly or indirectly owned by us in that proportion which the value of the shares you own so bears to the value of all of our shares, and may be subject to the adverse tax consequences described above with respect to the shares of such subsidiaries that you would be deemed to own.

If we are a PFIC, you may avoid taxation under the rules described above by making a QEF election to include your share of our income on a current basis in any taxable year that we are a PFIC, provided that we agree to furnish you annually with certain tax information. However, we do not presently intend to prepare or provide such information.

Alternatively, if the ADSs are “marketable stock” (as defined below), you can avoid taxation under the unfavorable PFIC rules described above in respect of the ADSs by making a mark-to-market election in respect of the ADSs by the due date (determined with regard to extensions) for your tax return in respect of your first taxable year during which we are treated as a PFIC. If you make a mark-to-market election for the ADSs or ordinary shares, you will include in income in each of your taxable years during which we are a PFIC an amount equal to the excess, if any, of the fair market value of the ADSs or ordinary shares as of the close of your taxable year over your adjusted basis in such ADSs or ordinary shares. You are allowed a deduction for the excess, if any, of the adjusted basis of the ADSs or ordinary shares over their fair market value as of the close of the taxable year. However, deductions are allowable only to the extent of any net mark-to-market gains on the ADSs or ordinary shares included in your income for prior taxable years. Amounts included in your income under a mark-to-market election, as well as gain on the actual sale or other disposition of the ADSs or ordinary shares, are treated as ordinary income. Ordinary loss treatment also applies to the deductible portion of any mark-to-market loss on the ADSs or ordinary shares, as well as to any loss realized on the actual sale or disposition of the ADSs or ordinary shares, to the extent that the amount of such loss does not exceed the net mark-to-market gains previously included for such ADSs or ordinary shares. Your basis in the ADSs or ordinary shares will be adjusted to reflect any such income or loss amounts. Further, distributions would be taxed as described above under “— Distributions,” except that the preferential dividend rates with respect to “qualified dividend income” would not apply. You will not be required to recognize mark-to-market gain or loss in respect of your taxable years during which we were not at any time a PFIC.

The mark-to-market election is available only for “marketable stock,” which is stock that is traded in other than *de minimis* quantities on at least 15 days during each calendar quarter on a qualified exchange, including the NYSE, or other market, as defined in the applicable US Treasury regulations. Our ADSs are listed on the NYSE and consequently, if you hold ADSs the mark-to-market election would be available to you, provided that the ADSs are traded in sufficient quantities. US Holders of ADSs or ordinary shares should consult their own tax advisors as to whether the ADSs or ordinary shares would qualify for the mark-to-market election.

You also generally can make a “deemed sale” election in respect of any time we cease being a PFIC, in which case you will be deemed to have sold, at fair market value, your ADSs or ordinary shares (and shares of our PFIC subsidiaries, if any, that you are deemed to own) on the last day of our taxable year immediately prior to our taxable year in respect of which we are not a PFIC. If you make this deemed sale election, you generally would be subject to the unfavorable PFIC rules described above in respect of any gain realized on such deemed sale, but as long as we are not a PFIC for future years, you would not be subject to the PFIC rules for those future years.

If you hold ADSs or ordinary shares in any year in which we or any of our subsidiaries are a PFIC, you would be required to file IRS Form 8621, for each entity that is a PFIC, regarding distributions received on the ADSs or ordinary

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shares and any gain realized on the disposition of the ADSs or ordinary shares. You should consult your own tax advisors regarding the potential application of the PFIC rules to your ownership of ADSs or ordinary shares and the elections discussed above.

US Information Reporting and Backup Withholding

Dividend payments with respect to ADSs or ordinary shares and proceeds from the sale, exchange or redemption of ADSs or ordinary shares may be subject to information reporting to the IRS and possible US backup withholding at a current rate of 28%. Backup withholding will not apply, however, to a US Holder who furnishes a correct taxpayer identification number and makes any other required certification or who is otherwise exempt from backup withholding and establishes such exempt status. US Holders should consult their tax advisors regarding the application of the US information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your US federal income tax liability, and you may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the IRS and furnishing any required information.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

Publicly filed documents concerning our company which are referred to in this annual report may be inspected and copied at the public reference facilities maintained by the Commission at 100 F Street, N.E., Washington, D.C. 20549. Copies of these materials can also be obtained from the Public Reference Room at the Commission's principal office, 100 F Street, N.E., Washington D.C. 20549, after payment of fees at prescribed rates.

The Commission maintains a website at www.sec.gov that contains reports, proxy and information statements and other information regarding registrants that make electronic filings through its Electronic Data Gathering, Analysis, and Retrieval, or EDGAR, system. We have made all our filings with the Commission using the EDGAR system.

I. Subsidiary Information

For more information on our subsidiaries, please see "Item 4. Information on the Company — C. Organizational Structure."

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

A. 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 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.

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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.

B. 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.

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, approximately 72.0% of our expenses (net of payments to repair centers made as part of our WNS Auto Claims BPO segment) in fiscal 2008 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. See "Item 5. Operating and Financial Review Prospects — Overview — Foreign Exchange — Exchange Rates."

Our exchange rate risk primarily arises from our foreign currency-denominated receivables and payables. Based upon our level of operations in fiscal 2008, a sensitivity analysis shows that a 5.0% appreciation in the pound sterling against the US dollar would have increased revenue in fiscal 2008 by approximately \$16.3 million. Similarly, a 5.0% appreciation in the Indian rupee against the US dollar would have increased our expenses incurred and paid in Indian rupee in fiscal 2008 by approximately \$10.1 million. Based upon our level of operations in fiscal 2008, a sensitivity analysis shows that a 5.0% appreciation in the pound sterling against the US dollar would have increased revenue less repair payments in fiscal 2008 by approximately \$7.8 million. Similarly, a 5.0% appreciation in the Indian rupee against the US dollar would have increased our expenses incurred and paid in Indian rupee in fiscal 2008 by approximately \$10.1 million.

To protect against exchange gains (losses) on forecasted inter-company revenue, we have instituted a foreign currency cash flow hedging program. Our operating entity in India hedges a part of its forecasted 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 term loan facility of \$200 million from ICICI Bank UK Plc and ICICI Bank Canada which has 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. 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 monthly basis. We do not enter into hedging instruments for speculative purposes.

Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk consist principally of cash equivalents, accounts receivable from related parties, accounts receivables from others and bank deposits. By their nature, all such financial instruments involve risk including the credit risk of non-performance by counter parties. Our cash equivalents, bank deposits and restricted cash are invested with banks with high investment grade credit ratings. Accounts receivable are typically unsecured and are derived from revenue earned from clients primarily based in Europe and North America. We monitor the credit worthiness of our clients to which we have granted credit terms in

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the normal course of the business. We believe there is no significant risk of loss in the event of non-performance of the counter parties to these financial instruments, other than the amounts already provided for in our financial statements.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDENDS ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

On July 31, 2006, we completed our initial public offering of our ADSs on the NYSE. We sold an aggregate of 4,473,684 ADSs representing 4,473,684 ordinary shares and the selling shareholders sold an aggregate of 8,290,024 ADSs, representing 8,290,024 ordinary shares. The price per ADS was \$20.00. The managing underwriters of our initial public offering were Morgan Stanley & Co. International Limited, Deutsche Bank Securities Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated.

The registration statement on Form F-1 (File No. 333-135590) filed by us in connection with our initial public offering was declared effective on July 25, 2006. An aggregate of 12,763,708 ordinary shares, each represented by ADSs, were registered and sold pursuant to the registration statement. The aggregate price of the offering amount registered and sold was \$255.3 million.

The amount of expenses incurred by us in connection with the issuance and distribution of the registered securities totaled \$10.8 million, consisting of \$5.8 million for underwriting discounts and commissions, and approximately \$5 million for other expenses. The amount of expenses incurred by the selling shareholders, which were underwriting discounts and commissions, in connection with the offering totaled \$10.8 million. None of the payments were direct or indirect payments to our directors, officers, general partners of our associates, persons owning 10% or more of any class of our shares, or any of our affiliates.

The net proceeds from the offering to us, after deduction of fees and expenses, amounted to \$78.7 million. Our net offering proceeds have been used as follows: \$30.0 million for the initial payment for the acquisition of Marketics in April 2007, \$16.0 million for the initial payment for the acquisition of Chang Limited in April 2008, \$10.0 million for the initial payment for the acquisition of BizAps in June 2008 and \$22.7 million to fund part of the consideration for the transaction with AVIVA in July 2008, see "Item 5. Operating and Financial Review and Prospects — Liquidity and Capital Resources."

ITEM 15. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As required by Rules 13a-15 and 15d-15 under the Exchange Act, management has evaluated, with the participation of our Group Chief Executive Officer and Group Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Disclosure controls and procedures refer to controls and other procedures designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the Commission. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in our reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our Group Chief Executive Officer and Group Chief Financial Officer, as appropriate to allow timely decisions regarding our required disclosure.

Based on the foregoing, our Group Chief Executive Officer and Group Chief Financial Officer have concluded that, as of March 31, 2008, the end of the period covered by this report, our disclosure controls and procedures were effective.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal controls over financial reporting.

Internal controls over financial reporting refers to a process designed by, or under the supervision of, our Group Chief Executive Officer and Group Chief Financial Officer and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and members of our board of directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our financial statements.

Management recognizes that there are inherent limitations in the effectiveness of any system of internal control over financial reporting, including the possibility of human error and the circumvention or override of internal control. Accordingly, even effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation, and may not prevent or detect all misstatements.

Management assessed the effectiveness of internal control over financial reporting as of March 31, 2008 based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. As a result of this assessment, management concluded that, as of March 31, 2008, our internal control over financial reporting was effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The scope of management's assessment of the effectiveness of internal control over financial reporting includes all of the Company's consolidated operations except for the acquired operations of Marketics, WNS Workflow Technologies Limited (formerly known as Flovate Technologies Limited), and their subsidiaries, or collectively, Marketics and WNS Workflow, which we acquired in May 2007 and June 2007, respectively. Our total consolidated revenue for the year ended March 31, 2008 were \$459.9 million, of which revenue associated with the acquired Marketics and WNS Workflow operations represented \$11.9 million. Our total consolidated assets as of March 31, 2008 were \$346.5 million, of which assets associated with the acquired Marketics and WNS Workflow operations represented \$121.5 million, including \$67.5 million of intangible assets and goodwill recorded as a result of the acquisitions.

The effectiveness of our internal control over financial reporting as of March 31, 2008 has been audited by Ernst & Young, an independent registered public accounting firm, as stated in their report set out below:

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

The Board of Directors and Shareholders of WNS (Holdings) Limited.

We have audited WNS (Holdings) Limited's internal control over financial reporting as of March 31, 2008, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). WNS (Holdings) Limited's management is responsible for maintaining effective internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As indicated in the accompanying Management's Report on Internal Control over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Marketics Technologies (India) Private Limited and Flovate Technologies Limited along with their subsidiaries, or collectively, Marketics and WNS Workflow, which are included in the 2008 consolidated financial statements of WNS (Holdings) Limited. WNS (Holdings) Limited's total consolidated revenue for the year ended March 31, 2008 was \$459.9 million, of which revenues associated with the acquired Marketics and WNS Workflow operations represented \$11.9 million, and total consolidated assets as of March 31, 2008 were \$346.5 million, of which assets associated with the acquired Marketics and WNS Workflow operations represented \$121.5 million, including \$67.5 million of intangible assets and goodwill recorded as a result of the acquisitions. Our audit of internal control over financial reporting of WNS (Holdings) Limited also did not include an evaluation of the internal control over financial reporting of Marketics Technologies (India) Private Limited and Flovate Technologies Limited.

In our opinion, WNS (Holdings) Limited maintained, in all material respects, effective internal control over financial reporting as of March 31, 2008 based on the COSO criteria.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets as of March 31, 2008 and 2007, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended March 31, 2008, of WNS (Holdings) Limited and our report dated July 29, 2008 expressed an unqualified opinion thereon.

Ernst & Young

Mumbai, India
July 29, 2008

Changes in Internal Control over Financial Reporting

Management has evaluated, with the participation of our Group Chief Executive Officer and Group Chief Financial Officer, whether any changes in our internal control over financial reporting that occurred during our last fiscal year have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Based on the evaluation we conducted, management has concluded that no such changes have occurred.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our audit committee members are Messrs. Eric Herr (Chairman), Deepak Parekh, Richard O. Bernays and Sir Anthony Armitage Greener. Each of Messrs. Herr, Parekh and Bernays is an independent director pursuant to the applicable rules of the Commission and the NYSE. Sir Anthony Armitage Greener, who also satisfies the “independence” requirements of the NYSE rules and Rule 10A-3 of the Exchange Act, was appointed as a member of our audit committee in place of Mr. Guy Sochovsky upon his resignation as our director in July 2007. See “Item 6. Directors, Senior Management and Employees — C. Board Practices” for the experience and qualifications of the members of the audit committee. Our board of directors has determined that Mr. Herr qualifies as an “audit committee financial expert” as defined in Item 16A of Form 20-F.

ITEM 16B. CODE OF ETHICS

We have adopted a written Code of Business Conduct and Ethics that is applicable to all of our directors, senior management and employees. We have posted the code on our website at www.wnsgs.com. **Information contained in our website does not constitute a part of this annual report.** We will also make available a copy of the Code of Business Conduct and Ethics to any person, without charge, if a written request is made to our General Counsel at our principal executive offices at Gate 4, Godrej & Boyce Complex, Pirojshanagar, Vikhroli (W), Mumbai 400 079, India.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Principal Accountant Fees and Services

Ernst & Young has served as our independent registered public accounting firm since fiscal 2003. The following table shows the fees we paid or accrued for the audit and other services provided by Ernst & Young for fiscal 2008 and 2007.

	Fiscal	
	2008	2007
Audit fees	\$ 770,000	\$ 400,000
Audit-related fees	39,000	250,000
Tax fees	126,418	327,414
All other fees	188,295	224,900

Audit fees. This category consists of fees billed for the audit of financial statements, quarterly review of financial statements and other audit services, which are normally provided by the independent auditors in connection with statutory and accounting matters that arose during, or as a result of, the audit or the review of interim financial statements and include the group audit; statutory audits required by non-US jurisdictions; comfort letters and consents; attest services; and assistance with and review of documents filed with the Commission.

Audit-related fees. This category consists of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements or that are traditionally performed by the external auditor, and include internal control reviews of new systems, program and projects; review of security controls and operational effectiveness of systems.

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Tax fees. This category includes fees billed for tax compliance services, including the preparation of original and amended tax returns and claims for refund; tax consultations, such as assistance and representation in connection with tax audits and appeals, tax advice related to mergers and acquisitions, transfer pricing, and requests for rulings or technical advice from taxing authorities and tax planning services.

All other fees. This category includes fees billed for due diligence related to acquisitions, accounting assistance, audits in connection with proposed or completed acquisitions and employee benefit plans audits.

Audit Committee Pre-approval Process

Our audit committee reviews and pre-approves the scope and the cost of all audit and permissible non-audit services performed by the independent auditors, other than those for *de minimus* services which are approved by the audit committee prior to the completion of the audit. All of the services provided by Ernst & Young during the last fiscal year have been approved by the Audit Committee.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Neither we, nor any affiliated purchaser, made any purchase of our equity securities in fiscal 2008.

PART III

ITEM 17. FINANCIAL STATEMENTS

See Item 18 for a list of our consolidated financial statements included elsewhere in this annual report.

ITEM 18. FINANCIAL STATEMENTS

The following statements are filed as part of this annual report, together with the report of the independent registered public accounting firm:

- Report of Independent Registered Public Accounting Firm
- Consolidated Balance Sheets as of March 31, 2008 and 2007
- Consolidated Statements of Income for the years ended March 31, 2008, 2007 and 2006
- Consolidated Statements of Shareholders' Equity for the years ended March 31, 2008, 2007 and 2006
- Consolidated Statements of Cash Flows for the years ended March 31, 2008, 2007 and 2006
- Notes to Consolidated Financial Statements

ITEM 19. EXHIBITS

The following exhibits are filed as part of this annual report:

- 1.1 Memorandum of Association of WNS (Holdings) Limited, as amended — incorporated by reference to Exhibit 3.1 of the Registration Statement on Form F-1 (File No. 333-135590) of WNS (Holdings) Limited, as filed with the Commission on July 3, 2006.
- 1.2 Articles of Association of WNS (Holdings) Limited, as amended — incorporated by reference to Exhibit 3.2 of the Registration Statement on Form F-1 (File No. 333-135590) of WNS (Holdings) Limited, as filed with the Commission on July 3, 2006.
- 2.1 Form of Deposit Agreement among WNS (Holdings) Limited, Deutsche Bank Trust Company Americas, as Depositary, and the holders and beneficial owners of American Depositary Shares evidenced by American Depositary Receipts, or ADR, issued thereunder (including the Form of ADR) — incorporated by reference to Exhibit 4.1 of the Registration Statement on Form F-1 (File No. 333-135590) of WNS (Holdings) Limited, as filed with the Commission on July 3, 2006.
- 2.2 Specimen Ordinary Share Certificate of WNS (Holdings) Limited — incorporated by reference to Exhibit 4.4 of the Registration Statement on Form 8-A (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on July 14, 2006.
- 4.1 Share Purchase Agreement dated April 20, 2007 among, WNS (Mauritius) Limited, Marketics Technologies (India) Private Limited and the selling shareholders named therein — incorporated by reference to Exhibit 4.1 of the Annual Report on Form 20-F for fiscal 2007 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on June 26, 2007.
- 4.2 Lease Deed dated January 25, 2006 between DLF Cyber City and WNS Global Services (Private) Ltd — incorporated by reference to Exhibit 4.2 of the Annual Report on Form 20-F for fiscal 2007 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on June 26, 2007.
- 4.3 Lease Deed dated March 10, 2005 between M/s DLF Cyber City and WNS Global Services (Private) Ltd. — incorporated by reference to Exhibit 10.2 of the Registration Statement on Form F-1 (File No. 333-135590) of WNS (Holdings) Limited, as filed with the Commission on July 3, 2006.
- 4.4 Leave and License Agreement dated November 10, 2005 between Godrej & Boyce Manufacturing Company Ltd. and WNS Global Services (Private) Ltd. with respect to the lease of office premises with an aggregate area of 59,202 square feet at Plant 10 — incorporated by reference to Exhibit 10.5 of the Registration Statement on Form F-1 (File No. 333-135590) of WNS (Holdings) Limited, as filed with the Commission on July 3, 2006.
- 4.5 Leave and License Agreement dated November 10, 2005 between Godrej & Boyce Manufacturing Company Ltd. and WNS Global Services (Private) Ltd. with respect to the lease of office premises with an area of 4,867 square feet at Plant 10 — incorporated by reference to Exhibit 4.5 of the Annual Report on Form 20-F for fiscal 2007 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on June 26, 2007.
- 4.6 Leave and License Agreement dated November 10, 2005 between Godrej & Boyce Manufacturing Company Ltd. and WNS Global Services (Private) Ltd. with respect to the lease of office premises with an aggregate area of 20,360 square feet at Plant 10 — incorporated by reference to Exhibit 4.6 of the Annual Report on Form 20-F for fiscal 2007 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on June 26, 2007.

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- 4.7 Leave and License Agreement dated May 31, 2006 between Godrej & Boyce Manufacturing Company Ltd. and WNS Global Services (Private) Ltd. with respect to Plant 11 — incorporated by reference to Exhibit 10.12 of the Registration Statement on Form F-1 (File No. 333-135590) of WNS (Holdings) Limited, as filed with the Commission on July 3, 2006.
- 4.8 Leave and License Agreement dated December 29, 2006 between Sofotel Software Services Private Limited and WNS Global Services (Private) Limited with respect to the lease of office premises with an aggregate area of 36,500 square feet in the Commercial Office Building — incorporated by reference to Exhibit 4.8 of the Annual Report on Form 20-F for fiscal 2007 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on June 26, 2007.
- 4.9 Leave and License Agreement dated December 29, 2006 between Sofotel Software Services Private Limited and WNS Global Services (Private) Ltd with respect to the lease of office premises with an aggregate area of 35,930 square feet in the Commercial Office Building — incorporated by reference to Exhibit 4.9 of the Annual Report on Form 20-F for fiscal 2007 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on June 26, 2007.
- 4.10 Leave and License Agreement dated December 29, 2006 between Sofotel Software Services Private Limited and WNS Global Services (Private) Ltd with respect to the lease of office premises with an aggregate area of 35,870 square feet in the Commercial Office Building — incorporated by reference to Exhibit 4.10 of the Annual Report on Form 20-F for fiscal 2007 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on June 26, 2007.
- 4.11 Leave and License Agreement dated December 29, 2006 between Sofotel Software Services Private Limited and WNS Global Services (Private) Ltd with respect to the lease of office premises with an aggregate area of 34,500 square feet in the Commercial Office Building — incorporated by reference to Exhibit 4.11 of the Annual Report on Form 20-F for fiscal 2007 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on June 26, 2007.
- 4.12 WNS (Holdings) Limited 2002 Stock Incentive Plan — incorporated by reference to Exhibit 10.10 of the Registration Statement on Form F-1 (File No. 333-135590) of WNS (Holdings) Limited, as filed with the Commission on July 3, 2006.
- 4.13 Form of WNS (Holdings) Limited 2006 Incentive Award Plan — incorporated by reference to Exhibit 10.11 of the Registration Statement on Form F-1 (File No. 333-135590) of WNS (Holdings) Limited, as filed with the Commission on July 3, 2006.
- 4.14 Amendment to the WNS (Holdings) Limited 2006 Incentive Award — incorporated by reference to Exhibit 99.1 of the Current Report on Form 6-K (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on August 7, 2007.
- 4.15 Share Sale and Purchase Agreement, dated July 11, 2008, relating to the sale and purchase of shares in Aviva Global Services Singapore Private Limited between Aviva International Holdings Limited and WNS Capital Investment Limited. ***
- 4.16 Master Services Agreement, dated July 11, 2008, between Aviva Global Services (Management Services) Private Limited and WNS Capital Investment Limited. ***
- 4.17 Facility Agreement, dated July 11, 2008, by and among WNS (Mauritius) Limited as borrower, WNS (Holdings) Limited, WNS Capital Investment Limited, WNS UK and WNS North America Inc. as guarantors, ICICI Bank UK Plc as lender, arranger and agent, ICICI Bank Canada as lender and arranger and Morgan Walker Solicitors LLP as security trustee. ***
- 8.1 List of subsidiaries of WNS (Holdings) Limited. **

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- 12.1 Certification by the Chief Executive Officer to 17 CFR 240, 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. **
- 12.2 Certification by the Chief Financial Officer to 17 CFR 240, 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. **
- 13.1 Certification by the Chief Executive Officer to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **
- 13.2 Certification by the Chief Financial Officer to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **
- 15.1 Consent of Ernst & Young independent registered public accounting firm. **

** Filed herewith.

Certain portions of this exhibit have been omitted pursuant to a request for confidential treatment filed with the Securities and Exchange Commission. The omitted portions have been separately filed with the Commission.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Date: August 1, 2008

WNS (HOLDINGS) LIMITED

By: /s/ Neeraj Bhargava
Name: Neeraj Bhargava
Title: Group Chief Executive Officer

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of
WNS (Holdings) Limited

We have audited the accompanying consolidated balance sheets of WNS (Holdings) Limited (the “Company”) as of March 31, 2008 and 2007 and the related consolidated statements of income, shareholders’ equity, and cash flows for each of the three years in the period ended March 31, 2008. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of WNS (Holdings) Limited at March 31, 2008 and 2007, and the consolidated results of its operations and its cash flows for each of the three years in the period ended March 31, 2008, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 7 to the consolidated financial statements, effective April 1, 2007 the Company adopted Financial Accounting Standards Board Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, an Interpretation of Statement of Financial Accounting Standard (“SFAS”) No. 109 and as discussed in Note 2 to the consolidated financial statements, the Company adopted the provisions of SFAS No. 123 (revised 2004), *Share-Based Payment* using the modified prospective method, effective April 1, 2006 and SFAS No. 158 *Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans*, effective March 31, 2007.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), WNS (Holdings) Limited’s internal control over financial reporting as of March 31, 2008, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated July 29, 2008 expressed an unqualified opinion thereon.

ERNST & YOUNG

Mumbai, India

July 29, 2008

WNS (HOLDINGS) LIMITED
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share and per share data)

	March 31,	
	2008	2007
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 102,698	\$ 112,340
Bank deposits and marketable securities	8,074	12,000
Accounts receivable, net of allowance of \$1,784 and \$364, respectively	47,302	40,340
Accounts receivable — related parties	586	252
Funds held for clients	6,473	6,589
Employee receivables	1,179	1,289
Prepaid expenses	3,776	2,162
Prepaid income taxes	2,776	3,225
Deferred tax assets	618	701
Other current assets	8,596	4,524
Total current assets	182,078	183,422
Goodwill	87,470	37,356
Intangible assets, net	9,393	7,091
Property, plant and equipment, net	50,840	41,830
Deferred contract costs — non current	1,278	—
Deposits	7,391	3,081
Deferred tax assets	8,055	3,101
TOTAL ASSETS	\$ 346,505	\$ 275,881
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Account payable	\$ 15,562	\$ 18,505
Accounts payable — related parties	6	246
Accrued employee costs	26,848	18,492
Deferred revenue — current	7,790	9,827
Income taxes payable	1,879	88
Obligation under capital leases — current	—	13
Deferred tax liabilities	211	—
Accrual for earn out payment	33,699	—
Other current liabilities	25,806	16,239
Total current liabilities	111,801	63,410
Deferred revenue — non current	1,549	5,051
Deferred rent	2,627	1,098
Accrued pension liability	1,544	771
Deferred tax liabilities — non current	1,834	23
Commitments and contingencies		
TOTAL LIABILITIES	119,355	70,353
Shareholders' equity:		
Ordinary shares, \$0.16 (10 pence) par value, authorized: 50,000,000 shares; Issued and outstanding: 42,363,100 and 41,842,879 shares, respectively	6,622	6,519
Additional paid-in capital	167,459	154,952
Ordinary shares subscribed: 1,666 and 30,022 shares, respectively	10	137
Retained earnings	38,839	30,685
Accumulated other comprehensive income	14,220	13,235
Total shareholders' equity	227,150	205,528
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 346,505	\$ 275,881

See accompanying notes.

WNS (HOLDINGS) LIMITED
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in thousands, except per share data)

	<u>Year ended March 31,</u>		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Revenue			
Third parties	\$ 456,401	\$ 345,216	\$ 186,500
Related parties	3,466	7,070	16,309
	<u>459,867</u>	<u>352,286</u>	<u>202,809</u>
Cost of revenue (a)	363,322	271,174	145,730
Gross profit	96,545	81,112	57,079
Operating expenses			
Selling general and administrative expenses (a)	72,699	52,461	36,347
Amortization of intangible assets	2,869	1,896	856
Impairment of goodwill, intangibles and other assets	15,464	—	—
Operating income	5,513	26,755	19,876
Other income, net (a)	9,184	2,500	456
Interest expense	(3)	(100)	(429)
Income before income taxes	14,694	29,155	19,903
Provision for income taxes	(5,194)	(2,574)	(1,574)
Net income	<u>\$ 9,500</u>	<u>\$ 26,581</u>	<u>\$ 18,329</u>
Basic income per share	<u>\$ 0.23</u>	<u>\$ 0.69</u>	<u>\$ 0.56</u>
Diluted income per share	<u>0.22</u>	<u>0.65</u>	<u>0.52</u>
(a) Includes the following related party amounts:			
Cost of revenue	\$ 236	\$ 1,849	\$ 1,250
Selling, general and administrative expenses	345	793	481
Other income	61	368	250

See accompanying notes.

WNS (HOLDINGS) LIMITED
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
YEARS ENDED MARCH 31, 2008, 2007 AND 2006
(Amounts in thousands, except share data)

	Ordinary shares		Additional paid-in capital	Ordinary shares subscribed	Retained earnings (accumulated deficit)	Deferred share-based compensation	Accumulated other comprehensive income	Total shareholders' equity
	Number	Par value						
Balance at March 31, 2005	31,194,553	\$ 4,585	\$ 43,522	\$ 157	\$ (14,225)	\$ (288)	\$ 9,200	\$ 42,951
Shares issued for exercised options	1,710,936	286	2,901	(157)	—	—	—	3,030
Shares issued to a Director	150,000	26	876	—	—	—	—	902
Shares issued for acquisition of Trinity Partners Inc.	2,266,022	393	13,354	—	—	(635)	—	13,112
Stock options exercised	—	—	—	10	—	—	—	10
Stock options forfeited	—	—	(51)	—	—	51	—	—
Deferred share-based compensation	—	—	166	—	—	(166)	—	—
Purchase of immature shares and modification of options	—	—	1,460	—	—	—	—	1,460
Amortization of deferred share-based compensation	—	—	—	—	—	456	—	456
Comprehensive income:								
Net income	—	—	—	—	18,329	—	—	18,329
Foreign currency translations	—	—	—	—	—	—	(2,086)	(2,086)
Total comprehensive income								16,243
Balance at March 31, 2006	35,321,511	\$ 5,290	\$ 62,228	\$ 10	\$ 4,104	\$ (582)	\$ 7,114	\$ 78,164
Shares issued for exercised options	2,047,684	398	6,147	(10)	—	—	—	6,535
Shares issued in initial public offering (IPO)	4,473,684	831	77,828	—	—	—	—	78,659
Stock options exercised	—	—	—	137	—	—	—	137
Stock options forfeited	—	—	(7)	—	—	7	—	—
Share-based compensation charge	—	—	3,064	—	—	—	—	3,064
Excess tax benefits from exercise of share-based options	—	—	5,692	—	—	—	—	5,692
Amortization of deferred share-based compensation	—	—	—	—	—	575	—	575
Cumulative effect of adoption of SFAS No. 158	—	—	—	—	—	—	(138)	(138)
Comprehensive income:								
Net income	—	—	—	—	26,581	—	—	26,581
Change in fair value of cash flow hedges	—	—	—	—	—	—	337	337
Foreign currency translations	—	—	—	—	—	—	5,922	5,922
Total comprehensive income								32,840

WNS (HOLDINGS) LIMITED
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (cont'd)
YEARS ENDED MARCH 31, 2008, 2007 AND 2006
(Amounts in thousands, except share data)

	Ordinary shares		Additional paid-in capital	Ordinary shares subscribed	Retained earnings (accumulated deficit)	Deferred share-based compensation	Accumulated other comprehensive income	Total shareholders' equity
	Number	Par value						
Balance at March 31, 2007	41,842,879	\$ 6,519	\$ 154,952	\$ 137	\$ 30,685	\$ —	\$ 13,235	\$ 205,528
Shares issued for exercised options and restricted share units	520,221	103	4,228	(137)	—	—	—	4,194
Stock options exercised				10	—	—	—	10
Share-based compensation charge	—	—	6,816	—	—	—	—	6,816
Excess tax benefits from exercise of share-based options	—	—	1,613	—	—	—	—	1,613
IPO cost			(150)	—	—	—	—	(150)
Adjustment to retained earnings upon adoption of FIN 48	—	—	—	—	(1,346)	—	—	(1,346)
Comprehensive income:								
Net income	—	—	—	—	9,500	—	—	9,500
Pension Adjustment	—	—	—	—	—	—	(486)	(486)
Change in fair value of cash flow hedges	—	—	—	—	—	—	(98)	(98)
Foreign currency translation	—	—	—	—	—	—	5,528	5,528
Total comprehensive income								14,444
Reclassification	—	—	—	—	—	—	—	—
Translation loss transferred to income statement on sale of subsidiary	—	—	—	—	—	—	43	43
Cash flow hedges gain transferred to net income							(4,002)	(4,002)
Balance at March 31, 2008	<u>42,363,100</u>	<u>\$ 6,622</u>	<u>\$ 167,459</u>	<u>\$ 10</u>	<u>\$ 38,839</u>	<u>\$ —</u>	<u>\$ 14,220</u>	<u>\$ 227,150</u>

See accompanying notes.

WNS (HOLDINGS) LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)

	Year ended March 31,		
	2008	2007	2006
Cash flows from operating activities			
Net income	\$ 9,500	\$ 26,581	\$ 18,329
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	21,321	16,662	11,308
Share-based compensation	6,816	3,683	1,922
Amortization of deferred financing cost	—	—	125
Allowance for doubtful accounts	1,542	(33)	101
Gain (loss) on sale of property and equipment	39	(57)	(32)
Deferred rent expenses	1,339	—	—
Impairment of goodwill, intangibles and other assets	15,464	—	—
Income accrued on marketable securities	(8)	—	—
Deferred income taxes	(5,387)	(4,122)	(1,028)
Excess tax benefits from share-based compensation	(1,613)	(5,692)	—
Changes in operating assets and liabilities, net of effect of acquisitions:			
Accounts receivable	(5,880)	(10,022)	(2,976)
Other current assets	(5,334)	(6,665)	(439)
Accounts payable	(4,685)	(5,975)	(290)
Deferred revenue	(4,817)	8,159	(2,193)
Other liabilities	12,754	16,800	10,019
Net cash provided by operating activities	41,051	39,318	34,846
Cash flows from investing activities			
Acquisitions, net of cash acquired (See Note 3)	(36,121)	(938)	(3,862)
Facilities and property cost (See Note 13)	(28,134)	(27,475)	(14,893)
Proceeds from sale of property and equipment	178	1,841	77
Transfer of delivery centre to AVIVA	1,570	—	—
Bank deposits and marketable securities	3,969	(12,000)	—
Net cash used in investing activities	(58,538)	(38,572)	(18,678)
Cash flows from financing activities			
Proceeds from IPO, net of expenses	(150)	78,787	—
Excess tax benefits from share-based compensation	1,613	5,692	—
Ordinary shares issued and subscribed	4,204	6,672	3,942
Principal payments under capital leases	—	(173)	(299)
Repayment of note payable	—	—	(10,000)
Net cash provided by (used in) financing activities	5,667	90,978	(6,357)
Effect of exchange rate changes on cash and cash equivalents	2,178	2,068	(361)
Net increase (decrease) in cash and cash equivalents	(9,642)	93,791	9,450
Cash and cash equivalents at beginning of year	112,340	18,549	9,099
Cash and cash equivalents at end of year	\$ 102,698	\$ 112,340	\$ 18,549
Supplemental disclosure of cash flow information:			
Cash paid for interest	\$ —	\$ 118	\$ 440
Cash paid for income taxes	6,323	709	2,288
Shares issued for the acquisition of Trinity Partners Inc.	—	—	13,747

See accompanying notes.

WNS (HOLDINGS) LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2008
(Amounts in thousands, except per share data)

1. ORGANIZATION AND DESCRIPTION OF BUSINESS

WNS (Holdings) Limited (“WNS Holdings”), along with its wholly-owned subsidiaries, is a global Business Process Outsourcing (“BPO”) company with client service offices in New York (US), London (UK) and delivery centers in the UK, India, Sri Lanka, Romania and the Netherlands. The Company’s clients are primarily in the travel, banking, financial services and insurance industries. WNS Holdings is incorporated in Jersey, Channel Islands, and is controlled by the Warburg Pincus Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The accompanying consolidated financial statements include the accounts of WNS Holdings and its wholly-owned subsidiaries (the “Company” or “WNS”) and are prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”). All inter-company balances and transactions have been eliminated upon consolidation. An acquired business is included in the Company’s consolidated statement of operations with effect from the date of the acquisition.

The Company uses the United States Dollar (“\$”) as its reporting currency.

Use of estimates

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The Company bases its estimates and judgments on historical experience and on various other assumptions that it believes are reasonable under the circumstances. The amount of assets and liabilities reported on the Company’s balance sheets and the amounts of revenue and expenses reported for each of its periods presented are affected by estimates and assumptions, which are used for, but not limited to, the accounting for revenue recognition, allowance for doubtful accounts, income taxes, determining impairment on long-lived assets, intangibles and goodwill, evaluating the effectiveness of currency hedges, share-based compensation and accounting for defined benefit plans. Actual results could differ from those estimates.

Foreign currency translation

The Company’s foreign operations use their respective local currency as their functional currency. Accordingly, assets and liabilities of foreign subsidiaries are translated into \$ at exchange rates in effect at the balance sheet date, while revenue and expenses are translated at average exchange rates prevailing during the year. Translation adjustments are reported as a component of accumulated other comprehensive income (loss) in shareholders’ equity.

Foreign currency denominated assets and liabilities are translated into the functional currency at exchange rates in effect at the balance sheet date. Foreign currency transaction gains and losses are recorded in the consolidated statement of operations within other income.

Revenue recognition

BPO services comprise back office administration, data management, contact center management and auto claims handling services provided by subsidiaries in India, Sri Lanka, United States and the United Kingdom. Depending on the terms of the arrangement, revenue from back office administration, data management and contact center management is recognized on a per employee, per transaction or cost-plus basis. Revenue is only recognized when persuasive evidence of an arrangement exists, services have been rendered, the fee is determinable and collectibility is

WNS (HOLDINGS) LIMITED
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reasonably assured. Amounts billed or payments received, where all the conditions for revenue recognition have not been met, are recorded as deferred revenue and are recognized as revenue when all recognition criteria have been met. However, the costs related to the performance of BPO services unrelated to transition services (see discussion below) are recognized in the period the services are rendered. An upfront payment received towards future services is recognized ratably over the period when such services are provided.

The Company has certain minimum commitment arrangements that provide for a minimum revenue commitment on an annual basis or a cumulative basis over multiple years, stated in terms of annual minimum amounts. Where a minimum commitment is specific to an annual period, any revenue shortfall is invoiced and recognized at the end of this period. When the shortfall in a particular year can be offset with revenue received in excess of minimum commitments in a subsequent year, the Company recognizes deferred revenue for the shortfall which has been invoiced and received. To the extent the Company has sufficient experience to conclude that the shortfall will not be satisfied by excess revenue in a subsequent period, the deferred revenue will be recorded as revenue in that period. In order to determine whether the Company has sufficient experience, the Company considers several factors which include (i) the historical volume of business done with a client as compared with initial projections of volume as agreed to by the client and the Company, (ii) the length of time for which the Company has such historical experience, (iii) future volume expected based on projections received from the client, and (iv) the Company's internal expectations of ongoing volume with the client. Otherwise the deferred revenue will remain until such time when the Company can conclude that it will not receive revenue in excess of the minimum commitment.

Revenue includes reimbursements of out-of-pocket expenses, with the corresponding out-of-pocket expenses included in cost of revenue.

For certain BPO customers, the Company performs transition activities at the outset of entering into a new contract. The Company has determined these transition activities do not meet the criteria in Emerging Issues Task Force ("EITF") No. 00-21, "*Revenue Arrangements with Multiple Deliverables*", to be accounted for as a separate unit of accounting with stand-alone value separate from the ongoing BPO contract. Accordingly, transition revenue and costs are subsequently recognized ratably over the period in which the BPO services are performed. Further, the deferral of costs is limited to the amount of the deferred revenue. Any costs in excess of the deferred transition revenue are recognized in the period incurred.

Auto claims handling services include claims handling and administration ("Claims Handling") and arranging for repairs with repair centers across the United Kingdom and the related payment processing for such repairs ("Accident Management"). With respect to Claims Handling, the Company receives fees either on a per-claim basis or over a contract period. Revenue is recognized over the estimated processing period, which currently ranges from one to two months or on a straight line basis over the period of the contract. In certain cases, the fees is contingent upon the successful recovery of a claim by the customer. In these circumstances, the revenue is deferred until the contingency is resolved.

In order to provide Accident Management services, the Company arranges for the repair through a network of repair centers. The repair costs are invoiced to customers. In determining whether the receipt from the customers related to payments to repair centers should be recognized as revenue, the Company considers the criteria established by EITF No. 99-19, "*Reporting Revenue Gross as a Principal versus Net as an Agent*". When the Company determines that it is the principal in providing Accident Management services, amounts received from customers are recognized and presented as third party revenue and the payments to repair centers are recognized as cost of revenue in the consolidated statement of operations. Factors considered in determining whether the Company is the principal in the transaction include whether (i) the Company is the primary obligor, (ii) the Company negotiates labor rates with repair centers, (iii) the Company determines which repair center should be used, (iv) the Company is responsible for timely and satisfactory completion of repairs, and (v) the Company bears the risk that the customer may not pay for the services provided (credit risk). If there are circumstances where the above criteria are not met and therefore the Company is not the principal in providing Accident Management services, amounts received from customers are

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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presented net of payments to repair centers in the consolidated statement of operations. Third party revenue also includes referral fees from repair centers.

Cost of revenue

Cost of revenue includes payments to repair centers, salaries and related expenses, facilities costs including depreciation and amortization on leasehold improvements, communication expenses and out-of-pocket expenses. Cost of revenue during a transfer period, which includes process set up, training, systems transfer and other personnel costs, are recognized as incurred except in respect of transition activities.

Cash and cash equivalents

The Company considers all highly liquid investments including marketable securities with an initial maturity of up to three months to be cash equivalents.

Bank deposits and marketable securities

Bank deposits consist of term deposits with an original maturity of more than three months. The Company's marketable securities represent highly liquid investments and are acquired principally for the purpose of generating a profit from short-term fluctuation in prices. Accordingly they are classified as trading investments. All purchases and sales of such investments are recognized on the trade date. Investments are initially measured at cost, which is the fair value of the consideration given for them, including transaction costs. Changes in the fair values of trading investments are recognized in the consolidated statements of income. Interest and dividend income are recognized when earned. The market values of investments are assessed on the basis of the quoted prices as of the balance sheet date. Unrealized gains or losses are not material at the balance sheet dates.

Funds held for clients

Some of the Company's agreements allow the Company to temporarily hold funds on behalf of the client. The funds are segregated from the Company's funds and there is usually a short period of time between when the Company receives these funds from an insurance company and when the clients are paid.

Accounts receivable

Accounts receivable represent trade receivables, net of an allowance for doubtful accounts. The allowance for doubtful accounts represents the Company's best estimate of receivables that are doubtful of recovery based on a specific identification basis.

The changes in the allowance for doubtful accounts for the years ended March 31, 2008, 2007 and 2006 were as follows:

	Year ended March 31,		
	2008	2007	2006
Balance at the beginning of the year	\$ 364	\$ 373	\$ 284
Charged to operations	1,602	164	134
Write-off, net of collections	(126)	(132)	(20)
Reversal	(61)	(65)	(13)
Translation adjustment	5	24	(12)
Balance at the end of the year	<u>\$ 1,784</u>	<u>\$ 364</u>	<u>\$ 373</u>

WNS (HOLDINGS) LIMITED
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Property and equipment

Property and equipment, which include amounts recorded under capital leases, are recorded at cost. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, which are as follows:

Asset description	Asset life (in years)
Computers and software	3
Furniture, fixtures and office equipment	4-5
Vehicles	3
Leasehold improvements	Lesser of estimated useful life or lease term

Advances paid towards the acquisition of property and equipment and the cost of property and equipment not put to use before the balance sheet date are disclosed under the caption capital work-in-progress in Note 4.

Property and equipment are reviewed for impairment if indicators of impairment arise. The evaluation of impairment is based upon a comparison of the carrying amount of the property and equipment to the estimated future undiscounted net cash flows expected to be generated by the property and equipment. If estimated future undiscounted cash flows are less than the carrying amount of the property and equipment, the asset is considered impaired. The impairment expense is determined by comparing the estimated fair value of the property and equipment to its carrying value, with any shortfall from fair value recognized as an expense in the current period. The fair value is determined based on valuation techniques such as discounted cash flows or comparison to fair values of similar assets. There were no impairment charges related to property, plant and equipment recognized during the years ended March 31, 2008, 2007 and 2006.

Software capitalisation

Software that has been purchased is included in property and equipment and is amortized using the straight-line method over three years. The cost of internally developed software and product enhancements, is capitalized in accordance with Statement of Position 98-01, "Accounting for the Costs of Computer Software developed or Obtained for Internal Use." The estimated useful lives of such assets vary between three years and four years, based on the estimated useful life of each particular software product.

Accounting for leases

The Company leases its delivery centers and office facilities under operating lease agreements that are renewable on a periodic basis at the option of the lessor and the lessee. The lease agreements contain rent free periods and rent escalation clauses. Lease payments under operating leases are recognized as an expense on a straight-line basis over the lease term.

Goodwill and intangible assets

Goodwill is not amortized but is reviewed for impairment annually or more frequently if indicators arise. The evaluation is based upon a comparison of the estimated fair value of the reporting unit to which the goodwill has been assigned to the sum of the carrying value of the assets and liabilities for that reporting unit. The fair values used in this evaluation are estimated based upon discounted future cash flow projections for the reporting unit. These cash flow projections are based upon a number of estimates and assumptions.

Intangible assets are initially valued at fair market value using generally accepted valuation methods appropriate for the type of intangible asset. Intangible assets with definite lives are amortized over the estimated useful lives and are reviewed for impairment, if indicators of impairment arise. The evaluation of impairment is based upon a comparison of the carrying amount of the intangible asset to the estimated future undiscounted net cash flows expected to be

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generated by the asset. If estimated future undiscounted cash flows are less than the carrying amount of the asset, the asset is considered impaired. The impairment expense is determined by comparing the estimated fair value of the intangible asset to its carrying value, with any shortfall from fair value recognized as an expense in the current period. Amortization of the Company's definite lived intangible assets is computed using the straight-line method over the estimated useful lives of the assets which are as follows:

<u>Asset description</u>	<u>Asset life (in months)</u>
Customer contracts	24-60*
Customer relationship	24-60*
Intellectual Property rights	36
Know-how	24
Covenant not-to-compete	24

* The weighted average amortization period for intangibles from the date of purchase is 56 months.

Income taxes

The Company applies the asset and liability method of accounting for income taxes as described in Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes" ("SFAS No. 109"). Under this method, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are recognized to reduce the deferred tax assets to an amount that is more likely than not to be realized. In assessing the likelihood of realization, management considers estimates of future taxable income and the effect of temporary differences.

Employee benefits

Defined contribution plans

Eligible employees of the Company in India receive benefits from the Provident Fund, administered by the Government of India, which is a defined contribution plan. Both the employees and the Company make monthly contributions to the Provident Fund equal to a specified percentage of the eligible employees' salary.

Eligible United States employees of the Company participate in a savings plan ("the Plan") under Section 401(k) of the United States Internal Revenue Code ("the Code"). The Plan allows for employees to defer a portion of their annual earnings on a pre-tax basis through voluntary contributions to the Plan. The Plan provides that the Company can make optional contributions up to the maximum allowable limit under the Code.

Eligible United Kingdom employees of the Company contribute to a defined contribution pension scheme operated in the United Kingdom and an equal amount is contributed by the Company. The pension expense represents contributions payable to the fund by the Company. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The Company has no further obligation under defined contribution plans beyond the contributions made under these plans. Contributions are charged to income in the year in which they accrue and are included in the consolidated statement of operations (See Note 9).

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Defined benefit plan

Employees in India and Sri Lanka are entitled to benefits under the Gratuity Act, a defined benefit retirement plan covering eligible employees of the Company. The plan provides for a lump-sum payment to eligible employees at retirement, death, incapacitation or on termination of employment, of an amount based on the respective employee's salary and tenure of employment (subject to a maximum of approximately \$9 per employee in India). In India contributions are made to funds administered and managed by the Life Insurance Corporation of India and AVIVA Life Insurance Company Private Limited (together "Fund Administrators") to fund the gratuity liability of two Indian subsidiaries. Under this scheme, the obligation to pay gratuity remains with the Company, although the Fund Administrators administer the scheme. Sri Lanka and one Indian subsidiary have unfunded gratuity obligations.

On March 31, 2007, the Company adopted the recognition, measurement and disclosure provisions of SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of Financial Accounting Standards Board ("FASB") Statements No. 87, 88, 106 and 132(R)" ("SFAS No. 158"). SFAS No. 158 requires the Company to recognize the funded status (i.e., the difference between the fair value of plan assets and the projected benefit obligations) of its pension plan in the balance sheet as of March 31, 2007, with a corresponding adjustment to accumulated other comprehensive income. The adjustment to accumulated other comprehensive income at adoption represents the net unrecognized actuarial losses, which was previously netted against the plan's funded status in the Company's statement of financial position pursuant to the provisions of SFAS No. 87 "Employers' Accounting for Pensions". This amount will be subsequently recognized as net periodic pension cost pursuant to the Company's historical accounting policy for amortizing such amounts. Further, actuarial gains and losses that arise in subsequent periods and are not recognized as net periodic pension cost in the same periods will be recognized as a component of other comprehensive income. Those amounts will be subsequently recognized as a component of net periodic pension cost on the same basis as the amounts recognized in accumulated other comprehensive income at adoption of SFAS No. 158. The impact of adopting these provisions was an increase in the accrued pension liability of \$138 and a decrease in shareholders equity of \$138.

Advertising costs

Advertising costs are expensed as incurred and are included in selling, general and administrative expenses. Advertising costs for the years ended March 31, 2008, 2007 and 2006 were \$1,561, \$1,440 and \$1,013, respectively.

Derivative financial instruments

SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", requires companies to recognize all of its derivative instruments as either assets or liabilities in the statement of financial position at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and further, on the type of hedging relationship. For those derivative instruments that are designated and qualify as hedging instruments, a company must designate the hedging instrument, based upon the exposure being hedged, as a fair value hedge, cash flow hedge or a hedge of a net investment in a foreign operation.

To protect against exchange gains (losses) on forecasted inter-company revenue, the Company has instituted a foreign currency cash flow hedging program. For derivative instruments that are designated and qualify as a cash flow hedge (i.e., hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), the effective portion of the gain or loss on the derivative instrument is reported as a component of other comprehensive income and reclassified into earnings in the same line item associated with the forecasted transaction in the same period during which the hedged transaction affects earnings. The remaining gain or loss on the derivative instrument in excess of the cumulative change in the present value of future cash flows of the hedged item, if any, is recognized in other income in current earnings during the period of change.

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The operating entity in India hedges a part of its forecasted inter-company revenue denominated in foreign currencies with forward contracts and options which have a term of upto two years. When the functional currency of the operating entity strengthens significantly against a currency other than the operating entity's functional currency, the decline in value of future foreign currency revenue is offset by gains in the value of the forward contracts designated as hedges. Conversely, when the functional currency of the operating entity 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 Company does not use forward and option contracts for trading purposes.

During the year ended March 31, 2008 and 2007, the net gain or loss related to the ineffective portion of the derivative instruments was immaterial. At March 31, 2008, unrealized loss of \$3,763 on derivative instruments included in other comprehensive income is expected to be reclassified to earnings during the next 18 months. The forecasted inter-company revenue discussed above relates to cost of revenue of certain non-Indian 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 and amounted to a gain of \$4,002 for the year ended March 31, 2008 and a loss of \$1,408 for the year ended March 31, 2007.

Earnings per share

Basic income per share is computed using the weighted-average number of ordinary shares outstanding during the year. Diluted income per share is computed by considering the impact of the potential issuance of ordinary shares, using the treasury stock method, on the weighted average number of shares outstanding.

The following table sets forth the computation of basic and diluted earnings per share:

	Year ended March 31,		
	2008	2007	2006
Numerator:			
Net income	\$ 9,500	\$ 26,581	\$ 18,329
Denominator:			
Basic weighted average ordinary shares outstanding	42,070,206	38,608,188	32,874,299
Dilutive impact of stock options	874,822	2,512,309	2,155,467
Diluted weighted average ordinary shares outstanding	<u>\$ 42,945,028</u>	<u>\$ 41,120,497</u>	<u>\$ 35,029,766</u>

Share-based compensation

In December 2004, the Financial Accounting Standards Board ("FASB") issued SFAS No. 123 (revised 2004), "*Share-Based Payment*" ("SFAS No. 123(R)") that addresses the accounting for share-based payment transactions in which an enterprise receives employee services in exchange for equity instruments of the enterprise or liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments. Prior to April 1, 2006, the Company accounted for its employee share-based compensation plan using the intrinsic value method of accounting prescribed by Accounting Principles Board ("APB") Opinion No. 25, "*Accounting for Stock Issued to Employees*" and related Interpretations, as permitted by SFAS No. 123, "*Accounting for Stock-Based Compensation*". Effective April 1, 2006, the Company adopted SFAS No. 123(R), using the prospective transition method. Under that transition method, non public entities that used the minimum-value method (whether for financial statement recognition or for pro forma disclosure purposes) continue to account for non vested equity awards outstanding at the date of adoption of SFAS No. 123(R) in the same manner as they had been accounted for prior to adoption.

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In accordance with the provisions of SFAS No. 123(R) share based compensation for all awards granted, modified or settled on or after April 1, 2006 that the Company expects to vest is recognized on a straight line basis over the requisite service period, which is generally the vesting period of the award.

SFAS No. 123(R) requires the use of a valuation model to calculate the fair value of share-based awards. The Company elected to use the Black-Scholes-Merton pricing model to determine the fair value of share-based awards on the date of grant. Restricted Share Units are measured based on the fair market value of the underlying shares on the date of grant. As a result of adopting SFAS No. 123(R) on April 1, 2006, the Company's income before income taxes and net income for the year ended March 31, 2007, were lower by \$667 and \$303, respectively, than if it had continued to account for share-based compensation under APB Opinion No. 25.

The Company has elected to use the "with and without" approach as described in EITF Topic No. D-32 in determining the order in which tax attributes are utilized. As a result, the Company only recognizes tax benefit from share-based awards in additional paid-in capital if an incremental tax benefit is realized after all other tax attributes currently available to the Company have been utilized.

Fair value of financial instruments

The carrying amounts reported in the balance sheets for cash and cash equivalents, accounts receivable, employee receivables, other current assets, accounts payable, accrued expenses and other current liabilities approximate their fair value due to the short-term maturity of these items.

Concentration of risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, bank deposits, marketable securities, funds held for clients and accounts receivable. By their nature, all such instruments involve risks including credit risks of non-performance by counterparties. A substantial portion of the Company's cash and cash equivalents are invested with financial institutions and banks located in the United States and the United Kingdom having high investment grade credit ratings. A portion of our surplus funds are also invested in highly rated marketable securities and deposits with banks in India and abroad.

Accounts receivable are unsecured and are derived from revenue earned from customers in the travel, banking, financial services, insurance, and healthcare industries based primarily in the United States and the United Kingdom. The Company monitors the credit worthiness of its customers to whom it grants credit terms in the normal course of its business. Management believes there is no significant risk of loss in the event of non-performance of the counterparties to these financial instruments, other than the amounts already provided for in the consolidated financial statements.

Reclassifications

Certain amounts in the prior year's financial statements and related notes have been reclassified to conform to the current year's presentation.

Recently issued accounting standards

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" ("SFAS No. 157"). SFAS No. 157 defines "fair value" as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS No. 157 provides guidance for the determination of fair value, and establishes a fair value hierarchy for assessing the sources of information used in fair value measurements. SFAS No. 157 became effective for the Company on April 1, 2008. The Company does not believe that adoption of this accounting standard will have a significant impact on its consolidated financial statements.

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In February 2007, the FASB issued SFAS No. 159, *“The Fair Value Option for Financial Assets and Financial Liabilities — Including an amendment of FASB Statement No. 115”* (“SFAS No. 159”) which permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. SFAS No. 159 became effective for the Company on April 1, 2008. The Company does not believe that adoption of this accounting standard will have a significant impact on its consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141 (revised), *“Business Combinations”* (“SFAS No. 141(R)”). The standard changes the way companies account for business combinations and requires the acquiring entity in a business combination to recognize assets acquired and liabilities assumed in the transaction; establishes the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed; and requires the acquirer to disclose information needed by investors to understand the nature and financial effect of the business combination. SFAS No. 141(R) is effective for fiscal years beginning after December 15, 2008, with early adoption prohibited. The Company is currently evaluating the impact of this statement on its consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160, *“Noncontrolling Interests in Consolidated Financial Statements — an amendment of Accounting Research Bulletin No. 51”* (“SFAS No. 160”). This statement requires an entity to classify noncontrolling financial interests in subsidiaries as a separate component of equity. Additionally, transactions between an entity and noncontrolling interests are required to be treated as equity transactions. SFAS No. 160 is effective for fiscal years beginning after December 15, 2008, with early adoption prohibited. The Company does not expect the adoption of this statement to have a material impact on its consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, *“Disclosures about Derivative Instruments and Hedging Activities — an amendment of FASB Statement No. 133”*. This Statement changes the disclosure requirements for derivative instruments and hedging activities. Entities are required to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under Statement 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity’s financial position, financial performance, and cash flows. This standard is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008 with early adoption permitted. The Company is currently evaluating the impact of this statement on its financial statements.

In April 2008, the FASB issued FASB Staff Position (“FSP”) No. Financial Accounting Standard 142-3, *“Determination of the Useful Life of Intangible Assets”* (“FSP No. FAS 142-3”). FSP No. FAS 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, *“Goodwill and Other Intangible Assets”*. The Company is required to adopt FSP No. FAS 142-3 for fiscal years beginning after December 15, 2008. The Company is evaluating the impact of the adoption of FSP No. FAS 142-3 on its financial statements.

In May 2008, the FASB issued SFAS No. 162, *“The Hierarchy of Generally Accepted Accounting Principles”* (“SFAS No. 162”). SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements that are presented in conformity with generally accepted accounting principles. SFAS No. 162 will become effective 60 days after the Commission’s approval of the Public Company Accounting Oversight Board amendments to Auditing Standards (AU) Section 411, *“The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles”*. The Company does not expect the adoption of SFAS No. 162 to have a material impact on its financial statements.

3. ACQUISITIONS

Marketics Technologies (India) Private Limited

On May 8, 2007, the Company completed the acquisition of Marketics Technologies (India) Private Limited (“Marketics”), a provider of offshore analytics services. This acquisition strengthened the Company’s position in this line of business. Among other things, with this acquisition the Company acquired expertise in offshore analytics, a fast-growing area of the BPO business, which enabled the Company to gain access to a few prominent clients in the United States. The Company has accounted for this acquisition from May 1, 2007.

The consideration for the acquisition was an initial cash payment of \$30,000 plus direct transaction costs of \$1,400. The initial cash payment of \$30,000 was made in May 2007, of which \$2,500 is in escrow to be paid out to the selling shareholders along with a contingent earn-out payment tied to performance. The Company acquired 75.1% of the equity shares of Marketics and the remaining 24.9% has been kept in escrow to be transferred to the Company upon payment of the contingent earn-out payment. The Company has accounted for 100% of the operations from May 1, 2007 as there are no likely conditions that would preclude the transfer of shares held in escrow. The payment of contingent consideration is the only event required to effect the transfer of the remaining shares, which is entirely within the control of the Company. The contingent earn-out payment is \$33,699 as of March 31, 2008 based on the performance and results of the operations of Marketics for the fiscal year ending March 31, 2008 and has been recorded as additional goodwill.

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The total estimated cost of acquisition has been preliminarily allocated to the assets acquired and liabilities assumed based on a determination of their fair value. The following table summarizes the allocation:

	<u>Amount</u>
Cash	\$ 1,834
Accounts receivable	2,131
Other assets	562
Property and equipment	190
Intangible (customer relationships)	8,960
Goodwill	54,469
Current liabilities	(1,170)
Deferred tax liability	(1,877)
Total purchase consideration	<u>\$ 65,099</u>

The weighted average amortization period for intangibles accounting from the date of purchase is 60 months. The Company has not disclosed pro forma information because the revenue and net income of Marketics is not material to the revenue and net income of the Company for the years ended March 31, 2008, 2007 and 2006.

Flovate Technologies Limited

On June 11, 2007, the Company acquired the entire share capital of Flovate Technologies Limited ("Flovate"), of which the CEO of a division of a UK subsidiary of the Company was a majority shareholder, for a total cash consideration of \$6,159 including \$221 of transaction costs. The Company has also paid \$1,384 held in escrow to be released to the selling shareholders of Flovate by June 2008 upon the software acquired being upgraded as specified in the purchase agreement. Upon such payment, the Company will record the amount paid as additional cost of the software. Flovate is a software company and the auto claims handling software of Flovate is used by the Company in its auto claims business in the UK.

The total purchase consideration has been preliminarily allocated based on a determination of their fair value as Customer Relationship Intangible of \$652, Intellectual Property Rights ("IPR") of \$1,839 and Net Tangible Assets of \$380 with the residual allocated to goodwill of \$3,288. The weighted average amortization period for intangibles accounting from the date of purchase is 42 months.

The Company had pre-existing relationship with Flovate. The Company obtained auto claims handling software from Flovate. There was no gain or loss recognized on settlement of this relationship.

The Company has not disclosed pro forma information because the revenue and net income of Flovate is not material to the revenue and net income of the Company for the years ended March 31, 2008, 2007 and 2006.

PRG Airlines Services Limited and GHS Holdings LLC

The Company acquired the business of PRG Airlines Services Limited ("PRG") in August 2006 and GHS Holdings LLC ("GHS") in September 2006 for an aggregate amount of \$1,145 which included transaction costs of \$110. PRG is in the business of conducting fare audits for airlines to identify inaccuracies in the fare, class and others with a view to recover revenue leakages from the airline customer. GHS provides finance and accounting services to restaurants and pizza centers. These acquisitions were accounted for under the purchase method of accounting in accordance with SFAS No. 141, "Business Combinations". The results of operations of the acquisitions have been included in the Company's Statement of Operations from the respective dates of acquisition. The fair value of identifiable intangible assets has been determined based on standard valuation techniques. The Company has recorded \$897 of goodwill, \$166 of identifiable intangible assets and \$82 of net tangible assets in connection with these acquisitions.

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Trinity Partners Inc (Refer Note 6)

During the year ended March 31, 2006, the Company acquired the entire share capital of Trinity Partners Inc. (“Trinity”) for a total consideration of \$19,777, including \$175 of transaction costs. The total purchase consideration comprised of a cash payment of \$6,814 and 2,107,901 shares of WNS (Holdings) Limited.

Trinity, together with its wholly owned subsidiary in India, provides business process outsourcing services and information technology delivery solutions to customers in the financial services industry in the United States. The Company recorded \$8,889 of goodwill, \$9,420 of identifiable intangible assets and \$1,468 of net tangible assets in connection with this acquisition.

The Company granted 104,716 shares to certain selling shareholders of Trinity in consideration for employment contracts. The fair value of such shares amounting to approximately \$678 is recorded as compensation and has been recognized as compensation expense over the period of the employment contract, which is one year. Accordingly the Company recorded compensation expense of \$433 and \$245 for the years ended March 31, 2007 and 2006, respectively. An additional 53,405 shares were issued to another selling shareholder who is a customer. The fair value of these shares amounted to \$324 and is being amortized over the term of the customer contract (5 years) and accounted for as a reduction of revenue.

4. PROPERTY AND EQUIPMENT

The major classes of property and equipment are as follows:

	March 31,	
	2008	2007
Computers and software	\$ 46,937	\$ 37,753
Furniture, fixtures and office equipment	37,675	29,217
Vehicles	2,898	1,710
Leasehold improvements	24,349	17,884
Capital work-in-progress	4,446	776
	<u>116,305</u>	<u>87,340</u>
Accumulated depreciation and amortization	(65,465)	(45,510)
Property and equipment, net	<u>\$ 50,840</u>	<u>\$ 41,830</u>

Depreciation expense, including amortization of assets recorded under capital leases, amounted to \$18,452, \$14,766 and \$10,452 for the years ended March 31, 2008, 2007 and 2006, respectively. Capital work-in-progress includes advances for property and equipment of \$124 and \$45 as at March 31, 2008 and 2007, respectively.

Computers on capital leases at March 31, 2008 and 2007 were \$1,555 and \$1,524, respectively. The related accumulated amortization at March 31, 2008 and 2007 was \$1,545 and \$1,509, respectively.

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5. GOODWILL AND INTANGIBLES

The components of intangible assets are as follows:

	March 31, 2008		
	<u>Gross</u>	<u>Accumulated amortization</u>	<u>Net</u>
Customer contracts	\$ 13,792	\$ 13,757	\$ 35
Customer relationships	12,212	4,200	8,012
Intellectual Property Rights	1,863	517	1,346
Know-how	343	343	—
Covenant not-to-compete	100	100	—
	<u>\$ 28,310</u>	<u>\$ 18,917</u>	<u>\$ 9,393</u>

	March 31, 2007		
	<u>Gross</u>	<u>Accumulated amortization</u>	<u>Net</u>
Customer contracts	\$ 13,666	\$ 8,369	\$ 5,297
Customer relationships	2,482	688	1,794
Know-how	316	316	—
Covenant not-to-compete	100	100	—
	<u>\$ 16,564</u>	<u>\$ 9,473</u>	<u>\$ 7,091</u>

The amortization expenses amounted to \$2,869, \$1,896 and \$856 for the years ended March 31, 2008, 2007 and 2006, respectively. As discussed in Note 6, accumulated amortization included impairment loss on customer contract and customer relationship amounting to \$4,779 and \$1,580 respectively for the year ended March 31, 2008.

The estimated annual amortization expense based on current intangible balances for fiscal years beginning April 1, 2008 is as follows:

<u>Year ending March 31,</u>	<u>Amount</u>
2009	\$ 2,616
2010	2,588
2011	2,059
2012	1,956
2013	174
	<u>\$ 9,393</u>

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The changes in the carrying value of goodwill by segment (refer to note 15) were as follows:

	WNS Global	WNS Auto Claims	Total
Balance at March 31, 2006	\$ 12,956	\$ 20,818	\$ 33,774
Goodwill arising on acquisition	897	—	897
Foreign currency translation	84	2,601	2,685
Balance at March 31, 2007	13,937	23,419	37,356
Goodwill arising on acquisition			
Marketics	54,469	—	54,469
Flovate	—	3,288	3,288
Impairment on Goodwill (Refer Note 6)	(8,889)	—	(8,889)
Foreign currency translation	778	518	1,246
Balance at March 31, 2008	<u>\$ 60,245</u>	<u>\$ 27,225</u>	<u>\$ 87,470</u>

6. LOSS OF CLIENT

In September 2007, one of WNS' clients, First Magnus Financial Corporation ("FMFC"), a US mortgage service company, informed WNS that the prevailing business relationship between the two entities was terminated with effect from August 16, 2007 as FMFC filed a voluntary petition for relief under Chapter 11 of the US Bankruptcy Code. Revenue from FMFC were classified under the WNS Global BPO segment. With the acquisition of Trinity in November 2005, WNS had significantly increased its presence in the mortgage industry. FMFC and its associated companies comprised the bulk of customers acquired in connection with the acquisition. In addition, the US mortgage market today continues to be difficult, weak and uncertain and therefore WNS' other mortgage clients have also scaled down their existing operations with the Company. The Company is uncertain when this market will rebound. As a result of these indicators of impairment, the Company tested the related goodwill and intangible assets for impairment and concluded that the entire goodwill and intangibles acquired in the purchase of Trinity were impaired. Accordingly, the Company recorded an impairment charge of \$8,889 for the goodwill, \$6,359 for the intangibles and \$216 for other assets in the WNS Global BPO segment. The amount of the claims filed by the Company totaled US\$15,575, however the realizability of these claims cannot be determined at this time.

7. INCOME TAXES

The Company's provision (benefit) for income taxes consists of the following:

	2008	March 31, 2007	2006
Current taxes			
Domestic taxes	\$ —	\$ —	\$ —
Foreign taxes	10,581	6,696	2,602
	<u>10,581</u>	<u>6,696</u>	<u>2,602</u>
Deferred taxes			
Domestic taxes	—	—	—
Foreign taxes	(5,387)	(4,122)	(1,028)
	<u>\$ 5,194</u>	<u>\$ 2,574</u>	<u>\$ 1,574</u>

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Domestic taxes are nil as there are no statutory taxes applicable in Jersey, Channel Islands. Foreign taxes are based on enacted tax rates in each subsidiary's jurisdiction. Income (loss) before income taxes for the years ended March 31, 2008, 2007 and 2006, primarily arose in the following jurisdictions:

Jurisdiction	Year ended March 31,		
	2008	2007	2006
India	\$ 21,962	\$ 19,909	\$ 16,053
United States	1,099	1,401	(1,163)
United Kingdom	16,541	6,517	5,821
Other (a)	(24,908)	1,328	(808)
Income before income taxes	<u>\$ 14,694</u>	<u>\$ 29,155</u>	<u>\$ 19,903</u>

(a) Includes impairment of goodwill and other assets and amortization of intangible assets amounting to \$18,333.

The Company's Indian operations are eligible to claim income-tax exemption with respect to profits earned from export revenue from an operating unit registered under the Software Technology Parks of India ("STPI"). The benefit is available for a period of 10 years from the date of commencement of operations, but not beyond March 31, 2010. The Company had 14, 10 and 10 delivery centers for the years ended March 31, 2008, 2007 and 2006, respectively. The benefits expire in stages from April 1, 2006 to April 1, 2010. The Company is also eligible for a tax exemption with respect to the profits earned from operations in Sri Lanka.

The additional income tax expense at the statutory rate in India and Sri Lanka, if the tax exemption was not available, would have been approximately \$11,511, \$9,204 and \$4,998 for the years ended March 31, 2008, 2007 and 2006, respectively. The impact of such additional tax on basic and diluted income per share for the year ended March 31, 2008 would have been approximately \$0.27 and \$0.27, respectively (\$0.24 and \$0.22, respectively, for the year ended March 31, 2007; \$0.15 and \$0.14, respectively, for the year ended March 31, 2006).

The following is a reconciliation of the Jersey statutory income tax rate with the effective tax rate:

	Year ended March 31,		
	2008	2007	2006
Net income before taxes	\$ 14,694	\$ 29,155	\$ 19,903
Enacted tax rates in Jersey	0%	0%	0%
Statutory income tax	—	—	—
Provision due to:			
Foreign minimum alternative taxes and state taxes	75	—	—
Differential foreign tax rates	4,997	2,138	1,454
Others	122	436	120
Provision for income taxes	<u>\$ 5,194</u>	<u>\$ 2,574</u>	<u>\$ 1,574</u>

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The components of deferred tax assets and liabilities are as follows:

	March 31,	
	2008	2007
Deferred tax assets:		
Property and equipment	\$ 3,223	\$ 1,941
Net operating loss carry forward	292	707
Accruals deductible on actual payment	1,363	506
Share-based compensation	1,567	673
Minimum alternate tax	2,922	673
Others	13	—
Total deferred tax assets	9,380	4,079
Less: Valuation allowances	(283)	(277)
Deferred tax assets, net of valuation allowances	9,097	3,802
Deferred tax liabilities:		
Property and equipment	(220)	(9)
Intangibles	(2,249)	(14)
Total deferred tax liabilities	(2,469)	(23)
Net deferred tax assets	<u>\$ 6,628</u>	<u>\$ 3,779</u>

The classification of deferred tax assets (liabilities) is as follows:

	March 31,	
	2008	2007
Current		
Deferred tax assets	\$ 618	\$ 701
Deferred tax liabilities	(211)	—
Net current deferred tax assets	<u>\$ 407</u>	<u>\$ 701</u>
Non current		
Deferred tax assets	\$ 8,338	\$ 3,378
Less: Valuation allowance (a)	(283)	(277)
	8,055	3,101
Deferred tax liabilities	(1,834)	(23)
Net non current deferred tax assets	<u>\$ 6,221</u>	<u>\$ 3,078</u>

(a) The change in valuation allowance is the result of exchange rate change between the years ended March 31, 2008 and March 31, 2007

Effective April 1, 2007, the Company adopted the provisions of Financial Accounting Standards Board Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109 and prescribes a recognition threshold of more-likely-than-not to be sustained upon examination. As a result of the implementation of FIN 48, the Company recognized a \$1,346 increase in the liability for unrecognized tax obligations related to tax positions taken in prior periods. This increase included an interest cost of \$271. This increase was accounted for as an adjustment to retained earnings in accordance with the provisions of FIN 48.

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The Company records penalties and interest on tax obligations as income tax expense. For the year ended March 31, 2008, \$63 has been charged as interest cost to the income statement.

The total unrecognized tax benefits as at March 31, 2008 were \$17,038. If this unrecognized tax benefit is recognized, the effective tax rate of the Company would be significantly lower for the period in which it will be recognized. As at March 31, 2008, no material changes have occurred in the Company's uncertain tax positions since the adoption of FIN 48 on April 1, 2007.

The following table summarizes the activities related to the Company's unrecognized tax benefits for uncertain tax positions from April 1, 2007 to March 31, 2008:

Balance at April 1, 2007	\$ 15,856
Increase related to prior year tax positions	63
Effect of exchange rate changes	1,119
Balance at March 31, 2008	\$ 17,038

The unrecognized tax benefit is on account of net operating loss carried forward and unabsorbed depreciation in India for which deferred tax asset has not been recorded. The Company expects to make that determination after the tax holiday period ends.

The Company's major tax jurisdictions are India, UK and the U.S., though the Company also files tax returns in some other foreign jurisdictions. In India, the assessment is not yet completed for the tax year ended March 31, 2005 and onwards.

At March 31, 2008, the Company had a net operating loss carry forward aggregating to \$973 in the UK with no expiration date. At March 31, 2008, the Company had net operating loss carry forward aggregating to \$26,383 in India which expires between 2012 and 2014 and unabsorbed depreciation carry forward aggregating to \$9,376. The Company has not recorded a deferred tax asset for these carry forward losses as there is uncertainty regarding the availability of such amounts to offset taxable income in subsequent years. At March 31, 2008, the Company had tax benefits carried forward pertaining to exercise of options amounting to \$12,018 in the US which would expire on 2027.

Deferred income taxes on undistributed earnings of foreign subsidiaries have not been provided as such earnings are deemed to be permanently reinvested.

8. DEFERRED REVENUE

Deferred revenue comprises of:

	March 31,	
	2008	2007
Payments in advance of services	\$ 6,728	\$ 10,946
Advance billings	1,601	2,743
Claims handling	508	795
Other	502	394
	<u>\$ 9,339</u>	<u>\$ 14,878</u>

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9. RETIREMENT BENEFITS***Defined contribution plans***

During the years ended March 31, 2008, 2007 and 2006, the Company contributed the following amounts to defined contribution plans:

	Year ended March 31,		
	2008	2007	2006
Provident fund — India	\$ 5,107	\$ 3,153	\$ 1,839
Pension scheme — UK	569	542	404
401(k) plan — US	601	422	225
	<u>\$ 6,277</u>	<u>\$ 4,117</u>	<u>\$ 2,468</u>

Defined benefit plan — gratuity

The reconciliation of the beginning and ending balances of the projected benefit obligation and the fair value of plans assets for the years ended March 31, 2008 and 2007, and the accumulated benefit obligation at March 31, 2008 and 2007, as follows:

	Year ended March 31,	
	2008	2007
Change in projected benefit obligations		
Obligation at beginning of the year	\$ 1,271	\$ 759
Translation adjustment	95	21
Service cost	437	490
Interest cost	114	53
Benefits paid	(119)	(75)
Business combination	(24)	—
Actuarial loss	480	23
Benefit obligation at end of the year	<u>\$ 2,254</u>	<u>\$ 1,271</u>
Change in plan assets		
Plan assets at beginning of the year	\$ 500	\$ 451
Translation adjustment	40	9
Actual return	44	32
Actual contributions	85	83
Benefits paid	(119)	(75)
Plan assets at end of the year	<u>\$ 550</u>	<u>\$ 500</u>
Funded status	<u>\$ (1,704)</u>	<u>\$ (771)</u>
Current	(160)	—
Non-current	(1,544)	(771)
Net amount recognized	(1,704)	(771)
Accumulated benefit obligation at end of the year	<u>\$ 1,577</u>	<u>\$ 747</u>

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	Year ended March 31,		
	2008	2007	2006
Net periodic gratuity cost			
Service cost	\$ 437	\$ 490	\$ 205
Interest cost	114	53	35
Expected return on plan assets	(38)	(35)	(27)
Amortization	8	35	8
Net periodic gratuity cost for the year	<u>\$ 521</u>	<u>\$ 543</u>	<u>\$ 221</u>

The assumptions used in accounting for the gratuity plan are set out as below:

	Year ended March 31,		
	2008	2007	2006
Discount rate	7.6-10.25%	9.8%	8.0%
Rate of increase in compensation levels	11%-15% for 5 years and 7% thereafter	9%-11% for 5 years and 7%-9% thereafter	9%- 11% for 5 years and 7%- 9% thereafter
Rate of return on plan assets	7.5%	7.5%	7.5%

The Company evaluates these assumptions annually based on its long-term plans of growth and industry standards. The discount rates are based on current market yields on government securities adjusted for a suitable risk premium. Plan assets are invested in lower risk assets, primarily debt securities.

The Company expects to contribute \$1,411 for the year ended March 31, 2009. The expected benefit payments from the fund as of March 31, 2008 are as follows:

Year ending March 31,	Amount
2009	\$ 636
2010	712
2011	824
2012	856
2013	883
2014-2018	2,128
	<u>\$ 6,039</u>

The amount included in accumulated other comprehensive income and expected to be recognized in net periodic pension cost during the year ended March 31, 2009 is \$264. No plan assets are expected to be returned to the Company during the year ended March 31, 2009.

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10. ACCUMULATED OTHER COMPREHENSIVE INCOME

The changes within each classification of accumulated other comprehensive income (loss) for the years ended March 31, 2008 and 2007 are as follows:

	Cumulative translation adjustment	Changes in fair value of Cash flow hedges	Pension adjustments *	Total accumulated other comprehensive income
Balance at March 31, 2006	\$ 7,114	\$ —	\$ —	\$ 7,114
Change during the year	5,922	337	(138)	6,121
Balance at March 31, 2007	13,036	337	(138)	13,235
Change during the year	5,571	—	(486)	5,085
— Reclassified to income statement	—	(4,002)	—	(4,002)
— Change in fair value of cash flow hedges	—	(98)	—	(98)
Balance at March 31, 2008	<u>\$ 18,607</u>	<u>\$ (3,763)</u>	<u>\$ (624)</u>	<u>\$ 14,220</u>

* The Pension adjustment for 2006 is the cumulative effect of the adoption of SFAS No. 158

11. SHAREHOLDERS' EQUITY

WNS Holdings has one class of ordinary shares and the holder of each share is entitled to one vote per share. Ordinary shares subscribed relates to options exercised as of the year end but the corresponding shares were not issued at year end.

On July 31, 2006, the Company completed its IPO of American Depositary Shares ("ADSs"), priced at US\$20 per ADS (one ADS is equivalent to one ordinary share). 12,763,708 ADSs were issued of which 4,473,684 related to new ordinary shares and 8,290,024 related to shares sold by selling shareholders. The Company received gross proceeds of \$89,474 from the IPO and incurred \$10,665 towards underwriting discounts and commissions and offering expenses.

12. SHARE-BASED COMPENSATION

Share-based compensation expense recognized during the years ended March 31, 2008, 2007 and 2006 were as follows:

	Year ended March 31,		
	2008	2007	2006
Share-based compensation recorded in			
Cost of revenue	\$ 2,436	\$ 995	\$ 127
Selling, general and administrative expenses	4,380	2,688	1,795
Total share-based compensation	<u>\$ 6,816</u>	<u>\$ 3,683</u>	<u>\$ 1,922</u>
Recognized income tax benefit	<u>\$ (1,574)</u>	<u>\$ (671)</u>	<u>\$ —</u>

During the year ended March 31, 2006, the Company recorded compensation expense of approximately \$972 related to the purchase of immature shares (shares held by employees for less than six months after exercise of stock options) by a principal shareholder and approximately \$488 relating to modification of options.

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Share-based options

The Company has two share-based incentive plans, the 2002 Stock Incentive Plan adopted on July 1, 2002 and the 2006 Incentive Award Plan adopted on June 1, 2006 (collectively referred to as the "Plans"). Under the Plans, share based options may be granted to eligible participants. Options are generally granted for a term of ten years and have a graded vesting period of upto three years. The Company settles employee share-based option exercises with newly issued ordinary shares. As of March 31, 2008, the Company had 1,757,569 ordinary shares available for future grants.

A summary of option activity under the Plans as of March 31, 2008, and changes during the year then ended is presented below:

	Shares	Weighted average exercise price	Weighted average remaining contract term (in years)	Aggregate intrinsic value
Outstanding at April 1, 2007	2,501,200	\$ 10.86	8.5	\$ 45,732
Granted	221,102	26.3		
Forfeited	(218,622)	14.7		
Lapsed	(10,999)	9.79		
Exercise of options	(433,694)	4.2		
Outstanding at March 31, 2008	<u>2,058,987</u>	<u>\$ 13.46</u>	7.86	\$ 4,096
Options vested and expected to vest	1,721,313	\$ 13.46	7.86	\$ 3,424
Options exercisable	1,062,937	\$ 9.5	7.2	\$ 6,276

The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying options and the closing stock price of \$15.45 of the Company's ADS (one ADS is equivalent to one ordinary share) on March 31, 2008.

The aggregate intrinsic value of options exercised during the years ended March 31, 2008, 2007 and 2006 was \$4,005, \$55,466 and \$8,661, respectively. The total grant date fair value of options vested during the years ended March 31, 2008, 2007 and 2006 was \$4,365, \$2,197 and \$1,153, respectively. Total cash received as a result of option exercises during the year ended March 31, 2008 was approximately \$4,204. In connection with these exercises, the Company receives tax benefits in the US and the UK tax jurisdiction which is equal to the difference between the exercise price and the market price on the date of exercise. Such tax benefit realized by the Company for the year ended March 31, 2008 was \$2,750. The adoption of SFAS No. 123(R) requires cash flow classification of certain tax benefits received from share option exercises beginning April 1, 2006. Of the total tax benefits realized, the Company classified excess tax benefits from share-based compensation of \$1,613 and \$5,692 as cash flows from financing activities rather than cash flows from operating activities for the year ended March 31, 2008 and 2007, respectively.

As of March 31, 2008, there was \$3,176 of unrecognized compensation cost related to unvested outstanding share options, net of forfeitures. This amount is expected to be recognized over a weighted average period of 1.4 years. To the extent the forfeiture rate is different than what the Company has anticipated, compensation expense related to these awards will be different from the Company's expectations.

The fair value of options granted during the year ended March 31, 2008 was estimated on the date of grant using the Black-Scholes-Merton option-pricing model with the following weighted average assumptions:

Expected life	3.5 years
Risk free interest rates	4.5%
Volatility	29.9%
Dividend yield	0%

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The expected life of options till March 31, 2007 was based on the mid-point of the vesting and the contracted term of the options. Effective April 1, 2007, the expected term is based on the Company's historic exercise pattern because the Company now believes that such historical patterns are more representative of the expected life of the options. The change in the expected term of the options from 6 years to 3.5 years has resulted in lower stock compensation charge of approximately \$400 for the year ended March 31, 2008. The impact of such lower stock compensation charge resulted in higher basic and diluted income per share of \$0.01 and \$0.01, respectively for the year ended March 31, 2008. The volatility is calculated based on the historic volatility of similar public companies for the expected term of the options. The risk free rate is based on the United States Federal Reserve rates. The Company will assess expected volatility by reference to the Company's historical stock price volatility when such data provides a meaningful benchmark to make such assessment. Forfeitures are estimates based on the Company's historical analysis of actual stock option forfeitures. The Company does not currently pay cash dividends on its ordinary shares and does not anticipate doing so in the foreseeable future. Accordingly, the expected dividend yield is zero. The weighted average grant date fair value of options granted during the years ended March 31, 2008, 2007 and 2006 was \$7.11, \$11.74 and \$3.2, respectively.

Restricted Shares Units ("RSUs")

The Company granted RSUs during the year ended March 31, 2008 and 2007. Each RSU represents the right to receive one ordinary share and vests in three equal annual installments. The fair value of RSUs granted during the year ended March 31, 2008 was estimated on the date of the grant using Black Scholes Merton option pricing model. For those employees based in India, the exercise price includes recovery of Fringe Benefit Tax ("FBT"). The fair value of RSU is computed after considering the recovery of fringe benefit tax.

The fair value of RSUs granted during the year ended March 31, 2008 was estimated on the date of grant using the Black-Scholes-Merton option-pricing model with the following weighted average assumptions:

Expected life	2 years
Risk free interest rates	4.4%
Volatility	29.1%
Dividend yield	0.0%

A summary of RSU activity under the Plan as of March 31, 2008, and changes during the year then ended is presented below:

	Shares	Weighted average fair value	Weighted average remaining contract term (in years)	Aggregate intrinsic value
Outstanding at April 1, 2007	298,500	\$ 22.3	9.38	\$ 8,698
Granted	456,831	21.68		
Forfeited	(82,498)	26.3		
Vested	(86,527)	21.3		
Outstanding at March 31, 2008	<u>586,306</u>	<u>\$ 24.11</u>	8.93	\$ 7,311
RSUs expected to vest	<u>499,533</u>	<u>\$ 24.11</u>	8.93	\$ 6,229
RSUs exercisable	10,116	\$ 29.65	8.6	\$ 156

The aggregate intrinsic value of RSUs exercised during the year ended March 31, 2008, 2007 and 2006 was \$1,544, nil and nil, respectively. The total grant date fair value of RSUs vested during the year ended March 31, 2008, 2007 and 2006 was \$2,142, nil and nil, respectively.

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The weighted average grant date fair value of RSUs granted during the year ended March 31, 2008, 2007 and 2006 was \$21.68, \$22.26 and nil per ADS respectively.

As of March 31, 2008, there was \$8,419 of unrecognized compensation cost related to unvested RSU, net of forfeitures. This amount is expected to be recognized over a weighted average period of 2.0 years. To the extent the forfeiture rate is different than what the Company has anticipated, share based compensation related to these awards will be different from the Company's expectations.

In May 2007, the Indian government extended its FBT to include stock options issued to employees in India. A notification dated December 20, 2007 issued by the government of India clarified that FBT on stock options is applicable to all companies issuing stock options to employees in India, including those companies not registered under the Companies Act, 1956 of India. Under the new legislation, on exercise of an option, employers are responsible for a tax equal to the intrinsic value of an option at its vesting date multiplied by the applicable tax rate. The employer can seek reimbursement of the tax from the employee, but cannot transfer the obligation to the employee. The Company recovers the FBT from certain employee option holders.

The FBT on options payable to the government of India amounting to \$2,321 is recorded as an operating expense and the recovery of the FBT on options from the employees is treated as additional exercise price and recorded in shareholders' equity. The options issued subsequent to the introduction of the FBT are fair valued after considering the FBT as an additional component of the exercise price at the grant date.

13. RELATED PARTY TRANSACTIONS

<u>Name of the related party</u>	<u>Relationship</u>
Warburg Pincus	Principal shareholder
British Airways Plc. (up to July 31, 2006)	Principal shareholder and significant customer
Flovate Technologies Limited ("Flovate") (up to June 10, 2007) (Refer Note 3)	A company of which a member of management is a principal shareholder
Datacap Software Private Limited ("Datacap")	A company of which a member of management is a principal shareholder

The transactions and the balance outstanding with these parties are described below:

<u>Nature of transaction/related party</u>	<u>Year ended March 31,</u>			<u>Amount receivable (payable)</u>	
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>at March 31,</u>	
				<u>2008</u>	<u>2007</u>
Revenue					
British Airways	\$ —	\$ 4,913	\$ 14,663	\$ —	\$ 10
Warburg Pincus and its affiliates	3,466	2,157	1,646	586	242
Cost of revenue					
Flovate	236	1,849	1,216	—	—
Datacap	—	—	34	—	—
Selling, general and administrative expense					
Warburg Pincus affiliate	189	202	193	—	—
Flovate	130	554	288	—	—
Datacap	26	37	—	—	—
Property and equipment additions					
Warburg Pincus affiliate	702	2,112	559	6	(17)
Flovate	394	2,163	1,552	—	(95)
Other income					
Warburg Pincus affiliate	25	—	—	—	—
Flovate	36	368	250	—	(134)

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14. OTHER INCOME, NET

Other income, net comprises of:

	Year ended March 31,		
	2008	2007	2006
Foreign exchange gain (loss), net	\$ 2,943	\$ (1,388)	\$ (402)
Interest income	5,254	3,468	439
Gain on sale of property and equipment	62	101	32
Other	925	319	387
	<u>\$ 9,184</u>	<u>\$ 2,500</u>	<u>\$ 456</u>

15. SEGMENTS

The Company had several operating segments including travel, insurance, auto claims (WNS Assistance) and others, including knowledge services and healthclaims.

The Company believes that the business process outsourcing services that it provides to customers in industries such as travel, insurance, Ntrance and others are similar in terms of services, service delivery methods, use of technology, and long-term gross profit and hence meet the aggregation criteria under SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information" ("SFAS No. 131"). However, WNS Assistance ("WNS Auto Claims BPO"), which provides automobile claims handling services, does not meet the aggregation criteria under SFAS No. 131. Accordingly, the Company has determined that it has two reportable segments "WNS Global BPO" and "WNS Auto Claims BPO".

In order to provide Accident Management services, the Company arranges for the repair through a network of repair centers. Repair costs are invoiced to customers. Amounts invoiced to customers for repair costs paid to the automobile repair centers is recognized as revenue. The Company uses revenue less repair payments 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. 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.

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	Year ended March 31, 2008			Total
	WNS Global	WNS Claims	Inter segments (a)	
Revenue from external customers	\$ 260,146	\$ 199,721	\$ —	\$ 459,867
Segment revenue	261,210	199,721	(1,064)	459,867
Payments to repair centers	—	169,510	—	169,510
Revenue less repair payments	261,210	30,571	(1,064)	290,717
Depreciation	17,071	1,381	—	18,452
Other costs	227,909	14,758	(1,064)	241,603
Segment operating income	16,231	14,431	—	30,662
Unallocated share-based compensation expense				6,816
Amortization of intangible assets				2,869
Impairment of goodwill, intangibles and other assets				15,464
Other income				(9,184)
Interest expense				3
Income before income taxes				14,694
Provision for income taxes				5,194
Net income				\$ 9,500
Capital expenditure	\$ 27,609	\$ 525	\$ —	\$ 28,134
Segment assets, net of eliminations as at March 31, 2008	\$ 269,259	\$ 77,246	\$ —	\$ 346,505

Two customers in the WNS Auto Claims BPO segment accounted for 22% and 15% each of the Company's total revenue for the year ended March 31, 2008. The receivables from these two customers comprised 15.9% and 14.1% of the Company's total accounts receivables as of March 31, 2008.

(a) This represents invoices raised by WNS Global BPO on WNS Auto Claims BPO at arms length basis for business process outsourcing services rendered by the former to the latter.

	Year ended March 31, 2007			Total
	WNS Global	WNS Claims	Inter segments (a)	
Revenue from external customers	\$ 193,518	\$ 158,768	\$ —	\$ 352,286
Segment revenue	194,992	158,768	(1,474)	352,286
Payments to repair centers	—	132,586	—	132,586
Revenue less repair payments	194,992	26,182	(1,474)	219,700
Depreciation	12,782	1,984	—	14,766
Other costs	154,948	19,126	(1,474)	172,600
Segment operating income	27,262	5,072	—	32,334
Unallocated share-based compensation expense				(3,683)
Amortization of intangible assets				(1,896)
Other income				2,500
Interest expense				(100)
Income before income taxes				29,155
Provision for income taxes				(2,574)
Net income				\$ 26,581
Capital expenditure	\$ 24,731	\$ 2,744	\$ —	\$ 27,475
Segment assets, net of eliminations as at March 31, 2007	\$ 206,366	\$ 69,515	\$ —	\$ 275,881

Two customers in the WNS Auto Claims BPO segment accounted for 18% and 17% each of the Company's total revenue for the year ended March 31, 2007. The receivables from these two customers comprised 6.9% and 5.2% of the Company's total accounts receivables as of March 31, 2007.

(a) This represents invoices raised by WNS Global BPO on WNS Auto Claims BPO for business process outsourcing services rendered by the former to the latter.

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	Year ended March 31, 2006			Total
	WNS Global	WNS Claims	Inter segments (a)	
Revenue from external customers	\$ 123,226	\$ 79,583	\$ —	\$ 202,809
Segment revenue	125,229	79,583	(2,003)	202,809
Payments to repair centers	—	54,904	—	54,904
Revenue less repair payments	125,229	24,679	(2,003)	147,905
Depreciation	8,677	1,775	—	10,452
Other costs	99,040	17,762	(2,003)	114,799
Segment operating income	17,512	5,142	—	22,654
Unallocated share-based compensation expense				(1,922)
Amortization of intangible assets				(856)
Other income				456
Interest expense				(429)
Income before income taxes				19,903
Provision for income taxes				(1,574)
Net income				\$ 18,329
Capital expenditure	\$ 12,689	\$ 2,204	\$ —	\$ 14,893
Segment assets, net of eliminations as at March 31, 2006	<u>\$ 92,415</u>	<u>\$ 42,388</u>	<u>\$ —</u>	<u>\$ 134,803</u>

One customer in the WNS Global BPO segment accounted for 13% of the Company's revenue for the year ended March 31, 2006.

The receivables from this customer comprised 6.0% of the Company's total accounts receivables as on March 31, 2006

(a) This represents invoices raised by WNS Global BPO on WNS Auto Claims BPO for business process outsourcing services rendered by the former to the latter.

The Company's revenue by geographic area is as follows:

	March 31,		
	2008	2007	2006
UK	\$ 225,920	\$ 189,854	\$ 126,866
North America	113,744	80,767	49,134
Europe (excludes UK)	116,864	78,955	25,421
Other	3,339	2,710	1,388
	<u>\$ 459,867</u>	<u>\$ 352,286</u>	<u>\$ 202,809</u>

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The Company's long-lived assets by geographic area are as follows:

	<u>March 31,</u>	
	<u>2008</u>	<u>2007</u>
UK	\$ 32,220	\$ 25,852
India	112,056	57,084
US	1,967	2,382
Other	1,460	959
	<u>\$ 147,703</u>	<u>\$ 86,277</u>

16. COMMITMENTS AND CONTINGENCIES

Leases

The Company has entered into various non-cancelable operating lease agreements for certain delivery centers and offices with original lease periods expiring between 2009 and 2018. The Company is also required to pay a portion of the related operating expenses under certain of these lease agreements. These operating expenses are not included in the table below. Certain of these arrangements have free or escalating rent payment provisions. The Company recognizes rent expense under such arrangements on a straight line basis.

Future minimum lease payments under non-cancelable operating leases consisted of the following at March 31, 2008:

<u>Year ending March 31,</u>	<u>Operating leases</u>
2009	\$ 15,820
2010	14,068
2011	9,864
2012	7,477
2013	5,317
Thereafter	22,106
Total minimum lease payments	<u>\$ 74,652</u>

Rental expenses for operating leases with step rents are recognized on a straight-line basis over the minimum lease term. Rental expense recognized without a corresponding cash payment is reported as deferred rent in the consolidated balance sheet. Rental expense for the years ended March 31, 2008, 2007 and 2006 was \$14,891, \$9,096 and \$6,535, respectively.

Bank guarantees and other

Certain subsidiaries in India hold bank guarantees aggregating \$300 and \$294 as at March 31, 2008 and 2007, respectively. These guarantees have a remaining expiry term of approximately one to four years.

Restricted time deposits placed with bankers as security for guarantees given by them to regulatory authorities in India, aggregating to \$979 and \$301 at March 31, 2008 and 2007, respectively, are included in other current assets. These deposit represents cash collateral against bank guarantees issued by the banks on behalf of the Company to third parties.

Amounts payable for commitments to purchase of property and equipment (net of advances), aggregated to \$1,826 and \$1,964 as at March 31, 2008 and 2007, respectively.

At March 31, 2008, the Company had an unused line of credit of Rs.361,809 (approximately \$9,011).

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17. TRANSFER OF DELIVERY CENTRE TO AVIVA

Sri Lanka Delivery Center

WNS had established a wholly owned subsidiary, WNS Customer Solutions Private Limited Sri Lanka (“WNS CS”), in June 2004 to provide BPO services exclusively to AVIVA International Holdings Limited (“AVIVA”). As a part of the business arrangement with AVIVA, WNS had granted an option to AVIVA to purchase the shares of WNS CS from WNS at the net asset value of WNS CS as on the date of transfer of such WNS CS shares. AVIVA exercised the option on January 1, 2007. The transfer of shares of WNS CS was completed on July 2, 2007 for a consideration of the net book value of WNS CS as of July 2, 2007 which was determined to be equal to \$2,068. There was no material gain or loss recorded by the Company on transfer of the business to AVIVA. WNS CS contributed revenue of \$6,601 and pre-tax profit of \$1,033 for the year ended March 31, 2007.

Ntrance Delivery Center

WNS had established a wholly owned subsidiary, Ntrance Customer Services Private Limited (“Ntrance”), in February 2004 dedicated to providing BPO services exclusively to AVIVA. Ntrance is based in Pune, India. As a part of the business arrangement with AVIVA, WNS granted an option to AVIVA to purchase the shares of Ntrance from WNS at the net asset value of Ntrance as on the date of transfer of the Pune facility and its resources and operations to AVIVA. This option was exercisable by AVIVA at any time on or after July 1, 2007 with the effective date of transfer not being earlier than January 1, 2008.

On September 10, 2007, WNS entered into another agreement with AVIVA to amend the existing terms of exercise of AVIVA’s option. Pursuant to this amendment, the earliest date of exercise of the option had been extended to January 1, 2008, with the effective date of transfer being three months after the date of exercise of the option. On February 5, 2008, WNS entered into another agreement with AVIVA to amend the terms of exercise of AVIVA’s option. Pursuant to this latest amendment, the earliest date of exercise of the call option was extended from January 1, 2008 to April 1, 2008, and the call option notice period was reduced from three months to one month. This latest amendment also provided that any notice of exercise of the call option is revocable at any time by AVIVA giving notice to WNS to that effect. Ntrance contributed revenue of \$22,130 and \$18,257 for the years ended March 31, 2008 and March 31, 2007, respectively.

In July 2008, the Company entered into a transaction with AVIVA consisting of a share sale and purchase agreement and the AVIVA master services agreement. The total consideration for the transaction was approximately £115 million (approximately \$229 million based on the noon buying rate as of June 30, 2008), subject to adjustments for cash, debt and the enterprise values of the companies holding the Chennai and Pune facilities which will be determined on their respective transfer dates to Aviva Global Services Singapore Private Limited (“Aviva Global”).

Pursuant to the share sale and purchase agreement with AVIVA, the Company acquired all the shares of Aviva Global, which acquisition was completed in July 2008. Aviva Global was the business process offshoring subsidiary of AVIVA with facilities in Bangalore, India, and Colombo, Sri Lanka. Since 2004, the Company has provided BPO services to AVIVA pursuant to build-operate-transfer (“BOT”) contracts from facilities in Pune, India (Ntrance), and Colombo, Sri Lanka (WNS CS). WNS CS was transferred to Aviva Global in July 2007. With the Company’s acquisition of Aviva Global, the Company has reassumed control of this Sri Lanka facility as well as Aviva Global’s Bangalore, India, facilities. The Pune facility (Ntrance) will remain with the Company. In addition, there are two facilities in Chennai and Pune, India, which are operated by third party BPO providers for Aviva Global under similar BOT contracts. Aviva Global has exercised its option to require the third party BPO providers to transfer these facilities to Aviva Global. The completion of the transfer of the Chennai facility occurred in July 2008. Completion of the transfer of the Pune facility is expected to occur in August 2008.

Pursuant to the AVIVA master services agreement, the Company will 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, the Company will 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, the Company has 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. As part of the agreement, the Company also expects to benefit from Aviva Global’s proposed contract with AVIVA’s Irish subsidiary, Hibernian.

The transaction with AVIVA was funded in part by \$200,000 in borrowings under a 54 month term loan facility (the “Facility”). The rate of interest payable on the Facility is US dollar LIBOR plus 3% per annum. However, this interest rate is subject to change as the Company has agreed that the arrangers for the Facility have the right at any time prior to the completion of the syndication of the Facility to change the pricing of the Facility if any such arranger determines that such change is necessary to ensure a successful syndication of the Facility. We expect the syndication of the Facility to be completed by March 31, 2009. Borrowings under the Facility are payable in eight semi-annual installments with the first installment due on July 10, 2009 and are subject to the Company maintaining certain financial covenants including the ratio of total borrowings to tangible net worth, ratio of total borrowings to earnings before interest, taxes, depreciation and amortization, or EBITDA, debt service coverage (ratio of EBITDA to debt service), and the ratio of the aggregate outstanding under the facility to the value of Aviva Global. The Facility is secured by, among other things, guarantees provided by WNS Holdings and certain of its subsidiaries.

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18. SUBSEQUENT EVENTS

On April 3, 2008, WNS formed a joint venture with Advanced Contact Solutions, Inc (“ACS”), a BPO services and customer care provider in the Philippines. This joint venture is majority owned by WNS (65%) and balance by ACS and offers contact center services to global clients across industries. This joint venture enables WNS to bring a large scale talent pool to help solve the business challenges of its clients while diversifying the geographic concentration of delivery.

On April 7, 2008, WNS acquired Chang Limited, an auto insurance claims processing services provider in the United Kingdom for a total consideration of approximately \$16,000 in cash and a contingent earn out consideration of up to GBP 1,600 (or approximately \$3,200) to be determined based on certain agreed upon performance metrics for the fiscal year ending March 31, 2009.

On June 16, 2008, WNS acquired Business Applications Associates Ltd (“BizAps”), a provider of SAP solutions to optimize ERP functionality for finance and accounting processes, for a total consideration of approximately \$10,000 in cash and a contingent earn-out consideration of up to \$9,000 to be determined based on the performance and results of operations of BizAps for its fiscal years ending June 30, 2009 and 2010. The earn-out consideration is payable in July 2010. The acquisition of Bizaps enables WNS to further assist global customers in transforming shares services finance and accounting functions such as purchase-to-pay and order-to-cash.

Confidential Treatment Requested

The portions of this document marked by "XXXXX" have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission

DATED 11 July 2008

AVIVA INTERNATIONAL HOLDINGS LIMITED

and

WNS CAPITAL INVESTMENT LIMITED

SHARE SALE AND PURCHASE AGREEMENT

relating to the sale and purchase of
shares in AVIVA GLOBAL SERVICES SINGAPORE PRIVATE LIMITED

Slaughter and May
One Bunhill Row
London EC1Y 8YY
(JADM/TLW)

Eversheds LLP
One Wood Street
London EC2V 7SW

CA081840001

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THIS AGREEMENT is made 11 July 2008

BETWEEN:

1. **AVIVA INTERNATIONAL HOLDINGS LIMITED** whose registered office is at St Helens, 1 Undershaft, London, EC3P 3DQ (registered in England No. 02180206) (the “**Seller**”);

AND

2. **WNS CAPITAL INVESTMENT LIMITED** whose registered office is at 10 Frere Felix de Valois Street, Port Louis, Mauritius (registered in Mauritius No. 081866) (the “**Purchaser**”).

WHEREAS:

- (A) The Seller has agreed to sell and the Purchaser has agreed to purchase and pay for the Shares (as defined in this Agreement) in each case on the terms and subject to the conditions of this Agreement.
- (B) Particulars of each member of the current Group (as defined in this Agreement) are set out in Part A of Attachment 1 (Basic information about the Company) and Part B of Attachment 1 (Basic information about the Existing Subsidiaries). Part C of Attachment 1 (Basic information about the EXL Pune SPV) contains particulars relating to the EXL Pune SPV and Part D of Attachment 1 (Basic information about the Chennai SPV) contains particulars relating to the Chennai SPV.
- (C) Aviva Global Services (Management Service) Private Limited has agreed to appoint the Purchaser as service provider and prime contractor to supply certain business process outsourcing services to members of the Retained Group and the Purchaser has agreed to supply such services, in each case on the terms and conditions set out in the Master Services Agreement

NOW IT IS HEREBY AGREED as follows:

1. Interpretation

- 1.1 In this Agreement, the Schedules and the Attachments to it:

“Accounts”

means the audited financial statements of the Company prepared in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Financial Reporting Standards generally accepted in Singapore for the accounting reference period ended on 31 December 2007 comprising the balance sheet, the profit and loss account and the notes to the accounts, a copy of which is included in the Disclosure Documents;

REDACTED

CONFIDENTIAL TREATMENT REQUESTED

The portions of this document marked by "XXXXXX" have been omitted and are filed separately with the Securities and Exchange Commission.

2

"Accounts Date"	means 31 March 2008;
"AGSSV Share"	means the one share of 1 Indian Rupee in the share capital of Aviva Global Shared Services Private Limited held by Norwich Union Insurance Limited;
"Bangalore Share"	means the one share of 10 Indian Rupees in the share capital of Aviva Global Services (Bangalore) Private Limited held by Undershaft Limited;
"Books and Records"	has its common law meaning and includes, without limitation, all notices, correspondence, inquiries, drawings, plans, books of account and other documents and all computer disks or tapes or other machine legible programs or other records (excluding software);
"Business Day"	means a day (other than a Saturday or a Sunday) on which banks are open for business in London;
"Business Information"	means all information (in whatever form held) including (without limitation) all: (i) formulas, designs, specifications, drawings, know-how, manuals and instructions; (ii) customer lists, sales, marketing and promotional information; (iii) business plans and forecasts; and (iv) all accounting and tax records, correspondence, orders and enquiries;
"Cash"	means all cash at bank or in hand and all cash equivalents, and any interest thereon;
"Chennai Cash"	means the amount of Cash held by the Chennai SPV as at the close of business on the Completion Date (as that term is defined in the Chennai SSPA) of the Chennai SSPA, as determined in accordance with <u>sub-clause 4.6</u> or <u>4.8</u> of the Chennai SSPA (as applicable) and stated in pounds sterling;
"Chennai Initial Payment"	means XXXXX (being XXXXX plus the Chennai Provisional Consideration) payable by Chennai SPV to 24/7 Customer.com Inc. pursuant to <u>sub-clause 4.1</u> of the Chennai SSPA;

REDACTED

CONFIDENTIAL TREATMENT REQUESTED

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3

"Chennai Inter-company Payable"	means the amount of the inter-company payable owed by Chennai SPV to 24/7 Customer.com Inc. as at the close of business on the Completion Date (as that term is defined in the Chennai SSPA) of the Chennai SSPA, as determined in accordance with <u>sub-clause 4.6</u> or <u>4.8</u> of the Chennai SSPA (as applicable) and stated in pounds sterling;
"Chennai NAV"	means the Net Asset Value (as that term is defined in the Chennai SSPA) of the Chennai SPV as determined in accordance with <u>sub-clause 4.6</u> or <u>4.8</u> of the Chennai SSPA and stated in pounds sterling;
"Chennai Provisional Cash"	means XXXXX;
"Chennai Provisional Consideration"	means XXXXX;
"Chennai Provisional Inter-company Payable"	means XXXXX;
"Chennai SPV"	means Customer Operational Services (Chennai) Private Limited, basic information concerning which is set out in <u>Part D</u> of <u>Attachment 1</u> (Basic information about the Chennai SPV);
"Chennai SSPA"	means the share sale and purchase agreement relating to the acquisition by the Company of Customer Operational Services (Chennai) Private Limited from 24/7 Customer, Inc. executed by the parties to that agreement on 8 July 2008;
"Companies Act"	means the Companies Act 2006, the Companies Act 1985, the Companies Consolidation (Consequential Provisions) Act 1985, the Companies Act 1989 and Part V of the Criminal Justice Act 1993;
"Company"	means Aviva Global Services Singapore Private Limited, basic information concerning which is set out in <u>Part A</u> of <u>Attachment 1</u> (Basic information about the Company);
"Completion"	means completion of the sale and purchase of the Shares under this Agreement;
"Completion Date"	means the date of this Agreement or such other date as the parties may agree in writing;

“Computer Systems”	means all computer hardware, Software, microprocessors and any other items that connect with any of them which in each case are used by any member of the Group or are in the possession of any member of the Group;
“Customer Group”	has the meaning given in the Master Services Agreement;
“Data Room List”	has the meaning given in the Disclosure Letter;
“Disclosure Documents”	means the documentation relating to the Group which has, prior to the date of this Agreement, been made available for inspection and which are listed in or annexed to the Disclosure Letter (including, for the avoidance of doubt, the documentation listed in the Data Room List and the Supplementary List);
“Disclosure Letter”	means the letter dated 10 July 2008 (disclosing, amongst other things, the Disclosure Documents) written by the Seller to the Purchaser for the purposes of <u>sub-clause 10.1</u> (Purchaser’s remedies and Seller’s limitations on liability) and delivered to the Purchaser’s Solicitors before the execution of this Agreement;
“EHS Matters”	means all matters relating to the protection, maintenance or condition of, or prevention of harm to, the environment (air, water and land), or its remediation, restoration or renewal, or the protection of human health, the conditions of the work place or the creation of any nuisance;
“Enquiries”	means a written request being made (no more than one Business Day before the date of this Agreement) for details of any fact or circumstance that renders any of the Warranties referring to the recipient’s area of responsibility inaccurate in any material respect;
“Exchange Rate”	means the spot rate of exchange at which Standard Chartered Bank will convert Indian Rupees into pounds sterling as at 11 a.m. on the relevant date;
“Existing Subsidiaries”	means the Indian Subsidiaries and the Sri Lankan Subsidiary, basic information concerning which are set out in <u>Part B of Attachment 1</u> (Basic information about the Existing Subsidiaries);
“EXL Call Option”	means the option granted by EXL Holdings Inc. to the Company over the entire issued share capital of EXL Pune SPV in the Virtual Shareholders’ Agreement dated 24 August 2004 between, <i>inter alia</i> , the Company, EXL Holdings Inc. and EXL

REDACTED

CONFIDENTIAL TREATMENT REQUESTED

The portions of this document marked by "XXXXX" have been omitted and are filed separately with the Securities and Exchange Commission.

Pune SPV (as amended by the three amendment letters dated 1 July 2007, 16 September 2007 and 5 February 2008 respectively);

"EXL Noida Escrow Deed"

means the escrow deed entered into between, *inter alia*, ExlService Holdings Inc., the Company and Aviva Group Holding Limited on 30 May 2008;

"EXL Noida Settlement Deed"

means the deed of settlement entered into between, *inter alia*, Norwich Union Insurance Limited, the Seller, the Company and ExlService Holdings, Inc., on the date hereof;

"EXL Pune Cash"

means the amount of Cash held by the EXL Pune SPV as at the close of business on the Completion Date (as that term is defined in the EXL Pune SSPA) of the EXL Pune SSPA, as determined in accordance with sub-clause 4.5 or 4.7 of the EXL Pune SSPA (as applicable) and stated in pounds sterling;

"EXL Pune Completion Notice"

means the notice delivered to ExlService Holdings Inc. by the Company and Aviva Global Holdings Limited on the date hereof giving notice of the Company's intention to complete the EXL Pune SSPA within 30 Business Days;

"EXL Pune Escrow Deed"

means the escrow deed entered into between ExlService Holdings Inc., the Company and Aviva Group Holdings Limited on 27 June 2008;

"EXL Pune NAV"

means the Net Asset Value (as that term is defined in the EXL Pune SSPA) of the EXL Pune SPV as determined in accordance with sub-clause 4.5 or 4.7 of the EXL Pune SSPA and stated in pounds Sterling;

"EXL Pune Provisional Cash"

means XXXXX

"EXL Pune Provisional Consideration"

means XXXXX

"EXL Pune SPV"

means Noida Customer Operations Private Limited, basic information concerning which is set out in Part C of Attachment 1 (Basic Information About the EXL Pune SPV);

"EXL Pune SSPA"

means the share sale and purchase agreement relating to the acquisition by the Company of Noida Customer Operations Private Limited from ExlService Holdings, Inc. to be executed by the parties to that agreement in substantially the form disclosed to the Purchaser in the Disclosure Documents and currently

	held in escrow by Aviva Group Holdings Limited pursuant to the EXL Pune Escrow Deed;
“Group”	unless otherwise specified, means the Company and all the Subsidiaries;
“Indian Subsidiaries”	means Aviva Global Shared Services Private Limited and Aviva Global Services Bangalore Private Limited, basic information concerning which is set out in <u>Part B of Attachment 1</u> (Basic information about the Existing Subsidiaries);
“Indian Subsidiary Accounts”	means the audited financial statements of the Indian Subsidiaries each prepared in accordance with the Generally Accepted Accounting Principles in India for the accounting reference period ended on the Accounts Date comprising the balance sheet, the profit and loss account and the notes to the accounts, a copy of each of which are included in the Disclosure Documents;
“Information Technology”	means computer hardware, software and networks;
“Inscope Business Units”	means Customer Group business units located in: (i) the United Kingdom (excluding Morley Asset Management); or (ii) Canada, at the date of this Agreement;
“Inscope Services”	means : (i) finance and accounting; (ii) insurance back-office including claims processing, policy administration, underwriting/actuarial support, premium processing and collection, subrogation, collections and recoveries; (iii) customer interaction services including call-centres, email handling, correspondence management services; (iv) mid-office/analytics services including market research data processing, customer/sales data running and analytics, business and financial research and analytics; (v) back-office services for other industries that any member of Customer Group diversifies into including

REDACTED

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asset management;

"Intellectual Property"

means patents, trade marks, rights in designs, copyrights and database rights (whether or not any of these is registered and including applications for registration of any such thing) and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of these which may subsist anywhere in the world;

"Inter-company Funding"

means the XXXXX owed by the Company to the Seller as at the Accounts Date;

"IP Security Interest"

means any mortgage, charge, lien, pledge, assignment by way of security or other security interest of any kind and any agreement to create any of the foregoing;

"Management Accounts"

means the unaudited management accounts of the Company as at 31 March 2008, a copy of which is included in the Disclosure Documents;

"Master Services Agreement"

means the agreement for the provision of business process outsourcing services entered into between the Aviva Global Services (Management Services) Private Limited and the Purchaser on the date hereof;

"Names"

means "Aviva", "Norwich Union", "RAC", "Hibernian" and any other trading or business name of the Retained Group used by the Group prior to the date of this Agreement;

"Ordinary Trading Items"

means ordinary trade indebtedness outstanding at Completion and relating to the period up to Completion only, between, on the one hand, one or more members of the Group and, on the other hand, one or more members of the Retained Group;

"Proceedings"

means any proceeding, suit or action arising out of or in connection with this Agreement;

"Property" or "Properties"

means freehold, leasehold or other immovable property in any part of the world;

"Property Owner"

means, in relation to any Relevant Property, the person referred to as the owner in [Attachment 2](#) (Relevant Properties);

"Purchaser's Group"

means the Purchaser, its subsidiaries and subsidiary undertakings from time to time, any holding company of the Purchaser from time to time and all other subsidiaries of any such holding company from time to time (including, for the avoidance of doubt, each member of the Group following

	Completion);
“Purchaser’s Solicitors”	means Eversheds LLP of One Wood Street, London EC2V 7SW and/or Desai & Diwanjii of Lentin Chambers, Dalal Street, Fort Mumbai 400001, as applicable;
“Relevant Property”	means the Property or Properties referred to in Attachment 2 (Relevant Properties);
“Request for Proposal”	means the documents of that name dated 3 November 2007 and 31 March 2008 and the letter amending the 31 March 2008 Request for Proposal sent by Deutsche Bank to WNS Global Services Private Limited and WNS (Limited) dated 8 May 2008;
“Retained Group”	means the Seller, its subsidiaries and subsidiary undertakings from time to time, any holding company of the Seller from time to time and all other subsidiaries or subsidiary undertakings of any such holding company from time to time (excluding, for the avoidance of doubt, members of the Group following Completion);
“Security Interest”	means any mortgage, charge, lien, pledge, assignment by way of security, encumbrance, hypothecation or other security interest of any kind and any agreement to create any of the foregoing;
“Seller’s Account”	means the account held by the Seller with Citibank, of Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, swift code CITIGB2L, account number 10410195;
“Seller’s Marks”	has the meaning given in sub-clause 11.1 (Retained Group Brands);
“Seller’s Solicitors”	means Slaughter and May of One Bunhill Row, London EC1Y 8YY;
“Senior Employees”	has the meaning given in sub-paragraph 17.1 of Schedule 3 (Warranties);
“Service Document”	means a claim form, application notice, order or judgement or other document relating to any Proceedings;
“Shares”	means all the issued shares in the capital of the Company;
“Share Purchase Price”	means the amount set out in the line entitled “Share Purchase Price” in Attachment 4 (Purchase Price Adjustments);

“Share Purchase Documents”	means this Agreement, the Disclosure Letter, the Tax Covenant, and any other agreements entered into pursuant to this Agreement other than the Master Services Agreement;
“Software”	means any form of computer program, including applications software and operating systems;
“Sri Lankan Subsidiary”	means Aviva Global Services Lanka (Private) Limited basic information concerning which is set out in <u>Part B of Attachment 1</u> (Basic information about the Existing Subsidiaries);
“Sri Lankan Subsidiary Accounts”	means the audited financial statements of the Sri Lankan Subsidiary prepared in accordance with the International Financial Reporting Standards generally accepted in Sri Lanka for the accounting reference period ended on the Accounts Date comprising the balance sheet, the profit and loss account and the notes to the accounts, a copy of which is included in the Disclosure Documents;
“Subsidiaries”	means the Existing Subsidiaries;
“Supplementary List”	has the meaning given in the Disclosure Letter;
“Tax”	has the meaning given in the Tax Covenant;
“Tax Authority”	has the meaning given in the Tax Covenant;
“Tax Covenant”	means the tax covenant in the agreed form;
“Tax Warranties”	means the warranties set out in <u>paragraph 18</u> (Tax) of <u>Schedule 3</u> (Warranties) and Tax Warranty shall be construed accordingly;
“Warranties”	means the warranties set out in <u>Schedule 3</u> (Warranties) given by the Seller and “Warranty” shall be construed accordingly; and
“Working Hours”	means 9.30 a.m. to 5.30 p.m. on a Business Day.

1.2 In this Agreement, unless otherwise specified:

- (A) references to clauses, sub-clauses, paragraphs, sub-paragraphs, sub-sub-paragraphs, Schedules and Attachments are to clauses, sub-clauses, paragraphs, sub-paragraphs, sub-sub-paragraphs of, and Schedules and Attachments to, this Agreement;
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- (B) a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted except to the extent that any amendment or modification made or coming into effect of any statute or statutory provision after the date of this Agreement would increase or alter the liability of the Seller under this Agreement;
 - (C) references to a **“company”** shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established;
 - (D) references to a **“person”** shall be construed so as to include any individual, firm, company, government, state or agency of a state, local or municipal authority or government body or any joint venture, association or partnership (whether or not having separate legal personality);
 - (E) use of any genders includes the other genders;
 - (F) the expressions **“accounting reference date”**, **“accounting reference period”**, **“allotment”**, **“current assets”**, **“debentures”**, **“holding company”**, **“paid up”**, **“profit and loss account”**, **“subsidiary”** and **“subsidiary undertaking”** shall have the meaning given in the Companies Acts and the definition of **“body corporate”** shall have the meaning given in section 1173 of the Companies Act 2006;
 - (G) a person shall be deemed to be connected with another if that person is connected with another within the meaning of section 839 of the Income and Corporation Taxes Act, 1988;
 - (H) references to writing shall include any modes of reproducing words in a legible and non-transitory form;
 - (I) references to times of the day are to London time;
 - (J) headings to clauses, Schedules and Attachments are for convenience only and do not affect the interpretation of this Agreement;
 - (K) the Schedules and Attachments form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement, and any reference to this Agreement shall include the Schedules;
 - (L) references to the knowledge, information, belief or awareness of the Seller (or similar phrases) shall be limited to the actual knowledge of Teresa Copping (in her capacity as Chief Executive Officer of the Company) and Steven Turpie (in his capacity as Financial Director of the Company) each having also made Enquiries of Roger Adams as to Tax, Rajiv Trehan as to Property and Papiya Banerjee as to pensions and employment matters;
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- (M) references to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official, or any legal concept or thing shall in respect of any jurisdiction other than England be deemed to include what most nearly approximates in that jurisdiction to the English legal term;
- (N) any indemnity or covenant to pay (a **"Payment Obligation"**) being given on an **"after-Tax basis"** or expressed to be **"calculated on an after-Tax basis"** means that to the extent that the amount payable pursuant to such Payment Obligation (the **"Payment"**) is subject to a deduction or withholding required by law in respect of Tax or is chargeable to any Tax in the hands of the recipient it shall be adjusted as necessary so as to ensure that, after taking into account:
- (i) the amount of Tax required to be deducted or withheld from, and the Tax chargeable on such amount (including on the increased amount); and
 - (ii) any Tax credit, repayment or other Tax benefit which is available to the indemnified party or the recipient of the Payment solely as a result of the matter giving rise to the Payment Obligation or as a result of receiving the Payment (which amount of Tax and Tax credit, repayment or other Tax benefit is to be determined by the auditors of the recipient at the shared expense of both parties and is to be certified as such to the party making the Payment),
- the recipient of the Payment is in the same position as it would have been in if there had been no such Tax or Tax credit, repayment or other Tax benefit; and
- (O) references to any document in the **"agreed form"** means the document in a form agreed by the parties to this Agreement and initialled for the purposes of identification by the Purchaser's Solicitors on behalf of the Purchaser and the Seller's Solicitors on behalf of the Seller.

2. Sale and purchase

- 2.1 The Seller shall sell with full title guarantee and the Purchaser shall purchase the Shares free from any Security Interest and from all other rights exercisable by third parties, together with all rights attached or accruing to them at Completion including, without limitation, the right to receive all dividends, distributions or any return of capital declared, paid or made by any member of the Group on or at any time after Completion.
- 2.2 The Seller waives all rights of pre-emption over any of the Shares conferred upon it by the articles of association of the Company or in any other way and undertakes to take all reasonable steps necessary to ensure that any rights of pre-emption over any of the Shares are waived at the cost and expense of the Purchaser.
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3. Consideration

The consideration for the sale of the Shares by the Seller shall be the payment by the Purchaser to the Seller of the Share Purchase Price payable in accordance with clause 4 (Completion) and determined with reference to Attachment 4 (Purchase Price Adjustments).

4. Completion

4.1 Completion shall take place immediately after signature of this Agreement at the offices of the Seller at 6 Temasek Boulevard, #22-01 Suntec Tower 4, Singapore.

4.2 At Completion the Seller shall do those things listed in Part A (Seller's obligations) of Schedule 2 (Completion arrangements) and the Purchaser shall do those things listed in Part B (Purchaser's obligations) of Schedule 2 (Completion arrangements).

4.3 Neither the Purchaser nor the Seller shall be obliged to complete the sale and purchase of any of the Shares unless the sale and purchase of all of the Shares is completed simultaneously.

4.4 If the respective obligations of the Seller and/or the Purchaser under sub-clause 4.2 and Schedule 2 (Completion arrangements) are not complied with on the Completion Date the Purchaser or, as the case may be, the Seller may:

(A) defer Completion (so that the provisions of this clause 4 shall apply to Completion as so deferred); or

(B) proceed to Completion as far as practicable (without limiting its rights under this Agreement); or

(C) terminate this Agreement by notice in writing to the other party.

4.5 If this Agreement is terminated in accordance with sub-clause 4.4 (and without limiting any party's right to claim damages), all obligations of the Seller and the Purchaser under this Agreement shall end (except for the provisions of clauses 21 (Announcements), 22 (Confidentiality) and clause 23 (Costs and Expenses)) but (for the avoidance of doubt) all rights and liabilities of the parties which have accrued before termination shall continue to exist.

4.6 Payment by or on behalf of the Purchaser for the amount stated in clause 3 (Consideration) in accordance with paragraph 1 of Part B (Purchaser's obligations) of Schedule 2 (Completion arrangements) shall constitute payment of the consideration for the Shares and shall discharge the obligation of the Purchaser under clause 2 (Sale and purchase).

5. Seller's Warranties

5.1 Subject to sub-clauses 10.1 and 10.2 (Purchaser's remedies and Seller's limitations on liability), the Seller warrants to the Purchaser that each of the Warranties is accurate in all material respects at the date of this Agreement.

- 5.2 The Purchaser acknowledges that it does not rely on and has not been induced to enter into this Agreement on the basis of any warranties, representations, covenants, undertakings, indemnities or other statements whatsoever, other than the Warranties, and acknowledges that neither the Seller nor any members of the Retained Group (including, for this purpose, any member of the Group), or any of its or their respective agents, officers or employees have given any such warranties, representations, covenants, undertakings, indemnities or other statements.
- 5.3 Each of the Warranties shall be construed as a separate and independent warranty and (except where expressly provided to the contrary) shall not be limited or restricted by reference to or inference from the terms of any other Warranty.
- 5.4 Any payment made by the Seller pursuant to this clause 5 shall (so far as possible) be treated as an adjustment to the consideration for the Shares to the extent of the payment.

6. Locked Box

- 6.1 The Seller covenants that during the period from the Accounts Date and to the date of this Agreement, and save as permitted by Schedule 4 (Permitted Leakage):
- (A) no member of the Group has declared, authorised, made or paid any dividend or distribution to any member of the Retained Group;
 - (B) no member of the Group has transferred any asset to, or assumed, indemnified or incurred any liability for the benefit of any member of the Retained Group;
 - (C) no member of the Group has waived or released in favour of any member of the Retained Group any liability to pay, nor has any member of the Retained Group failed to pay when due and payable, any sum or obligation due by any such member of the Retained Group to any member of the Group;
 - (D) no payment, management charge or fee has been or will be levied by any member of the Retained Group against any member of the Group, and there has been no payment by any member of the Group to any member of the Retained Group, other than any payment made pursuant to a trading contract entered into in the ordinary course and on arm's length terms (including, for this purpose, payment of any Ordinary Trading Items);
 - (E) no Group recharges by and between members of the Retained Group and members of the Group have been made other than any payment made pursuant to a trading contract entered into in the ordinary course and on arm's length terms (including, for this purpose, payment of any Ordinary Trading Items); and
 - (F) no member of the Group has made or entered into any agreement or arrangement to give effect to any of the matters referred to in sub-clauses 6.1(A) to (E) above.
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- 6.2 To the extent that any of the events set out in sub-clause 6.1 have occurred, the Seller covenants to pay the Purchaser on an after-Tax basis an amount equal to such payments, dividends, distributions, other returns of capital, the value of any asset transferred, liability assumed or incurred (or in respect of which an indemnity has been given) or loss or liability incurred or sum or obligation waived, or which will be paid, returned, transferred, assumed, waived or incurred pursuant to an agreement or arrangement to do any of the foregoing.
- 6.3 In this clause 6, references to the "Group" are to be interpreted as references to the Company, to each Existing Subsidiary and not (for the avoidance of doubt) to the EXL Pune SPV, the Chennai SPV or NTrance Customer Services Private Limited.
- 6.4 Any payment made by the Seller pursuant to this clause 6 shall (so far as possible) be treated as an adjustment to the consideration for the Shares to the extent of the payment.

7. EXL Pune SPV Transfer

- 7.1 As soon as practicable after completion of the EXL Pune SSPA and, in any event within 20 Business Days of completion of the EXL Pune SSPA, the Purchaser shall procure that the Company, in accordance with the requirements of clause 4 (Consideration) of the EXL Pune SSPA, shall prepare (or cause the preparation of) and deliver to the Seller a draft statement of the EXL Pune NAV drawn up in accordance with the requirements of clause 4 (Consideration) of the EXL Pune SSPA (such draft statement to include an amount for the EXL Pune NAV and an amount for the EXL Pune Final Cash).
 - 7.2 Following receipt of the statement delivered to it under sub-clause 7.1, the Seller shall be entitled (but not obliged) to undertake (or procure its accountants to undertake) a review of the draft statement of the EXL Pune NAV and the Purchaser shall procure that the Company shall provide to the Seller and its accountants all assistance and information reasonably required by the Seller and/or (as the case may be) its accountants in order to enable the Seller to undertake this review. The Seller shall be entitled to notify the Company that it disagrees with the draft statement of the EXL Pune NAV, any such notification to give reasons in detail for such disagreement, at any time up to and including the date that is five Business Days after delivery to it of the draft statement. In the absence of notification on or before that date, the Seller shall be deemed to have agreed to such draft statement in the form delivered to it and the Purchaser shall procure that the Company shall deliver to ExlService Holdings, Inc. a copy of the draft statement of the EXL Pune NAV in such form, in accordance with the requirements of clause 4 (Consideration) of the EXL Pune SSPA.
 - 7.3 In the event that a notification of disagreement is given to the Company in accordance with sub-clause 7.2, the Seller and the Company shall (in conjunction with the Company's auditors and the Seller's accountants (if relevant)) meet and discuss the Seller's objections to the draft statement referred to in sub-clause 7.1 (and any other matters relating to the draft statement which are raised by the Seller) in order to seek to reach agreement upon such adjustments (if any) to the draft statement as are acceptable to the Seller and the Company. If no agreement has been reached upon such adjustments on the date 28 Business Days after delivery to the Company of the draft statement of the EXL Pune NAV, then the Purchaser shall procure that
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the Company shall deliver to ExIService Holdings, Inc. a draft statement of the EXL Pune NAV in such form as the Seller shall, in its discretion (but acting reasonably), specify.

- 7.4 Following the delivery of the draft statement of the EXL Pune NAV to ExIService Holdings, Inc., the Purchaser shall procure that the Company shall:
- (A) promptly take such action and give such information and access to personnel, premises, chattels, documents and records (which the Purchaser shall procure are preserved) to the Seller and its professional advisers as the Seller may reasonably request;
 - (B) co-operate with the Independent Accountant and comply with any reasonable requests made by that Independent Accountant in connection with it carrying out its duties as provided for under the EXL Pune SSPA; and
 - (C) allow the Seller to take sole conduct of further negotiations with ExIService Holdings Inc. and the Independent Accountant in connection with the determination of the EXL Pune NAV, including, but not limited to:
 - (i) meeting with ExIService Holdings, Inc. and discussing with ExIService Holdings, Inc. its objections to the draft statement of the EXL Pune NAV and, where applicable, agreeing adjustments to the draft statement of the EXL Pune NAV;
 - (ii) appointment of the Independent Accountant;
 - (iii) providing notification of outstanding matters in dispute to the Independent Accountant;
 - (iv) preparation of Company's Opening Submissions; and
 - (v) preparation of Company's Submissions in Reply,

provided that the Seller agrees to pay to the Company that proportion of the fees of the Independent Accountant incurred in relation to the final determination of the statement of the EXL Pune NAV as the Independent Accountant determines should be paid by the Company.

- 7.5 Upon the final determination of the statement of the EXL Pune NAV in accordance with the terms of either sub-clause 4.5 or 4.7 of the EXL Pune SSPA (as applicable), the amounts representing the EXL Pune NAV and the EXL Pune Cash stated in Indian Rupees shall be converted to pounds sterling in order to determine the EXL Pune NAV and the EXL Pune Cash for the purposes of this Agreement. Such conversion is to be made at the Exchange Rate prevailing on the date of the final determination of the statement of the EXL Pune NAV. The Seller shall pay to the Purchaser by telegraphic transfer within seven Business Days of such determination an amount equal to:
- (A) EXL Pune NAV less EXL Pune Provisional Consideration; less
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(B) EXL Pune Cash less EXL Pune Provisional Cash,

unless such amount is negative. If the amount is negative no amount shall be payable by the Seller to the Company pursuant to this sub-clause 7.5 and, subject to sub-clause 7.6 below, the Purchaser shall pay to the Seller an amount equal to the absolute value of such negative amount by telegraphic transfer within seven Business Days of determination of such amount.

7.6 Notwithstanding sub-clause 7.5 above, if ExlService Holdings Inc. fails to pay to the Company an amount owed to the Company pursuant to sub-clause 4.12.2 of the EXL Pune SSPA, then the Purchaser shall be entitled to withhold payment to the Seller of that part of the amount that would otherwise be payable by the Purchaser to the Seller pursuant to sub-clause 7.5 above that is equal to the amount the amount that ExlService Holdings Inc. has failed to pay, provided that if such payment is not received by the Company in accordance with sub-clause 4.12.2 of the EXL Pune SSPA, the Purchaser shall procure that the Company shall:

(A) forthwith notify the Seller by written notice;

(B) promptly take such action and give such information and access to personnel, premises, chattels, documents and records (which the Purchaser shall procure are preserved) to the Seller and its professional advisers as the Seller may reasonably request and the Seller shall be entitled to require the Company to take such action and give such information and assistance in order to avoid, bring, dispute, resist, mitigate, settle, compromise, defend or appeal (as appropriate) any claim or counter-claim in respect thereof or adjudication with respect thereto;

(C) at the request of the Seller, without limitation of sub-clause 7.6(B), allow the Seller to take the sole conduct of an action against ExlService Holdings, Inc. (or a subsidiary of ExlService Holdings, Inc.) as the Seller may deem appropriate in connection with the failure by ExlService Holdings, Inc. (or a subsidiary of ExlService Holdings, Inc.) to make such payment in the name of the Company and in that connection the Purchaser shall give or cause to be given to the Seller all such assistance as it may require in avoiding, bringing, disputing, resisting, settling, compromising, defending or appealing (as appropriate) any such claim or counter-claim or adjudication in respect thereof and shall instruct such solicitors or other professional advisers as the Seller may nominate to act on behalf of the Company, as appropriate, but to act solely in accordance with the Seller's instructions; and

(D) make no agreement, settlement, compromise or admission of liability, with ExlService Holdings, Inc. (or a subsidiary of ExlService Holdings, Inc.) in relation to any such claim, or counter-claim, or adjudication without the prior written consent of the Seller.

7.7 Any payment made pursuant to this clause 7 shall (so far as possible) be treated as an adjustment to the consideration for the Shares to the extent of the payment.

7.8 In this clause 7, the terms "Business Day", "Independent Accountant", "Opening Submissions" and "Submissions in Reply" shall have the respective meanings given to them in the EXL Pune SSPA.

8. Chennai SPV Transfer

- 8.1 As soon as practicable after completion of the Chennai SSPA and, in any event within 20 Business Days of completion of the Chennai SSPA, the Purchaser shall procure that the Company, in accordance with the requirements of clause 4 (Consideration) of the Chennai SSPA, shall prepare (or cause the preparation of) and deliver to the Seller a draft statement of the Chennai NAV drawn up in accordance with the requirements of clause 4 (Consideration) of the Chennai SSPA (such draft statement to include an amount for the Chennai NAV, Chennai Cash and Chennai Inter-company Payable).
- 8.2 Following receipt of the statement delivered to it under sub-clause 8.1, the Seller shall be entitled (but not obliged) to undertake (or procure its accountants to undertake) a review of the draft statement of the Chennai NAV and the Purchaser shall procure that the Company shall provide to the Seller and its accountants all assistance and information reasonably required by the Seller and/or (as the case may be) its accountants in order to enable the Seller to undertake this review. The Seller shall be entitled to notify the Company that it disagrees with the draft statement of the Chennai NAV, any such notification to give reasons in detail for such disagreement, at any time up to and including the date that is five Business Days after delivery to it of the draft statement. In the absence of notification on or before that date the Seller shall be deemed to have agreed to such draft statement in the form delivered to it and the Purchaser shall procure that the Company shall deliver to 24/7 Customer.com Inc. a copy of the draft statement of the Chennai NAV in such form, in accordance with the requirements of clause 4 (Consideration) of the Chennai SSPA.
- 8.3 In the event that a notification of disagreement is given to the Company in accordance with sub-clause 8.2, the Seller and the Company shall (in conjunction with the Company's auditors and the Seller's accountants (if relevant)) meet and discuss the Seller's objections to the draft statement referred to in sub-clause 8.1 (and any other matters relating to the draft statement which are raised by the Seller) in order to seek to reach agreement upon such adjustments (if any) to the draft statement as are acceptable to the Seller and the Company. If no agreement has been reached upon such adjustments on the date 28 Business Days after delivery to the Company of the draft statement of the Chennai NAV, then the Purchaser shall procure that the Company shall deliver to 24/7 Customer.com Inc. a draft statement of the Chennai NAV in such form as the Seller shall, in its discretion (but acting reasonably), specify.
- 8.4 Following the delivery of the draft statement of the Chennai NAV to 24/7 Customer.com Inc., the Purchaser shall procure that the Company shall:
- (A) promptly take such action and give such information and access to personnel, premises, chattels, documents and records (which the Purchaser shall procure are preserved) to the Seller and its professional advisers as the Seller may reasonably request;
 - (B) co-operate with the Independent Accountant and comply with any reasonable requests made by that Independent Accountant in connection with it carrying out of the its duties as provided for under the Chennai SSPA; and
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- (C) allow the Seller to take sole conduct of further negotiations with 24/7 Customer.com Inc. and the Independent Accountant in connection with the determination of the Chennai NAV, including, but not limited to:
 - (i) meeting with 24/7 Customer.com Inc. and discussing with 24/7 Customer.com Inc. its objections to the draft statement of the Chennai NAV and, where applicable, agreeing adjustments to the draft statement of the Chennai NAV;
 - (ii) appointment of the Independent Accountant;
 - (iii) providing notification of outstanding matters in dispute to the Independent Accountant;
 - (iv) preparation of the Company's Opening Submissions; and
 - (v) preparation of the Company's Submissions in Reply,

provided that the Seller agrees to pay to the Company that proportion of the fees of the Independent Accountant incurred in relation to the final determination of the statement of the Chennai NAV as the Independent Accountant determines should be paid by the Company.

8.5 Upon the final determination of the statement of the Chennai NAV in accordance with the terms of either sub-clause 4.6 or 4.8 of the Chennai SSPA (as applicable) and the final determination of the Chennai Inter-company Payable in accordance with the terms of sub-clause 4.14 of the Chennai SSPA, the amounts representing the Chennai NAV, Chennai Cash and the Chennai Inter-company Payable stated in Indian Rupees shall be converted to pounds sterling in order to determine the Chennai NAV, Chennai Cash and Chennai Inter-company Payable for the purposes of this Agreement. Such conversion is to be made at the Exchange Rate prevailing on the date of the final determination of the statement of the Chennai NAV. The Seller shall pay to the Purchaser by telegraphic transfer within seven Business Days of such determination an amount equal to:

- (A) Chennai NAV less Chennai Provisional Consideration; less
- (B) Chennai Cash less Chennai Provisional Cash, plus
- (C) Chennai Inter-company Payable less Chennai Provisional Inter-company Payable,

unless such amount is negative. If the amount is negative no amount shall be payable by the Seller to the Company pursuant to this sub-clause 8.5 and, subject to sub-clause 8.6 below, the Purchaser shall pay to the Seller an amount equal to the absolute value of such negative amount by telegraphic transfer within seven Business Days of determination of such amount.

8.6 Notwithstanding sub-clause 8.5 above, if:

- (A) as a result of sub-clause 4.15 of the Chennai SSPA the amount payable by 24/7 Customer.com Inc. to the Company pursuant to the Chennai SSPA is less than the
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amount that the Company would, but for this sub-clause 8.6(A), be liable to pay to the Seller, then the liability of the Company to the Seller pursuant to clause 8.5 shall be limited to the amount payable by 24/7 Customer.com Inc. to the Company, taking account of sub-clause 4.15 of the Chennai SSPA; and

- (B) 24/7 Customer.com Inc. fails to pay to the Company an amount payable to Company pursuant to sub-clause 4.13.2 of the Chennai SSPA, then the Purchaser shall be entitled to withhold payment to the Seller of that part of the amount that would otherwise be payable by the Purchaser to the Seller pursuant to clause 8.5 above that is equal to the amount that 24/7 Customer.com Inc. has failed to pay, provided that if such payment is not received by the Company in accordance with sub-clause 4.13.2 of the Chennai SSPA, the Purchaser shall procure that the Company shall:
- (i) forthwith notify the Seller by written notice;
 - (ii) promptly take such action and give such information and access to personnel, premises, chattels, documents and records (which the Purchaser shall procure are preserved) to the Seller and its professional advisers as the Seller may reasonably request and the Seller shall be entitled to require the Company to take such action and give such information and assistance in order to avoid, bring, dispute, resist, mitigate, settle, compromise, defend or appeal (as appropriate) any claim or counter-claim in respect thereof or adjudication with respect thereto;
 - (iii) at the request of the Seller, without limitation of sub-clause 8.6(B), allow the Seller to take the sole conduct of such action against 24/7 Customer.com Inc. (or a subsidiary of 24/7 Customer.com Inc.) as the Seller may deem appropriate in connection with the failure by 24/7 Customer.com Inc. (or a subsidiary of 24/7 Customer.com Inc.) to make such payment in the name of the Company and in that connection the Purchaser shall give or cause to be given to the Seller all such assistance as it may require in avoiding, bringing, disputing, resisting, settling, compromising, defending or appealing (as appropriate) any such claim or counter-claim or adjudication in respect thereof and shall instruct such solicitors or other professional advisers as the Seller may nominate to act on behalf of the Company, as appropriate, but to act solely in accordance with the Seller's instructions; and
 - (iv) make no agreement, settlement, compromise or admission of liability, with 24/7 Customer.com Inc. (or a subsidiary of 24/7 Customer.com Inc.) in relation to any such claim, or counter-claim, or adjudication without the prior written consent of the Seller.
- 8.7 Any payment made pursuant to this clause 8 shall (so far as possible) be treated as an adjustment to the consideration for the Shares to the extent of the payment.
- 8.8 In this clause 8, the terms "Business Day", "Independent Accountant", "Opening Submissions" and "Submissions in Reply" shall have the respective meanings given to them in the Chennai SSPA.
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9. Purchaser's warranties and undertakings

9.1 The Purchaser warrants that:

- (A) the Purchaser has full capacity and authority and has obtained all necessary licences, permits and consents to enter into and perform its obligations under this Agreement and the other Share Purchase Documents to which it is a party;
- (B) this Agreement and the other Share Purchase Documents have been duly authorised by it and is executed by its duly authorised representatives;
- (C) the obligations of the Purchaser under this Agreement constitute, and the obligations of the Purchaser under the other Share Purchase Documents will, when delivered, constitute binding obligations of the Purchaser in accordance with their respective terms;
- (D) the execution and delivery of, and the performance by the Purchaser of its obligations under, this Agreement and the other Share Purchase Documents will not:
 - (i) result in a material breach of any provision of the constitutional documents of the Purchaser;
 - (ii) result in a material breach of, or constitute a default under, any instrument to which the Purchaser is a party or by which the Purchaser is bound;
 - (iii) result in a breach of any order, judgment or decree of any court or governmental agency to which the Purchaser is a party or by which the Purchaser is bound; or
 - (iv) require the consent of its shareholders or of any other person (including any statutory or non-statutory regulator or ombudsman to whose regulatory regime any member of the Group or of the Purchaser's Group is subject);
- (E) the Purchaser is not insolvent or unable to pay its debts and no order has been made or resolution passed for its winding up or for an administration order and no receiver, administrative receiver or manager has been appointed by any person of its business or all or a substantial part of its assets or any material part thereof nor has any equivalent event taken place in any jurisdiction other than England or Wales; and
- (F) as at the date of this Agreement, the Purchaser is not aware of anything likely to lead to any of the events referred to in sub-clauses 9.1(A) to (E), above.

- 9.2 Following Completion, the Purchaser undertakes to use all reasonable endeavours to procure as soon as possible and in any event within three months of Completion the release (by providing to the beneficiary of each such guarantee, indemnity or contingent obligation a bank guarantee or other security arrangement reasonably acceptable to the beneficiary, if and to the extent required) of the Seller or any member of the Retained Group from any guarantee,
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indemnity or other contingent obligation given by or binding upon the Seller or any other member of the Retained Group in relation to or arising out of any obligations or liabilities of any member of the Group. For the avoidance of doubt and in respect of any guarantee, indemnity or other contingent obligation given by or binding upon the Seller or any other member of the Retained Group, this sub-clause 9.2 will not operate so as to require the Purchaser to incur or assume any liability or obligation beyond the liability or obligation given by or binding upon the Seller or any other member of the Retained Group in respect of that guarantee, indemnity or other contingent obligation.

- 9.3 Pending release of the Seller or any member of the Retained Group from any guarantee, indemnity or other contingent obligation referred to in sub-clause 9.2 above, the Purchaser undertakes to hold and keep the Seller, for itself and as trustee for the other members of the Retained Group, indemnified on an after-Tax basis from and against all actions, claims, proceedings, loss, damage, all payments, costs or expenses incurred by the Seller or any other member of the Retained Group in relation to or arising out of any guarantee, indemnity or other contingent obligation given or undertaken by the Seller or any other member of the Retained Group in relation to or arising out of any obligations or liabilities of any member of the Group arising after Completion.
- 9.4 The Purchaser undertakes to procure that the Company shall transfer all of its rights, obligations and liabilities under the Noida ISFA and the Ancillary Noida Documents (as both those terms are defined in the EXL Noida Settlement Deed) to Aviva Global Services (Management Services) Private Limited by procuring that the Company shall execute and deliver one or more counterparts or engrossments of a novation agreement in the form attached to the EXL Noida Settlement Deed at Annex III (as modified to reflect the Seller's choice of Aviva Global Services (Management Services) Private Limited as transferee) as soon as reasonably practicable after a request from the Seller and do all such acts and things as may reasonably be required for the purpose of giving effect to that transfer.
- 9.5 The Purchaser undertakes to procure that the Company shall not terminate, revoke, amend, waive, novate, assign or otherwise modify in any way, whether in whole or in part, either the EXL Noida Settlement Deed or the EXL Noida Escrow Deed.
- 9.6 The Purchaser undertakes to procure that the Company pay to Norwich Union Insurance Limited £796,911 or such other amount as is paid to the Company by ExlService Holdings, Inc. (or a subsidiary of ExlService Holdings, Inc.) pursuant to the EXL Noida Settlement Deed by way of a refund of the capital investment made by Norwich Union Insurance Limited in a subsidiary of ExlService Holdings, Inc. Upon receipt of such amount by the Company from ExlService Holdings, Inc., the Purchaser shall procure that the Company shall (i) immediately give notice of such receipt to the Seller; and (ii) within seven Business Days of such receipt pay such amount to Norwich Union Insurance Limited by telegraphic transfer. If payment is not received by the Company in accordance with the EXL Noida Settlement Deed, the Purchaser shall procure that the Company shall:
- (A) forthwith notify the Seller by written notice;
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- (B) subject to the Seller indemnifying the Company in a form reasonably satisfactory to the Purchaser against any liability, cost, damage or expense which may be properly incurred thereby, promptly take such action and give such information and access to personnel, premises, chattels, documents and records (which the Purchaser shall procure are preserved) to the Seller and its professional advisers as the Seller may reasonably request and the Seller shall be entitled to require the Company to take such action and give such information and assistance in order to avoid, bring, dispute, resist, mitigate, settle, compromise, defend or appeal (as appropriate) any claim or counter-claim in respect thereof or adjudication with respect thereto;
 - (C) at the request of the Seller, without limitation of sub-clause 9.6(B), allow the Seller to take the sole conduct of such action against ExlService Holdings, Inc. (or a subsidiary of ExlService Holdings, Inc.) as the Seller may deem appropriate in connection with the failure by ExlService Holdings, Inc. (or a subsidiary of ExlService Holdings, Inc.) to make such payment in the name of the Company and in that connection the Purchaser shall give or cause to be given to the Seller all such assistance as it may require in avoiding, bringing, disputing, resisting, settling, compromising, defending or appealing (as appropriate) any such claim or counter-claim or adjudication in respect thereof and shall instruct such solicitors or other professional advisers as the Seller may nominate to act on behalf of the Company, as appropriate, but to act solely in accordance with the Seller's instructions; and
 - (D) make no agreement, settlement, compromise or admission of liability, with ExlService Holdings, Inc. (or a subsidiary of ExlService Holdings, Inc.) in relation to any such claim, or counter-claim, or adjudication without the prior written consent of the Seller.
- 9.7 (A) The Purchaser undertakes to procure that the Company shall do all such acts and things as may be required on its part to complete:
- (i) the EXL Pune SSPA within 30 days of the issue of the EXL Pune Completion Notice or (failing that) as soon as reasonably practicable thereafter; and
 - (ii) the Chennai SSPA on or before 1 August 2008.
- (B) Without limitation, the Purchaser shall procure that (unless the Seller otherwise agrees in writing) the Company shall:
- (i) not terminate, revoke, amend, waive, novate, assign or otherwise modify in any way, whether in whole or in part, any of the EXL Pune Completion Notice, the EXL Pune Escrow Deed, the EXL Pune SSPA, or the Chennai SSPA;
 - (ii) waive the conditions referred to in sub-clause 3.1(B) of the EXL Pune Escrow Deed if such conditions have not been fulfilled within 30 days of the issue of the EXL Pune Completion Notice;
 - (iii) pay the EXL Pune Provisional Consideration in Indian Rupees and into such bank account(s) of EXL Service.com (India) Private Limited and Rajiv Kishan
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Luthra as ExlService Holdings, Inc. shall nominate in accordance with sub-clause 6.2.3 of the EXL Pune SSPA; and

(iv) pay the Chennai Initial Payment in US Dollars to 24/7 Customer.com Inc. in accordance with sub-clause 4.1 of the Chennai SSPA.

(C) The Seller agrees to provide all such assistance and cooperation to the Purchaser in complying with its obligations under sub-clause 9.7(A) as the Purchaser may reasonably require. Without limitation, the Seller:

(i) shall promptly give such information and access to personnel, documents and records within the power and control of a member of the Retained Group as the Purchaser may reasonably require for that purpose; and

(ii) the Seller shall give due consideration to any reasonable request for the Purchaser to refer to the Seller in any announcement proposed to be made by the Purchaser or the Company in connection with either or both bringing, disputing, resisting, settling, compromising, defending or appealing any such claim or counter-claim required for this purpose or any adjudication in respect thereof.

(D) Without limitation of sub-clause 9.7(A)(i) the Seller shall use reasonable endeavours (without being obliged to incur any expenditure) to assist EXL Pune SPV to obtain the approvals or written clarifications referred to in sub-clause 3.1(B) of the EXL Pune Escrow Deed as soon as reasonably practicable after the service of the EXL Pune Completion Notice with such reasonable endeavours to include the Seller encouraging EXL Pune SPV to write (in or substantially in the form of the letter provided to EXL Service Holdings, Inc. and/or EXL Pune SPV on behalf of the Seller before the date of this Agreement) as soon as reasonably practicable after the date of service of the EXL Pune Completion Notice to each of the Department of Telecommunications and the Indian Customs authorities for the respective approval or written clarification referred to in such sub-clause.

(E) Without limitation of sub-clause 9.7(A)(ii) the Seller shall use reasonable endeavours (without being obliged to incur any expenditure) to assist Chennai SPV to obtain the consents referred to in sub-clause 5 of the Chennai SSPA (if such consents are required) as soon as reasonably practicable after Completion with such reasonable endeavours to include the Seller encouraging Chennai SPV to write as soon as reasonably practicable after Completion to each of the Indian Department of Telecommunications and the Indian Customs authorities for their respective consents.

9.8 In the event that ExlService Holdings, Inc. fails to comply with any of its obligations under sub-clause 6.2 of the EXL Pune SSPA or, the Purchaser undertakes to procure that the Company shall:

(A) forthwith notify the Seller by written notice;

- (B) promptly take such action and give such information and access to personnel, premises, chattels, documents and records (which the Purchaser shall procure are preserved) to the Seller and its professional advisers as the Seller may reasonably request and the Seller shall be entitled to require the Company to take such action and give such information and assistance in order to compel (in the case of a failure to comply with the EXL Pune SSPA) ExlService Holdings, Inc. to comply with its obligations under clause 6.2 of the EXL Pune SSPA as soon as reasonably practicable after Completion (as that term is defined in the EXL Pune SSPA);
 - (C) at the request of the Seller, without limitation of sub-clause 9.8(B), allow the Seller to take the sole conduct of such action against ExlService Holdings, Inc. as the Seller may deem appropriate in connection with the failure by ExlService Holdings, Inc. to comply with any of its obligations under clause 6.2 of the EXL Pune SSPA and in that connection the Purchaser shall give or cause to be given to the Seller all such assistance as it may require in avoiding, bringing, disputing, resisting, settling, compromising, defending or appealing any such claim or any counter-claim or any adjudication in respect thereof and shall instruct such solicitors or other professional advisers as the Seller may nominate to act on behalf of the Company, as appropriate, but to act solely in accordance with the Seller's instructions; and
 - (D) in the case of a failure of EXL Pune SPV to comply with the EXL Pune SSPA, make no agreement, settlement, compromise or admission of liability, with ExlService Holdings, Inc. (or a subsidiary of ExlService Holdings, Inc.) in relation to any such claim, counterclaim, or adjudication without the prior written consent of the Seller.
- 9.9 In the event that 24/7 Customer.com Inc fails to comply with any of its obligations under sub-clause 6.2 of the Chennai SSPA, the Purchaser undertakes to procure that the Company shall:
- (A) forthwith notify the Seller by written notice;
 - (B) promptly take such action and give such information and access to personnel, premises, chattels, documents and records (which the Purchaser shall procure are preserved) to the Seller and its professional advisers as the Seller may reasonably request and the Seller shall be entitled to require the Company to take such action and give such information and assistance in order to compel (in the case of a failure to comply with the Chennai SSPA) 24/7 Customer.com Inc to comply with its obligations under clause 6.2 of the Chennai SSPA as soon as reasonably practicable after Completion (as that term is defined in the Chennai SSPA);
 - (C) at the request of the Seller, subject as provided in sub-clause 9.8(B), allow the Seller to take the sole conduct of such action against 24/7 Customer.com Inc as the Seller may deem appropriate in connection with the failure by 24/7 Customer.com Inc to comply with any of its obligations under clause 6.2 of the Chennai SSPA and in that connection the Purchaser shall give or cause to be given to the Seller all such assistance as it may require in avoiding, bringing, disputing, resisting, settling, compromising, defending or appealing any such claim or any counter-claim or any
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adjudication in respect thereof and shall instruct such solicitors or other professional advisers as the Seller may nominate to act on behalf of the Company, as appropriate, but to act solely in accordance with the Seller's instructions; and

(D) in the case of a failure of Chennai SPV to comply with the Chennai SSPA, make no agreement, settlement, compromise or admission of liability, with 24/7 Customer.com Inc (or a subsidiary of 24/7 Customer.com Inc) in relation to any such claim, counterclaim, or adjudication without the prior written consent of the Seller.

9.10 The Purchaser undertakes to procure that each of the Company and EXL Pune SPV shall, following completion of the EXL Pune SSPA, comply in a timely manner with all applicable post-completion obligations of the Company and EXL Pune SPV, under the EXL Pune SSPA. In particular, but without limitation, the Purchaser undertakes to procure that the Company shall pay in Indian Rupees any amount required to be paid by the Company in accordance with sub-clause 4.12.2 of the EXL Pune SSPA into such bank account(s) of EXL Service.com (India) Private Limited and Rajiv Kishan Luthra as ExlService Holdings, Inc. shall nominate.

9.11 The Purchaser undertakes to procure that each of the Company and Chennai SPV shall, following completion of the Chennai SSPA, comply in a timely manner with all applicable post-completion obligations of the Company and Chennai SPV, under the Chennai SSPA. In particular, but without limitation, the Purchaser undertakes to procure that:

(A) Chennai SPV shall pay the Chennai Provisional Inter-company Payable to 24/7 Customer.com, Inc. in accordance with sub-clause 4.3 of the Chennai SSPA;

(B) the Company shall pay in US Dollars any amount required to be paid by the Company in accordance with sub-clause 4.13.1 of the Chennai SSPA into such bank account(s) as is nominated by 24/7 Customer.com Inc.; and

(C) Chennai SPV shall pay any amount required to be paid by Chennai SPV in accordance with sub-clause 4.14 of the Chennai SSPA.

9.12 Any payments made by the Purchaser or the Seller pursuant to this clause 9 or as a result of the breach of warranties or undertakings given by the Purchaser pursuant to this clause 9 shall (so far as possible) be treated as an adjustment to the consideration for the Shares to the extent of the payment.

10. Purchaser's remedies and Seller's limitations on liability

10.1 The Purchaser shall not be entitled to claim that any fact, event, circumstance, matter, act or omission causes any of the Warranties to be breached if fairly disclosed in the Disclosure Letter, or the Disclosure Documents or in any other document referred to in the Disclosure Letter.

10.2 No liability shall attach to the Seller in respect of claims under the Warranties if and to the extent that the limitations set out in Schedule 3 (Limitations on the Seller's liability) apply.

10.3 If, at any time (and whether before, at or following Completion) the Purchaser becomes aware (whether it does so by reason of any disclosure made pursuant to clause 5 (Seller's Warranties) or not) that there has been any breach of the Warranties or any other term of this Agreement, the Purchaser shall not be entitled to terminate or rescind this Agreement. This sub-clause 10.3 shall be without prejudice to the Purchaser's rights under sub-clause 4.4 (Completion).

11. Retained Group Brands

11.1 The Purchaser acknowledges and agrees that nothing in this Agreement shall transfer or licence, or shall operate as an agreement to transfer or licence, any right, title or interest in or to the Names or any associated logo or device which the members of the Retained Group own, or any identical or similar name or mark (the "**Seller's Marks**"). Following Completion, the Purchaser shall not, and shall procure that no member of the Purchaser's Group shall, hold itself out as being part of or in any way connected with the Retained Group.

11.2 Without prejudice to the provisions of sub-clause 11.1, the trade mark rights of the Retained Group, or the provisions of the Master Services Agreement and subject to sub-clause 11.4, the Purchaser shall procure that for:

- (A) a minimum period of five (5) years following Completion; and
- (B) thereafter for so long as any member of the Retained Group continues to retain an interest in the Seller's Marks, no member of the Purchaser's Group shall use the Seller's Marks.

11.3 The Purchaser shall procure that the Company and the Subsidiaries whose corporate names include any Name, as soon as reasonably practicable following Completion and in any event by the date falling ten Business Days after Completion, pass all required resolutions to change their corporate names to a name which does not include any Name or any confusingly similar name and shall procure the prompt registration of the new name with the appropriate court or registry. Upon receipt of confirmation from the appropriate court or registry that such name change has been effected, the Purchaser shall provide the Seller with written proof that such name change has been effected.

11.4 Except to the extent that the same is expressly permitted under the Master Services Agreement, the Purchaser shall procure that the Company and each of the Subsidiaries shall by the last day of the third month following the Completion Date:

- (A) have ceased to use all of the Seller's Marks; and
 - (B) have removed or deleted the Seller's Marks from all existing stocks, sales literature, promotional materials, invoices, business cards, internet websites, stationary, buildings, signage and vehicles.
-

11.5 This [clause 11](#) is given by the Purchaser for the benefit of the Seller and for each member of the Retained Group and each member of the Retained Group shall be entitled to enforce the terms of this [clause 11](#) against the Purchaser in accordance with the terms of [clause 26](#) (Contracts (Rights of Third Parties) Act 1999).

12. Intellectual Property and Business Information

- 12.1 Save to the extent any (i) Intellectual Property, or (ii) rights in Business Information have, in either case, in the previous twelve months been exclusively used by the Group, if a member of the Group owns after Completion any (i) Intellectual Property, or (ii) rights in Business Information which, in either case, in the year prior to Completion related to the business of the Retained Group, the Purchaser shall procure that such Intellectual Property and/or rights in Business Information are transferred to the Seller or a company nominated by the Seller for nominal consideration as soon as practicable after becoming aware of the ownership of such rights.
- 12.2 Except to the extent that the same is expressly provided for in the Master Services Agreement, each of (i) the Purchaser and (ii) the Seller shall procure that all licenses of any Intellectual Property or rights in Business Information owned by any member of respectively (i) the Retained Group (or to be owned by the Seller or its nominee pursuant to [sub-clause 12.1](#)), or (ii) the Group (or to be owned by the Purchaser or its nominee pursuant to this Agreement) granted to any member of the Group or any member of the Retained Group (respectively) terminate at Completion.

13. Gross Payments

- 13.1 All sums payable under this Agreement shall be paid free and clear of all deductions and withholdings whatsoever, save only as may be required by law. If any deductions or withholdings are required by law to be made from any such sums (with the exception of deductions and withholdings that are required by law to be made from the consideration for the sale of the Shares to which [sub-clause 13.2](#) shall instead apply) then to the extent that they are not expressed to be paid on an after-Tax basis, the party liable to make the payment shall pay to the recipient such sums as will, after the deduction or withholding is made, leave the recipient with the same amount as it would have been entitled to receive in the absence of any such requirement to make a deduction or withholding.
- 13.2 If any deductions or withholdings are required by law to be made from the consideration for the sale of the Shares, the Purchaser shall pay to the Seller such sums as will, after the deduction or withholding is made, leave the Seller with the same amount as it would have been entitled to receive in the absence of any such requirement to make a deduction or withholding and for such purpose the amount the Seller would have been so entitled to receive shall be the Share Purchase Price as referred to in [clause 3](#) (Consideration).
- 13.3 The parties agree for the avoidance of doubt that:
- (A) where the Purchaser makes a deduction or withholding from the consideration for the sale of the Shares as paid on Completion, the Purchaser shall not and shall not be
-

entitled to set off or otherwise deduct, or take into account any amount which it is owed or may claim, claims or has claimed by or from the Seller (including any amount which it may claim, claims or has claimed under sub-clause 2.3 of the Tax Covenant) against its liability to pay an increased amount to the Seller as provided for in sub-clause 13.2; and

- (B) where the Purchaser has made no deduction or withholding from the consideration for the sale of the Shares as paid on Completion and subsequently the Seller pays an amount to the Purchaser under sub-clause 2.3 of the Tax Covenant in respect of a liability for an amount which should have been deducted or withheld from such consideration, the Seller shall not be entitled to claim that the making of such payment under sub-clause 2.3 of the Tax Covenant has reduced the amount it has received so as to result in a further payment being due to it under sub-clause 13.2.

14. Access

- 14.1 The Purchaser shall make available to the Seller any Books and Records of any member of the Group (or, if practicable, the relevant parts of those Books and Records) which are required by the Seller for the purpose of dealing with its Tax affairs and, accordingly, the Purchaser shall, upon being given reasonable notice by the Seller and subject to the Seller giving such undertaking as to confidentiality as the Purchaser shall reasonably require, procure that such Books and Records are made available to the Seller for inspection (during Working Hours) and copying (at the Seller's expense) for and only to the extent necessary for such purpose and for a period of six years from Completion.
- 14.2 The Seller shall make available to the Purchaser any Books and Records of the Retained Group (or, if practicable, the relevant parts of those Books and Records) which are required by the Purchaser for the purpose of dealing with its Tax affairs and, accordingly, the Seller shall, upon being given reasonable notice by the Purchaser and subject to the Purchaser giving such undertaking as to confidentiality as the Seller shall reasonably require, procure that such Books and Records are made available to the Purchaser for inspection (during Working Hours) and copying (at the Purchaser's expense) for and only to the extent necessary for such purpose and for a period of six years from Completion.

15. Effect of Completion

Any provision of this Agreement and any other documents referred to in it which is capable of being performed after but which has not been performed at or before Completion and all Warranties and covenants and other undertakings contained in or entered into pursuant to this Agreement shall remain in full force and effect notwithstanding Completion.

16. Remedies and waivers

- 16.1 Except as provided in Schedule 3 (Limitations on the Seller's liability), no delay or omission by any party to this Agreement in exercising any right, power or remedy provided by law or under this Agreement or any other documents referred to in it shall:
-

- (A) affect that right, power or remedy; or
- (B) operate as a waiver thereof.

- 16.2 Except as provided in [Schedule 3](#) (Limitations on the Seller's liability), the single or partial exercise of any right, power or remedy provided by law or under this Agreement shall not preclude any other or further exercise of it or the exercise of any other right, power or remedy.
- 16.3 Except as otherwise expressly provided in this Agreement, the rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by law.

17. Assignment

- 17.1 Subject to [sub-clause 17.2](#), the Purchaser shall not assign, or purport to assign, all or any part of the benefit of, or its rights or benefits under, the Agreement or the other Share Purchase Documents (or any causes of action arising in connection with any of them).
- 17.2 The benefit of this Agreement shall be assignable by the Purchaser to a wholly-owned member of the Purchaser's Group (provided that, if such assignee is to cease to be a wholly-owned member of the Purchaser's Group, then the Purchaser shall procure that such assignee shall re-assign such benefit prior to ceasing to be a wholly owned member of the Purchaser's Group to a company that is a wholly-owned member of the Purchaser's Group).
- 17.3 Subject to [sub-clause 17.1](#), the Purchaser shall not make a declaration of trust in respect of or enter into any arrangement whereby it agrees to hold in trust for any other person all or any part of the benefit of, or its rights or benefits under, this Agreement or the other Share Purchase Documents.
- 17.4 The parties hereby agree that where the Purchaser assigns the benefit of this Agreement in whole or in part to any other person, the rights of the Seller and all members of the Retained Group under this Agreement against the Purchaser's Group shall be no less than such rights would have been had the assignment not occurred and the liabilities of the Seller and all members of the Retained Group under this Agreement shall be no greater than such liabilities would have been had the assignment not occurred.
- 17.5 The Purchaser shall not sub-contract or enter into any arrangement whereby another person is to perform any or all of its obligations under this Agreement or the other Share Purchase Documents.

18. Further assurance

Insofar as it is able to do so after Completion, the Seller shall, on being required to do so by the Purchaser and at the Purchaser's expense, do or procure the doing of all such acts and/or execute or procure the execution of such documents as the Purchaser may reasonably consider necessary for vesting the Shares, the AGSSV Share and the Bangalore Share in the Purchaser or its nominee(s) in accordance with the terms of this Agreement.

19. Entire Agreement

- 19.1 The Share Purchase Documents constitute the whole and only agreement between the parties relating to the sale and purchase of the Shares. In entering into the Share Purchase Documents, each party to this Agreement acknowledges that it is not relying upon any pre-contractual statement which is not expressly set out in them.
- 19.2 Except in the case of fraud, no party shall have any right of action against any other party to this Agreement arising out of or in connection with any pre-contractual statement except to the extent that it is repeated in the Share Purchase Documents.
- 19.3 For the purposes of this clause, "pre-contractual statement" means any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of the Share Purchase Documents made or given by any person at any time prior to the date of this Agreement.
- 19.4 This Agreement may only be varied in writing signed by each of the parties.

20. Notices

- 20.1 A notice under this Agreement shall only be effective if it is in writing. Faxes and e-mail are not permitted.
- 20.2 Notices under this Agreement shall be sent to a party to this Agreement at its address or number and for the attention of the individual (or individuals) set out below:

<u>Party and title of individual</u>	<u>Address</u>
Aviva plc Company Secretary of Aviva plc	Aviva plc St Helen's 1 Undershaft London, EC3P 3DQ
Seller Company Secretary of Aviva plc c/o Company Secretary of Aviva International Holdings Limited	Aviva plc c/o Aviva International Holdings Limited St Helen's 1 Undershaft London, EC3P 3DQ
Purchaser Company Secretary of WNS Capital Investment Limited	Multiconsult, 10 Frere Felix de Valois Street, Port Louis, Mauritius

Party and title of individual	Address
-------------------------------	---------

Copy to:

Vikas Gupta	WNS Global Services Pvt. Ltd., Gate 4, Godrej & Boyce Complex, Pirojashah Nagar, Vikhroli (W), Mumbai — 400079, India
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Provided that a party may change its notice details on giving notice to the other party of the change in accordance with this clause.

20.3 Any notice given under this Agreement shall, in the absence of earlier receipt, be deemed to have been duly given as follows:

- (A) if delivered personally, on delivery; and
- (B) if sent by first class post, two clear Business Days after the date of posting.

20.4 Any notice given under this Agreement outside Working Hours in the place to which it is addressed shall be deemed not to have been given until the start of the next period of Working Hours in such place.

20.5 The provisions of this clause shall not apply in relation to the service of Service Documents.

21. Announcements

21.1 No announcement concerning the sale of the Shares or any ancillary matter shall be made by either party to this Agreement without the prior written approval of the other, such approval not to be unreasonably withheld or delayed. This sub-clause does not apply in the circumstances described in sub-clause 21.2.

21.2 Either party may make an announcement concerning the sale of the Shares or any ancillary matter if required by:

- (A) law; or
- (B) any securities exchange or regulatory or governmental body or any Tax Authority to which that party is subject or submits, wherever situated, whether or not the requirement has the force of law,

subject to the party concerned taking all such steps as may be reasonable and practicable in the circumstances to agree the contents of such announcement with the other party before making such announcement.

21.3 The restrictions contained in this clause shall continue to apply after Completion or termination of this Agreement without limit in time.

22. Confidentiality

22.1 Each party to this Agreement shall treat as confidential all information obtained as a result of entering into or performing this Agreement which relates to:

- (A) the provisions of this Agreement;
- (B) the negotiations relating to this Agreement;
- (C) the subject matter of this Agreement; or
- (D) the other party,

and the Purchaser shall also treat as confidential all information obtained as a result of entering into or performing this Agreement which relates to the Retained Group.

22.2 Notwithstanding the other provisions of this clause, either party may disclose confidential information:

- (A) if and to the extent required by law or for the purpose of any Proceedings;
- (B) if and to the extent required by any securities exchange or regulatory or governmental body or any Tax Authority to which that party is subject or submits, wherever situated, whether or not the requirement for information has the force of law;
- (C) if and to the extent required to vest the full benefit of this Agreement in that party;
- (D) to its professional advisers, auditors and bankers subject to the party procuring each such recipient's agreement to keep such information confidential to the same extent as if such recipient were a party to this Agreement;
- (E) if and to the extent the information has come into the public domain through no fault of that party; or
- (F) if and to the extent the other party has given prior written consent to the disclosure.

Any information to be disclosed pursuant to paragraph (B) shall be disclosed only after consultation with the other party, to the extent permitted by law.

22.3 The restrictions contained in this clause shall continue to apply after Completion or termination of this Agreement without limit in time.

23. Costs and expenses

23.1 Except as otherwise stated in any other provision of this Agreement or the Share Purchase Documents, each party to this Agreement shall pay its own costs and expenses incurred in relation to the negotiations leading up to the sale and purchase of the Shares and the

preparation, execution and carrying into effect of this Agreement, the Share Purchase Documents and all other documents referred to in this Agreement.

24. Counterparts

24.1 This Agreement may be executed in any number of counterparts, and by the parties to it on separate counterparts, but shall not be effective until each party has executed at least one counterpart.

24.2 Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute but one and the same instrument.

25. Invalidity

If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair:

- (A) the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or
- (B) the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this Agreement.

26. Contracts (Rights of Third Parties) Act 1999

26.1 Clause 11 (Retained Group Brands) (the “**Third Party Rights Clause**”) confers a benefit on certain persons named therein who are not a party to this Agreement (each for the purposes of this clause a “**Third Party**”) and, subject to the remaining provisions of this clause, is intended to be enforceable by the Third Party by virtue of the Contracts (Rights of Third Parties) Act 1999.

26.2 The parties to this Agreement do not intend that any term of this Agreement, apart from the Third Party Rights Clause, should be enforceable, by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person who is not a party to this Agreement.

26.3 Notwithstanding the provisions of sub-clause 26.1 this Agreement may be rescinded or varied in any way and at any time by the parties to this Agreement without the consent of any Third Party.

26.4 Notwithstanding sub-clause 26.1, no Third Party may enforce, or take any step to enforce, the Third Party Rights Clause without the prior written consent of the Seller, which may, if given, be given on and subject to such terms as the Purchaser may determine.

27. Choice of governing law

This Agreement is governed by and shall be construed in accordance with English law.

28. Jurisdiction

- 28.1 The courts of England are to have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement. Any Proceedings shall be brought in the English courts. This clause is not concluded for the benefit of any particular party or parties to this Agreement.
- 28.2 Each party waives (and agrees not to raise) any objection, on the ground of *forum non conveniens* or on any other ground, to the taking of proceedings in the English courts. Each party also agrees that a judgment against it in Proceedings brought in England shall be conclusive and binding upon it and may be enforced in any other jurisdiction.
- 28.3 Each party irrevocably submits and agrees to submit to the exclusive jurisdiction of the English courts.

29. Agent for service

- 29.1 Purchaser irrevocably appoints WNS Global Services (UK) Limited of Acre House, 11-15 William Road, London, NW1 3ER to be its agent for the receipt of service of process in England. It agrees that any Service Document may be effectively served on it in connection with Proceedings in England and Wales by service on its agent.
- 29.2 Any Service Document shall be deemed to have been duly served if marked for the attention of WNS Global Services (UK) Limited at Acre House, 11-15 William Road, London, NW1 3ER or such other address within England and Wales as may be notified to the party wishing to serve the Service Document and:
- (A) left at the specified address; or
- (B) sent to the specified address by first class post.
- In the case of (A), the Service Document will be deemed to have been duly served when it is left. In the case of (B), the Service Document shall be deemed to have been duly served two clear Business Days after the date of posting.
- 29.3 If an agent at any time ceases for any reason to act as such, the Purchaser shall appoint a replacement agent having an address for service in England or Wales and shall notify the Seller of the name and address of the replacement agent. Failing such appointment and notification, the Seller shall be entitled by notice to the Purchaser to appoint a replacement agent to act on the Purchaser's behalf. The provisions of this sub-clause 29.3 applying to service on an agent apply equally to service on a replacement agent.
- 29.4 A copy of any Service Document served on an agent shall be sent by post to the Purchaser. Failure or delay in so doing shall not prejudice the effectiveness of service of the Service Document.
-

30. Language

Each notice, demand, request, statement, instrument, certificate, or other communication under or in connection with this Agreement shall be in English.

THE PARTIES have shown their acceptance of the terms of this Agreement by executing it at the end of the Schedules.

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Signed by the parties to this Agreement:

Signed by Steven Turpie)
for and on behalf of)
AVIVA GLOBAL SERVICES) /s/ Steven Turpie
(MANAGEMENT SERVICES))
PRIVATE LIMITED)

Signed by Johnson Jayaratnam)
Selvadurai for and on behalf of)
WNS CAPITAL INVESTMENT) /s/ Johnson Jayaratnam Selvadurai
LIMITED)

Confidential Treatment Requested

The portions of this document marked by "XXXXX" have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission

DATED 11 July 2008

**AVIVA GLOBAL SERVICES (MANAGEMENT
SERVICES) PRIVATE LIMITED**

and

WNS CAPITAL INVESTMENT LIMITED

MASTER SERVICES AGREEMENT

Slaughter and May
One Bunhill Row
London EC1Y 8YY
(RAXS/MAWC/LYC)
TP081750061

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THIS AGREEMENT is made on the 11th day of July 2008

BETWEEN:

- (1) **AVIVA GLOBAL SERVICES (MANAGEMENT SERVICES) PRIVATE LIMITED**, a company incorporated in Singapore (company number 200812047E) whose registered office is situated at 3 Anson Road, #07-01 Springleaf Tower Singapore 079909 ("**Customer**"); and
- (2) **WNS CAPITAL INVESTMENT LIMITED**, a company incorporated in Mauritius (company number 081866) whose registered office is situated at 10 Frere Felix de Valois Street, Port Louis, Mauritius ("**Supplier**").

WHEREAS:

- (A) Customer is a member of the Aviva plc group, which is one of the world's largest insurers. Its principal business activities include life insurance, pensions, retail fund management, general insurance and other miscellaneous service activities.
- (B) Customer issued written requests for proposals ("**RFP**") dated 2 November 2007 and 29 March 2008 in relation to its requirement to select a strategic supplier for offshore business process services. A number of submissions were received in response to the RFP, one of which was received from a member of the Supplier Group. Following evaluation and clarification of the RFP submissions, Supplier was selected as the preferred contractor.
- (C) Following discussions and negotiation between the Parties and certain due diligence by Supplier, Customer now wishes to enter into this Agreement.
- (D) Customer now wishes to appoint Supplier for the Term as service provider and prime contractor to supply the Services to Customer and Supplier agrees to supply the Services on that basis, in each case on the terms and conditions set out in this Agreement.

NOW THIS AGREEMENT WITNESSES as follows:

1. SERVICE PROVISION

- 1.1 Supplier shall supply or procure the supply of the Pre-Commencement Services and the Historic Services to Customer and all relevant Service Recipients in accordance with, and subject to the terms of, Schedule 16 (*Pre-Commencement Period*) and the other relevant provisions of this Agreement. On and from the Commencement Date until the end of the Term, Supplier shall provide, or as prime contractor shall procure the provision of, the Principal Services (other than the Transition Work and the Transformation Work) to Customer and all other Service Recipients in accordance with, and subject to the terms of, this Agreement.
 - 1.2 Supplier shall perform, or as prime contractor shall procure the performance of, the Transition Work and the Transformation Work in accordance with Clause 5.1.
-

- 1.3 Supplier shall provide the Services from the Sites unless the Parties agree otherwise through the Change Control Procedure.
- 1.4 Subject at all times to Clause 1.7, Customer acknowledges that Supplier is being engaged by Customer to provide the Inscope Services from India or Sri Lanka on an exclusive basis to the Inscope Business Units and accordingly Customer undertakes with Supplier that during the period commencing on the date of this Agreement and ending on the day being the earlier of:
- (A) for Services in respect of which Customer has exercised a right of termination pursuant to this Agreement and only in respect of the Services and the Service Recipient in respect of which such termination right has been exercised, the relevant date of termination of Services (but excluding any partial rights to terminate pursuant to Clause 23.12); and
 - (B) 60 months from the date of this Agreement,
- Customer shall procure that:
- (C) none of the Inscope Business Units shall themselves perform, or contract with any third party or third parties (including, subject to Clause 1.7(A), any member of the Customer Group) to provide, the whole or any part of any Inscope Services from India or Sri Lanka.
- 1.5 Subject to Clause 1.6, no provision of this Agreement (including Clause 19 (*Growth and Acquisitions*) and Clause 23.24 (*Departing Entities, Departing Businesses and Termination*)) shall require Supplier to supply, and/or procure the supply of, the Services to an Unapproved Entity pursuant to this Agreement or otherwise comply with this Agreement (or procure the compliance with this Agreement) with respect to that Unapproved Entity, save that in the event that Supplier does agree to supply the Services to an Unapproved Entity then such person shall be treated as a Service Recipient under this Agreement without limitation or derogation and the Supplier shall comply with this Agreement in full with respect to that Service Recipient.
- 1.6 Where a Service Recipient (including any Joining Entity or any Departing Entity) becomes a BPO Supplier after its receipt of the Services then such Service Recipient shall continue to be treated as a Service Recipient under this Agreement without limitation or derogation, provided that the volumes of Services supplied to such Service Recipient cannot increase without Supplier's consent above the level they were at the time (i) such Service Recipient became a BPO Supplier, and (ii) Notice has been received by Customer from Supplier that the volume of Services shall not increase pursuant to this Clause.
- 1.7 The exclusive right in Clause 1.4:
- (A) shall not limit the ability of any of the Inscope Business Units to procure Inscope Services from India or Sri Lanka from another member of Customer Group (provided that such member of Customer Group is not a BPO Supplier) to the
-

extent that such procurement of Inscope Services is required for any member of Customer Group to be compliant with the lawful direction of a Regulator or with Applicable Law;

- (B) shall be subject to the terms of Clause 1.9;
- (C) shall be subject to the rights and obligations of any member of Customer Group under:
 - (i) any agreement which was in place prior to the date of this Agreement;
 - (ii) the Noida Agreement, provided that the term of the Noida Agreement is not extended beyond 31 December 2012. From 1 January 2010 this exception to the exclusivity shall only apply to the extent that the number of full time employees under the Noida Agreement is 600 or less; or
 - (iii) any agreement of or relating to a Joining Entity (excluding any Inscope Business Unit) whether in place before or after the date of this Agreement provided that such agreement was in place prior to the date such Joining Entity became a Joining Entity and prior to such Joining Entity receiving Services under this Agreement,

which (in each case) would otherwise cause a member of Customer Group to breach Clause 1.4. Customer shall not, and shall ensure that each relevant member of Customer Group (including any such Joining Entity) shall not, renew or extend the terms of any such agreement referred to in this Clause 1.7(C) (including extending the scope of the services) to the extent that such terms relate to all or any Inscope Services unless Customer (or relevant member of Customer Group as applicable) is contractually bound to do so. In the discretion of the relevant member of Customer Group (taking account, amongst other things, of the potential or likelihood of: (i) harm or damage to Customer Group's reputation and its commercial relationships; and (ii) breach of contract being alleged or occurring), Supplier agrees that Customer and the relevant members of Customer Group may take reasonable steps to withdraw from the receipt of services supplied to them under the agreements referred to in this Clause 1.7(C) in an orderly manner and where reasonably practicable to do so;

- (D) shall not limit the ability of any of the Inscope Business Units to: (i) tender for, or to secure, Inscope Services from any Successor Service Provider from India or Sri Lanka during or in preparation for any Exit Period; or (ii) to receive Inscope Services from any Successor Service Provider from India or Sri Lanka during any Exit Period (but for the avoidance of doubt, not to receive Inscope Services from India or Sri Lanka prior to any Exit Period);
 - (E) shall be subject to the exercise of the rights granted to Customer under this Agreement (including pursuant to Clause 4 (*Specific Service Remedies*)) to the
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extent that the exercise of such rights causes a member of Customer Group to breach Clause 1.4.

- 1.8 Customer shall use all reasonable endeavours to procure that, in respect of any agreement entered into by a member of Customer Group, after the date of this Agreement, in relation to material outsourcing of Inscope Services by an Inscope Business Unit from a third party outsourcing supplier, such outsourcing supplier engages the Supplier Group in respect of any Inscope Services to be provided to any In Scope Business Unit from India or Sri Lanka with respect to that agreement.
- 1.9 In the event that the Parties fail to agree within a reasonable period of negotiation the commercial terms for: (a) any statement of work relevant to any New Services which are Inscope Services to be provided from India or Sri Lanka ("**New Services SOW**") and at the relevant time of Customer's request such New Services are currently being offered by Supplier to other customers of Supplier Group; or (b) any statement of work relevant to the provision of any Principal Services which are Inscope Services to be provided from India or Sri Lanka at the request of Customer to a Joining Entity under Clause 19 (*Growth and Acquisitions*) ("**Joining Entity SOW**") and which at the relevant time of Customer's request are currently being offered by Supplier to other customers of Supplier Group:
- (A) Customer shall within a reasonable period of time following such failure to agree notify Supplier of such fact and the basis in a reasonable level of detail why the Parties have failed to agree the relevant commercial terms in a notice ("**Disagreement Notice**"); and
- (B) following the submission of the Disagreement Notice either Party shall have the right to escalate the issues the subject matter of the Disagreement Notice in accordance with Schedule 6 (*Governance and Service Management*) and notwithstanding any such escalation subject to sub-Clauses 1.9(C)-(H) (inclusive):
- (i) the exclusivity provisions set out in Clause 1.4 shall not apply to the New Services SOW, or as the case may be the Joining Entity SOW, specified in the Disagreement Notice ("**Refused Services**"); and
- (ii) the Minimum Commitment Level shall be reduced proportionately by the number of Billable FTEs that would have been required to perform the relevant Refused Services;
- (C) the disapplication of the exclusivity provisions and the reduction in the Minimum Commitment Level in circumstances referred to in Clause 1.9(B), shall not apply to the extent Customer engages any person (an "**Alternative Supplier**") to provide, and/or permits any Service Recipient to engage any Alternative Supplier to provide, such Refused Services on terms which are more favourable to such Alternative Supplier than the terms (including in respect of price, service levels and scope) declined by Supplier for those Refused Services ("**Better Terms**"). The parties agree that any terms regarding the location of the
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provision of services shall be disregarded for the purposes of assessing whether terms of engagement are Better Terms. Customer shall notify Supplier promptly with respect to any such engagement of an Alternative Supplier;

- (D) where there is any dispute as to whether the Customer has appointed an Alternative Supplier on Better Terms and such dispute cannot be resolved in a reasonable period by the Parties through internal escalation in accordance with Schedule 6 (*Governance and Service Management*), either Party shall be entitled to appoint an objective, qualified and independent third party ("**Independent Assessor**") to verify and report in writing on whether or not Customer (or any relevant Service Recipient) has engaged an Alternative Supplier to provide the Refused Services on Better Terms. The identity of the Independent Assessor shall be agreed between the Parties acting reasonably and, failing agreement, shall be decided at the request of either Party by the President of the Institute of Chartered Accountants in England and Wales;
 - (E) each Party shall provide the Independent Assessor with reasonable access to all premises, information, personnel, materials, invoices, contracts, agreements and other documentation that is reasonably necessary for the Independent Assessor to access in order perform its role under this Clause 1.9 (and Customer shall procure that any relevant Service Recipient and the relevant Alternative Supplier provides such access, subject to the Independent Assessor executing reasonable non-disclosure undertakings with the Alternative Supplier);
 - (F) where the Independent Assessor concludes that the Alternative Supplier has not been engaged on Better Terms, the costs of the Independent Assessor shall be borne by Supplier in full and where the Independent Assessor concludes that the Alternative Supplier has been engaged on Better Terms, the costs of the Independent Assessor shall be borne by Customer in full (and otherwise each Party shall bear its own costs in respect of the work of the Independent Assessor);
 - (G) the Independent Assessor shall be requested to complete its report within ten (10) Business Days of being appointed by a Party and obtaining the reasonable access it requires under this Clause 1.9. The decision of the Independent Assessor shall be final and binding on the Parties; and
 - (H) the disapplication of the exclusivity provisions and the reduction in the Minimum Commitment Level in circumstances referred to in Clause 1.9(B), shall not apply to the extent:
 - (i) Customer is requesting, in the case of Principal Services, different pricing principles and/or rates to those specified in this Agreement; or in the case of New Services different pricing principles and/or rates to those specified in this Agreement (if any) or if pricing principles and/or rates are not specified in this Agreement for the relevant New Service,
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pricing principles and/or rates which do not reflect (in all material respects) the terms of Clause 18.2; and/or

- (ii) Customer is requesting service levels which are not substantially similar to any equivalent Service Levels specified in this Agreement;
- (iii) Customer is otherwise acting unreasonably in conducting the negotiations referred to in Clause 1.9; and/or
- (iv) Supplier is entitled to refuse to provide any of the Refused Services in accordance with Clause 1.5.

2. STANDARD OF SERVICE PROVISION

2.1 Supplier shall provide each Service (or shall procure that each Service is provided) to Customer and any Service Recipients to and in accordance with this Agreement and to (as a minimum) the Service Level for that Service (where applicable).

2.2 Without prejudice to Clause 2.1, Supplier shall, subject to Clause 13 (*Supplier Relief and Customer Relief*) and Clause 39 (*Force Majeure*):

- (A) at its own cost and expense, take all such additional reasonable steps and apply all such additional resources in order to remedy each Service Failure and delay, problem or other degradation in the Services as soon as reasonably practicable, and in any event, shall take all reasonable steps to minimise the impact of such Service Failure and delay, problem or other degradation, in each case in accordance with Good Professional Practice;
- (B) at its own cost and expense, Notify Customer promptly of:
 - (i) the occurrence of each Service Failure (or, to the extent Supplier is reasonably able each anticipated Service Failure, prior to the occurrence thereof) of which Supplier is aware;
 - (ii) all delays, problems or degradations (or to the extent Supplier is reasonably able each anticipated delay, problem or degradation, prior to the occurrence thereof) from time to time in the supply of the Services (or any of them) of which Supplier becomes aware; and
 - (iii) all circumstances from time to time which or which are reasonably likely to prevent or hinder Supplier from supplying the Services (or any of them) of which Supplier is aware,

together with:

- (iv) details of the reasons for the occurrence (or reasonably likely anticipated occurrence) of any such Service Failure, delays, problems,
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degradations or circumstances of which Supplier is aware or ought reasonably to be aware in accordance with Good Professional Practice;

- (v) details of the impact (or reasonably likely anticipated impact) of any such Service Failure, delays, problems, degradations or circumstances on the Services of which Supplier is aware or ought reasonably to be aware in accordance with Good Professional Practice;
- (vi) recommendations as to how any such actual Service Failure, delays, problems, degradations or circumstances (as the case may be) can be remedied;
- (vii) recommendations as to how to avoid the recurrence of any such actual Service Failure, delays, problems, degradations or circumstances; and
- (viii) in the case of sub-Clauses 2.2(B)(ii) and 2.2(B)(iii) above, recommendations as to how any anticipated delays, problems, degradations or circumstances (as the case may be) can be avoided,

such recommendations to be provided as soon as is reasonably practicable. The Parties shall discuss these recommendations and, except as provided for in Clause 13 (*Supplier Relief and Customer Relief*), at its own cost and expense Supplier shall then take such action (including the use of additional resources) as is agreed by the Parties acting reasonably as being necessary to avoid, remedy and otherwise minimise the impact of the Service Failures, delays, degradations, problems, occurrences or circumstances referred to in this Clause 2.2(B) in accordance with Good Professional Practice;

- (C) perform the Services and its obligations under this Agreement throughout the Term in compliance with all Applicable Laws, to the extent such Applicable Laws: (i) apply to Supplier Group; or (ii) apply to the supply of the Services in the jurisdictions from which the Services are being provided by Supplier; or (iii) relate to a Mandatory Change which the Parties have agreed to implement via the Change Control Procedure in accordance with Clause 20 (*Changes in Applicable Law*);
 - (D) obtain, maintain and comply with (or procure that each relevant Sub-Contractor obtains, maintains and complies fully with) all necessary consents, approvals, authorisations, licences and permissions which Supplier and each relevant Sub-Contractor is required to obtain in order to supply the Services and perform its obligations under this Agreement in compliance with Clause 2.2(C);
 - (E) discharge its obligations under this Agreement in accordance with Good Professional Practice;
 - (F) supply the Services throughout the Term in such a way as to enable insofar as it is reasonably practicable an orderly and efficient hand-over to a Successor Service Provider including in a manner which will insofar as it is reasonably
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practicable minimise material disruption to Customer and each Service Recipient's continuing business on termination or expiry of this Agreement or on the removal of any Services from this Agreement (as applicable);

- (G) not (and shall procure that no Sub-Contractor shall), without the prior written consent of Customer, (such consent not to be unreasonably withheld or delayed) use anything or become reliant on anything to provide the Services which Supplier knows, or should reasonably be expected to know, Customer would not be able to procure in the market place and use for itself or would require material expenditure to procure such a thing were a Successor Service Provider to supply the Services (or any of them);
 - (H) use good industry versions of anti-virus software to check for and delete any software virus, bomb or other contaminant or similar items introduced by Supplier which infects or causes damage to Customer Group's information technology systems or Supplier's information technology systems used to provide the Services or disrupts the provision of the Services (or any of them), and shall take all reasonable precautions in accordance with Good Professional Practice to ensure that neither it nor any Sub-Contractor in any other way destroys, damages or corrupts any software or data (including Customer Data) on Customer Group's information technology systems or Supplier's information technology systems used to supply the Services. For the purpose of this Clause 2.2(H), "good industry versions of anti-virus software" shall mean, as a minimum: (i) anti-virus software from a recognised and reputable software vendor; (ii) the latest current supported version of such anti-virus software compatible with Customer Group's information technology systems; and (iii) anti-virus software that is supported by the relevant software vendor;
 - (I) provide such assistance and cooperation as shall be reasonably requested to ensure that all services, Equipment and other resources utilised in connection with the performance of the Services are successfully integrated and interfaced with, and shall not have a material or continuing adverse impact on, or be materially or on a continuing basis adversely affected by, the services, systems and other resources that are being provided to, recommended to, or approved for use by, Customer by third parties at the date of this Agreement subject to the actual physical and technological limitations of Customer Group's information technology systems, provided that Supplier shall not be under an obligation to purchase equipment, services or software other than as is expressly required under any other express terms of the Agreement;
 - (J) without prejudice to the obligations of the Parties in Schedule 8 (*Forecasting and Capacity Planning*), Notify Customer in the event that the number of Billable FTEs engaged in the supply of the Services is such that there is an under-utilisation of such resource of more than ten per cent. (10%);
 - (K) except as otherwise provided in this Agreement (including in Appendix 4B (*Financial Responsibility/Asset Ownership Matrix*) to Schedule 4 (*Pricing, Invoicing and Payment*)), be responsible for providing all Facilities and other
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resources necessary for the supply by or on behalf of Supplier of the Services and meeting its obligations under this Agreement; and

- (L) if requested by Customer, act as a purchasing agent for members of Customer Group to procure hardware, software or network equipment or other equipment or components whether or not the same are within the scope of the Services (for the purposes of this Clause 2.2(L), "**equipment**"). To the extent that Supplier is able, Supplier shall make available to each member of Customer Group the benefit of any volume purchasing discounts for the equipment it purchases and convey to Customer all other benefits offered to Supplier by third party suppliers. Where equipment is procured for or on behalf of any member of Customer Group (and not used or intended to be used by Supplier in the supply of Services) Supplier shall use all reasonable endeavours to procure that the benefit of all manufacturer guarantees and warranties it receives are transferred or procured for the benefit of the relevant member of Customer Group. Where despite the use of all such reasonable endeavours by Supplier the benefit of manufacturer guarantees and warranties cannot be transferred or procured for the benefit of the relevant member of Customer Group, then Supplier shall notify Customer of that fact and shall not procure such equipment without Customer's prior written consent.

2.3 The Parties agree and acknowledge that the following principles shall form the basis of their relationship under this Agreement:

- (A) to strive for quality and excellence in the design and delivery of the Services;
- (B) to be responsive, responsible, flexible and innovative in order to comply with their respective obligations under this Agreement;
- (C) to deal and communicate with each other in an honest open manner; and
- (D) to work to build a productive and positive relationship with each other.

Customer third party service providers

2.4 Subject to Clause 2.5, Supplier shall (and shall procure that all Supplier Personnel shall) at all times during the Term:

- (A) at Customer's reasonable request, co-operate with and assist all third party suppliers engaged by any member of Customer Group or any Service Recipient (each a "**Third Party Provider**") in:
 - (i) the effective and efficient co-ordination of and integration with the supply of the Services and the services and products of such Third Party Providers;
 - (ii) the supply and receipt of the Services in the manner set out or referred to in this Agreement; and
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(iii) the due and proper performance by Customer or Supplier of its obligations under this Agreement, and Customer shall use its reasonable endeavours to procure that, following Supplier's reasonable request, each Third Party Provider co-operates with and assists Supplier in connection with this Clause 2.4(A);

- (B) at Customer's reasonable request, attend meetings with Third Party Providers;
- (C) in the event that Supplier becomes aware that the Services (or any part thereof) are adversely affected as a result of the action or inaction of a Third Party Provider, promptly Notify Customer of the same; and
- (D) at Customer's reasonable request, manage the resolution of any issues Notified to Customer pursuant to Clause 2.4(C) by using all reasonable endeavours to:
 - (i) take corrective or preventive steps in relation to the Services; and/or
 - (ii) procure the taking of corrective or preventative steps by the relevant Third Party Provider.

2.5 Customer shall:

- (A) use all reasonable endeavours to procure that each Third Party Provider performs its obligations under the relevant contract to enable Supplier to perform its obligations under Clause 2.4; and
- (B) where a Third Party Provider is a BPO Supplier, shall procure that such Third Party Provider enters into a confidentiality agreement with Supplier on terms equivalent to those set out in Clause 31 (*Confidentiality*) (each such confidentiality agreement to provide for reciprocal obligations for preserving confidentiality), to the extent that such Third Party Provider shall have access or potential access to Supplier's Confidential Information from time to time.

3. SERVICE CREDITS

- 3.1 Subject to Clause 3.2, Customer shall have the right to receive, and Supplier shall pay to Customer, Service Credits in accordance with the provisions of Schedule 3 (*Service Levels and Service Credits*).
 - 3.2 The Parties acknowledge and agree that any Service Credits received by Customer in respect of a failure by Supplier to meet the Service Levels shall be treated as part payment of any damages awarded to, or losses claimed by, Customer as a result of such a failure and Customer (and members of the Customer Group) shall not be entitled to claim twice for the same loss. For the avoidance of doubt such Service Credits will not be counted against the maximum aggregate liability by Supplier and its Affiliates as set out in Clause 34.4.
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4. SERVICE SPECIFIC REMEDIES

4.1 Without prejudice to the provisions of Clause 7 (*Service Improvements*) and Schedule 3 (*Service Levels and Service Credits*), upon reasonable request by, and subject to reasonable advance Notice from, Customer to Supplier, Customer shall be entitled (subject to Clause 4.4) to perform, at Customer's own cost and own risk, a diagnostic review (the "**Diagnostic Review**") of the Services (or any part of them) with a view to:

- (A) investigating, assessing and planning for Service and process improvement (including in connection with Customer Group's own internal processes and changes thereto); and
- (B) identifying, investigating, assessing and managing Service Failures or other delays, problems or degradations in the Services.

To the extent that any Diagnostic Review undertaken by Customer causes impediment in, or prevents, the provision of the Services by Supplier, Clause 13 (*Supplier Relief and Customer Relief*) shall apply and such impediment and/or prevention shall be deemed to be a failure of an obligation by Customer under this Agreement for the purposes of Clause 13 (*Supplier Relief and Customer Relief*). Supplier shall co-operate with, and provide all assistance reasonably requested by, Customer in relation to each Diagnostic Review including in accordance with Clause 4.11. The Parties shall discuss and agree all of Customer's recommendations for implementing the findings of each Diagnostic Review through the Change Control Procedure.

4.2 Without prejudice to the provisions of Clause 2 (*Standard of Service Provision*) and Schedule 3 (*Service Levels and Service Credits*) and to the other rights and remedies of Customer, in the event that Supplier has failed to remedy a Service Failure within a period that is reasonable in the context of that Service Failure, Customer shall (subject to Clause 4.4) have the right (at Customer's own cost and expense and risk and upon reasonable advance notice):

- (A) to take such action as Customer believes reasonably is necessary to remedy the applicable Service Failure; and/or
- (B) to receive services similar to the affected Services (and Services related thereto) from a third party.

Customer acknowledges that it shall exercise its rights at its own risk. To the extent that Customer exercising its rights under this Clause 4.2 causes Supplier not to be able to perform any of its obligations under this Agreement or to be in breach of this Agreement, Clause 13 (*Supplier Relief and Customer Relief*) shall apply and such exercise of Customer's rights shall be deemed to be a failure of an obligation of Customer under this Agreement for the purposes of Clause 13 (*Supplier Relief and Customer Relief*). Supplier shall co-operate with, and provide all assistance reasonably requested by, Customer in relation to this Clause 4.2 including in accordance with Clause 4.11.

- 4.3 Without prejudice to any other rights or remedies of Customer under this Agreement (including pursuant to Clauses 4.1 and 4.2 above), but subject to Clause 4.4, where:
- (A) Customer is entitled to terminate this Agreement pursuant to any of Clauses 23.5 to 23.9 (inclusive) or 23.11;
 - (B) a Regulator has notified Customer that the exercise of Customer's rights under this Clause 4.3 is necessary as a result of Supplier's breach of this Agreement (including a breach of Clause 2.2(E)) and Customer has provided sufficient evidence of such a notification;
 - (C) a Party is claiming an Event of Force Majeure in respect of receipt of (with respect to Customer as Claiming Party) or supply of (with respect to Supplier as Claiming Party) a Service (or part thereof) and such Event of Force Majeure continues for a period of ten (10) consecutive Business Days;
 - (D) Customer is entitled to terminate this Agreement pursuant to Clause 23.21(A) or Clause 23.21(B);
 - (E) Customer is entitled to terminate this Agreement pursuant to Clause 23.16 (*Termination on Insolvency or Similar Event*); or
 - (F) Supplier is in material breach of this Agreement and the breach gives rise to, or is reasonably likely to give rise to, the activation of the Business Continuity Plan,
- (each a "**Service Event**"), Customer may (on its behalf and/or on behalf of any Service Recipient) forthwith at its sole discretion and on written Notice containing the information set out in Clause 4.5 (a "**Step-In Notice**") to Supplier elect to:
- (A) receive services similar to the affected Services (and Services related thereto) from a third party or a member of Customer Group and to suspend the receipt of the same from Supplier; and/or
 - (B) appoint officers and/or employees of Customer Group and/or external consultants and advisers who are not a BPO Supplier or employed or engaged by any BPO Supplier (the "**Management Team**") with a view to managing (subject to Clause 4.4) the supply of the Services to the standards set out in this Agreement and remedying the Service Event,
- (together, the "**Step-In Rights**").
- 4.4 In the event that Customer exercises its right under this Clause 4, Customer will procure that:
- (A) it and the Management Team shall comply with:
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- (i) the relevant Customer obligations under this Agreement (including Clause 31); and
 - (ii) any applicable Site, or other location, specific written security requirements as are notified to Customer
- (B) no BPO Supplier or employee, agent, contractor or representative of any BPO Supplier shall access any of the Sites under Customer's direction pursuant to this Clause 4 without the prior consent of Supplier, which may be withheld at the sole discretion of the Supplier; and
- (C) neither it nor the Management Team (without the prior written consent of Supplier, which may be withheld at the sole discretion of the Supplier) shall perform any of the Excluded Activities (as defined below in this Clause 4.4). For the purposes of this Clause 4, "**Excluded Activities**" means:
- (i) the right to access or use the source code of any software comprised in the Equipment;
 - (ii) testing any software comprised in the Equipment;
 - (iii) coding any software comprised in the Equipment;
 - (iv) directing the development of any software and requiring Supplier and/or any Supplier Personnel to change the functionality of the Equipment solely for Customer;
 - (v) accessing any proprietary data or confidential information of any other customer of any member of Supplier Group or any Sub-Contractor; and
 - (vi) requiring Supplier or any other member of Supplier Group to act or omit to act in a manner which causes or would cause Supplier or any other member of Supplier Group to contravene Applicable Law.
- 4.5 To the extent that Customer is reasonably able to provide the same at the time of the Step-In Notice, the Step-In Notice shall include the following:
- (A) an indication of the action Customer wishes to take and the tasks comprised within the Services the subject of the Step-In Rights;
 - (B) the reason for and the objective of exercising Step-In Rights;
 - (C) the date it wishes to commence the Step-In Rights (which shall be no less than five (5) Business Days after the date of the Step-In Notice);
 - (D) the anticipated duration of the exercise of the Step-In Rights;
 - (E) whether Customer will require access to any Site and/or any other location; and
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(F) to the extent known, or ought reasonably to be known, the effect on Supplier and its obligations to perform the Services during the period the action is being taken.

4.6 To the extent that Customer's exercise of its rights under this Clause 4 causes Supplier not to be able to perform any of its obligations under this Agreement and/or to be in breach of this Agreement, Clause 13 (*Supplier Relief and Customer Relief*) shall apply and such exercise of Customer's rights shall be deemed to be a failure of an obligation of Customer under this Agreement for the purposes of Clause 13 (*Supplier Relief and Customer Relief*).

4.7 Following service of a Step-In Notice, Customer shall:

- (A) exercise its Step-In Rights (including by reference to the actions provided for in the Step-In Notice) (the "**Required Action**");
- (B) keep records of the Required Action taken and provide information about the Required Action to Supplier;
- (C) co-operate with Supplier in order to enable Supplier to continue to provide any part of the Services in relation to which Customer is not assuming management; and
- (D) act reasonably to mitigate the costs that Supplier will incur as a result of the exercise of the Step-In Rights.

4.8 In the event that no relevant Step-Out Notice (as defined below) has been delivered by Customer to Supplier pursuant to Clause 4.9, on the day being ninety (90) days after the day the Step-In Rights were actually exercised by Customer (or if such day is not a Business Day then the next subsequent Business Day), or such other day as the Parties may agree, the Parties shall review the exercise of the Step-In Rights. Where:

- (A) neither Party has been able to restore the supply of the Services the subject of the Step-In Rights to the standards set out in this Agreement;
- (B) in Customer's reasonable opinion, Supplier is not able to recommence supply of the Services the subject of the Step-In Rights to the standards set out in this Agreement; or
- (C) the Service Event is ongoing,

the Parties (each acting reasonably and in good faith) shall discuss whether or not to extend the duration of the exercise of the Step-In Rights for a further period determined by them or, in the absence of agreement by the Parties to extend the duration of the exercise of the Step-In Rights, Customer shall have the right to exercise the rights of termination as were available to Customer under this Agreement with respect to that Service Event at the commencement of that ninety (90) day period. If the Service Event is an Event of Force Majeure affecting Customer's receipt of the Services (as opposed

to Supplier's ability to provide the Services) then Customer's right to rely on Clause 39 (*Force Majeure*) with respect to that Service Event shall end at the end of that ninety (90) day period. Where an Event of Force Majeure is preventing the proper performance of the Services in accordance with this Agreement by or on behalf of the Supplier, the Customer shall, subject to Clause 39, have the right in its sole discretion to extend the period of its Step-In Rights beyond the ninety (90) day period referred to in this Clause 4.8 up to a maximum period of two (2) years. This Clause 4.8 shall apply to the end of that extended period as if it was the end of the 90 day period.

- 4.9 Before ceasing to exercise its Step-In Rights Customer shall deliver a written notice to Supplier (a "**Step-Out Notice**") specifying:
- (A) the Required Action it has actually taken; and
 - (B) the date on which Customer plans to end the Required Action.
- 4.10 Supplier shall, following receipt of the notice under Clause 4.9 develop a plan and devote sufficient resources to ensure that delivery of the affected tasks of the Services are restored to the Service Levels from the date as agreed in writing by the Parties.
- 4.11 In the event that Customer issues a Customer Step-In Notice pursuant to this Clause 4 Supplier shall:
- (A) reasonably co-operate with Customer to facilitate the steps taken and the Required Action;
 - (B) provide copies of all recent available and relevant root cause analyses or, if there are none, carry out a root cause analysis in relation to the matters or circumstances leading to the Service Event and report the results of the same as soon as is practicable;
 - (C) perform the Excluded Activities set out in Clauses 4.4(C)(ii), (iii) and (iv) upon Customer's reasonable request, to the extent reasonably requested by Customer in connection with the exercise of the Step-In Rights;
 - (D) other than in the event of an ongoing Service Event of the type described in Clause 4.3(C), take all steps within its reasonable control in order to recommence, as soon as reasonably practicable, full and proper performance of all Services affected by the Service Event;
 - (E) in the event of an ongoing Service Event of the type described in Clause 4.3(C), comply with its obligations in Clause 39 (*Force Majeure*);
 - (F) grant, and use all reasonable efforts to procure that every third party grants, Customer such rights and licences as are reasonably required for Customer and/or any of the Management Team for the purposes of exercising Customer's rights under this Clause 4;
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- (G) procure the reasonable co-operation of and access to Supplier Personnel (including procuring insofar as it is within its reasonable control that Supplier Personnel follow the reasonable instructions of Customer and the Management Team); and
- (H) procure that Customer and the Management Team have access to:
 - (i) the books, records, information and data under the control or possession of Supplier and all Sub-Contractors which and to the extent they relate to the Services and which are relevant to the activities covered by the Customer Step-In Notice; and
 - (ii) such of the Sites and other locations as are reasonably necessary in the circumstances.

4.12 In the event that Customer elects to exercise its Step-In Rights:

- (A) Customer shall not be liable to pay the Charges for those elements of the Services to the extent such Services are the subject of the exercise of the Step-In Rights and are not being actually performed in accordance with the terms of this Agreement by Supplier. Subject to its other rights in this Agreement (including Schedule 4 (*Pricing, Invoicing and Payment*) and Clause 39.4), Customer shall continue to pay the Charges in respect of those Services supplied by Supplier in accordance with the terms of this Agreement notwithstanding the exercise of the Step-In Rights; and
- (B) if the costs directly and reasonably incurred by Customer as a result of the exercise of the Step-In Rights in accordance with this Agreement (the "**Step-In Costs**") are greater than the Charges that Customer would have been liable to pay Supplier in respect of the relevant Services if it had not exercised the Step-In Rights (the "**Original Charges**"), Supplier shall be liable to pay Customer the difference between the Original Charges and the Step-In Costs provided that (i) Supplier shall not be required to pay such costs to the extent that they exceed fifty per cent. (50%) of the Original Charges relating to the relevant Services in respect of which Customer has exercised the Step-In Rights; and (ii) the maximum aggregate liability of Supplier under this Clause 4.12(B) for any and all Required Action actually taken shall not exceed the aggregate Charges that Customer would have been liable to pay Supplier in any three (3) month period for the relevant Services in respect of which customer has exercised the Step-In Rights.

4.13 At Customer's sole discretion, Supplier shall either:

- (A) reimburse the Step-In Costs to Customer by way of a credit against Charges in subsequent invoices issued by Supplier under this Agreement (provided that if Customer is not, within two (2) months of such costs having been notified to Supplier by Customer, reimbursed in full by way of a credit against Charges in
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subsequent invoices, Supplier shall be liable to pay the balance owed to Customer promptly upon demand); or

(B) pay Customer the Step-In Costs within thirty (30) days of receipt of a valid invoice from Customer for such amounts.

Notwithstanding the expiry or early termination of this Agreement, the provisions of this Clause 4.13 shall continue to apply to each Party without limit in time.

5. TRANSITION AND TRANSFORMATION

5.1 Each Party shall have its respective rights and obligations set out in Schedule 7 (*Transition and Transformation*).

5.2 Supplier shall ensure that all Transition Work and Transformation Work is carried out without causing to the extent reasonably practicable:

(A) any material or continuing deterioration or degradation in the availability, quality, scope or standard of any services being supplied to any Service Recipient (including the other Services, any internal supply by any member of Customer Group and any Third Party Provider) other than unavoidable and/or transitory disruption (which, in any event, shall to the extent reasonably practicable always be kept to a minimum level and, if possible, outside Working Hours);

(B) any material or continuing disruption to the business of any Service Recipient or any Third Party Provider other than unavoidable and/or transitory disruption (which, in any event, shall always be kept to a minimum level and, if possible, outside of Working Hours); and

(C) material or continuing degradation or impact upon the security and/or fidelity of any system (including information technology and telecommunications systems) of any Service Recipient or Third Party Provider.

5.3 The Parties acknowledge and agree that the Transition Plan and Transformation Plan are project management tools to be used by the Parties to co-ordinate and achieve Transition and Transformation. Each Party recognises that the requirements of Customer and any other Service Recipients and/or the obligations of Supplier may evolve over time and accordingly the Parties agree that the Transition Plan and Transformation Plan will be further developed and agreed jointly between the Parties from time to time in accordance with Schedule 7 (*Transition and Transformation*).

6. CUSTOMER AUTHORITY AND SUPPLIER AUTHORITY

6.1 Without prejudice to Supplier's rights and remedies and without relieving Customer of its obligations under any other term of this Agreement, Supplier acknowledges that Customer retains the sole right, authority and discretion to determine its business and operational strategies, brand and marketing strategies, product development and customer interaction strategies, business and operational processes and requirements

and its technology specifications and requirements (including Architecture), provided that the exercise of any such right, authority and/or discretion shall not create any additional obligations on Supplier, or increase any existing obligations of Supplier, under this Agreement, save as: (i) expressly provided in any other Clause of this Agreement, or (ii) expressly agreed by the Parties through the Change Control Procedure.

- 6.2 Notwithstanding any other provisions of this Agreement, Customer acknowledges and agrees that Supplier and/or any other member of Supplier Group reserves the right, authority and discretion not to deliver any Services to and/or not to perform any of its obligations (including any obligations under Clauses 31.4(E), 31.4(G) and 31.4(H) and Clause 24.4) for the benefit of and/or not to disclose, nor authorise, any member of Customer Group to disclose any Confidential Information relating to Supplier and/or any member of Supplier Group or Supplier IPR to and/or not to allow or authorise the use of any Confidential Information or Supplier IPR by;
- (A) subject to Clause 1.6, a BPO Supplier; and/or
 - (B) subject to Clause 6.2(A), any third party who has not entered into a confidentiality agreement, on terms equivalent to those set out in Clause 31, with Supplier and/or any other member of Supplier Group in respect of the Confidential Information of Supplier and/or any other member of Supplier Group and/or the Supplier IPR.

7. SERVICE IMPROVEMENTS

General

- 7.1 Supplier acknowledges and agrees that it is committed to the process of continuous improvement of the standard of Services and shall comply with its obligations in relation to Service Level improvement as set out in Schedule 3 (*Service Levels and Service Credits*).
- 7.2 Supplier shall:
- (A) proactively identify and Notify Customer of all opportunities for improving Service quality that come to its attention (including opportunities to implement and any likely costs of implementing Innovations that will be advantageous to Customer Group) to the extent permitted by Applicable Law and subject to any obligation of confidentiality owed by Supplier or any other member of Supplier Group;
 - (B) provide a reasonably detailed analysis to Customer setting out:
 - (i) how the opportunities identified pursuant to Clause 7.2(A) are proposed to be implemented by Supplier and the costs associated with developing and/or implementing the same; and
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- (ii) the potential or actual impact of such development and/or implementation on the Services, the Charges and on Customer's ability to transfer the Services to a Successor Service Provider;
- (C) supply the Services and operate, manage and maintain the Facilities in so far as it is reasonably practicable to facilitate, maintain and improve the availability and quality of the Services taking into account advancements in technology, the business operations of Customer Group and other Service Recipients and the additional costs incurred, or to be incurred, by the Parties as a result of facilitating, maintaining and/or improving the availability and quality of the Services;
- (D) maintain a level of knowledge that provides Customer and the Service Recipients with an opportunity to take advantage of technological advances and assist Customer in assessing the implementation of leading-edge technology in connection with the Services;
- (E) meet with Customer from time to time (at Customer's reasonable request) to inform Customer of new technological processes, methodologies or trends that could be used in the provision of the Services of which Supplier is aware in order to impact beneficially the business of Customer and the Service Recipients, to the extent permitted by Applicable Law and subject to any obligation of confidentiality owed by Supplier or any other member of Supplier Group; and
- (F) comply, and procure that its Sub-Contractors comply, and provide (or procure the provision of) the Services in a manner which is consistent, with Customer's:
 - (i) Architecture and technology plan;
 - (ii) requirements for long-range business, operational and technology planning;
 - (iii) brand and marketing standards and requirements;
 - (iv) product standards; and
 - (v) standard operating procedures,

in each case as notified or made available by Customer to Supplier on or prior to the date of this Agreement. Where there are changes to the plans, standards, requirements and procedures referred to in this Clause 7.2(F) after the date of this Agreement, then Supplier shall comply and ensure that the Services are compliant with all such notified changes within a reasonable period of time after notification of such changes. Where compliance with such changes will reasonably result in increased costs for Supplier, then the Parties shall discuss and agree through the Change Control Procedure the reasonable incremental direct costs of the Supplier in complying with such changes. Such

costs shall be borne by the Customer, save in respect of: Supplier compliance with changes to brand and marketing standards and requirements: (1) in circumstances where the relevant brand and marketing use is requested by Supplier (as opposed to being required by the Customer); and (2) in connection with the change to the "Aviva" brand from the "Norwich Union" "RAC" and other current insurance brands of Customer Group, where (in the case of (1) and (2) only) such costs shall be borne by Supplier.

- 7.3 Supplier shall not implement any new technologies or other service improvements in connection with the Services identified pursuant to Clause 7.2 without Customer's prior written consent. Any such proposals shall be addressed, and Supplier shall only be obliged to implement such technologies and/or improvements to the extent agreed by the Parties through, the Change Control Procedure.
- 7.4 Customer acknowledges that the process of continuous improvement of the standard of Services including implementing the opportunities and new technologies referred to in this Clause 7 and the performance of any of its obligations under this Clause 7 may require the cooperation of Customer Group and other necessary Service Recipients and Third Party Providers in order that such improvements result in the intended effect. Without prejudice to paragraph 22.1 (*Continuous Improvement*) of Schedule 3 (*Service Levels and Service Credits*), Customer acknowledges that to the extent that such co-operation is reasonably required by Supplier, Supplier had notified Customer of the requirement of that co-operation (with, where practicable, reasonable notice prior to that requirement arising), and such co-operation is not provided to Supplier, Supplier shall not be liable for failing to achieve continuous improvement of the relevant Services (if and to the extent that such cooperation is not forthcoming) and/or for failing to comply with this Clause 7, provided that it has given prior written notice to Customer.

8. PREFERRED CUSTOMER STATUS

- 8.1 Except as provided by Clauses 8.2 and 8.3 Customer acknowledges that Customer Group shall not have any preferred status over and above Supplier's other customers and/or customers of other members of the Supplier Group.
- 8.2 Supplier shall take all steps to offer, through the Change Control Procedure, to provide the Services from any Special Economic Zone or other tax preferential location or scheme which is reasonably available to Supplier provided that the use of such area or location or scheme will not result in or will reasonably not result in the tax benefits for either Customer or Supplier being reduced or extinguished.
- 8.3 Supplier agrees as follows:
- (A) Supplier shall procure that all Supplier Personnel shall be within performance levels 2-4 as defined by Supplier's Performance Management Framework;
 - (B) subject to clause 8.3(C), Supplier shall give Customer the right of first look in respect of any Generic Innovation and to the extent permitted by Applicable Law will not market or commercially exploit the Generic Innovation until Customer
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has had a reasonable time to determine if it wishes to use such Generic Innovation. Customer acknowledges that any right to use such Generic Innovation will be subject to such terms being agreed by the Parties through the Change Control Procedure and that any such right of use shall be on a non-exclusive basis unless otherwise agreed. To the extent that any Supplier Background IPR or Third Party IPR is embedded in or is an integral part of or otherwise needed to use the Generic Innovation, such Supplier Background IPR or Third Party IPR will be licensed on the terms of Clauses 30.14, 30.15, 30.16 and 30.18;

- (C) other than in respect of any Supplier Background IPR and/or Third Party IPR, Supplier hereby agrees to assign and (in respect of copyright and database rights owned by Supplier arising in the future) hereby assigns, and (in relation to any IPR owned by a member of Supplier Group or Sub-Contractor) to procure the assignment of, the whole legal and beneficial interest in all the IPRs in any Bespoke Innovation to Customer, at no additional charge; and
- (D) to the extent that any Supplier Background IPR and/or Third Party IPR is embedded in or is an integral part of and needed to use any Bespoke Innovation, such Supplier Background IPR and/or Third Party IPR as relevant shall be licensed to Customer and any Service Recipient in accordance with and/or on the terms of Clauses 30.13 and 30.19.

9. IT SERVICES

Customer shall provide the IT Services to Supplier from the Commencement Date in accordance with Schedule 9 (*IT Services*).

10. PRICING, PAYMENT AND INVOICING

10.1 XXXXX

10.2 Supplier shall charge and Customer shall pay for the provision of the Services in accordance with the applicable provisions of Schedule 4 (*Pricing, Invoicing and Payment*). In addition, each Party shall comply with its obligations, and subject to Clause 10.4 shall have the rights provided to it, as set out in Schedule 4 (*Pricing, Invoicing and Payment*).

10.3 Supplier shall not increase any of the Charges in respect of any part of any Service during the Term, save as expressly provided for in this Agreement or as otherwise agreed through the Change Control Procedure.

10.4 If a Party defaults in the payment when due of any sum payable under this Agreement (including Service Credits), the liability of such person shall be increased to include interest on the outstanding balance of such sum from the date when such payment is due until the date of actual payment at a rate per annum (both before and after judgment) of three per cent. (3%) above the Bank of England's base rate from time to time. Such interest will accrue on a daily basis. The Parties agree that interest payable at that rate is a substantial remedy for the purposes of the Late Payment of Commercial Debts (Interest) Act 1998.

11. GOVERNANCE AND SERVICE MANAGEMENT

Each Party shall comply with its obligations, and shall have the rights provided to it, as set out in Schedule 6 (*Governance and Service Management*).

12. CUSTOMER DEALINGS

Supplier shall not, and shall procure that no other member of Supplier Group nor any Sub-Contractor shall directly or indirectly market, offer or provide any general or life insurance products or services to customers of any member of Customer Group.

13. SUPPLIER RELIEF AND CUSTOMER RELIEF

13.1 Supplier undertakes to Notify Customer as soon as reasonably practicable of every breach by a Service Recipient of its obligations under this Agreement of which Supplier or any of the Major Sub-Contractors becomes aware which has or is reasonably likely to have an adverse effect on the provision of the Services and/or on the ability of Supplier to perform its obligations under this Agreement.

13.2 Supplier shall not be in breach of this Agreement and shall not be liable for any failure to deliver the, or as the case may be the part of the, Services to which the breach relates or any failure to perform its obligations under this Agreement to the extent that such breach and/or failure is caused by Customer's and/or any Service Recipient's breach of any of Customer's obligations under this Agreement, provided always that Supplier has Notified Customer in accordance with Clause 13.1 above of such breach.

13.3 Customer undertakes to Notify Supplier as soon as reasonably practicable of every breach by Supplier or its Sub-Contractors of its obligations under this Agreement of which any Service Recipient becomes aware which has or is reasonably likely to have an adverse effect on the provision of the IT Services and/or on the ability of Customer to perform its obligations under this Agreement.

13.4 Customer shall not be in breach of this Agreement and shall not be liable for any failure to deliver the, or as the case may be part of the, IT Services to which the breach relates or any failure to perform its obligations under this Agreement to the extent that such breach and/or failure is caused by Supplier's, any member of Supplier Group's or any Sub-Contractor's breach of any of Supplier's obligations under this Agreement, provided always that Customer has Notified Supplier in accordance with Clause 13.3 above of such breach.

13.5 Where Supplier has relief from its obligations to provide Services or perform its obligations under this Agreement pursuant to Clause 13.2 or where Customer has relief from its obligations to provide the IT Services or perform its obligations under this Agreement pursuant to Clause 13.4 (in each case, the "**Relief Obligations**"):

- (A) the relieved Party (the "**Relieved Party**") shall in any event use reasonable endeavours to continue to perform the Relief Obligations notwithstanding the relevant failure. Provided that the Relieved Party has Notified the other Party (the "**Other Party**") in accordance with Clause 13.1 or Clause 13.3 (as applicable), the Other Party shall reimburse the Relieved Party for its reasonable costs incurred in performing the Relief Obligations to the extent such costs are incurred as a direct result of the relevant breach and/or failure, until such time as the Other Party requests the Relieved Party to cease using such reasonable endeavours (including as part of the Parties agreeing alternative actions and/or activities pursuant to sub-Clause 13.5(B)); and
- (B) the Parties shall, at the Other Party's request, meet to discuss and agree (through the Change Control Procedure) any actions or activities which either Party should undertake on a permanent or temporary basis to mitigate the effect of the relevant breach and/or failure including (where relevant) to enable the Relieved Party to perform the relevant Relief Obligations. All reasonable and direct costs incurred by Relieved Party in connection with any such agreed actions or activities shall be borne by the Other Party unless agreed otherwise in writing by the Parties.

14. POLICIES AND PROCEDURES

Supplier shall comply in the performance of its obligations under this Agreement (and procure that its Sub-Contractors and the Supplier Personnel comply) with Customer Group's policies, standards and procedures set out or referred to in Schedule 17 (*Policies and Procedures*). Without prejudice to the foregoing, the Parties shall also comply in the performance of their respective obligations under this Agreement with the policies, standards and procedures developed pursuant to this Agreement (including the Operations Manual).

15. ASSET MANAGEMENT

Contracts

15.1 Supplier shall use all reasonable endeavours to ensure that (i) each contract entered into by Supplier with a Sub-Contractor; and (ii) each contract entered into by Supplier with a third party (excluding any licence of Third Party IPR), in each case after the Commencement Date, and which relates to the provision or receipt of any of the Services includes:

- (A) the right for Customer or a nominee of Customer within Customer Group to receive novation of that contract to the extent that it relates to the provision or receipt of the Services (without any transfer charge or other payment) in the
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event that Customer removes any Services in accordance with this Agreement, this Agreement terminates (or the relevant part of this Agreement terminates) or this Agreement expires; and

- (B) the right following any such novation for Customer or a nominee of Customer within Customer Group to terminate such contract to the extent it relates to the provision or receipt of the Services at will on six months' Notice (or less) without the payment of termination fees or other charges for or relating to such termination.

15.2 Where Supplier is unsuccessful in ensuring that those things referred to in Clause 15.2 are contained in the contracts the subject of Clause 15.2, Supplier shall:

- (A) Notify Customer of that fact and the Parties shall discuss the same; and
- (B) not enter into any such contract without the prior written consent of Customer (such consent not to be unreasonably withheld or delayed), where such contract is with a Major Sub-Contractor and/or relates to a Key Process under the Services.

Equipment and refresh

15.3 Supplier shall ensure that all Equipment shall be used and maintained throughout the Term in accordance with either the manufacturers' technical specifications or operational practices and procedures that are in accordance with Good Professional Practice.

15.4 Supplier shall undertake a refresh of hardware, peripherals and other information technology used to provide the Services in accordance with Schedule 4 (*Pricing, Invoicing and Payment*).

Transferable Assets

15.5 During the Transition Period:

- (A) Supplier shall provide Customer with such assistance as is reasonably required by Customer to enable Customer to compile an inventory identifying the Transferable Assets; and
- (B) Customer shall compile and provide a copy to Supplier of such inventory.

15.6 Supplier shall sell or procure the sale of, and Customer shall purchase, the Transferable Assets.

15.7 The consideration for the sale of each Transferable Asset shall be XXXXX. Such consideration shall be paid by Customer to Supplier within thirty (30) Business Days of Customer's receipt of a valid invoice from Supplier.

- 15.8 The Parties shall discuss and agree and implement (once agreed) the most effective method of mitigating any costs in respect of Taxes which may be incurred as a result of Customer's purchase of the Transferable Assets.
- 15.9 Ownership for each Transferable Asset shall pass from Supplier to Customer on the date of full payment to Supplier of any amounts payable in accordance with Clause 15.7 in respect of such Transferable Asset.
- 15.10 Risk and responsibility for each Transferable Asset shall pass from Supplier to Customer on the date of physical transfer in respect of such Transferable Asset.
- 15.11 If any Transferable Asset is lost, damaged or stolen whilst in the ownership of Customer pursuant to Clause 15.9 but for which Supplier has risk or responsibility pursuant to Clause 15.10 then Supplier shall bear the cost (or reimburse such cost to Customer) of the repair or replacement of such Transferable Asset.

Use of office space

- 15.12 Supplier shall provide Customer with reasonable office space at a Site to be specified by Customer within thirty (30) days from the Effective Date sufficient to accommodate a maximum of thirty (30) Customer Personnel on a full-time basis at no cost to Customer (the "**Customer Office Space**").
 - 15.13 The Customer Office Space shall:
 - (A) include such individual offices and Customer dedicated meeting rooms as may be reasonably required by Customer;
 - (B) be of at least the same standard (in terms of office environment, area and facilities) as the office space owned by Noida Customer Operations Private Limited and used by Customer Personnel in Pune prior to the Effective Date; and
 - (C) include at least one "telepresence room" for the dedicated use of Customer Personnel.
 - 15.14 The Customer Personnel using the Customer Office Space shall have access to all common areas of the Site as are reasonably required in order for such Customer Personnel to perform their job functions, including reasonable use of normal incidental office facilities such as parking, dining and bathroom facilities.
 - 15.15 Management, maintenance, repair and upkeep of the Customer Office Space shall be the responsibility of Supplier. Without limitation to the foregoing, Supplier shall be responsible for the following in the Customer Office Space:
 - (A) provision and maintenance of all necessary furniture, fixtures and fittings;
 - (B) provision and maintenance of all wiring and cabling; and
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(C) installation and maintenance of all necessary utilities and services.

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15.16 Supplier shall provide Customer with XXXXX. Supplier shall be entitled to XXXXX, provided that Customer's requirements XXXXX shall take reasonable precedence over such other uses.

XXXXX

15.17 Supplier shall continue to provide Customer with XXXXX. Such use shall be provided until the earlier of:

(A) the date XXXXX from the date of this Agreement; and

(B) XXXXX

For the avoidance of doubt, Supplier shall be under no obligation to provide XXXXX.

16. SECURITY MANAGEMENT

Each Party shall comply with its obligations, and shall have the rights provided to it, as set out in Schedule 14 (*Security Management*).

17. CHANGE MANAGEMENT

17.1 Each Party shall comply with its obligations, and shall have the rights provided to it, as set out in Schedule 10 (*Change Management*).

17.2 Changes shall be progressed by the Parties through the Change Control Procedure, and in connection with each Change, each Party shall comply with its obligations contained in Schedule 10 (*Change Management*).

17.3 The costs of implementing Changes (other than a Mandatory Change) will be borne by the Parties in accordance with Schedule 10 (*Change Management*). The costs of implementing Mandatory Changes will, as between Customer and Supplier, be borne in accordance with Clause 20.5.

18. NEW SERVICES

- 18.1 The Parties may from time to time agree New Services, which shall be subject to the terms and conditions of this Agreement and shall be agreed and documented in accordance with the Change Control Procedure.
- 18.2 Save where the Parties (each acting reasonably) agree otherwise, in creating the charges for New Services, Supplier shall:
- (A) where the New Services are of the same nature and complexity as any of the Principal Services, adopt the same pricing principles and/or model (including the same Unit FTE Rates and/or transaction based unit rates) as for such Principal Services;
 - (B) where the Parties agree that the New Services are of a different and more complex nature to the Principal Services, adopt the same pricing principles and/or model as for the Principal Services, but the Parties acknowledge that the Unit FTE Rates and/or the transaction based unit rates may be higher; or
 - (C) where the Parties agree that the New Services are of a different and less complex nature to the Principal Services, adopt the same pricing principles and/or model as for the Principal Services, but the Parties acknowledge that the Unit FTE Rates and/or the transaction based unit rates may be lower.
- 18.3 Subject to Clause 18.2, in creating the charges for New Services, the Parties shall take account of:
- (A) the existing resources and expenses that would no longer be required if a New Service were to be performed by Supplier;
 - (B) any additional resources and expenses required by either Party if a New Service were to be performed by Supplier; and
 - (C) the extent to which existing resources can reasonably be re-utilised or deployed in order to supply a New Service in accordance with Clause 18.1 above.
- 18.4 The supply of each New Service by Supplier must be agreed in advance by the Parties and no Service Recipient shall be obliged to pay any charges or fees in respect of any New Service in the event that its supply has not been authorised and accepted (in accordance with any applicable acceptance testing procedures agreed between the Parties from time to time) by Customer in writing.

19. GROWTH AND ACQUISITIONS

- 19.1 Supplier acknowledges that Customer Group may acquire new entities or businesses throughout the Term. Accordingly, at Customer's written request from time to time, Supplier shall provide each member of Customer Group and each Joining Entity with reasonable acquisition support and assistance in respect of services similar or
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equivalent to the Services (including reasonable assessment and due diligence support and transition and migration planning, support and assistance). In the event that such support and assistance results in additional costs and expenses for Supplier (in excess of the Billable FTEs utilised by Supplier for the provision of the Services), then Customer shall bear such costs and expenses incurred by Supplier, provided that such costs and expenses are direct and reasonable and Supplier previously Notified Customer of the same.

- 19.2 Subject to Clause 1.5 and at Customer's written request from time to time, Supplier shall supply the Services (in whole or in part) to, or in respect of, a Joining Entity specified in that written notice in accordance with the terms of this Clause 19. Subject to Clause 1.9, the impact (if any) on the terms of this Agreement as they relate to that Joining Entity and/or any other member of Customer Group resulting from the supply of Services to or, in respect of, that Joining Entity shall be agreed between the Parties pursuant to the Change Control Procedure.
- 19.3 If Customer requests and Supplier agrees to supply Services to, or in respect of, a Joining Entity and such Joining Entity has, or benefits from, rights under an existing contract with any member of Supplier Group to receive services substantially similar to the Services (or the relevant portion thereof), then the Parties shall agree through the Change Control Procedure under which terms and conditions the Services shall be supplied to that Joining Entity and whether or not the existing contract will be terminated and upon what terms.
- 19.4 For the avoidance of doubt, the rights granted to Customer pursuant to this Clause 19 shall be without prejudice to Customer's right to vary the volumes of Services to be provided under this Agreement in accordance with Schedule 8 (*Forecasting and Capacity Planning*) provided that such variation does not reduce the amount of or relieve Customer in any way of its obligations to meet the Minimum Commitment Level.

20. CHANGES IN APPLICABLE LAW

- 20.1 Each Party shall Notify the other of any change in Applicable Law of which it becomes aware after the date of this Agreement to the extent that such change will affect the provision of the Services (or any part thereof) by Supplier or receipt of the Services by Customer (or any Service Recipients).
- 20.2 The scope of any changes to the Services (or any part thereof) as may be necessary from time to time to ensure that the supply of the Services and their receipt and use by Customer and the Service Recipients continues to comply, with Applicable Law (each a "**Mandatory Change**"), how such change shall be implemented shall be agreed through the Change Control Procedure, the impact of developing and implementing Mandatory Changes upon the Services and/or the Charges (if any) and the method and timeframe by which such Mandatory Changes shall be implemented, shall all be:
- (A) investigated, assessed and Notified to Customer by Supplier; and
 - (B) considered and agreed by the Parties through the Change Control Procedure.
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20.3 Notwithstanding Clause 20.2 above, where the Mandatory Change arises as a result of Customer or Supplier having previously misinterpreted Applicable Law in relation to the Services and where Customer Notifies Supplier of such an event, then Supplier shall, following such notification by Customer, either develop and implement such Mandatory Change as soon as reasonably practicable and in any event by the date upon which such Mandatory Change is required for compliance with Applicable Law, or Notify Customer immediately that it will not be able to implement such Mandatory Change by such date.

20.4 In the event that:

- (A) the Parties fail to reach an agreement for the implementation of a Mandatory Change through the Change Control Procedure; and/or
- (B) Supplier refuses to implement a Mandatory Change; and/or
- (C) Supplier is not able to implement the Mandatory Change,

then Customer shall have the right to terminate the Service(s) to which such Mandatory Change relates by Notice to Supplier with immediate effect.

20.5 The cost of developing and implementing a Mandatory Change shall be borne as follows:

- (A) by Customer, to the extent the relevant change in Applicable Law relates uniquely and specifically to Customer and/or any Service Recipients or the Mandatory Change has been developed for the benefit of Customer and/or any Service Recipient and in accordance with Customer's and/or any Service Recipient's express written specifications;
 - (B) by Customer and other customers of Supplier Group to the extent that the relevant change in Applicable Law does not fall within Clause 20.5(A), affects the Services and applies to the receipt of services the same or similar to the Services provided that Customer shall only be liable for such proportion of such costs as is fair and reasonable in all the circumstances (including the number of other customers of members of Supplier Group, the services offered to such other customers and the further use of any investment by the members of Supplier Group in retaining or attracting customers) and Supplier shall provide Customer with reasonable evidence of such circumstances to enable Customer to verify the allocation of such costs in accordance with this Clause 20.5(B). As between Customer and Supplier, Supplier shall be liable for the portion of such costs attributable to those other customers (excluding to the extent they receive Services under this Agreement, Service Recipients) and Supplier (and whether or not Supplier or Supplier Group is able to, or does in fact, recover such costs from other customers); and
 - (C) by Supplier, where the relevant change in Applicable Law does not fall within Clauses 20.5(A) or 20.5(B) above.
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21. REPRESENTATIONS, WARRANTIES AND INDEMNITIES

Representations and warranties

21.1 Each Party warrants and represents to the other that:

- (A) it has full capacity and authority and all necessary licences, permits and consents to enter into and to perform its obligations under this Agreement;
- (B) this Agreement has been duly authorised by it and is executed by its duly authorised representative;
- (C) there are no matters of which it is aware as at the date hereof which might adversely affect its ability to perform its contractual obligations under this Agreement;
- (D) it is not unable to pay its debts (within the meaning of section 123(1) and 2 of the Insolvency Act 1986) as they fall due and no order has been made or resolution passed for its winding up or for an administration order and no receiver, administrative receiver or manager has been appointed by any person of its business or all or a substantial part of its assets or any material part thereof nor has any equivalent event taken place in relation to it in any jurisdiction; and
- (E) as at the date of this Agreement, it is not aware of anything likely to lead to any of the events referred to in Clause 21.1(D) above.

21.2 Supplier represents and warrants to Customer that:

- (A) Supplier has the full capacity and authority to grant the licences referred to in Clause 30 (*Intellectual Property*); and
- (B) the supply of the Services by or on behalf of Supplier, and neither Customer's nor any Service Recipient's receipt and use of the Services in accordance with and for the purposes contemplated in this Agreement, will not infringe any IPR of any third party.

21.3 Customer represents and warrants to Supplier that:

- (A) each Service Recipient including Customer Group has obtained all necessary consents, approvals, authorisations, licences and permissions which Customer and/or each Service Recipient is required to obtain in order to receive the Services and perform its obligations under this Agreement in compliance with all Applicable Laws;
 - (B) each Service Recipient shall perform its obligations under this Agreement in compliance with Applicable Laws, to the extent such Applicable Laws: (i) apply to such Service Recipient; or (ii) apply to the receipt of the Services in the
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jurisdictions in which the Services are being received by Customer and/or such Service Recipient; or (iii) relate to a Mandatory Change which the Parties have agreed to implement through the Change Control Procedure in accordance with Clause 20 (*Changes in Applicable Law*);

- (C) Customer has the full capacity and authority to grant the licences referred to in Clause 30 (*Intellectual Property*); and
- (D) the use of the Customer IPR, including any material made available to any member of Supplier Group and each Sub-Contractor by any member of the Customer Group and/or any other Service Recipient, in accordance with and for the purposes contemplated in this Agreement will not infringe any IPR of any third party.

21.4 Save as expressly set out in this Agreement, neither Party gives any representation or warranty (express or implied) in respect of the subject matter of this Agreement, and all warranties and representations which may be implied (by statute or otherwise) are hereby excluded to the maximum extent permitted by law.

22. TERM

22.1 The term of this Agreement shall commence on the Effective Date and, except to the extent that this Agreement is terminated in accordance with its terms, shall continue until the date being eight (8) years and four (4) months from the date of this Agreement together with any period in which Exit Services are provided (the "Term").

22.2 Notwithstanding any other provision of this Agreement, and except as the Parties agree otherwise in writing, this Agreement is in all respects conditional upon the occurrence of Completion (as that term is defined in the SSPA). Upon Completion, this Agreement shall commence in full force and effect.

23. TERMINATION

Termination of the Agreement in whole or in part ("Any or All" terminations)

23.1 Customer may exercise its rights of termination under any of Clauses 23.6 (*Termination for Material Service Failure*), 23.8(B), 23.9 (*Termination for Persistent Service Failure*), 23.11 (*Termination for Service Credit Threshold Breach*), 23.12 (*Termination for Convenience*), 23.16, (*Termination on an Insolvency or a Similar Event*), 23.19 (*Termination arising from Tax*), 23.20 (pursuant to paragraph 5.4(D) of Schedule 11 (*Benchmarking*), 23.21(A), 23.21(B), 23.21(C) 23.21(D), 23.21(E), 23.21(G), 23.21(H) and 23.21(J):

- (A) in respect of the Agreement as a whole;
 - (B) in respect of one or more Service Recipients or in respect of the business (in whole or in part) of one or more Service Recipients; and/or
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(C) in respect of one or more of the Services.

Termination of the Agreement in part (“Truck and Trailer”)

- 23.2 Subject to Clause 23.3, Customer may exercise its rights of termination under any of Clauses 23.5 (*Termination for Material Service Failure*), 23.7 (*Termination for Persistent Service Failure*), 23.8(A), 23.17 (*Termination for Event of Force Majeure*), 23.18 (*Termination arising from Mandatory Change*), 23.20 (pursuant to paragraph 5.4(C) of Schedule 11 (*Benchmarking*), 23.21(F) and 23.21(I) in relation to the provision of the Services that are directly affected by the relevant termination event, to the Service Recipient directly affected by the relevant termination event (the **“Terminated Services”**).
- 23.3 The Parties agree that where Customer exercises its right to terminate any Terminated Services, Customer shall also have the right to terminate any other Service(s) to the relevant Service Recipient within the same Performance Category for that Service Recipient (the **“Affected Services”**), where there are commercial, practical or technical reasons that would restrict or prevent the ongoing effective operation of either the Terminated Service or the Affected Service in the event of the Terminated Service and the Affected Service being provided by different persons.
- 23.4 The Parties agree that Customer shall not have the right to terminate this Agreement (in whole or in part) pursuant to Clauses 23.5 to 23.9 (inclusive), in respect of:
- (A) any Critical Service Failure occurring within the period from the date of this Agreement until and including the date being ninety (90) days after the Commencement Date; or
 - (B) any Critical Service Failure occurring during the Term with respect to the Transaction Processing, Expenses and Reporting Critical Service Levels, which form part of the Aviva Group Centre Performance Category within the F&A Business Unit.

Termination for Material Service Failure

- 23.5 Subject to Clause 23.10, in the event that the same Critical Service Level falls twenty per cent. (20%) below the Minimum Service Level twice or more in any nine (9) month rolling period, Customer will have the right to partially terminate this Agreement pursuant to Clauses 23.2 and 23.3 forthwith on written notice to the Supplier.
- 23.6 Subject to Clause 23.10, in the event that in any six (6) month period there are two (2) or more months with twenty per cent. (20%) or more (by number) of all Critical Service Levels that fail to meet the relevant Minimum Service Levels, Customer shall have the right to terminate this Agreement forthwith on written notice to the Supplier.
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Termination for Persistent Service Failure

- 23.7 Subject to Clause 23.10, in respect of each Critical Service Level labelled with a monthly measurement period (and marked as “PSF” in Appendix 3A (*Service Levels Matrix*) of Schedule 3 (*Service Levels and Service Credits*)) if there are four (4) Minimum Service Level Defaults, or three (3) sequential Minimum Service Level Defaults, (in each case) in respect of the same Critical Service Level within a twelve (12) month rolling period, the Customer shall have the right to partially terminate this Agreement pursuant to Clauses 23.2 and 23.3 forthwith on written notice to the Supplier.
- 23.8 Subject to Clause 23.10, in respect of each Critical Service Levels labelled with a quarterly measurement period (and marked as “PSF” in Appendix 3A (*Service Levels Matrix*) of Schedule 3 (*Service Levels and Service Credits*)):
 - (A) if there are Minimum Service Level Defaults in respect of the same Critical Service Level in each of two consecutive measurement periods, the Customer shall have the right to partially terminate this Agreement pursuant to Clauses 23.2 and 23.3 forthwith on written notice to the Supplier; and
 - (B) if there are Minimum Service Level Defaults in respect of the same Critical Service Level in each of three consecutive measurement periods Customer shall have the right to terminate this Agreement forthwith on written notice to Supplier.
- 23.9 If in any twelve (12) month rolling period Customer has two or more opportunities to exercise a right of partial termination pursuant to Clauses 23.7 or 23.8 then Customer shall have the right to terminate this Agreement forthwith on written notice to Supplier.
- 23.10 The Parties agree that where the spread between Expected Service Level and the Minimum Service Level is two per cent. (2%) or less, the relevant Minimum Service Level shall be deemed to be reduced by three (3) basis points for the purposes of Clauses 23.5 to 23.9 (inclusive).

Termination for Service Credit Threshold breach

- 23.11 Customer shall have the right to terminate this Agreement forthwith on written notice to the Supplier if twice or more in any twelve (12) month rolling period the amount of Service Credits (prior to any Earnback) to which the Customer is due under this Agreement is equal to twelve per cent. (12%) (or more) of the Monthly Charges.

Termination for Convenience

- 23.12 Customer may, at any time after the date being twenty four (24) months from the Commencement Date, give six (6) months' Notice to Supplier to terminate this Agreement in whole or (in its sole discretion) in part subject to Clauses 23.13, 23.14 and 23.15.
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- 23.13 Where Customer exercises its right to terminate this Agreement in whole pursuant to Clause 23.12, then Customer shall pay to Supplier the Termination Fee by way of compensation in accordance with the applicable provisions of Schedule 4 (*Pricing, Invoicing and Payment*).
- 23.14 Where Customer exercises its right to terminate this Agreement in part pursuant to Clause 23.12 and as a result of such partial termination of the Agreement the Billable FTE does not fall below the Minimum Commitment Level, no Termination Fee will be due or payable by any member of Customer Group to Supplier.
- 23.15 Where Customer exercises its right to terminate this Agreement in part pursuant to Clause 23.12 and the Billable FTE falls below the Minimum Commitment Level, then Customer shall have the option to:
- (A) pay to Supplier the Termination Fee by way of compensation in accordance with the applicable provisions of Schedule 4 (*Pricing, Invoicing and Payment*) and the Minimum Commitment Level shall be reduced by a proportionate amount to the Terminated Services in accordance with the applicable provisions of Schedule 4 (*Pricing, Invoicing and Payment*); or
 - (B) elect not to pay to Supplier the Termination Fee in relation to such partial termination of the Agreement, but in such an event the Parties agree that the Minimum Commitment Level shall remain the same as prior to the partial termination of the Agreement in accordance with the applicable provisions of Schedule 4 (*Pricing, Invoicing and Payment*).

Termination on an Insolvency or Similar Event

- 23.16 Without prejudice to its other rights and remedies, either Supplier or Customer (the “**Terminating Party**”) may terminate this Agreement (subject to Clauses 23.25, 23.26, 23.27 and 24) immediately by Notice to the other Party if:
- (A) other than in respect of a Contested Claim, any procedure is commenced with a view to the winding-up or re-organisation (other than for the purpose of a solvent amalgamation or reconstruction to which the Terminating Party has consented) of the other Party or, in the case of termination by Customer only, the Guarantor;
 - (B) other than in respect of a Contested Claim, any procedure is commenced with a view to the appointment of an administrator, receiver, administrative receiver or trustee in bankruptcy in relation to the other Party or, in the case of termination by Customer only, the Guarantor or all or a substantial part of the assets of such other Party or the Guarantor (as applicable);
 - (C) an administrator, liquidator, receiver, administrative receiver or trustee in bankruptcy is appointed in relation to the other Party or, in the case of termination by Customer only, the Guarantor or all or a substantial part of the assets of such other Party or the Guarantor (as applicable);
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- (D) in respect of a security interest over all or substantially all of the assets of the other Party or, in the case of termination by Customer only, the Guarantor, any procedure (other than in respect of a Contested Claim), is commenced to enforce that security by the holder;
 - (E) all or substantially all of the assets of the other Party or, in the case of termination by Customer only, the Guarantor are subject to attachment, sequestration, execution or any similar process;
 - (F) the other Party or, in the case of termination by Customer only, the Guarantor is or is deemed to be unable to pay its debts (within the meaning of section 123(1) and (2) of the Insolvency Act 1986) as they fall due or enters into a composition or arrangement with its creditors generally or any class of them;
 - (G) the other Party's or the Guarantor's directors take any steps to obtain a moratorium; or
- anything analogous to any of the events described in Clauses 23.16(A) to (G) (inclusive) occurs in any jurisdiction.

Termination arising from an Event of Force Majeure

- 23.17 Customer shall have the right to terminate the provision of the Services that are directly affected by the Event of Force Majeure to the Service Recipient(s) directly affected by the Event of Force Majeure in accordance with Clause 39.5 or 39.6 (as applicable) (and any Affected Services in accordance with the principles described in Clause 23.3)

Termination arising from Mandatory Change

- 23.18 Customer shall have the right to terminate Services that are directly affected by the Mandatory Change to the Service Recipient(s) directly affected by the Mandatory Change in accordance with Clause 20.4 (and any Affected Services in accordance with the principles described in Clause 23.3).

Termination arising from Tax

- 23.19 Customer shall have the right to terminate this Agreement in accordance with Clause 35.3.

Termination following Benchmarking

- 23.20 Customer shall have the rights of termination with respect to certain Services and/or the Agreement (as applicable) identified in Schedule 11 (*Benchmarking*).
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Further Customer Termination Rights

- 23.21 Customer shall have the right to terminate this Agreement or partially terminate this Agreement in accordance with Clause 23.2 and 23.3 (subject to Clauses 23.25, 23.26, 23.27 and 24) by Notice to Supplier with immediate effect if:
- (A) Supplier is in material breach (excluding any breach giving rise to Customer's termination rights pursuant to Clauses 23.5 to 23.9 (inclusive)) in respect of this Agreement, which causes Customer or any member of the Customer Group to suffer material adverse consequences, and such material breach is not capable of remedy or (if it is) has not been remedied within thirty (30) days of receipt by Supplier of Notice from Customer requiring such remedy;
 - (B) Supplier is in persistent breach (excluding any breach giving rise to Customer's termination rights pursuant to Clauses 23.5 to 23.11 (inclusive)) of this Agreement, which has a material adverse effect on Customer or any Service Recipient, and such persistent breach is not capable of remedy or (if it is) has not been remedied within thirty (30) days of receipt by Supplier of Notice from Customer requiring such remedy;
 - (C) without prejudice to Clause 23.21(A), Customer's reputation has been materially damaged following a material breach of Supplier, any Sub-Contractor or any Supplier Personnel in respect of this Agreement, and such material breach is not capable of remedy or (if it is) has not been remedied within thirty (30) days of receipt by Supplier of Notice from Customer requiring such remedy;
 - (D) there is a change of Control of Guarantor, or Supplier or any other member of the Supplier Group providing the Services (each a "**Supplier Group Member**"), or the Guarantor sells all or a substantial part of its business or assets (whether or not including the Supplier or any other member of the Supplier Group providing the Services) providing the Services, or the Supplier or any other member of the Supplier Group sells all or a substantial part of the assets used to provide the Services (such assets being referred to in this Clause as the "**Supplier Assets**") (each a "**Trigger Event**"), provided that Customer shall only be entitled to exercise its rights under this Clause 23.21(D) if it serves Supplier with a written notice (the "**Customer Notice**") (to be provided no later than ninety (90) days from the date of receipt of a notice from the Guarantor or the Supplier which sets out (in reasonable detail) details of the relevant Trigger Event, and provided further that the Guarantor and/or the Supplier has not provided to the Customer, or procured for the Customer, assurances, evidence, guarantees or undertakings (to the Customer's reasonable satisfaction) within a further period of sixty (60) days after the date of the Customer Notice that:
 - (i) a competitor of any then current Service Recipient that is also a member of the Customer Group has not assumed Control of the Guarantor, the Supplier, relevant Supplier Group Member(s) or Supplier Assets (as the case may be);
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- (ii) the senior management team responsible for the supply of the Services following the Trigger Event are appropriately skilled and qualified;
- (iii) there will be, for the reasonably foreseeable future, material continuity of the material infrastructure which was used in the supply of the Services in the twelve (12) months prior to the Trigger Event;
- (iv) Supplier and each person who has assumed control of the Guarantor, Supplier, relevant Supplier Group Member(s) and/or Supplier's Assets (as the case may be) is and (will remain for the Term) committed to comply with all obligations of Supplier under this Agreement for the remainder of the Term;
- (v) the Trigger Event will not result in a material deterioration or material degradation in the standard of supply of Services, or the performance of the Supplier's obligations under this Agreement;
- (vi) the Trigger Event will not result in any material damage to the reputation or goodwill of any member of the Customer Group, or any then current Service Recipient;
- (vii) the Trigger Event will not result in any adverse action being taken by any Regulator (including any investigation), or any adverse ruling being given by any Regulator with respect to damage to any member of the Customer Group or any then current Service Recipient;
- (viii) the Trigger Event will not result in the Customer Group or any then current Service Recipient being non-compliant with any Applicable Law or any part of such member of the Customer Group or Service Recipient;
- (x) each person who has assumed Control of the Guarantor, Supplier, Supplier Group Member(s) and/or Supplier Assets (as the case may be) is not a person who is making any material legal claim or has commenced any material legal proceedings against a member of the Customer Group or is a person against whom a member of the Customer Group is making a material legal claim or has commenced any material proceedings;
- (ix) the Trigger Event will not have any material adverse effect on the financial position or credit standing of the Guarantor or the Supplier Group; and
- (xii) the Supplier Guarantee remains in full force and effect;

provided that this right of termination shall not apply to a transfer of any Supplier Group Member and/or any Supplier Assets as part of a solvent group re-organisation from the Guarantor or a wholly owned subsidiary of Guarantor to

the Guarantor or another such wholly owned subsidiary of the Guarantor (as applicable) in circumstances in which the Supplier Guarantee will continue in full force and effect.

- (E) Supplier ceases wholly or substantially to carry on its business;
 - (F) the following occurs:
 - (i) the Travel Unit of the UK Foreign and Commonwealth Office (or its successors) advises against all travel to the territory in which any site from where any of the Services or any project work (including projects relating to Transition and Transformation) are located and such advice remains in place for a consecutive period of ninety (90) days or more;
 - (ii) this results in Customer staff being prevented or restricted (including, due to Customer Group travel policies) from travelling to that territory;
 - (iii) this is having a material detrimental impact on the ability of Customer or any member of the Customer Group to operate its business or to receive the Services; and
 - (iv) the Supplier has had the opportunity to make a proposal to Customer for addressing the implications of such advice and Customer has given any such proposal its reasonable consideration. Customer shall only be required to accept such a proposal (and in such circumstance will not exercise its rights of termination) where in Customer's reasonable opinion the adoption of such proposals will not materially prejudice Customer or any Service Recipient.
 - (G) following material breach in respect of this Agreement by the Supplier, Customer or any other Service Recipient is non-compliant or in breach of Applicable Law such non-compliance or breach having (in Customer's reasonable opinion) material adverse effect on any member of the Customer Group (or any part of it) and such breach is not capable of remedy or (if it is) has not been remedied within thirty (30) days of receipt by Supplier of Notice from Customer requiring such remedy;
 - (H) subject to Clause 23.28, Customer (or a member of Customer Group or any other Service Recipient) is required to do so by the lawful direction of a Regulator or a competent court or by Applicable Law;
 - (I) Supplier is not permitted under Applicable Law (other than where such non-permission has been or is caused by an Event of Force Majeure or a breach by any member of Customer Group or any Service Recipient) to deliver the Services (or any part thereof) and it has not within thirty (30) days of such Applicable Law taking effect, made its provision of the relevant services compliant with Applicable Law; and
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- (J) following a breach by Supplier, any Sub-Contractor or any Supplier Personnel in respect of this Agreement, an investigation is carried out, proceedings are brought or a sanction is imposed by a Regulator against any member of Supplier Group or any member of Customer Group, which has or is reasonably likely (in Customer's reasonable opinion) to have a material adverse consequence on the relevant member of Supplier Group, or, as the case may be, Customer Group.

Supplier's Termination Rights

23.22 Supplier may terminate this Agreement (subject to Clauses 23.25, 23.26, 23.27 and 24) by Notice to Customer with immediate effect if:

- (A) Customer has failed to pay any invoiced amounts where such invoiced amounts are:
 - (i) due and payable in accordance with the provisions of Schedule 4 (*Pricing, Invoicing and Payment*) (including where such sums have become due and payable because they are no longer the subject of any dispute by Customer in good faith but excluding any sums which are properly disputed in accordance with the provisions of Schedule 4 (*Pricing, Invoicing and Payment*)); and
 - (ii) overdue for a period of at least thirty (30) Business Days,
provided that no such notice of termination shall take effect where Customer has remedied such non-payment within thirty (30) Business Days of such Notice being received by it; or
- (B) Customer is in material breach in respect of this Agreement, which causes Supplier or any member of Supplier Group to suffer material adverse consequences, and such material breach is not capable of remedy, or (if it is) has not been remedied within thirty (30) days of receipt by Customer of Notice from Supplier requiring such remedy.

23.23 In the event of termination of the Agreement pursuant to Clause 23.22, Customer shall pay to Supplier the Termination Fee by way of compensation in accordance with the applicable provisions of Schedule 4 (*Pricing, Invoicing and Payment*).

Departing Entities, Departing Businesses and Termination

23.24 Without prejudice to the rights and obligations of the Parties pursuant to Clause 24 (*Exit and Service Transfer*), Schedule 8 (*Forecasting and Capacity Planning*) and Schedule 11 (*Exit Management*), in the event that:

- (A) any Service Recipient is identified by Customer as no longer being a recipient of the Services (a "**Departing Entity**"); or
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- (B) any Service Recipient disposes of a business by way of (i) a transfer of assets of that business or (ii) the disposal of shares of a company carrying on that business (in each case, other than to another Service Recipient) (a “**Departing Business**”),

then Customer shall have the option to:

- (C) subject to Clause 23.15, terminate the Services supplied under this Agreement solely to the extent they are supplied to or are in respect of such Departing Entity or Departing Business; or
- (D) without prejudice to Customer’s obligation to meet the Minimum Commitment Level and without prejudice to Supplier’s rights under Clause 1.5, require that Supplier enters into a direct agreement with that Departing Entity, Departing Business, or in the case of a transfer of assets of the relevant business, the transferee of the Departing Business on terms that are substantially the same as the terms of this Agreement to the extent it relates to that Departing Entity or that Departing Business (as the case may be). Supplier shall execute at Customer’s expense all such documents and take all such other actions as Customer may reasonably request to procure such direct agreement. The effect of such agreement shall be that the Services the subject of the direct agreement shall continue to be supplied by Supplier to each Departing Entity or transferee of a Departing Business (as the case may be) for a period that is the lesser of twelve (12) months from the date of such direct agreement and the unexpired portion of the Term (unless otherwise agreed by the relevant parties) but the contract in respect of such Services shall be between Supplier and that Departing Entity, Departing Business, or in the case of a transfer of assets of the relevant business, the transferee of the Departing Business Departing Entity (as the case may be). Customer shall be responsible for procuring that all charges and expenses in respect of all Services that are the subject of the direct agreement are paid to Supplier. In the event that the provision of the Services to any Departing Entity and/or transferee of a Departing Business results in, will result in or is reasonably likely to result in additional costs to Supplier, such costs shall be borne by Customer, provided that such costs are agreed by the Parties through the Change Control Procedure in advance.

General

- 23.25 Termination or expiry of this Agreement or the removal of a Service shall be without prejudice to the rights of the Parties accrued prior to such termination, expiry or removal.
- 23.26 Termination or expiry of this Agreement shall be without prejudice to any provision which expressly or by implication is intended to survive termination or expiry, including the provisions of:
- (A) Clauses: 4.13 (*Step-in Costs*); 6.2 (*Customer Authority and Supplier Authority*) 23.25 to 23.27 (inclusive) (*Termination — General*); 24 (*Exit and Service*)
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Transfer); 27.4 and 27.5 (*Sub-Contractors*); 29.2 and 29.3 (*Human Resources*) 30.10, 30.15 and 30.22 to 30.27 (inclusive) (*Intellectual Property*); 31 (*Confidentiality*); 32 (*Records, Audit and Compliance*); 33 (*Data Protection*); 34 (*Limitation of Liability*); 35 (*Tax*); 37 (*Notices*); 40 (*Announcements and Publicity*); 44 (*Remedies and Waivers*); 45 (*Entire Agreement*); 47 (*Dispute Resolution*); 48 (*Liquidated Damages*); 49 (*Costs and Expenses*); 51 (*Third Party Rights and Rights of Service Recipients*); 52 (*Agent for Service*); 53 (*Interpretation*); and 54 (*Governing Law*); and

(B) Schedule 1 (*Definitions*); paragraph 18.2 of Schedule 3 (*Service Levels and Service Credits*); paragraphs 4.3, 4.6, 4.7, 7.11, 7.15, 10.4, 10.5 and 11 of Schedule 4 (*Pricing, Invoicing and Payment*); and paragraph 10.6 of Schedule 12 (*Exit Management*).

23.27 Termination Fees shall be payable by Customer by way of compensation in connection with the termination of this Agreement (in whole or in part) pursuant to Clauses 23.12 (*Termination for Convenience*), 23.19 (*Termination arising from Tax*), 23.21(H) (*Further Customer Termination Rights — Regulator, competent court or Applicable Law*), 23.22 (*Supplier's Termination Rights*) and 39.5 (*Force Majeure*) in accordance with the applicable provisions of Schedule 4 (*Pricing, Invoicing and Payment*). Except as provided in Schedule 4 (*Pricing, Invoicing and Payment*), no Termination Fee will be due or payable by any member of Customer Group to Supplier.

23.28 If Customer is required to exercise its rights of termination under Clause 23.21(H), to the extent permitted by Applicable Law the Parties will discuss in good faith the impact of the requirement or direction of the Regulator or competent court to see if the effect can be mitigated and the Services can be performed in any manner including from another jurisdiction which will be reasonably acceptable to the Regulator or the competent court which required Customer and/or the member of Customer Group to terminate this Agreement.

24. EXIT AND SERVICE TRANSFER

24.1 The term "**Exit Services**" means the services, matters and obligations to be provided, carried out or performed by Supplier described in Schedule 12 (*Exit Management*).

24.2 On:

- (A) termination of this Agreement;
 - (B) the partial termination of this Agreement (including in respect of each Departing Entity pursuant to Clause 23.24(C));
 - (C) the removal of a Service or Services from the scope of this Agreement in accordance with the terms of this Agreement (including pursuant to Clause 23.24(D)); and
 - (D) expiry of this Agreement,
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(in each case, as applicable), Supplier shall continue to supply the Exit Services at Customer's request for a maximum of twenty-four (24) months (the exact period being determined by Customer in its absolute discretion following consultation with Supplier) (the "**Exit Period**"), provided that the Exit Period in respect of expiry of this Agreement shall commence twelve (12) months prior to the expiry of the Agreement and shall last for a period of at least twelve (12) months and at Customer's discretion may last for twelve (12) months after the expiry of the Agreement. Subject to Clause 24.3 each of such terminated or removed Services shall be supplied on the same terms as the equivalent Services (including as to Service Levels, Service Credits and Charges) and this Agreement shall continue in full force and effect for any Exit Period, and each of the Exit Services shall be deemed to be Services for that purpose. Without prejudice to any claim Supplier may have for damages or any other remedy under any Applicable Law or this Agreement and subject to Clause 24.3, each of the Exit Services shall be provided at no additional cost to Customer and the only payments required for such services shall be the Charges payable pursuant to this Agreement.

24.3 Each Party shall comply with its obligations, and shall have the rights provided to it, as set out in Schedule 12 (*Exit Management*).

24.4 Supplier shall, at Customer's request, provide all reasonable assistance to Customer during the Exit Period, including in relation to any tenders released by Customer connected with or in relation to the Services and (subject to and conditional upon any such engaged third party at the request of Supplier first entering into a confidentiality agreement directly with Supplier (and any members of the Supplier Group identified by the Supplier) on terms equivalent to those set out in Clause 31) shall co-operate with all reasonable requests for information which are received from Customer or any third parties engaged by Customer in relation thereto, to the extent such requested information relates to the Services. Customer shall bear any reasonable and additional costs and expenses directly incurred by Supplier in relation to the provision of such assistance, provided that such costs and expenses arise as a result of additional resources engaged by Supplier in relation to such assistance. Customer acknowledges that Supplier shall not be obliged under this Clause 24.4 to provide any Confidential Information relating to the Charges and/or any financial information relating to the costings, margins or other internal financial data of any member of Supplier Group and/or any Sub-Contractors.

25. BUSINESS CONTINUITY AND DISASTER RECOVERY

Each Party shall comply with its obligations, and shall have the rights provided to it, as set out in Schedule 15 (*Business Continuity, Disaster Recovery and Incident Management*).

26. BENCHMARKING

Each Party shall comply with its obligations, and shall have the rights provided to it, as set out in Schedule 11 (*Benchmarking*).

27. SUB-CONTRACTORS

General provisions and appointment of Sub-Contractors

- 27.1 In performing its obligations under this Agreement, Supplier shall act as prime contractor at all times.
- 27.2 Supplier may sub-contract the performance of its obligations in respect of any part (but not the whole) of the Services provided that:
- (A) all Sub-Contractors (or proposed Sub-Contractors) and their employees shall be capable of performing and (where applicable) suitably qualified to perform the Services which Supplier proposes to sub-contract; and
 - (B) Customer has given its prior written consent to such sub-contracting and to the identity of the person to which Supplier wishes to sub-contract (such consent not to be unreasonably withheld or delayed), except where the Sub-Contractor is a member of Supplier Group or an Incumbent Service Provider, in which case Supplier shall not be required or obliged under this Agreement to have obtained Customer's prior written consent.
- 27.3 In Notifying Customer of its desire to sub-contract any of the Services, Supplier shall provide all information reasonably requested by Customer (including details of the activities to be performed by the proposed Sub-Contractor and their identity (together with references)).
- 27.4 Supplier shall not be relieved of any of its obligations under this Agreement by entering into any sub-contract with any Sub-Contractor for the performance of any part of the Services and without prejudice to Customer's obligation to pay the Charges or any other sum under the express terms of this Agreement all costs and expenses involved in the appointment, supervision and management of any Sub-Contractor shall be borne by Supplier. Supplier shall be liable to Customer and every other Service Recipient in respect of all acts or omissions of any Sub-Contractors for which, if such acts or omissions were of Supplier, Supplier would be liable to Customer and/or any other Service Recipient(s) whether for breach of this Agreement, in tort (including negligence), in breach of a statutory duty or otherwise. Without prejudice to the Customer's obligation to pay the Charges or any other sums under the express terms of this Agreement, Supplier will be solely responsible for coordinating with any Sub-Contractors, at no additional cost to Customer or any other Service Recipient, and neither Customer nor any other Service Recipient shall have any obligation under the terms of any sub-contract or otherwise to any person in relation to any sub-contract to the extent such sub-contract is between the Sub-Contractor and any member of Supplier Group.
- 27.5 Supplier acknowledges and agrees that any default of any Sub-Contractor shall not constitute an Event of Force Majeure nor shall it excuse in any way Supplier from the performance of its obligations under this Agreement unless the Sub-Contractor's default is itself caused by or arises from an Event of Force Majeure in which case the Supplier,
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in accordance with Clause 39, may be excused from the performance of the relevant obligations under this Agreement.

Removal of Sub-Contractors

27.6 Without prejudice to any other term of this Agreement, in the event that any Sub-Contractor (or any Affiliate of that Sub-Contractor), during the term of its sub-contract with Supplier:

- (A) makes any material legal claim or commences any material legal proceedings against a member of Customer Group;
- (B) becomes a person against whom a member of Customer Group makes any material legal claim or commences any material legal proceedings;
- (C) causes or materially contributes to a material breach of Supplier's obligations under this Agreement;

Customer shall, acting reasonably, have the right to Notify Supplier of the same and request that such Sub-Contractor ceases to be a Sub-Contractor. As soon as reasonably practicable after the receipt of any such notice, Supplier shall procure that such Sub-Contractor ceases to exercise any rights, or undertake any obligations, of Supplier under this Agreement (and shall Notify Customer of the same) provided that Customer, upon Supplier's request and to the extent permitted by Applicable Law and subject to any obligations of confidentiality owed by Customer or any Service Recipient, provides in writing details of the material legal claim or material breach giving rise to such reasonable action.

Sub-contracting arrangements

27.7 Subject to Clause 27.8, Supplier in its capacity as prime contractor shall sign an agreement with each Sub-Contractor for the provision and/or supply of services required for Supplier's provision of the Services hereunder to Customer, the terms of such agreement to include: (i) an undertaking by the Sub-Contractor to comply with confidentiality provisions substantially similar to the confidentiality provisions of this Agreement and (ii) provisions that procure the assignment of all IPR in Bespoke Innovations and Developed Materials (to the extent that such IPR is assigned to Customer under this Agreement) to Customer or a member of Supplier Group (at the discretion of Supplier).

27.8 No Major Sub-Contractor shall be permitted to sub-contract further the performance of the whole or any part of the Service sub-contracted to it without Supplier having obtained the prior written consent of Customer, such consent not to be unreasonably withheld, and then shall only sub-contract in compliance with the terms of such consent (if any). In the event that a sub-contractor engaged by a Sub-Contractor is either a member of Supplier Group or an Incumbent Service Provider, then Supplier shall not be required or obliged under this Agreement to have obtained Customer's prior written consent.

Customer Group suppliers

27.9 Supplier shall, at Customer's reasonable request, use all reasonable endeavours to try to use every appropriately experienced qualified and appropriately trained third party supplier identified by Customer and familiar with the requirements of Customer Group in connection with this Agreement and the provision of services similar to the Services for the purposes of enabling or assisting Supplier to perform its obligations under this Agreement as a Sub-Contractor, provided that Supplier shall be relieved from this obligation to the extent that

- (i) Supplier can demonstrate to Customer's reasonable satisfaction grounds for refusing to use any such third party supplier and/or
- (ii) such third party supplier fails to comply with the terms of the sub-contract to which it is a party and/or causes or contributes to a material or persistent breach of Supplier's obligations under this Agreement.

28. SUPPLIER PERSONNEL

28.1 Supplier shall ensure that all Supplier Personnel shall at all times uphold the good name and reputation of each Service Recipient and that of its products and services, and act in a manner commensurate with that good name and reputation.

29. HUMAN RESOURCES

29.1 Each Party shall comply with its obligations, and shall have the rights provided to it, as set out in Schedule 5 (*Human Resources*).

29.2 Supplier agrees that during the Term and for the period of twelve (12) months thereafter, it shall not and shall procure that other members of Supplier Group shall not, directly or indirectly, solicit for employment or engagement any Customer Personnel.

29.3 Subject to Schedule 12 (*Exit Management*), Customer agrees that during the Term and for the period of twelve (12) months thereafter, it shall not and shall procure that other members of Customer Group shall not directly or indirectly solicit for employment or engagement any Supplier Personnel.

30. INTELLECTUAL PROPERTY

Ownership of IPR

30.1 Save as otherwise expressly set out in this Agreement or as otherwise agreed in writing by the Parties, neither Party nor any Sub-Contractor shall receive any right, title or interest in respect of the IPR owned or controlled by the other Party or their respective Groups. Notwithstanding the foregoing but subject to any agreement between the Parties to the contrary all IPR belonging to Supplier, any other member of Supplier Group and/or any Sub-Contractor prior to the date of this Agreement will remain vested in such Party.

Developed Materials

- 30.2 Other than in respect of any Supplier Background IPR and/or Third Party IPR, Supplier hereby agrees to assign and (in respect of copyright and database rights owned by Supplier arising in the future) hereby assigns, and (in relation to any IPR owned by a member of Supplier Group or Sub-Contractor) to procure the assignment of, the whole legal and beneficial interest in all the IPRs in any Developed Materials to Customer, at no additional charge.
- 30.3 Supplier shall, upon request by Customer from time to time, procure the delivery to Customer or its nominee of copies of all Developed Materials (including any enhancements or modifications thereto).

Customer Data

- 30.4 Supplier shall not be entitled to use and undertakes that it will not use Customer Data for any purpose other than to the extent necessary to provide the Services and/or to perform its other obligations under this Agreement. Supplier acknowledges that Customer Data (and any IPR subsisting therein) is proprietary to Customer Group (or the relevant Service Recipient, as the case may be) and constitutes Confidential Information of Customer Group (or the relevant Service Recipient, as the case may be).
- 30.5 Without prejudice to Clause 30.4 and save where expressly permitted otherwise by Customer and/or any Service Recipient in writing, Supplier undertakes to process and store, and procure the process and storage of, all Customer Data on the Equipment:
- (A) in a manner which enables it to be readily identifiable as proprietary to Customer or any other relevant Service Recipient; and
 - (B) separately from data which is proprietary to Supplier and/or any other third party.
- 30.6 Supplier shall provide Customer with access to any Customer Data in the possession or control of Supplier (or any of its Sub-Contractors) as soon as reasonably practicable following Customer's written request.
- 30.7 In the event that any Customer Data is either lost or sufficiently corrupted or degraded so as to be unusable as a result of any breach by Supplier of this Agreement, Supplier shall, without prejudice to the other rights and remedies of Customer Group, at its own expense, provide all services and assistance as Customer shall reasonably require to effect a reconstruction of the relevant data. In the event that any Customer Data is either lost or sufficiently corrupted or degraded so as to be unusable as a result of any other cause, Supplier shall provide the aforementioned assistance at Customer's request, provided that Customer reimburses Supplier its reasonable and direct costs in providing such assistance.
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Licence of Customer IPR

- 30.8 Customer hereby grants (and shall procure the grant of) to Supplier, or any member of Supplier Group, or any Sub-Contractor providing Services under this Agreement a royalty-free, non-exclusive and non-transferable licence for the Term to use the Customer Trade Marks solely for the Permitted Use (and for no other purpose) and in accordance with the Use Guidelines.
- 30.9 Supplier undertakes that neither it nor any member of Supplier Group shall commit or omit to do any act or pursue any course of conduct or cause, authorise or assist any other person to do anything in breach of this Agreement which, without prejudice to its rights under Clause 30.23 or Clause 21.3(D):
- (A) brings any Customer Trade Mark into disrepute;
 - (B) prejudices the validity or enforceability of, or Customer's ownership of any rights in and to, the Customer Trade Marks;
 - (C) distorts or damages the goodwill, reputation or image attaching to or associated with the Customer Trade Marks; or
 - (D) causes any Customer Trade Mark to lose its distinctiveness or mislead the public.
- 30.10 Supplier undertakes that neither it nor any member of Supplier Group shall anywhere in the world during the Term and for a period of five (5) years thereafter file or authorise others to file any trade mark applications in relation to, or otherwise make any claim to or seek to (or authorise others to) acquire any rights in any of the Customer Trade Marks or any name or mark which includes any of the Customer Trade Marks or any name or mark which is similar or substantially similar to or so nearly resembling any of the Customer Trade Marks as might reasonably cause deception or confusion. The provisions of this Clause 30.10 shall survive any expiry or termination of this Agreement.
- 30.11 If any goodwill or proprietary right in relation to the Customer Trade Marks vests in any member of Supplier Group or its Sub-Contractors, immediately upon becoming aware of the vesting of such goodwill or right, Supplier shall assign, or shall procure the assignment of, such goodwill or right to the relevant member of Customer Group.
- 30.12 Customer hereby grants (and shall procure the grant of) a royalty-free, non-transferable and non-exclusive licence for the Term of all Customer Materials owned by Customer or any member of Customer Group or any Service Recipient to Supplier, any member of Supplier Group and any Sub-Contractor to the extent necessary for the provision of the Services and the performance of Supplier's obligations under this Agreement.

Licences of Supplier Background IPR

- 30.13 In respect of any of the Developed Materials and/or Bespoke Innovations that incorporate, integrate or use Supplier Background IPR or where Supplier Background
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IPR is needed to use the Developed Materials or Bespoke Innovations, Supplier hereby grants (and shall procure the grant of) a royalty-free, perpetual, irrevocable (save as set out in Clause 30.16) transferable and non-exclusive licence (with the right to sub-license) to use, modify and copy such Supplier Background IPR (to include in respect of Developed Materials and Bespoke Innovations, the Source Code and in respect of Developed Materials, Bespoke Innovations and Supplier Software, the object code to such software and any improvements and modifications thereto) to Customer for itself and for the benefit of any Service Recipient and any Successor Service Provider.

- 30.14 Supplier hereby grants (and shall procure the grant of) a royalty-free, irrevocable (save as set out in Clause 23.22), non transferable and non-exclusive licence (with the right to sub-license) for the Term of all Supplier Background IPR:
- (A) to Customer and all other Service Recipients, solely for the purpose of and to the extent necessary for the relevant person to receive and use the Services in accordance with the terms of this Agreement; and
 - (B) to Customer and all other Service Recipients and any Successor Service Provider, solely for the purpose of and to the extent necessary for the transition to, and the provision, receipt and use of, services similar to and replacing the Services and services that are integrated, or are in the process of being integrated, with the Services and on the terms specified in Clause 30.15.
- 30.15 Where, in each case, Customer, any other Service Recipient or any Successor Service Provider requires a further licence of Supplier Background IPR after the Term, Supplier shall grant (or shall procure the grant of) a licence to Customer, each such Service Recipient and any Successor Service Provider on reasonable commercial terms to be agreed by the Parties.
- 30.16 Subject to Clause 30.15, the Parties agree as follows:
- (A) each licence granted by Supplier pursuant to Clause 30 shall authorise Customer to sub-license the rights granted to it to any Service Recipient and any other third party (including for the avoidance of doubt any Successor Service Provider) provided that the sub-licence only authorises the Service Recipient and third party to use the Supplier Background IPR for the benefit and internal purposes of Customer and/or any other Service Recipient;
 - (B) the Customer may copy the Supplier Background IPR in order to create an archival copy and a back-up copy of it. When copying any software, Customer shall include the original machine readable copyright notice, and a label affixed to the media identifying the software and stating: "This medium contains an authorised copy of copyrighted software which is the property of [name of owner]";
 - (C) at any time following termination or expiry of this Agreement, Supplier or the relevant third party licensor may terminate a licence granted under this Clause 30 within thirty (30) days notice in writing if the Supplier Background IPR is used
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for any purpose not expressly permitted by this Clause 30, provided that Customer has not ceased such use within that 30 day notice period;

- (D) when a licence granted under this Clause 30 ends for whatever reason, Customer shall:
- (i) immediately cease all use of the Supplier Background IPR;
 - (ii) return or destroy the Supplier Background IPR;
 - (iii) provide Supplier or the third party licensor with a written notice signed and otherwise completed by an authorised signatory, to certify compliance with the provisions of this Clause 30.16(D).

30.17 On a six (6) monthly basis during the Term and at such other times as is reasonably requested by Customer, Supplier shall review with Customer the Supplier Software used by or on behalf of Supplier in providing the Services.

Licence of Third Party IPR

30.18 To the extent that Third Party IPR is used in the provision of the Services (excluding any IPR in Customer Materials licensed to Supplier pursuant to Clause 30.12), Supplier shall procure the grant of a licence on terms agreed by Customer pursuant to Clause 30.20(B) or where such terms are not agreed on a royalty- free, non-transferable, non-exclusive basis for the Term and to the extent necessary of all such Third Party IPR solely for the purpose of and to the extent necessary for:

- (A) in respect of Customer and Service Recipients, the receipt and use of the Services; and
- (B) in respect of Customer, any Service Recipients and any Successor Service Provider, the transition to, and the provision of, receipt and use of, services replacing the Services and services that are integrated, or are in the process of being integrated, with the Services.

30.19 Subject to Clause 30.20, where Third Party IPR is integrated or used in the Developed Materials and/or Bespoke Innovations or where Third Party IPR is needed to use the Developed Materials and/or Bespoke Innovations, Supplier shall procure a perpetual, non-exclusive and on such other terms as agreed by Customer, acting reasonably, licence of all Third Party IPR to the extent necessary for Customer, any Service Recipient and any Successor Service Provider to be able to use the Developed Materials and/or Bespoke Innovations.

Approval of the use of proprietary IPR by Customer

30.20 If the Supplier proposes at any time after the date of this Agreement that Supplier Background IPR and Third Party IPR is to be incorporated, integrated or used within or

in connection with any of the Developed Materials or Bespoke Innovations, Supplier shall prior to it first using, integrating or implementing such IPR:

- (A) notify Customer of that fact and provide all details reasonably necessary for Customer to ascertain the importance and/or relevance of such IPR, together with details of any alternatives available to it (if any); and
- (B) obtain Customer's consent, such consent not to be unreasonably withheld or delayed, prior to implementing, integrating or utilising any Supplier Background IPR or Third Party IPR in the Developed Materials or Bespoke Innovations.

Software Escrow

30.21 Upon request by Customer, at Customer's cost:

- (A) the Parties shall enter into an Escrow Agreement with the National Computer Centre Limited (the "**Escrow Agent**") in respect of the Source Code relating to any item of Supplier Software owned by Supplier or any member of Supplier Group and used in relation to the Services; and
- (B) Supplier shall procure that a copy of the Source Code relating to that Supplier Software (together with all upgrades, enhancements and modifications thereto) requested from time to time by Customer is deposited with the Escrow Agent in accordance with such Escrow Agreement.

Intellectual Property Indemnities

30.22 Subject to Clauses 30.24, 30.25 and 30.26, Supplier shall indemnify and keep Customer and all other Service Recipients fully and effectively indemnified 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 other Service Recipient's receipt and/or use of the Services in accordance with this Agreement.

30.23 Subject to Clauses 30.24 and 30.27, Customer shall indemnify and keep Supplier and all other members of Supplier Group fully and effectively indemnified in connection with any claim of alleged or actual infringement of any Third Party IPR arising out of or in connection with Supplier's use, and/or use by every other member of the Supplier Group, of any Customer IPR in accordance with this Agreement.

30.24 The indemnified Party shall give to the indemnifying Party prompt Notice of any claim the subject of an indemnity set out Clause 30.22 or 30.23 of which it becomes aware and the indemnifying Party shall at its own cost take all reasonable steps to defend such claim, and have conduct of any litigation which may ensue and all negotiations for a settlement of such claim (provided that the indemnifying Party will consult in good faith with the indemnified Party on an ongoing basis in respect of such claim, and shall take into account the reasonable commercial interests of the indemnified Party in connection therewith). The indemnified Party shall give the indemnifying Party all reasonable assistance, at the indemnifying Party's request and expense, in connection with any

such claim. The indemnified Party agrees not to make any admission or take any other action, which might be prejudicial thereto without the prior consent of indemnifying Party (Such consent not to be unreasonably withheld or delayed).

- 30.25 If any claim the subject of the indemnity at Clause 30.22 prevents or may prevent Customer or any Service Recipient or any Successor Service Provider from receiving the benefit of any of the Services or making use of any IPR as envisaged in this Clause 30, or if the receipt or use (or reasonably envisaged receipt or use) of the Services or any part thereof is likely to constitute an infringement, Supplier shall, without prejudice to Customer's other rights and remedies, promptly at its own cost and expense either:
- (A) use all reasonable efforts to procure for Customer, and any other Service Recipient the right to continue to use the relevant part or parts of the Services; or
 - (B) to the extent reasonably practicable replace or modify the relevant part or parts of the Services so that it becomes non-infringing, provided that any replacement or modification will be carried out promptly with minimal disruption to the provision and receipt of the Services and to Customer's reasonable satisfaction, and provided further Supplier shall remain bound by its obligations under this Agreement in respect of that Service, including in respect of the description and specification of that Service and the relevant Service Levels.
- 30.26 The indemnity in Clause 30.22 shall not apply to the extent that the claim or infringement has arisen from and Supplier will have no liability for any breach of Clause 21.2(B) to the extent that the breach of such Clause has arisen from:
- (A) any modification or enhancement to the Services and/or the Supplier Background IPR and/or any Third Party IPR made by any member of Customer Group and/or any other Service Recipient and/or any other third party other than any Sub-Contractor engaged by Supplier; or
 - (B) the use of the Services and/or any Supplier Background IPR and/or any Third Party IPR with any other materials, services, IPR, equipment, data, or systems not supplied by any member of Supplier Group or any Sub-Contractor, or in any manner inconsistent with the Operations Manual; or
 - (C) any breach of this Agreement by Customer and/or any Service Recipient.
- 30.27 The indemnity in Clause 30.23 shall not apply to the extent that the claim or infringement has arisen from and Customer will have no liability for any breach of Clause 21.3(D) to the extent that the breach of such Clause has arisen from or in respect of:
- (A) any modification or enhancement to Customer IPR made by any member of Supplier Group and/or any Sub-Contractor; or
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- (B) the use of any Customer IPR with any other materials, services, IPR, equipment, data or systems not supplied by any member of Customer Group or Service Provider;
- (C) Developed IPR or Bespoke Innovations; or
- (D) any breach of this Agreement by Supplier and/or any member of Supplier Group and/or any Sub-Contractor.

31. CONFIDENTIALITY

- 31.1 Each Party shall treat as confidential all Confidential Information and shall not disclose such Confidential Information to any person other than in accordance with this Agreement.
 - 31.2 Neither Party shall use any Confidential Information other than in connection with, and only to the extent necessary for, the performance of its obligations under this Agreement.
 - 31.3 Each Party shall procure that any person to whom Confidential Information is disclosed by it (including pursuant to Clause 31.4 other than 31.4(A) and 31.4(B) where that is not reasonably practicable) is on terms that they keep it confidential in compliance with the restrictions set out in this Clause 31 and as if such person were a party to this Agreement.
 - 31.4 Either Party may subject to the provisions of this Clause 31.4 disclose another's Confidential Information:
 - (A) if and to the extent required by Applicable Law or for the purpose of any judicial proceedings;
 - (B) if and to the extent required by any securities exchange or regulatory or governmental body to which that Party is subject (including a Regulator or tax authority) wherever situated, whether or not the requirement for information has the force of law;
 - (C) if and to the extent required in referring a dispute for resolution pursuant to Clause 47 (*Dispute Resolution*);
 - (D) to its Affiliates and to its and their professional advisers, auditors and bankers;
 - (E) to potential acquirers (and their advisers) of that Party or any Affiliates of that Party, or of the businesses of that Party or its Affiliates (to the extent, in each case, such businesses supply or benefit from a Service), provided that before any such disclosure is made each such potential acquirer has entered into a confidentiality undertaking with respect thereto with the Party whose Confidential Information is to be disclosed. Customer acknowledges that Supplier shall not be obliged under this Clause to provide any Confidential
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Information relating to Supplier and/or any other member of Supplier Group including in respect of the Charges and any information relating to the costings, margins or other internal financial data of any member of Supplier Group or any Sub-Contractor;

- (F) if and to the extent the information has come into the public domain through no fault of that Party;
 - (G) (in the case of Customer only) to any Service Recipient, to any Customer Personnel or to any third party supplier (including any Successor Service Provider) engaged by Customer or any other Service Recipient in connection with the performance of Customer's obligations or exercise of Customer's rights under this Agreement and/or in connection with the receipt of the Services (excluding, in the case of third party suppliers, Confidential Information relating to Supplier and/or any other member of Supplier Group including in respect of the Charges and any information relating to the costings margins or other internal financial data of any members of Supplier Group or any Sub-Contractor) provided that in the case of any person referred to in this Clause other than Customer Group's officers and employees before any such disclosure is made Customer shall identify the person to whom it wishes to disclose the Confidential Information, and if requested by Supplier shall ensure such third party has entered into a confidentiality agreement with the Supplier on terms equivalent to those set out in this Clause 31, each such confidentiality agreement to provide for reciprocal obligations for preserving confidentiality;
 - (H) (in the case of Customer only) to a Successor Service Provider or potential Successor Service Provider as is reasonably necessary to procure replacement services the same as or similar to the services or to provide or receive Exit Services (excluding Confidential Information relating to Supplier and/or any other member of Supplier Group including in respect of the Charges and any information relating to the costings, margins or other internal financial data of any member of Supplier Group or Sub-Contractor) provided that such Successor Service Provider or potential Successor Service Provider has first entered into a confidentiality agreement with respect thereto with Supplier on terms equivalent to those set out in this Clause 31, each such confidentiality agreement to provide for reciprocal obligations for presenting confidentiality before any such disclosure is made; and
 - (I) (in the case of Supplier only) to any Sub-Contractor or any Supplier Personnel as is reasonably necessary in connection with the performance of Supplier's obligations under this Agreement including in connection with the supply of the Services,
- provided that, in the case of Clauses 31.4(A), (B) and (C) above, the disclosing Party shall promptly Notify the other Party of such requirement (to the extent it is permitted to do so).
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31.5 The provisions of this Clause 31 shall take priority over the provisions of any agreements entered into by the Parties prior to the date of this Agreement solely to the extent that any such agreements relate to the non-disclosure by either Party of Confidential Information.

31.6 Notwithstanding the expiry or early termination of this Agreement, the provisions of this Clause 31 shall continue to apply to each Party without limit in time.

32. RECORDS, AUDIT AND COMPLIANCE

32.1 Supplier acknowledges that Customer shall have such audit rights as required for Customer to be compliant with the Customer Group Audit Policy. Where there are changes to the Customer Group Audit Policy after the date of this Agreement, then Supplier shall comply with all such notified changes within a reasonable period of time after notification of such changes. Where compliance with such changes will reasonably result in increased costs for Supplier, then the parties shall discuss and agree through the Change Control Procedure the reasonable incremental costs of the Supplier in complying with such changes. Such agreed costs shall be borne by the Customer.

Record Keeping

32.2 Supplier shall:

- (A) keep or cause to be kept, and shall procure that each Material Sub-Contractor shall keep or cause to be kept, accurate records relating to the supply of the Services (including records relating to: (i) performance against the Service Levels, the Critical Deliverables and other Deliverables; (ii) information technology and network system validation; (iii) Supplier Personnel; (iv) the Charges; (v) security incidents; (vi) Incident Management; and (vii) any reports in relation to the implementation and performance of the Services required to be produced under this Agreement, including reports prepared pursuant to Schedule 13 (*Reports*) ("**Records**"); and
- (B) retain and procure the retention of all Records (in whatever form held, including paper and electronic form) for the longer of: (i) the period of time required by Applicable Law; (ii) the period of time required by any data retention notice issued by any member of Customer Group from time to time subject to the Parties reaching agreement on charges for retention when this exceeds the later of the periods referred to in (i) and (iii); and (iii) seven years following the termination or expiry of this Agreement.

Supplier Internal and External Reviews

32.3 Supplier shall, to the extent such compliance does not or would not breach any duty of confidentiality owed by Supplier to any customer of any member of the Supplier Group or any Sub-Contractor:

- (A) within the first twenty (20) Business Days of the beginning of each calendar year during the Term, inform Customer of all of their proposed internal and external review, audit and testing programmes that in whole or to the extent that they apply to the Services including all audits and reviews:
 - (i) relating to International Organisation for Standardisation (“ISO”) compliance;
 - (ii) by a regulatory, administrative, supervisory or governmental agency, body or authority; and
 - (iii) all reviews and audits that relate to the design and operational effectiveness of controls applicable to the Services,(a “**Regular Review**”) and provide details of the proposed scope of the same. Customer shall be permitted to make observations about the proposed Regular Reviews (including as to timing and scope) and Supplier shall take all of Customer’s reasonable observations into account when finalising and carrying out such Regular Reviews;
- (B) inform Customer of all proposed material amendments to a Regular Review (including as to timing and scope) required to be notified to Customer pursuant to Clause 32.3(A). Supplier shall permit Customer the opportunity to make observations about the proposed amendments in advance of them being implemented (and Supplier shall take all of Customer’s reasonable observations into account when implementing any such amendments);
- (C) at Supplier’s own cost and expense, provide to Customer the scope and results (including all reports and conclusions whether or not in writing) of all Regular Reviews; and
- (D) carry out such reviews, audits and tests at Customer’s cost as Customer may reasonably request (including as a follow-up to, or an extension of, a Regular Review) (each a “**Customer-instigated Review**”). Customer shall bear Supplier’s reasonable costs and expenses directly related and properly incurred in carrying out a Customer-instigated Review.

Audit Rights and SAS-70 Obligations

32.4 Subject to the other terms of this Clause 32, at Customer’s request, Supplier shall grant (or shall procure the grant of) access during Working Hours or at such other times as the Parties shall agree for Customer (or, at Customer’s request, any statutory, regulatory or internal auditors of or engaged by Customer Group or any Regulator (the “**Auditors**”)) to the Records, the Facilities and Supplier Personnel as Customer may reasonably require solely for the purpose of:

- (A) verifying the accuracy of all invoices supplied to Customer under this Agreement, including the accuracy of the Charges;
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- (B) verifying Supplier's compliance with its obligations under this Agreement (including the accuracy of its reporting, the supply of the Services and the achievement of Critical Deliverables);
- (C) enabling any member of Customer Group to confirm its compliance with Applicable Law (including compliance with its accounting, tax and filing obligations);
- (D) dealing fully with enquiries raised by any Regulator or in relation to any investigation by, or order or direction of a Regulator;
- (E) verifying the design and operational effectiveness of controls applicable to the Services;
- (F) verifying the integrity, confidentiality and security of Customer Data and Confidential Information; and
- (G) verifying the effective management of risks relating to the supply of the Services.

32.5 Pursuant to Clause 32.4, Customer shall have the right to carry out:

- (A) scheduled audits in accordance with the audit plan in accordance with the Customer Group Audit Policy; and
- (B) additional ad hoc audits in relation to the processes relating to the Services,

provided that if Supplier reasonably anticipates that it will incur additional costs and expenses due to an increased number of ad hoc audits by Customer (including a need for Supplier to increase the members of its audit team), then Supplier shall Notify Customer of the same and Customer shall bear Supplier's reasonable additional costs and expenses directly related to and properly incurred in relation to the carrying out of such ad hoc audits.

32.6 Notwithstanding Clause 32.5, each Party will bear its own internal costs and the costs of any third party advisors or auditors utilised by that Party in relation to any audit undertaken in accordance with this Clause 32, but Supplier shall be responsible for the costs of any remedial actions agreed by the Parties to be performed by Supplier.

32.7 Subject to any requirements specified by the Regulator, any audit, investigation or monitoring undertaken in accordance with this Clause 32 will be subject to Customer providing at least twenty (20) Business Days' notice of any audit it intends to carry out pursuant to these provisions unless such audit is required by Customer for reasons of:

- (A) suspected fraud or other illegal activity by Supplier or its Sub-Contractors or Supplier Personnel;
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- (B) non-compliance with the Customer Group's policies, standards and procedures set out or referred to in Schedule 17 (*Policies and Procedures*);
- (C) Customer or any Regulator having reasonable grounds to suspect that Supplier is in material breach of its obligations under this Agreement;

in which case Customer shall not be obliged to give any such advance notice.

- 32.8 Supplier shall not unreasonably withhold its consent to Customer's conduct of an audit on the date(s) proposed by Customer but reserves the right to withhold its consent as to the date(s) on which:
- (A) the relevant Supplier Personnel are not reasonably available due to their other work-related duties; or
 - (B) other audits or regulatory examinations are being conducted.
- 32.9 Audits shall be conducted in such a manner as to minimise (so far as is practicable) any interference with business activities of any member of Supplier Group or any Sub-Contractor including the performance by Supplier of its obligations under this Agreement.
- 32.10 Customer shall procure that any Auditor or other authorised representative of Customer or any Service Recipient shall keep confidential the information relating to the Supplier Group and/or any Sub-Contractor (provided that such information may be disclosed in circumstances referred to in Clause 31.4) which comes to its knowledge as a consequence of the audit and, if requested by Supplier, shall ensure that such Auditor or authorised representative enters into a confidentiality undertaking including terms which are substantially similar to Clause 31 prior to undertaking the audit.
- 32.11 Customer acknowledges that any audits performed pursuant to and/or the exercise of Customer's rights under this Clause 32 shall not entitle Customer or the Auditors to inspect any data, information or records to the extent that such materials relate to any other customer of any member of Supplier Group or any Sub-Contractor nor to inspect the employment contracts, costings, margins or other internal financial data of any member of Supplier Group or any Sub-Contractor. In addition, Customer shall procure that the Auditors comply with Supplier's security, safety and other site specific regulations and procedures whilst on the Sites notified to the Auditors. The Auditors shall be escorted at all times by a member of the Supplier Personnel while on the Sites.
- 32.12 At Customer's request Supplier shall obtain and deliver to Customer a Type II report and examination prepared in accordance with Statement on Auditing Standards 70 (as amended from time to time) as promulgated by the American Institute of Public Certified Accountants (the "**SAS-70 Report**") from a reputable and independent global accounting firm. Subject to the foregoing, the SAS-70 Report shall:
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- (A) cover, as a minimum, six months of each year with the start date of each such audit period being (subject to the Parties' agreeing otherwise) no sooner than 1 April in each year; and
- (B) be based on an examination of all (i) operating environments, (ii) technology, telecommunications and infrastructure networks and systems (and, in each case, related processes), (iii) applications and (iv) data centres of Supplier and each Sub-Contractor that relate to the supply of the Services or the performance of Supplier's obligations under or in connection with this Agreement.

Customer shall bear the costs of the independent accountant in relation to the SAS-70 Report, provided that such costs are pre-notified by Supplier and agreed by Customers. Supplier will not be obliged to commission such work until Customer's agreement on costs has been obtained.

32.13 Supplier shall, at its own cost and expense:

- (A) as soon as reasonably practicable following Supplier being aware of the same remedy any control weakness or deficiency in the design or operational effectiveness of controls that resulted in or is likely to result in a qualification of the independent auditors' opinion of the SAS-70 Report; and
- (B) as soon as reasonably practicable provide Customer with evidence that the control weaknesses and deficiencies referred to in Clause 32.12(A) have been remedied and have been the subject of a successful re-test by Supplier to ensure proper design and operational effectiveness.

Assistance and Provision of Information

32.14 Supplier shall and shall procure that all Major Sub-Contractors shall, co-operate and provide all reasonable assistance to Customer and the Auditors in the exercise of their rights pursuant to this Clause 32 and will provide Customer and the Auditors with such copies of relevant documents and information as they may reasonably request.

32.15 Without prejudice to any other provision of this Clause 32, promptly upon Customer's request Supplier shall, and shall procure that all Major Sub-Contractors shall, provide to Customer all information in their possession or under their control necessary to assist Customer Group to satisfy Customer Group's internal and external risk management, compliance, corporate governance and regulatory reporting requirements in accordance with the Customer Group Audit Policy.

32.16 Supplier shall promptly provide Customer with details of all material breaches of, or material non-compliance, with Applicable Law by it or its Sub-Contractors of which it becomes aware and relate to the provision of the Services.

Consequences of Audit

- 32.17 Where an audit (including any Regular Review or Customer-instigated Review) carried out pursuant to this clause 32 reveals any fraud or breach of this Agreement by Supplier, any fraud by a Sub-Contractor in connection with this Agreement and/or identifies an audit issue according to the Customer Group Audit Policy (each an “**Audit Issue**”), then, without prejudice to the other rights and remedies of Customer under this Agreement, the Parties shall discuss the Audit Issue(s) and, if appropriate, and to the extent agreed, the Parties shall agree and prepare a plan to address the Audit Issue (the “**Audit Remediation Plan**”).
- 32.18 The Audit Remediation Plan shall outline the actions agreed by the Parties that Supplier shall take in order to comply with its obligations under this Agreement and/or required for resolution of the Audit Issue, including an agreed timetable for implementing such actions. Supplier shall be responsible for the costs and expenses of implementing any remedial actions agreed by the Parties in accordance with the Audit Remediation Plan to be performed by the Supplier.
- 32.19 In the event that the Parties fail to reach an agreement on an Audit Remediation Plan within fifteen (15) Business Days following the relevant audit, either Party shall have the right to escalate the matter in accordance with the procedures specified in Schedule 6 (*Governance and Service Management*) of this Agreement.

33. DATA PROTECTION

- 33.1 Each Party undertakes that in performing its obligations hereunder it shall (and in respect of Supplier, shall procure that the Sub-Contractors shall) comply with the provisions of the Data Protection Act 1998 and all other Applicable Law relating to the processing of personal data only to the extent that the provisions of the Data Protection Act 1998 and all other Applicable Law are applicable to the role of each Party when processing personal data in performance of their respective obligations under this Agreement. Capitalised terms continued in this Clause 33 and not defined in this Agreement shall have the meaning given to them in the Data Protection Act 1998.
 - 33.2 Notwithstanding any other provisions of this Agreement, with respect to the processing of personal data of any Service Recipient (including personal data of any of their respective customers) or any Customer Personnel, the Supplier:
 - (A) understands and acknowledges that, to the extent that performance of its obligations hereunder involves or necessitates the processing of such personal data, it shall act only on instructions and directions from the Customer and/or any Service Recipient as set out in this Agreement;
 - (B) shall take and implement appropriate technical and organisational security procedures and measures to protect any such personal data processed by it against unauthorised or unlawful processing, accidental loss, destruction or damage; and
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(C) has and will continue to take all reasonable steps to ensure the reliability of any of Supplier Personnel which will have access to personal data processed as part of any provisions of this Agreement.

33.3 Supplier shall, and procure that the Sub-Contractors shall, process any personal data of any Service Recipient (including personal data of any of their respective customers) or any Customer Personnel in accordance with Clause 33.2.

33.4 Any request for Supplier to adhere to any obligations of each Service Recipient under the Data Protection Act 1998 associated with any duties they may have as a Data Controller of personal data shall be as expressly set out in the Agreement. Supplier shall comply with any further reasonable requests by Customer, provided that where such requests are not set out in the Agreement, Customer shall bear Supplier's reasonable and direct costs incurred as a result of complying with such request of Customer and such costs shall be agreed by the Parties in accordance with the Change Control Procedure, and Supplier shall have a reasonable period within which to comply with such requests.

33.5 If:

(A) any member of Customer Group located in the European Economic Area ("EEA") will in the course of receiving the Services have cause to transfer personal data referred to in Clause 33.3 to Supplier or a Sub-Contractor located outside the EEA; or

(B) Supplier or any Sub-Contractor located in the EEA will, in relation to the supply of the Services by Supplier, have cause to transfer any personal data referred to in Clause 33.3 to any Sub-Contractor located outside of the EEA,

then:

(C) prior to any transfer referred to in Clause 33.5(B), Supplier shall give Customer reasonable prior written notice of such proposed transfer; and

(D) subject to Clause 33.6 below, upon Customer's request, Supplier agrees to enter into, and procure that each relevant Sub-Contractor enters into, an agreement with the relevant member of Customer Group on the then current standard contractual clauses for the transfer of personal data from a Data Controller in the EEA to a data processor outside the EEA as approved by the European Commission (or such other relevant authority of the European Union or its constituent member states).

33.6 The Parties agree that where an alternative solution may be available to provide adequacy under Article 25 of Directive 95/46/EC in relation to the country (or a sector thereof) to which the personal data is transferred including Directive 95/46/EC becomes directly applicable in such country then the Supplier may choose to adopt such an alternative solution instead of entering into an agreement as set out in Clause 33.5(D) above.

34. LIMITATION OF LIABILITY

34.1 Nothing in this Agreement shall exclude or limit the liability of any Party for:

- (A) death and/or personal injury resulting from the negligence of that Party or its directors, officers, employees, contractors or agents; or
- (B) fraud and/or fraudulent misrepresentation.

34.2 Subject to Clause 34.1, Clause 34.3, Clause 34.6 and Clause 34.7, neither Party shall be liable to the other Party in contract (including under any indemnity), tort (including negligence), misrepresentation or for breach of any duty (including strict liability) for (A) any indirect or consequential loss or damage; and/or (B) any loss of profits, business, revenue, goodwill or anticipated savings, provided that this Clause 34.2 shall be without prejudice to Customer's obligation to pay and Supplier's rights to be paid the Charges, the Customer's obligation to meet the Minimum Commitment Level and to pay the Termination Fee and Customer's obligation to pay any sum pursuant to Schedule 4 (*Pricing, Invoicing and Payment*) and any other sum in the nature of charges, costs or expenses (where applicable) and the obligation of Supplier to pay Service Credits and to pay any sum pursuant to Schedule 4 (*Pricing, Invoicing and Payment*) and any other sum in the nature of charges, costs or expenses (where applicable).

34.3 Subject to Clause 34.5 and Clause 34.8, the provisions of Clause 34.2 shall not prevent Customer from recovering any of the following, to the extent such losses arise directly from any breach of the obligations of Supplier under this Agreement, or any tort (including negligence), misrepresentation or breach of duty (including strict liability) of Supplier in relation to the subject matter of this Agreement (together a "**Default**") and in respect of which Supplier is liable to Customer:

- (A) loss of profit directly incurred as a result of any customer of any Service Recipient ceasing (partially or wholly) to do business with such Service Recipient where such cessation resulted directly from that Default, but excluding ex gratia payments or other benefits paid to such customers;
 - (B) the additional costs and expenses directly and reasonably incurred by Customer and/or any Service Recipient in procuring and implementing alternative or replacement services;
 - (C) the costs, to the extent reasonably and directly incurred by Customer and/or any other Service Recipient, of reconstituting or reloading lost or corrupted data (including Customer Data);
 - (D) the cost, to the extent reasonably and directly incurred, of implementing and performing reasonable workarounds following a Service Failure;
 - (E) losses (including fines paid to a Regulator) reasonably and directly incurred by Customer and/or any other Service Recipient where the relevant Default has
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REDACTED

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The portions of this document marked by "XXXXXX" have been omitted and are filed separately with the Securities and Exchange Commission.

directly resulted in Customer and/or the other Service Recipient being in breach of any Applicable Law;

- (F) additional costs reasonably and directly incurred by Customer and/or any other Service Recipient to correct and re-perform Services; and
- (G) losses reasonably and directly incurred by Customer and/or any other Service Recipient resulting from a contractual claim (excluding any vexatious, frivolous or invalid claim) made against Customer and/or any other Service Recipient by one or more of its customers under the express terms of a contract entered into in the ordinary course of business by the relevant Service Recipient and that customer where such claim resulted directly from that Default, but excluding ex gratia payments or other benefits.

34.4 Except in relation to the liabilities described in Clause 34.1 and/or Clause 34.6 and subject always to Clause 34.8, the maximum aggregate liability of Supplier and its Affiliates under this Agreement in contract (including under any indemnity), tort (including negligence), misrepresentation, for breach of duty (including strict liability) or otherwise, in respect of each Contract Year, shall be limited to:

- (A) for the first Contract Year, XXXXX of the projected aggregate Charges payable by Customer for the first Contract Year; and
- (B) for each Contract Year other than the first Contract Year, XXXXX of the aggregate Charges under this Agreement paid or invoiced by Customer in the immediately preceding Contract Year,

and for the avoidance of doubt, Service Credits will not be counted against the maximum aggregate liability of Supplier and its Affiliates as set out in this Clause 34.4.

34.5 Except in relation to the liabilities described in Clause 34.1 and Clause 34.6, the maximum aggregate liability of Customer and its Affiliates under this Agreement in contract (including under any indemnity), tort (including negligence), misrepresentation, for breach of duty (including strict liability) or otherwise in respect of each Contract Year, shall be limited to:

- (A) for the first Contract Year, XXXXX of the projected aggregate Charges payable by Customer for the first Contract Year; and
- (B) for each Contract Year other than the first Contract Year, XXXXX of the aggregate Charges under this Agreement paid or invoiced by Customer in the immediately preceding Contract Year.

34.6 The exclusions and limitations of liability set out in this Clause 34 (including those set out in Clauses 34.2, 34.4 and 34.5 shall not apply:

- (A) in respect of Supplier to:
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- (i) the indemnities given by Supplier pursuant to Clause 30.22(*Intellectual Property Indemnities*);
 - (ii) Supplier's obligations to pay the Incentive Payment, to pay Service Credits and to pay any sum pursuant to Schedule 4 (*Pricing, Invoicing and Payment*) and any other sum in the nature of charges, costs or expenses in accordance with this Agreement; and
 - (iii) any damages or loss incurred by Customer or any other Service Recipient due to the wilful or deliberate act or omission or dishonesty of Supplier, any of its Sub-contractors or any Supplier Personnel;
- (B) in respect of Customer to:
- (i) the indemnity given by Customer pursuant to Clause 30.23 (*Intellectual Property Indemnities*); and
 - (ii) Customer's obligations to pay the Charges including the Termination Fee and meet the Minimum Commitment Level to pay any sum pursuant to Schedule 4 (*Pricing, Invoicing and Payment*) and any other sum in the nature of charges, costs or expenses in accordance with this Agreement; and
 - (iii) any damages or losses incurred by any member of Supplier Group due to the wilful or deliberate act or omission or dishonesty of Customer or any Customer Personnel.
- (C) in respect of Supplier and Customer, any breach by the other Party of Clause 31 (*Confidentiality*), including a failure by such other Party to ensure that a recipient of Confidential Information from such other Party complies with the provisions of Clause 31 (*Confidentiality*).

34.7 Without prejudice to the remainder of this Clause 34, the exclusion of Customer's liability for loss of profit set out in Clause 34.2(B) shall not apply in respect of loss of profit directly incurred by Supplier as a result of a breach by Customer of Clause 1.4, provided that, notwithstanding Clause 34.4, the maximum aggregate liability of Customer and its Affiliates under this Agreement in contract (including under any indemnity), tort (including negligence), misrepresentation, for breach of duty (including strict liability) or otherwise, in respect of each Contract Year, in the case of liability of the type specified in this Clause 34.7 shall be limited to:

- (A) for the first Contract Year, XXXXX of the projected aggregate Charges payable by Customer for the first Contract Year; and
 - (B) for each Contract Year other than the first Contract Year, XXXXX of the aggregate Charges under this Agreement paid or invoiced by Customer in the immediately preceding Contract Year.
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CONFIDENTIAL TREATMENT REQUESTED

The portions of this document marked by "XXXXXX" have been omitted and are filed separately with the Securities and Exchange Commission.

34.8 Notwithstanding Clause 34.4, the maximum aggregate liability of Supplier and its Affiliates under this Agreement in contract (including under any indemnity), tort (including negligence), misrepresentation, for breach of duty (including strict liability) or otherwise, in respect of each Contract Year, shall be limited to:

- (A) In the case of liability of the type specified in Clause 34.3(A):
 - (i) for the first Contract Year, XXXXX of the projected aggregate Charges payable by Customer for the first Contract Year; and
 - (ii) for each Contract Year other than the first Contract Year, XXXXX of the aggregate Charges under this Agreement paid or invoiced by Customer in the immediately preceding Contract Year; and
- (B) In the case of liability of the type specified in Clause 34.3(G):
 - (i) for the first Contract Year, XXXXX of the projected aggregate Charges payable by Customer for the first Contract Year; and
 - (ii) for each Contract Year other than the first Contract Year, XXXXX of the aggregate Charges under this Agreement paid or invoiced by Customer in the immediately preceding Contract Year.

34.9 Customer shall ensure that any each Service Recipient complies with the obligations of Customer under this Agreement to the extent that such obligations relate to the receipt of the Services by that Service Recipient.

35. TAX

35.1 All sums payable under this Agreement shall be paid free and clear of all deductions and withholdings whatsoever, save only as may be required by law. If any deductions or withholdings are required by law to be made from any such sums, the Party liable to make the payment shall pay to the recipient such sums as will, after the deduction or withholding is made, leave the recipient with the same amount as it would have been entitled to receive in the absence of any such requirement to make a deduction or withholding.

35.2 Subject to clause 35.3, all sums payable under this Agreement are exclusive of any Specified Sales Taxes and are inclusive of any amounts in respect of any Other Sales Tax properly chargeable in respect of them.

35.3 Notwithstanding clause 35.2,

- (A) if any Indian Service Tax (other than Tax chargeable in respect of the One-off Charge as defined in paragraph 5 of Schedule 4 (*Pricing, Invoicing and Payment*) or the Incentive Payment) is chargeable in respect of the Services provided pursuant to this Agreement and a Party (or a member of its Group) is liable to account for such Tax to the relevant tax authority, Customer and
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Supplier shall each bear 50% of such Tax PROVIDED THAT if the total Indian Service Tax (other than Tax chargeable in respect of the One-off Charge as defined in paragraph 5 of Schedule 4 (*Pricing, Invoicing and Payment*) or the Incentive Payment) chargeable in respect of the Services exceeds or could exceed GBP £2,000,000 in any twelve (12) month period (which amounts shall be determined by reference to the spot rate(s) published in the Financial Times on any date on which such a determination is made as the case may be), Supplier and Customer shall use reasonable endeavours to mitigate such cost. If the Parties cannot agree an effective method to mitigate such cost within three (3) months from the time such taxes first become payable, Customer may terminate this Agreement by Notice to Supplier with immediate effect; and

- (B) if any Services are held by a UK Tax authority to be a taxable supply in respect of which Customer or a member of Customer Group is liable to account for VAT to the UK Tax authority, Supplier shall not be liable under this Agreement to make any payment to Customer, and Customer shall not be entitled to withhold or deduct any amount from any sums payable under this Agreement, in respect of such VAT.

For the avoidance of doubt this Clause 35.3 is not an "Agreement to Agree" for the purposes of Clause 36.

36. AGREEMENTS TO AGREE

36.1 Where any provision contained in this Agreement relates to a document, procedure, process or any other matter which is to be determined or otherwise agreed by the Parties following the execution of this Agreement (an "**Agreement to Agree**"), the Parties agree that they shall act reasonably and in good faith in seeking to conclude each Agreement to Agree:

- (A) as soon as reasonably practicable or, where timescales are stipulated in the relevant Clause, Schedule or Appendices, within those timescales; and
- (B) in such manner and form as required by the relevant Clause, Schedule or Appendix (as applicable).

36.2 Where an Agreement to Agree is not concluded by the relevant date referred to in Clause 36.1(A) above and the Parties have failed to reach an agreement on the matter having acted reasonably and in good faith and used all reasonable efforts to reach an agreement within thirty (30) Business Days after such relevant date, then Supplier shall implement from such date all reasonable written requests of Customer in connection with the subject matter of such Agreement to Agree, provided that:

- (A) it is technically and operationally feasible for Supplier to implement any such request of Customer; and
 - (B) Supplier shall not be obliged to implement any such request of Customer until Supplier's costs have been agreed in accordance with Clause 36.3.
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- 36.3 To the extent that Supplier incurs costs in addition to those provided for in the Charges as a result of complying with Customer's request pursuant to Clause 36.2, Customer shall (except where such request is the result of Supplier's breach of any of its obligations under this Agreement) reimburse Supplier its reasonable and direct costs, such costs to be determined through the Change Control Procedure.
- 36.4 The Parties agree that in the event that the implementation of any request of Customer, pursuant to Clause 36.2, causes Supplier to be in breach of this Agreement, such a request shall be deemed to be a breach by Customer of its obligations under this Agreement solely for the purposes of Clause 13 (*Supplier Relief and Customer Relief*) and in such an event Clause 13 (*Supplier Relief and Customer Relief*) shall apply.
- 36.5 For the avoidance of doubt, Clause 36.2 shall not apply:
- (A) where the document, procedure, process or other matter which is to be determined or otherwise agreed by the Parties following the execution of this Agreement is stated in this Agreement to be for the discretion of one Party (including where it is subject to a Party's discretion or consent whether or not there are limitations on the exercise of that discretion or the giving of that consent, including Clause 40.1 (*Announcements and Publicity*) and Clause 41 (*Assignment*));
 - (B) where this Agreement (other than in this Clause 36) expressly sets out a process for settling any document, procedure, process or other matter not agreed (including the appointment of an independent adjudicator);
 - (C) to any discussions between the Parties as referred to in paragraph 6 of Schedule 4 (*Pricing, Invoicing and Payment*) in relation to changing the charging mechanism under this Agreement from a Billable FTE basis to a unit transaction pricing basis for some or all of the Services; or
 - (D) to the agreement of terms pursuant to Clauses 8.3(B) or 30.15.

37. NOTICES

- 37.1 A Notice shall only be effective if it is in writing and in the English language. Faxes (but not any other form of electronic communication) shall be permitted for the giving of a Notice.
- 37.2 All Notices shall be sent to a Party at its address or number and for the attention of the individual set out below:

For Customer:

Address: 6 Temasek Boulevard, #22-01 Suntec Tower 4, Singapore 038986

For the attention of: Simon Machell

Fax No: +65 6829 1890

With a copy to each of the following:

Address: Aviva plc, St Helens, 1 Undershaft, London EC3P 3DQ

For the attention of: Deputy Group Company Secretary (Kirsty Cooper)

Fax No: +44 20 7662 7700

Address: Tower 1 Cyber City, Magarpatta City, Hadapsar, Pune 411013, Maharashtra, India

For the attention of: Chief Executive Officer, Aviva Global Services (Teresa Copping)

Fax No: +91 20 26824960

For Supplier:

Address: Multiconsult Limited, 10 Frere Felix de Valios Street, Port Louis, Mauritius

For the attention of: Manager, Company Administration (Sonia Lutchmiah)

Fax No: +230 212 5265

With a copy to:

Address: Gate 4, Godrej & Boyce Complex, Pirojshahnager, Vikholi (W), Mumbai — 400079, India

For the attention of: General Counsel, WNS Group (Vikas Gupta)

Fax No: +91 22 2518 8350

provided that either Party may change its Notice details on giving Notice of the change in accordance with this Clause 37 to the other Party. That Notice shall only be effective on the date falling five (5) Business Days after the notification has been received or such later date as may be specified in the Notice.

37.3 Any Notice shall, in the absence of earlier receipt, be deemed to have been duly given as follows:

(A) if delivered personally, on delivery;

- (B) if sent by registered post, two (2) Business Days after the date of posting; and
- (C) if sent by fax, when correctly despatched.

37.4 Any Notice given outside normal Working Hours in the place to which it is addressed shall be deemed not to have been given until the start of the next period of Working Hours in such place.

38. INSURANCE

- 38.1 Subject to Clause 38.2, Supplier shall, at its own cost and by reference to Good Professional Practice, effect insurance with a reputable insurer in relation to all risks typically insured and which are associated with or arise in the connection with the performance of its obligations under this Agreement (including in respect of the professional indemnity risks (including errors and omissions), employer's liability, public and products liability, property damage and employee dishonesty and fraud.
- 38.2 Supplier shall not obtain the insurance referred to in Clause 38.1 through or from any member of Customer Group notified in advance to the Supplier in writing.
- 38.3 Supplier shall maintain the insurance cover referred to in Clause 38.1 throughout the Term and Supplier shall on request from Customer produce satisfactory evidence to Customer that such insurance cover is in place.
- 38.4 Supplier shall not do or omit to do anything which would vitiate any of the policies of insurance which it is required to effect and maintain pursuant to this Clause 38.

39. FORCE MAJEURE

- 39.1 Neither Party (the "**Claiming Party**") shall be liable to the other for any delay or failure to perform any of its obligations hereunder to the extent such delay or failure is due to an Event of Force Majeure provided that:
- (A) the Claiming Party could not have avoided such circumstances by taking reasonable precautions which he ought reasonably to have taken, including compliance with Schedule 15 (*Business Continuity, Disaster Recovery and Incident Management*) save to the extent the Claiming Party is unable to comply with Schedule 14 (*Security Management*) due to an event of Force Majeure; and
 - (B) the Claiming Party has used, and continues to use, its reasonable endeavours to (i) mitigate the effect of such circumstance and (ii) perform its affected obligations.
- 39.2 The Claiming Party shall not be excused performance of its obligations unaffected by an Event of Force Majeure.
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- 39.3 The Claiming Party shall Notify the other upon becoming aware of an Event of Force Majeure, which notice shall contain details of the matters or circumstances of which it is aware giving rise to the Event of Force Majeure and its anticipated duration.
- 39.4 On every cessation of a Service (or part thereof) pursuant to this Clause 39 where Supplier is the Claiming Party:
- (A) Customer shall have no liability to Supplier in respect of any Charge for such Service (or part thereof) to the extent such Service or part thereof are not provided in accordance with this Agreement;
 - (B) Supplier shall prepare a plan for the remediation of the Event of Force Majeure as soon as reasonably practicable after Notice was given to Customer pursuant to Clause 39.3. The Parties shall discuss these recommendations and Supplier, at its own cost and expense, shall then take such action (including the use of additional resources) as is reasonably necessary and as has been agreed in writing by the Parties to avoid, remedy and otherwise minimise the impact of the Event of Force Majeure in accordance with Good Professional Practice.
- 39.5 If an Event of Force Majeure prevents the proper receipt of the Services by a Service Recipient in accordance with this Agreement for more than sixty (60) days Customer shall be entitled to terminate certain Services identified in accordance with Clauses 23.2 and 23.3, by written notice to Supplier with immediate effect.
- 39.6 If an Event of Force Majeure prevents the proper supply of the Services in accordance with this Agreement by or on behalf of the Supplier for more than sixty (60) days Customer shall be entitled to terminate certain Services identified in accordance with Clauses 23.2 and 23.3, by written notice to Supplier with immediate effect.

40. ANNOUNCEMENTS AND PUBLICITY

- 40.1 Neither Party shall make any:
- (A) public announcement concerning the transactions contemplated by this Agreement or any ancillary matter; or
 - (B) reference to the other in any of its advertising or promotional material,
- without the prior written approval of the other Party such approval not to be unreasonably withheld or delayed. This Clause 40.1 does not apply in the circumstances described in Clause 40.2.
- 40.2 Notwithstanding Clause 40.1, either Party may make an announcement concerning this Agreement or any ancillary matter if:
- (A) required by Applicable Law; or
 - (B) required by any Regulator, whether or not the requirement has the force of law,
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in which case the Party concerned shall take all such steps as may be reasonable and practicable in the circumstances to agree the contents of such announcement with the other Party before making such announcement.

- 40.3 Each Party shall be responsible for the observance of the provisions of this Clause 40 by each of its respective employees, contractors and agents (and in the case of Supplier, each Supplier Personnel).
- 40.4 Notwithstanding the expiry or early termination of this Agreement, the provisions of this Clause 40 shall continue to apply to each Party without limit in time.

41. ASSIGNMENT AND PLACE OF BUSINESS

- 41.1 Without limitation to Clause 23.24 but subject at all times to Clauses 41.3, this Agreement and all rights and obligations of Customer hereunder may not be novated, assigned, transferred or otherwise dealt with in whole or in part (including by way of making a declaration of trust in respect of, or entering into any arrangement whereby Customer agrees to hold on trust for any other person all or any part of the benefit of, or its rights or benefits under, this Agreement) by Customer without the prior written consent of Supplier, such consent not to be unreasonably withheld or delayed, except that no consent shall be required in the case of an assignment to a member of Customer Group (a "**Customer Intra-Group Assignment**"), provided that such assignment has no material adverse tax consequences for Supplier.
 - 41.2 Subject at all times to Clauses 41.3, this Agreement and all rights and obligations of Supplier hereunder are personal to Supplier and may not be novated, assigned, transferred or otherwise dealt with in whole or in part (including by way of making a declaration of trust in respect of, or enter into any arrangement whereby Supplier agrees to hold on trust for any other person all or any part of the benefit of, or its rights or benefits under, this Agreement) by Supplier without the prior written consent of Customer, such consent not to be unreasonably withheld or delayed, except that no consent shall be required in the case of a transfer of all (but not part) of the benefit of this Agreement (subject to the burden) to a Mauritian company that is wholly owned by Supplier (a "**Supplier Intra-Group Assignment**").
 - 41.3 Each Permitted Intra-Group Assignment shall be null and void ab initio if the execution and/or completion of such Permitted Intra-Group Assignment has an adverse impact directly or indirectly on any rights or other benefits of the beneficiaries under the terms of the Customer Guarantee and the Supplier Guarantee (as applicable).
 - 41.4 Subject to Clause 41.5, Supplier undertakes that it will not have a place of business outside Mauritius.
 - 41.5 Notwithstanding Clause 41.4, Supplier may change its place of business or open a new place of business with the consent of the Customer, such consent not to be unreasonably withheld.
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42. SEVERABILITY

If any term or provision or any part thereof (in this Clause 42 called the “**offending provision**”) contained in this Agreement is or shall be declared or become unenforceable, invalid or illegal for any reason whatsoever (including in respect of the laws of any jurisdiction), the other terms and provisions of this Agreement shall remain in full force and effect as if the same had been executed without the offending provision appearing therein and the Parties shall negotiate in good faith to agree a replacement provision or part in place of such offending provision, such provision or part to have an equivalent economic and commercial effect to the offending provision or part.

43. NO PARTNERSHIP

Nothing in this Agreement and no action taken by Customer or Supplier under this Agreement shall constitute a partnership, association, joint venture or other co-operative entity between Customer and Supplier.

44. REMEDIES AND WAIVERS

44.1 No delay or omission by either Party in exercising any right, power or remedy provided by law or under this Agreement or any other documents referred to in it shall:

- (A) affect that right, power or remedy; or
- (B) operate as a waiver thereof.

44.2 The single or partial exercise of any right, power or remedy provided by law or under this Agreement shall not preclude any other or further exercise of it or the exercise of any other right, power or remedy.

44.3 Except as otherwise expressly provided in this Agreement, the rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by law.

45. ENTIRE AGREEMENT

45.1 This Agreement (together with any agreement concluded by the Parties pursuant to Clause 46 (*Variation*)) constitutes the whole and only agreement between the Parties relating to its subject matter.

45.2 Each Party acknowledges that in entering into this Agreement it is not relying upon any pre-contractual statement which is not set out in this Agreement.

45.3 Except in the case of fraud, neither Party shall have any right of action against the other Party to this Agreement arising out of or in connection with any pre-contractual statement except to the extent that it is repeated in this Agreement.

45.4 For the purposes of this Clause 45, “**pre-contractual statement**” means any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of this Agreement made or given by any person at any time prior to the date of this Agreement.

46. VARIATION

46.1 Save as otherwise provided in this Agreement, the terms of this Agreement may not be varied except in writing and signed by an authorised representative of Customer and Supplier.

46.2 Without prejudice to Clause 46.1, this Agreement (including any part thereof) may not be rescinded or varied except by Customer in any way or at any time by any member of Customer Group.

47. DISPUTE RESOLUTION

47.1 In the event that a dispute or difference arises between the Parties, out of or in relation to this Agreement (a “**Dispute**”), such Dispute shall be dealt with in accordance with the provisions of paragraph 4 of Schedule 6 (*Governance and Service Management*).

47.2 If any Dispute is not resolved pursuant to Clause 48, then either Party may by notice to the other refer such Dispute to mediation in accordance with the provisions of Clauses 47.3 to 47.5 (inclusive).

Reference to Mediation

47.3 If the Parties are unable to agree a mediation procedure or any aspect of such procedure they will seek assistance from the Centre for Effective Dispute Resolution at International Dispute Resolution Centre, 70 Fleet Street, London EC4Y 1EU.

47.4 Unless otherwise agreed, the Parties will share equally the costs of mediation and the use of mediation shall be without prejudice to the rights of the Parties in all respects if the mediation does not achieve an agreed resolution of the Dispute within 25 Business Days (or such longer period as the Parties may agree) of the matter being first referred for mediation.

47.5 If the Parties agree to accept the recommendations of the mediator, or otherwise reach an agreement on the Dispute, such agreement shall be set out in writing. Once it is signed by authorised representatives of the Parties such agreement shall be final and binding and shall be implemented by the Parties in accordance with its terms.

Jurisdiction and Court Proceedings

47.6 The Parties irrevocably agree that if the Dispute cannot be resolved by the Parties in accordance with Clauses 47.1 to 47.5 (or a Party is unwilling to participate in mediation), the English courts shall have exclusive jurisdiction to settle that Dispute and that accordingly any proceeding, suit or action arising out of or in connection with this

Agreement (“**Proceedings**”) shall be brought in the English courts. This clause is not concluded for the benefit of any particular Party or Parties to this Agreement

- 47.7 Each Party waives (and agrees not to raise) any objection, on the ground of forum non conveniens or on any other ground, to the taking of Proceedings in the English courts. Each Party also agrees that a judgment against it in Proceedings brought in England shall be conclusive and binding upon it and may be enforced in that and in any other jurisdiction.
- 47.8 Each Party irrevocably submits and agrees to submit to the jurisdiction of the English courts.
- 47.9 All negotiations connected with any Dispute shall be conducted in confidence and without prejudice to the rights of the Parties in any future proceedings.
- 47.10 Notwithstanding any other provision of this Clause 47 and Schedule 6 (*Governance and Service Management*) and the good faith intention of the Parties to fully utilise the relevant dispute resolution procedures set out in this Clause 47 and Schedule 6 (*Governance and Service Management*), nothing herein shall prevent either Party from taking steps to preserve or enforce its rights including by way of interlocutory or other interim or immediate relief through the English courts.

48. LIQUIDATED DAMAGES

Where a sum is expressed to be payable or due under this Agreement as and by way of liquidated damages (including as a Service Credit) Supplier agrees that each such sum is fair and reasonable in all the circumstances and represents a genuine pre-estimate of the loss that will be suffered by Customer Group in respect of the breach of this Agreement or other circumstances which give rise to its payment.

49. COSTS AND EXPENSES

- 49.1 Except as stated in this Agreement or otherwise agreed between the Parties, each Party shall pay its own costs and expenses in relation to the negotiation, preparation, execution and carrying into effect of this Agreement.

50. COUNTERPARTS

- 50.1 This Agreement may be executed in any number of counterparts, and by the Parties on separate counterparts, but shall not be effective until each of the Parties has executed at least one counterpart.
 - 50.2 Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute but one and the same instrument.
-

51. THIRD PARTY RIGHTS AND RIGHTS OF SERVICE RECIPIENTS

- 51.1 Subject to any Clause stating that the Contracts (Rights of Third Parties) Act 1999 (“**the 1999 Act**”) will apply to liability provisions in relation to the Affiliates of any Party;
- (A) the 1999 Act will not apply to this Agreement; and
 - (B) no term of this Agreement shall be enforceable by a Party’s Affiliate (or by any person who is not a Party to this Agreement) against the other Party.
- 51.2 The Parties acknowledge that Customer enters this Agreement in order to receive Services for Customer Group and other Service Recipients.
- 51.3 Supplier undertakes that it shall not oppose in any way or seek to rule out any attempt by Customer to bring any claim against Supplier in respect of Losses incurred by or equitable relief claimed by an Affiliate of Customer.
- 51.4 For the avoidance of doubt, nothing in this Clause 51 shall prevent Customer from making any claim against Supplier in respect of Losses incurred by or equitable relief on behalf of an Affiliate and nothing in this Clause 51 shall prevent Supplier from making any claim against Customer in respect of Losses incurred by or equitable relief on behalf of an Affiliate.
- 51.5 Clause 51.1 shall not apply, and the 1999 Act shall apply subject to the other provisions of this Clause 51, so that a Party’s Affiliates shall be entitled to make a claim against the other Party, if and only if, to the extent that a court rules that a Party is not entitled to claim for the Losses of its Affiliate or for equitable relief due to those Losses not having been incurred by that Party or due to an inability for such equitable relief to be awarded to that Party subject to the following:
- (A) in the course of bringing such claim or action, such Party’s Affiliate will not have greater rights under this Agreement than does the Party and the rights or benefits conferred on the Party of the Affiliate bringing such claim or action will be subject to the terms and conditions of this Agreement;
 - (B) if any such Party’s Affiliate brings a claim or action against the other Party, the Party of such Affiliates will not also bring a claim or action against the other Party on such Affiliate’s behalf with regard to the same subject matter; and
 - (C) the Party and its Affiliates will reasonably cooperate with the other Party to consolidate any such claims or actions.
- 51.6 Notwithstanding the provisions of Clause 51.5 this Agreement may be rescinded or varied in any way and at any time by the Parties without the consent of any Affiliate.
- 51.7 For the avoidance of doubt, any claim brought by any Affiliate in exercise of its rights or benefits under this Clause 51 shall be subject to the limitation and exclusions of liability set out in this Agreement.
-

- 51.8 Subject to Clause 51.3, the Parties do not intend that any term of this Agreement, should be enforceable, by virtue of the 1999 Act, by any person who is not a Party to this Agreement.
- 51.9 The Parties acknowledge and agree that for the purposes of this Clause 51 the term "Affiliate" with respect to Customer shall include Service Recipient.

52. AGENT FOR SERVICE

- 52.1 Supplier irrevocably appoints WNS Global Services (UK) Limited of Acre House, 11-15 William Road, London NW1 3ER to be its agent for the receipt of service of process in England. It agrees that any Service Document may be effectively served on it in connection with Proceedings in England and Wales by service on its agent.
- 52.2 Any Service Document shall be deemed to have been duly served if marked for the attention of WNS Global Services (UK) Limited at Acre House, 11-15 William Road, London NW1 3ER or such other address within England and Wales as may be notified to the Party wishing to serve the Service Document and:

- (A) left at the specified address; or
- (B) sent to the specified address by first class post.

In the case of Clause 52.2(A), the Service Document will be deemed to have been duly served when it is left. In the case of Clause 52.2(B), the Service Document shall be deemed to have been duly served two clear Business Days after the date of posting.

- 52.3 Customer irrevocably appoints Aviva International Holdings Limited (Company No. 02180206) of St Helens, 1 Undershaft, London EC3P 3DQ to be its agent for the receipt of service of process in England. It agrees that any Service Document may be effectively served on it in connection with Proceedings in England and Wales by service on its agent.
- 52.4 Any Service Document shall be deemed to have been duly served if marked for the attention of Aviva International Holdings Limited (Company No. 02180206) at St Helens, 1 Undershaft, London EC3P 3DQ or such other address within England and Wales as may be notified to the Party wishing to serve the Service Document and:
- (A) left at the specified address; or
 - (B) sent to the specified address by first class post.

In the case of Clause 52.4(A), the Service Document will be deemed to have been duly served when it is left. In the case of Clause 52.4(B), the Service Document shall be deemed to have been duly served two clear Business Days after the date of posting.

- 52.5 If an agent at any time ceases for any reason to act as such, Supplier or Customer (as relevant) shall appoint its replacement agent having an address for service in England
-

or Wales and shall notify the other Party of the name and address of the replacement agent. Failing such appointment and notification, either Party shall be entitled by notice to the other Party to appoint a replacement agent to act on behalf of the relevant Party. The provisions of this Clause 52.5 applying to service on an agent apply equally to service on a replacement agent.

52.6 A copy of any Service Document served on an agent shall be sent by post to the relevant Party. Failure or delay in so doing shall not prejudice the effectiveness of service of the Service Document.

53. INTERPRETATION

53.1 In construing this Agreement, unless otherwise expressly specified:

- (A) references to Clauses, paragraphs, Schedules and Appendices are to clauses and paragraphs of, and schedules, appendices to, this Agreement;
 - (B) use of either gender includes the other gender, and use of the singular includes the plural and vice versa;
 - (C) references to a **"person"** shall be construed so as to include any individual, firm, company or other body corporate, government, state or agency of a state, local or municipal authority or government body or any joint venture, association, partnership or limited partnership (whether or not having separate legal personality);
 - (D) a reference to any statute or statutory provision shall be construed as a reference to the same as it may, from time to time, be amended, modified or re-enacted;
 - (E) any reference to a **"day"** (including within the phrase **"Business Day"**) shall mean a period of 24 hours running from midnight to midnight;
 - (F) references to a **"month"** are to a calendar month and **"year"** are to a calendar year;
 - (G) references to a **"quarter"** are to the periods of January to March, April to June, July to September and October to December, in any calendar year, and **"quarterly"** shall be interpreted accordingly;
 - (H) references to times are to London times, except where expressly stated to the contrary;
 - (I) references to **"indemnifying"** any person against or with respect to any circumstance shall include indemnifying and keeping it (and each member of its Group) harmless, on an after Tax basis, from all actions, claims and proceedings from time to time made against it and each member of its Group and all losses, damages, liabilities, payments, costs and expenses suffered
-

made or incurred by it and each member of its Group as a consequence of or in connection with that circumstance;

- (J) references to "**costs**" and/or "**expenses**" incurred by a person shall include any amount in respect of VAT comprised in such costs or expenses for which neither that person nor, if relevant, the representative member of the VAT group to which that persons belongs is entitled to credit as VAT input tax;
- (K) a reference to any other document in this Agreement is a reference to that other document as amended, varied, novated or supplemented (other than in breach of the provisions of this Agreement) from time to time;
- (L) a reference to any part of this Agreement is a reference to that part as amended, varied, novated or supplemented from time to time in accordance with the terms of this Agreement;
- (M) headings and titles are for convenience only and do not affect the interpretation of this Agreement;
- (N) any words following the words "**include**" or "**including**" shall be interpreted without limitation to the generality of the preceding words;
- (O) general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words;
- (P) a reference to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall in respect of any jurisdiction other than England be treated as a reference to any analogous term in that jurisdiction; and

53.2 The Schedules and Appendices form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement, and any reference to this Agreement shall include the Schedules and the Appendices.

53.3 In the event of a conflict between any provision of this Agreement (excluding the Schedules and the Appendices) and the Schedules and the Appendices, the provisions of this Agreement shall prevail.

54. GOVERNING LAW

This Agreement is governed by and shall be construed in accordance with English law.

THE PARTIES have shown their acceptance of the terms of this Agreement by executing it at the end of the Schedules.

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Signed by)
)
for and on behalf of)
AVIVA GLOBAL SERVICES) /s/ Steven Turpie
(MANAGEMENT SERVICES))
PRIVATE LIMITED)

Signed by)
Johnson J. Selvadurai)
for and on behalf of)
WNS CAPITAL INVESTMENT) /s/ Johnson J. Selvadurai
LIMITED)

Confidential Treatment Requested

The portions of this document marked by "XXXXX" have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission

EXECUTION VERSION

US\$200,000,000

FACILITY AGREEMENT

dated 11th July 2008

for

WNS (HOLDINGS) LIMITED

arranged by
ICICI BANK UK PLC

and

ICICI BANK CANADA

with

ICICI BANK UK PLC
acting as Agent

MORGAN WALKER SOLICITORS LLP
acting as Security Trustee

Linklaters

Ref: NVI/RXP

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This Agreement is dated 11th July 2008 and made between:

- (1) **WNS (HOLDINGS) LIMITED**, a company incorporated under the laws of Jersey with registration number 82262 whose registered office is at Capita Trustees Limited, PO Box 532, Channel House, 7 Esplanade, St Helier, Jersey JE4 5UW, Channel Islands as company (the "**Company**");
- (2) **WNS (MAURITIUS) LIMITED**, a company incorporated under the laws of Mauritius whose registered office is at 10, Frere Felix, de Valois 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) **ICICI BANK UK PLC** and **ICICI BANK CANADA** as mandated lead arrangers (whether acting individually or together, the "**Arranger**");
- (5) **THE FINANCIAL INSTITUTIONS** listed in Part II of Schedule 1 (The Original Lenders) as original lenders (the "**Original Lenders**");
- (6) **ICICI BANK UK PLC** as agent of the other Finance Parties (the "**Agent**");
- (7) **MORGAN WALKER SOLICITORS LLP** as security trustee for the Finance Parties (the "**Security Trustee**"); and
- (8) **ICICI BANK UK PLC** as account bank (the "**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 Mandate**" means:

- (a) the account mandate relating to the establishment and maintenance of the DSRA entered into on or about the date of this Agreement between the Borrower and the Account Bank;
- (b) the account mandate relating to the establishment and maintenance of the Master Service Agreement Account to be entered into after the date of this Agreement between the Purchaser and the Account Bank;
- (c) the account mandate relating to the establishment and maintenance of the WNS Mauritius Designated Account entered into on or about the date of this Agreement between the Borrower and the Account Bank; and

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(d) the account mandate relating to the establishment and maintenance of the Target Designated Account entered into after the date of this Agreement between the Target and the Account Bank.

"Accounts" means the DSRA, the Master Service Agreement Account, the WNS Mauritius Designated Account and the Target Designated Account.

"Acquisition" means the acquisition by the Purchaser of the entire issued share capital of the Target pursuant to the Acquisition Documents.

"Acquisition Agreement" means the agreement dated on or about the date of this Agreement between the Vendor and the Purchaser (or one of its Affiliates) relating to the sale and purchase of the Target.

"Acquisition Closing Date" means the date on which the Acquisition is completed.

"Acquisition Costs" means all costs, fees and expenses (and Taxes on them) and all stamp duty, registration duties and other Taxes incurred by or on behalf of the Borrower or the Purchaser in connection with the Acquisition, the Transaction Documents or the financing of the Acquisition.

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

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

"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 dated on or about the date of this Agreement between the Borrower, the Lenders' NDU Agent and the 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.

"Assignment of Put Option Agreement" means the security assignment of the Put Option Agreement dated on or about the date of this Agreement governed by the laws of England and Wales between the Borrower and the Security Trustee.

"Authorisation" means:

- (a) an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation, lodgement or registration; or
- (b) 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 Commitment**” means a Lender’s Commitment minus:

- (a) the amount of its participation in any outstanding Utilisations; and
- (b) in relation to any proposed Utilisation, the amount of its participation in any Utilisations that are due to be made on or before the proposed Utilisation Date.

“**Available Facility**” means the lower of:

- (a) the aggregate for the time being of each Lender’s Available Commitment; and
- (b) 90 per cent. of the total purchase price payable by the Purchaser under the Acquisition Documents.

“**Availability Period**” means the period from and including the date of this Agreement to and including 30 September 2008.

“**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 England in respect of the WNS Mauritius Designated Account and the DSRA dated on or about the date of this Agreement between the Borrower and the Security Trustee.

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

- (a) 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 a Loan or an Unpaid Sum to the last day of the current Interest Period in respect of that Loan or an Unpaid Sum, had the principal amount of that Loan or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

- (b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount of that 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) which is a London Business Day and on which banks are open for general business in New York City and Toronto.

“**Business Plan**” means the business plan in respect of the Target and its Subsidiaries in the form agreed between the Agent and the Company.

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

“**Clean-Up Date**” means the date falling two months following the Acquisition Closing Date.

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“**Clean-Up Default**” means the events or circumstances set out in Clause 23.3 (*Other obligations*) and Clause 23.4 (*Misrepresentation*) to the extent they relate to the failure to comply with a Clean-Up Undertaking or an incorrect or misleading Clean-Up Representation.

“**Clean-Up Representation**” means the representations and warranties set out in Clause 18.2 (*Bindings obligations*), Clause 18.5 (*Validity and admissibility in evidence*), Clause 18.9 (*No Default*), Clause 18.10 (*No misleading information*), Clause 18.11 (*Financial statements*), Clause 18.13 (*No proceedings pending or threatened*), Clause 18.14 (*Environmental laws and licences*), Clause 18.15 (*Environmental releases*), Clause 18.16 (*Title*), Clause 18.21 (*No breach of law*) and Clause 18.32 (*Information undertakings*).

“**Clean-Up Undertaking**” means the undertakings set out in Clause 21.2 (*Compliance with laws*), Clause 21.7 (*Insurance*), Clause 21.8 (*Environmental undertakings*), Clause 21.9 (*Environmental claims*), Clause 21.10 (*Financial Indebtedness*), Clause 21.13 (*Loans and guarantees*), Clause 21.14 (*Arm’s length dealings*), Clause 21.17 (*Taxes*), Clause 21.20 (*Maintenance of books and records*) and Clause 21.21 (*Assets*).

“**COBO**” means the Control of Borrowing (Jersey) Order 1958, as amended.

“**Commitment**” means:

- (a) 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
- (b) 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:

- (a) the Target Designated Account Charge;
- (b) the Borrower Account Charge; and
- (c) any other document designated as such by the Agent and the Company.

“Designated Person” means a person or entity:

- (a) listed in the annex to, or otherwise subject to the provisions of, the Executive Order;
- (b) 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
- (c) 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 the Purchaser or one of its Affiliates on or about the date of this Agreement in connection with the Acquisition Agreement.

“Disruption Event” means either or both of:

- (a) 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
- (b) 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.

“DSRA” means the US Dollar denominated debt service reserve account in the name of the Borrower with account number 75886176 held with the Account Bank in London (or any other account being a renewal, redesignation or replacement of that account as the Majority Lenders may approve).

“DSRA Amount” means on any date, an amount equal to the then aggregate amount of interest payable (or reasonably anticipated on any date by the Agent to be payable) by the Borrower in respect of the outstanding Loans during the three Month period commencing from that date and including the date falling three Months after that date.

“DSRA Balance” means, at any time, the credit balance (if any) of the DSRA at that time.

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

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

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

- (a) have as a purpose or effect the protection of, and/or prevention of harm or damage to, the Environment;
- (b) provide remedies or compensation for harm or damage to the Environment; or
- (c) 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*).

“Excess Cash” has the meaning given to that term in Clause 20.3 (*Definitions*).

“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.

“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:

- (a) this Agreement;
- (b) any Security Document;

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- (c) any Non Disposal Document;
- (d) any Fee Letter;
- (e) the Syndication Side Letter; and
- (f) 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, the Account Bank or a Lender.

“**Financial Indebtedness**” means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) 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;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (g) 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);
- (h) 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;
- (i) 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
- (j) 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.

“**Financial Report**” means the financial report in respect of the Acquisition, prepared by Grant Thornton, in the form agreed between the Agent and the Company and addressed to or capable of being relied upon by the Agent and the other Finance Parties.

“**Fraudulent Transfer Law**” means any applicable US Bankruptcy Law or any applicable US state fraudulent transfer or conveyance law.

“**GAAP**” means 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.

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“**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.

“**Information Memorandum**” means the document in the form to be approved by the Company and the Arranger concerning the Group which, at the Company’s request and on its behalf, will be prepared in relation to this transaction and distributed by the Arranger to selected financial institutions after the date of this Agreement.

“**Initial Valuation**” means the valuation of the Target by the Valuer dated on or about the date of this Agreement.

“**Interest Period**” means, in relation to a 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*).

“**Legal Due Diligence Report**” means the legal due diligence report in respect of the Acquisition, prepared by Eversheds, legal advisers to the Company, in the form agreed between the Agent and the Company and addressed to or capable of being relied upon by the Agent and the other Finance Parties.

“**Lender**” means:

- (a) any Original Lender; and
- (b) 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.

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"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, round Floor, 17, R. Kamani Marg., Ballard Estate, Mumbai 400 001 as agent of the Lenders 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 any Loan:

- (a) the applicable Screen Rate; or
- (b) (if no Screen Rate is available for US Dollars for the Interest Period of that 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 that Loan.

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

"London Business Day" means a day (other than a Saturday or Sunday) on which deposits may be dealt in on the Relevant Interbank Market and banks are open for general business in London.

"Majority Lenders" means:

- (a) if there are no Loans then outstanding, a Lender or Lenders whose Commitments aggregate more than $66\frac{2}{3}$ per cent. of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than $66\frac{2}{3}$ per cent. of the Total Commitments immediately prior to the reduction); or
- (b) at any other time, a Lender or Lenders whose participations in the Loans then outstanding aggregate more than $66\frac{2}{3}$ per cent. of all the Loans then outstanding.

"Margin" means:

- (a) subject to paragraph (b) below, three per cent. per annum; and
- (b) whilst an Event of Default or a Default under Clause 23.1 (*Non-payment*) is continuing, five per cent. per annum.

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

"Master Service Agreement" means the master service agreement to be entered into after the date of this Agreement between the Purchaser and Aviva Global Services (Management Services) Private Limited in the form agreed between the Agent and the Company and containing the key terms set out in Schedule 10 (*Key terms of the Master Service Agreement*).

"Master Service Agreement Account" means the US\$ denominated master service agreement account to be held in the name of the Purchaser and approved by the Agent or any other account being a renewal, redesignation or replacement of that account as the Majority Lenders may approve.

"Master Service Agreement Account Charge" means the charge document in respect of the Master Service Agreement Account dated after the date of this Agreement between the Purchaser and the Security Trustee.

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

- (a) the consolidated condition (financial or otherwise), operations, prospects, properties, performance or business of the Group taken as a whole;
- (b) the ability of any Obligor to perform and comply with its material obligations under any Finance Document;
- (c) the validity, legality or enforceability of, or the rights or remedies of any Finance Party under, any Finance Document; or
- (d) 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.

"Material Subsidiary" means:

- (a) a Subsidiary of the Company in respect of which the total EBITDA or total assets (being the aggregate of net fixed assets (including goodwill and investments) and net current assets (including cash)) 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 EBITDA or total assets (being the aggregate of net fixed assets (including goodwill and investments) and net current assets (including cash)) of the Group (all as calculated by reference to the latest audited consolidated financial statements of the Company); or
- (b) 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 HSBC Bank Mauritius or any other account being a renewal, redesignation or replacement of that account as the Majority Lenders may approve.

"Mauritian Account Charge" means the assignment of a bank account document governed by the laws of Mauritius in respect of the Mauritian Account entered into on or about the date of this Agreement between the Borrower and the Security Trustee.

"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:

- (a) (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;
- (b) 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
- (c) 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 agent of the Borrower.

"Net Equity Proceeds" means the cash and cash equivalent proceeds received by a member of the Group 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 fees and transaction costs properly incurred in connection with that issuance of shares or equity instruments after deducting:

- (a) any fees, transaction costs and expenses properly incurred in connection with that issuance of shares or equity instruments; and
- (b) 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 member of the Group under or pursuant to any insurance policy (or equivalent) after the date of this Agreement after deducting:

- (a) any amounts payable to persons holding Security over such proceeds that ranks in priority to the interests of the Finance Parties;
- (b) any fees, transaction costs and expenses properly incurred in connection with that claim; and
- (c) 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, and any amount received in repayment of any intercompany debt) received by a member of the Group 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:

- (a) fees and transaction costs and expenses properly incurred in connection with that sale, transfer or disposal;
- (b) 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
- (c) amounts payable to persons holding Security over such asset that ranks in priority to the interests of the Finance Parties.

"Net Termination Compensation Proceeds" means any amount received or recovered by a member of the Group pursuant to or in respect of the termination of in whole or in part, the Master Service Agreement or any related breach of contract, warranty claim, reliance letter or legal action or proceedings (whether by way of judgment on or settlement of any such claim), in each case net of related fees, Taxes, transaction costs and expenses properly incurred in achieving any such recoveries (and excluding any amounts that constitute severance pay in respect of no more than four Months' salary for any employee payable upon termination of the Master Service Agreement).

"Non Disposal Document" means:

- (a) any Non Disposal Undertaking;
- (b) any Non Disposal POA;
- (c) any Designated Account Charge;
- (d) the Agency Agreement; and
- (e) any other document designated as such by the Agent and the Company.

"Non Disposal POA" means:

- (a) each WNS Non Disposal POA;

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- (b) the Target Subsidiaries Non Disposal POA; and
- (c) any other document designated as such by the Agent and the Company.

“Non Disposal Undertaking” means:

- (a) each WNS Non Disposal Undertaking;
- (b) the Target Subsidiaries Non Disposal Undertaking; and
- (c) any other document designated as such by the Agent and the Company.

“Non Disposal Undertaking Provider” means:

- (a) the Borrower; and
- (b) the Target.

“Ntrance and Marketics Non Disposal POA” means the irrevocable power of attorney to be granted after the date of this Agreement by the Borrower to the NDU Providers’ Agent in respect of the Ntrance and Marketics Non Disposal Undertaking.

“Ntrance and Marketics Non Disposal Undertaking” means the non disposal undertaking to be entered into after the date of this Agreement in respect of the shares in Ntrance Customer Services Private Limited and in Marketics Technologies Private Limited between, among others, the Borrower and the Lenders’ NDU Agent.

“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:

- (a) in relation to the Company, the audited consolidated financial statements for the Group for the financial year ended 31 March 2008; and
- (b) in relation to each Original Obligor other than the Company, its audited financial statements for its financial year ended 31 March 2008.

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

“Party” means a party to this Agreement.

“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.

“Purchaser” means WNS Capital Investment Limited.

“Purchaser Mauritian Account” means the general account in the name of the Purchaser with account number 080-121874-020 held with HSBC Bank in Mauritius or any other account being a renewal, redesignation or replacement of that account as the Majority Lenders may approve.

“Purchaser Share Charge” means the share pledge document governed by the laws of Mauritius in respect of the shares in the Purchaser between the Borrower and the Security Trustee.

“Put Option Agreement” means the put option agreement dated on or about the date of this Agreement between the Put Providers and the Borrower.

“Put Provider” means WNS Global Services Private Limited, Marketics Technologies Private Limited and any other person who becomes a Put Obligor (as defined in the Put Option Agreement) under the Put Option Agreement.

“Put Providers Share Sale Proceeds” has the meaning given to “Share Sale Proceeds” in the WNS Non Disposal Undertakings.

“Quotation Day” means, in relation to any period for which an interest rate is to be determined, two London 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).

“Reference Banks” means the principal London offices of Lloyds TSB Bank plc, Barclays Bank PLC and Standard Chartered Bank 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.

“Relevant Interbank Market” means the London interbank market.

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

“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 18.22 (*Acquisition Documents*), Clause 18.26 (*Shareholders*), Clause 18.27 (*Master Services Agreement*), Clause 18.28 (*Anti-Terrorism Laws*), Clause 18.29 (*US Regulation*), Clause 18.30 (*Margin Regulations*) and Clause 18.31 (*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 having a similar effect.

“Security Document” means:

- (a) the Assignment of Put Option Agreement;
- (b) the Purchaser Share Charge;
- (c) the Mauritian Account Charge;
- (d) the Master Service Agreement Account Charge;

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- (e) the Sri Lankan Share Charge;
- (f) the Target Share Charge;
- (g) the Target Designated Account Charge;
- (h) the Borrower Account Charge;
- (i) the WNS Mauritius Share Charge;
- (j) the WNS North America Share Charge;
- (k) the WNS UK Fixed and Floating Charge;
- (l) the WNS UK Share Charge; and
- (m) 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 Schedule 7 (*Security trust provisions*).

“**Selection Notice**” means a notice substantially in the form set out in Part II (*Selection Notice*) of Schedule 3 (*Requests*) given in accordance with Clause 9 (*Interest Periods*).

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

- (a) 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;
- (b) 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
- (c) the entry into any joint venture, consortium, partnership or similar arrangement with any person.

“**Specified Time**” means a time determined in accordance with Schedule 6 (*Timetables*).

“**Sri Lankan Share Charge**” means the fixed charge document governed by the laws of Sri Lanka in respect of the shares in Aviva Global Services Lanka (Private) Limited to be entered into between the Target and the Security Trustee.

“**Standing Payment Instruction**” means:

- (a) in relation to an Original Lender, payment instructions delivered to the Agent in writing on or prior to the date of this Agreement;
- (b) 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

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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).

“**Syndication Date**” means the earlier to occur of:

- (a) 31 March 2009; and
- (b) the date (as determined by the Arranger and notified to the Company) on which the “sub-underwriting” (if any) and syndication of the Facility has been completed and all associated novations and transfers have been effected pursuant to Clause 24 (*Changes to the Lenders*).

“**Syndication Side Letter**” means the syndication side letter dated on or about the date of this Agreement between the Company and the Arranger.

“**Target**” means Aviva Global Services Singapore Pte. Ltd., a company incorporated under the laws of Singapore whose registered office is at 3 Anson Road, #07-01, Springleaf Tower, Singapore 079909.

“**Target's NDU Agent**” means RDBI 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 Lenders appointed under the Agency Agreement.

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

“**Target Designated Account Charge**” means the charge document governed by the laws of England in respect of the Target Designated Account dated after the date of this Agreement between the Target and the Security Trustee.

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

“**Target Subsidiaries Non Disposal POA**” means the irrevocable power of attorney to be granted after the date of this Agreement by the Target to the Target's NDU Agent in respect of the Target Subsidiaries Non Disposal Undertaking.

“**Target Subsidiaries Non Disposal Undertaking**” means the non disposal undertaking to be entered into after the date of this Agreement in respect of the shares in Aviva Global Services (Bangalore) Private Limited, Noida Customer Operations Private Limited, Customer Operations Services Chennai Private Limited and Aviva Global Shared Services Private Limited between, among others, the Target and the Lenders' NDU Agent.

“**Target Subsidiaries Share Sale Proceeds**” has, the meaning given to “Share Sale Proceeds” in the Target Subsidiaries Non Disposal Undertakings.

“**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).

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“**Tax Report**” means the tax report in respect of the Acquisition, prepared by Ernst & Young, in the form agreed between the Agent and the Company and addressed to or capable of being relied upon by the Agent and the other Finance Parties.

“**Termination Date**” means the date which is 54 Months after the Weighted Average Utilisation Date.

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

“**Total Commitments**” means the aggregate of the Commitments, being US\$200,000,000 at the date of this Agreement.

“**Transaction Documents**” means the Finance Documents and the Acquisition Documents.

“**Transfer Certificate**” means a certificate substantially in the form set out in Schedule 4 (*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:

- (a) the proposed Transfer Date specified in the Transfer Certificate; and
- (b) 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 a utilisation of the Facility.

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

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

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

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

“**Vendor**” means Aviva International Holdings Limited.

“**Weighted Average Utilisation Date**” means the date determined by the Agent on the last day of the Availability Period in accordance with: the following formula:

$$\text{Weighted Average Utilisation Date} = \text{date of this Agreement} + N$$

Where:

$$N \text{ (in days)} = \frac{\text{WAL}}{\text{Total Loans}}$$

(rounded down to the nearest whole multiple number);

Total Loans = the aggregate original principal amount of each Loan; and

WAL (in US Dollars) = the aggregate, for each Loan, of the number of days elapsed from the date of this Agreement to (and including) the Utilisation Date for that Loan, multiplied by the original principal amount of that Loan.

“**WNS Global Services Non Disposal POA**” means the irrevocable power of attorney dated on or about the date of this agreement granted by the Borrower to the NDU Providers’ Agent in respect of the WNS Global Services Non Disposal Undertaking.

“**WNS Global Services Non Disposal Undertaking**” means the non disposal undertaking dated on or about the date of this Agreement in respect of the shares in WNS Global Services Private Limited between, among others, the Borrower and the Lenders’ NDU Agent.

“**WNS Mauritius Designated Account**” means the US Dollar denominated designated account in the name of the Borrower with account number 75886177 held with the Account Bank in London (or any other account being a renewal, redesignation or replacement of that account as the Majority Lenders may approve).

“**WNS Mauritius Share Charge**” means the share pledge document dated on or about the date of this agreement governed by the laws of Mauritius in respect of the shares in the Borrower between the Company and the Security Trustee.

“**WNS Non Disposal POA**” means:

- (a) the Ntrance and Marketics Non Disposal POA; and
- (b) the WNS Global Services Non Disposal POA.

“**WNS Non Disposal Undertaking**” means:

- (a) the Ntrance and Marketics Non Disposal Undertaking; and

(b) the WNS Global Services Non Disposal Undertaking.

“WNS North America Share Charge” means the pledge agreement governed by the laws of New York in respect of the shares in WNS North America Inc. between the Company and the Security Trustee.

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

“WNS UK Share Charge” means the fixed charge document governed by the laws of England in respect of the shares in WNS Global Services (UK) Limited between the Company 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”** 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 control 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);

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- (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 or remedied.
 - (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.

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 Utilisation Requests), 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 financing:
 - (i) the acquisition of shares in the Purchaser, the proceeds of such acquisition to be employed by the Purchaser for the Acquisition pursuant to the Acquisition Documents;
 - (ii) the Incentive Payment (as defined in the Master Service Agreement) upon the signing of the Master Service Agreement; and
 - (iii) Acquisition Costs.
- (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 the first Utilisation Request unless the Agent has received (or is satisfied that prior to or at the same time as the first Utilisation it will receive) all of the documents and other evidence listed in and appearing to comply with the requirements of Part I (*Conditions precedent to first Utilisation*) of Schedule 2 (*Conditions precedent*) (except to the extent that the Agent has waived the same on the instructions of the Majority 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 two Utilisations.

4.4 Confirmation

The Borrower shall confirm to the Agent no later than 15 July 2008 its intention to utilise the balance of the Available Facility on or prior to 30 September 2008.

**SECTION 3
UTILISATION**

5. Utilisation — Loans

5.1 Delivery of a 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 a Utilisation Request

- (a) Each 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) it specifies the account and bank (which must be acceptable to the Agent) to which the proceeds of the Utilisation are to be credited.
- (b) Only one Loan may be requested in each Utilisation Request.

5.3 Currency and amount

The currency specified in a Utilisation Request must be US Dollars.

5.4 Lenders' participation

- (a) If the conditions set out in this Agreement have been met, each Lender shall make its participation in a Loan available by the Utilisation Date through its Facility Office.
- (b) The amount of each Lender's participation in a Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making that Loan.
- (c) The Agent shall notify each Lender of the amount of a Loan and the amount of its participation in that Loan by the Specified Time.

SECTION 4
REPAYMENT, PREPAYMENT AND CANCELLATION

6. Repayment

6.1 Repayment of Loans

The Borrower shall repay the Loans on the following dates in the following percentages:

Repayment Date (months after Weighted Average Utilisation Date)	Repayment Instalment (percentage of amount of Loans)
12	10
18	10
24	10
30	10
36	10
42	15
48	20
Termination Date	15

6.2 Reborrowing

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

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 any 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 Utilisations on the last day of the Interest Period for each Utilisation 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 Loans 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 a member of the Group.

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 Loans 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 a member of the Group provided that if no Default is continuing, such amount need not be applied in prepayment of the Loans 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 the Group and such amount is:

- (a) re-invested in fixed assets 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 the Group within six Months of receipt by a 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 Loans.

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 Loans 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 a member of the Group provided that if no Default is continuing, such amount need not be applied in prepayment of the Loans 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 a member of the Group.

7.5 Mandatory prepayment — Net Termination Compensation Proceeds

The Company shall ensure that an amount equal to all Net Termination Compensation Proceeds is paid to the Agent in prepayment of the Loans 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 a member of the Group.

7.6 Mandatory prepayment — Excess Cash

The Company shall ensure that an amount equal to 90 per cent. of the Excess Cash for each Relevant Period is paid to the Agent in prepayment of the Loans in accordance with the terms of this Agreement on or prior to the last day of the Interest Period during which that Excess Cash figure is calculated.

7.7 Cancellation

- (a) The Company may, if it gives the Agent not less than 10 days' (or such shorter period as the Majority Lenders may agree) prior notice, cancel the whole or any part (being a minimum amount of US\$10,000,000 (or less if the Available Commitment is less than US\$10,000,000) or in higher integral multiples of US\$5,000,000) of the Available Facility. Any cancellation under this Clause 7.7 shall reduce the Commitments of the Lenders rateably.

- (b) The Available Commitments shall automatically be cancelled and reduced to zero at the close of business in London on the earlier of (i) 30 September 2008 and (ii) the second Utilisation Date.

7.8 Voluntary prepayment of Utilisations

- (a) The Company 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 any Utilisation (but, if in part, being an amount that reduces that Loan by a minimum amount of US\$10,000,000 (or less if the aggregate amount of all Loans then is less than US\$10,000,000) or in higher integral multiples of US\$5,000,000).
- (b) A Utilisation 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 Company 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.

7.9 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 Company under Clause 12.3 (*Tax indemnity*) or Clause 13 (*Increased Costs*), the Company 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 Utilisations.
- (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 Company 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 Company has given notice under paragraph (a) above (or, if earlier, the date specified by the Company in that notice), the Company shall repay that Lender's participation in that Utilisation.

7.10 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.

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- (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 Loans*) in inverse chronological order.
- (d) The Borrower shall not repay or prepay all or any part of the Utilisations 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 a 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 each Loan on the last day of each Interest Period for that Loan (and, if the Interest Period is longer than six Months, on the dates falling at six Monthly intervals after the first day of the Interest Period).

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 a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan, the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan.

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 Selection of Interest Periods

- (a) The Borrower (or the Company on behalf of the Borrower) may select an Interest Period for each Loan in the Utilisation Request for that Loan or (if the Loan has already been borrowed) in a Selection Notice.
- (b) Each Selection Notice for a Loan is irrevocable and must be delivered to the Agent by the Borrower (or the Company on behalf of the Borrower) not later than the Specified Time.
- (c) If the Borrower (or the Company) fails to deliver a Selection Notice to the Agent in accordance with paragraph (b) above, the relevant Interest Period will be three Months.

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- (d) Subject to this Clause 9, the Borrower (or the Company) shall select an Interest Period of three Months.
- (e) An Interest Period for a Loan shall not extend beyond the Termination Date.
- (f) Each Interest Period for a Loan shall start on the Utilisation Date or (if already made) on the last day of the preceding Interest Period for that 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).

9.3 Changes to Interest Periods

If two Interest Periods relating to different Loans end on the same date, those Loans will be consolidated into, and treated as, a single Loan on the last day of the Interest Period.

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) If a Market Disruption Event occurs in relation to a Loan for any Interest Period, then the rate of interest on each Lender's share of that 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 that 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 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 that 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, the rate of interest shall continue to be determined in accordance with the terms of this Agreement.

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 a Loan or Unpaid Sum being paid by the Borrower on a day other than the last day of an Interest Period for that 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 Commitment fee

- (a) Subject to paragraph (c) below, the Borrower shall pay to the Agent (for the account of each Lender) a fee in US Dollars computed at the rate of 0.50 per cent. per annum on that Lender's Available Commitment for the Availability Period.
- (b) The accrued commitment fee is payable on, the last day of each successive period of three Months which ends during the Availability Period, on the last day of the Availability Period and, if cancelled in full, on the cancelled amount of the relevant Lender's Commitment at the time the cancellation is effective.
- (c) Notwithstanding any other term of this Agreement, no commitment fee shall be payable in respect of the 30-day period commencing on the date of this Agreement.

11.2 Arrangement fee

The Borrower shall pay to the Arranger an arrangement fee in the amount and at the times agreed in a Fee Letter.

11.3 Agency

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.

11.4 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 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 Company.
- (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 the end of each of its financial years (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 Company 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 Company.
- (d) A Finance Party shall, on receiving a payment from the Company 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 Company 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 Company 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 to the extent that the Finance Party determines that it is not entitled to credit or repayment from the relevant tax authority in respect of the Indirect Tax.

13. Increased Costs

13.1 Increased Costs

- (a) Subject to Clause 13.3 (*Exceptions*) the Company 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 Company.
- (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 Company 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;

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- (b) the Information Memorandum or any other information produced or approved by or on behalf of a member of the Group in connection with the Facility 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 a Utilisation requested by the Borrower (or the Company on its behalf) in a Utilisation Request but not made by reason of the operation of anyone or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or
- (f) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by the Company.

14.3 Indemnity to the Agent and the Security Trustee

The Company 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; or
- (b) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised.

15. Mitigation by the Lenders

15.1 Mitigation

- (a) Each Finance Party shall, in consultation with the Company, 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 2 (*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 Company 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 syndication of:

- (a) this Agreement and any other documents referred to in this Agreement; and
- (b) any other Finance Documents executed after the date of this Agreement.

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 of 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 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

Subject to Clause 23.25 (*Clean-up period*), 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 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*) 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 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 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*) 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*) 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*) 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 any 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 (whether for the purposes of the Information Memorandum or otherwise in connection with the Facility) 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 (whether or not contained in the Information Memorandum) 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 the Information Memorandum or any other 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 2008.
- (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*), 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 rank at least *pari passu* with the claims of all their other unsecured and unsubordinated creditors, except for

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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 AGSB, 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; and
 - (iii) the tax disputes detailed in Schedule 12 (Existing tax 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, free from all Security except the Security created pursuant to, or permitted by, the Finance Documents.

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.

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- (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 to first Utilisation*) or paragraph 4 of Part II (*Conditions precedent required to be delivered by an Additional Guarantor*) of Schedule 2 (*Conditions precedent*) 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 all Utilisation Requests 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 Schedule 8 (*Material Subsidiaries*).
- (b) The percentage of the EBITDA and total assets of the Group attributable to each Material Subsidiary in accordance with the definition of "Material Subsidiary" is accurately described in Schedule 8 (*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 **Acquisition Documents**

- (a) The Acquisition Documents (when signed in the case of the Acquisition Agreement):
 - (i) contain or refer to all the terms of the agreement and arrangements between the Vendor (and/or any of its Affiliates) and the Purchaser (and/or any of its Affiliates) in relation to the Acquisition;
 - (ii) are in full force and effect; and
 - (iii) have not been amended or waived (in whole or in part) and no consent has been given thereunder, save for any which are minor or technical or have been approved in writing by the Agent.
- (b) Neither it nor any of its Subsidiaries is in or is aware of any breach of or default under any Acquisition Document.

18.23 **No employees**

The Borrower does not have any employees.

18.24 **Restricted business activities**

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

18.25 Restricted places of business

No Obligor has any place of business in India.

18.26 Shareholders

As at 31 March 2008, only one shareholder of the Company held more than 26 per cent. of the equity share capital of the Company.

18.27 Master Service Agreement

(a) When signed, the Master Service Agreement:

- (i) contains or refers to all the terms of the agreement and arrangements between the Purchaser (and/or any of its Affiliates) and Aviva Global Services (Management Services) Private Limited (and any of its Affiliates) in relation to the outsourcing of back office functions to the members of the Group; and
- (ii) is in full force and effect.

(b) It is not in and is not aware of any breach of or default under the Master Service Agreement.

18.28 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.

18.29 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.

18.30 Margin regulations

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

18.31 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.

18.32 Share purchase agreement

The share purchase agreement in relation to the acquisition of:

- (a) Noida Customer Operations Private Limited has been executed by the parties to it, is in escrow in the form supplied to the Agent prior to the date of this Agreement and the only condition of the release of such escrow is the completion of the Acquisition; and
- (b) Customer Operational Services (Chennai) Private Limited has been executed by the parties to it in the form supplied to the Agent prior to the date of this Agreement and the executed versions have been released from escrow by those parties to each other.

18.33 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 Security Document.
- (c) The representations and warranties set out in Clause 18.10 (*No misleading information*) shall, in addition, be deemed to be made by each Obligor on the date of issue of the Information Memorandum and on the date of each Transfer Certificate signed on or prior to the Syndication Date by reference to the facts and circumstances then existing.

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, but in any event within six Months after the end of each of its financial years:
 - (i) its audited consolidated financial statements for that financial year; and
 - (ii) the audited financial statements of each Obligor and each Put Provider for that financial year; and
- (b) as soon as the same become available, but in any event within 45 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 45 days after the end of each of its financial quarters, 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.

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- (b) Each Compliance Certificate shall be signed by a director of the Borrower or the Company and, in the case of the Compliance Certificate delivered in respect of the last financial quarter of each of its financial years shall be signed by the Borrower's statutory auditors in the form specified in Schedule 5 (*Form of Compliance Certificate*).

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 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 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 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, 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 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;

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- (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.

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

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- (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.

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 XXXXX;
- (b) the ratio of Borrowings to EBITDA for the then most recently ended Relevant Period will not at any time exceed XXXXX;
- (c) the ratio of EBITDA to Debt Service for any Relevant Period will not at any time be less than XXXXX; and
- (d) the Loan to Value will not at any time be more than XXXXX.

20.2 Financial covenant calculations

Borrowings, Capital Expenditure, Debt Service, EBITDA, Excess Cash, 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:

- (a) before taking into account:
 - (i) Interest Expense;
 - (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 losses including those arising on 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 amount charged to the profit and loss account for transaction costs and expenses relating to the Acquisition;
 - (x) any amortisation of stock based compensation expenses and any fringe benefits and taxes associated therewith to the extent recoverable from employees; and
- (b) 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*).

"Excess Cash" means, in relation to any Relevant Period, EBITDA for that Relevant Period adjusted:

- (a) by deducting amounts paid during the Relevant Period by members of the Group in cash in respect of Tax;
- (b) by deducting:
 - (i) all Debt Service in respect of the Target and its Subsidiaries; and
 - (ii) Debt Service in respect of each other member of the Group to the extent that it relates to the Facility;
- (c) by deducting any increase or adding any decrease in working capital during the Relevant Period;
- (d) by deducting amounts paid in cash during the Relevant Period by members of the Group in respect of Capital Expenditure (to the extent permitted by the Finance Documents);
- (e) by adding any insurance proceeds in respect of loss of profit and business interruption policies received by members of the Group in cash during the Relevant Period;
- (f) by adding any increase in cash or cash equivalents held by members of the Group during the Relevant Period; and
- (g) by deducting all amounts paid by members of the Group by way of voluntary prepayment pursuant to Clause 7.8 (*Voluntary prepayment of Utilisations*).

"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:

- (a) including the interest element of leasing and hire purchase payments;
- (b) including commitment fees, commissions, arrangement fees and guarantee fees;
- (c) 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);
- (d) excluding any such obligations to any member of the Group;
- (e) excluding any amount charged to the profit and loss account in respect of the Relevant Period for transaction costs and expenses relating to the Acquisition (other than interest payable in respect of the Facility); and
- (f) 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

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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*).

“Loan to Value” means the aggregate of the outstanding Utilisations as a percentage of the value of the Target as quantified in the most recent Valuation.

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

- (a) 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);
- (b) the amount standing to the credit of the consolidated reserves of the Group;
- (c) any additional paid-in capital (APIC); and
- (d) 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:

- (a) goodwill or other intangible assets;
- (b) amounts set aside for Tax;
- (c) minority interests;
- (d) the amount by which the net book value of any asset has been written up after 31 March 2008 (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
- (e) any dividend or other distribution declared, recommended or made by any member of the Group,

but 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 except to the extent 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 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*) or Clause 25.2 (*Additional Guarantors*).

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.

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; and

(iii) any Security or non disposal undertaking created pursuant to any Finance Document.

21.4 Disposals

(a) No Obligor shall (and the Company shall ensure that no other member of the 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) arising as a result of any Security permitted under paragraph (c) of Clause 21.3 (*Negative pledge*); or

(iii) of cash pursuant to the Transaction 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 the Purchaser or any Holding Company of the Purchaser) 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 Agent are given 30 Business Days' notice by the Company of that proposed amalgamation, demerger, merger, consolidation or corporate reconstruction and the Security Agent, acting reasonably, is satisfied that the Finance Parties will enjoy the same or equivalent Security over the same assets 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 general 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.

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.

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 Schedule 11 (*Existing Financial Indebtedness*);
- (b) Financial Indebtedness arising under the Finance Documents;
- (c) Financial Indebtedness permitted pursuant to the terms of sub-paragraphs (i), (ii) or (iii) of paragraph (b) of Clause 21.13 (*Loans and guarantees*);
- (d) Financial Indebtedness under a single facility provided to an Obligor (but no refinancings or replacements thereof) in a principal amount not exceeding US\$75,000,000 provided that such Financial Indebtedness ranks no higher than *pari passu* with the obligations of the Obligors under the Finance Documents; or
- (e) Financial Indebtedness constituting unsecured working capital borrowings provided to an Obligor (in addition to that permitted under paragraphs (a) to (c) above) in an aggregate principal amount not exceeding US\$10,000,000 (or its equivalent in any other currency or currencies) provided that such Financial Indebtedness ranks no higher than *pari passu* with the obligations of the Obligors under the Finance Documents.

21.11 Acquisitions and investments

- (a) No Obligor shall (and the Company shall ensure that no other member of the Group shall) make any Share or Business Acquisition.
- (b) Paragraph (a) above does not apply to:

- (i) the Acquisition;
- (ii) the acquisition of Customer Operational Services (Chennai) Private Limited and Noida Customer Operations Private Limited by the Target; and
- (iii) any Share or Business Acquisition which complies with the following conditions:
 - (A) the target entity:
 - (I) is not a negative net worth entity.
 - (II) has not been loss-making for the three previous financial years.
 - (III) is in the same business as the Borrower Group; and
 - (B) 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 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 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 an Obligor to another Obligor;
 - (ii) any loan made by a member of the Group which is not an Obligor to another member of the Group which is not an Obligor;
 - (iii) any loan made by a member of the Group which is not an Obligor to a member of the Group which is an Obligor, provided that the aggregate amount outstanding under all such loans shall not at any time exceed US\$10,000,000;
 - (iv) any trade credit granted on customary commercial terms to any customer of a member of the Group;

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- (v) any loan made by a member of the Group to an employee of a member of the Group provided that the aggregate principal value of all loans falling within this paragraph (v) at any time does not exceed US\$2,000,000;
- (vi) any guarantee granted by the Company in respect of a Permitted Treasury Transaction entered into to hedge currency or interest rate exposure of a member of the Group;
- (vii) any performance or payment guarantees given by the Company in respect of payment obligations that do not constitute Financial Indebtedness of WNS North America Inc. pursuant to outsourcing agreements with WNS North America Inc.'s customers entered into, in each case, in the ordinary course of its business; and
- (viii) any loan where all the proceeds of such loan are used to satisfy a payment obligation of an Obligor under the Finance Documents.
- (ix) by reference to clause 30.22 of the Master Service Agreement and the defined terms in the Master Service 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 Service Agreement;
- (x) by reference to paragraph 10.6 of Schedule 12 to the Master Service Agreement and the defined terms in the Master Service Agreement, the indemnity to be given by the Supplier to the Customer (or the relevant Customer Group or replacement service provider) if the Supplier Personnel (other than the Relevant Employees who accept an offer of employment under paragraph 10.3 of Schedule 12 to the Master Services Agreement) are found, by operation of law, to be employees of Customer, or a member of Customer's Group, or any replacement service provider, against all employee costs associated with that person and all costs of terminating that person's employment after the expiry of the Term or as a result of any termination or partial termination of the Services, provided that any such employment is terminated within six months after the expiry of the Term or the relevant termination or partial termination of the provision of Services;
- (xi) any guarantee granted by the Company to the Vendor or a member of the Vendor's Group in respect of the obligations under the Acquisition Documents.

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 Hedging

The Borrower shall not enter into any Treasury Transaction which is not a Permitted Treasury Transaction.

21.17 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.

21.18 Acquisition Documents

No Obligor shall amend, terminate, give any waiver or consent under, or agree or decide not to enforce, in whole or in part, any term or condition of any Acquisition Document, save for amendments, waivers or consents which are minor or technical or have been approved in writing by the Agent.

21.19 The Acquisition

- (a) Each Obligor shall:
- (i) procure that legal and beneficial title to 100% of the shares in the Target are transferred to the Purchaser no later than one Business Day following the date of the first Utilisation of the Facility.
 - (ii) perform and comply with its obligations under or in connection with the Acquisition Documents;
 - (iii) notify the Agent (promptly upon becoming aware of the same) of any breach by any party of its obligations or default under the Acquisition Documents;
 - (iv) procure that the Purchaser applies an amount equal to funds received by it pursuant to the equity subscription described in paragraph (a)(i) of Clause 3.1 (*Purpose*) in settlement of its obligation to pay the purchase price for the shares in the Target pursuant to the Acquisition Documents;
 - (v) take all reasonable steps to preserve and enforce any claim or right it has under or in connection with any Acquisition Document;
 - (vi) notify the Agent promptly of any claim made or to be made under an Acquisition Document and any dispute in respect of an Acquisition Document;

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- (vii) provide the Agent with reasonable details of that claim or dispute and its progress and notify the Agent as soon as practicable upon that claim or dispute being resolved;
- (viii) notify the Agent promptly of any notice of, or other act of revocation, suspension, withdrawal, cancellation or termination of any provision of any Acquisition Document; and
- (ix) comply with all applicable laws in all respects material in the context of the Acquisition.

(b) The Company shall keep the Agent informed as to the status and progress of the Acquisition.

21.20 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.

21.21 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.

21.22 No employees

The Borrower shall not have any employees.

21.23 Pari passu

Each Obligor shall ensure that its obligations under the Finance Documents 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.

21.24 Capital Expenditure

The Company shall ensure that the aggregate of the Capital Expenditure of the Group in any financial year of the Company shall not exceed XXXXX of the EBITDA of the Group for the previous financial year.

21.25 Statutory auditors

No Obligor shall change (and the Company shall ensure that no member of the 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.

21.26 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 Transaction Document; or

- (ii) by reference to clause 15.2 of the Master Service Agreement and the defined terms in the Master Service 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 Service Agreement, the Master Service Agreement terminates (or any part thereof), or the Master Service Agreement expires.

21.27 Auditors' Certificate

Each Obligor shall ensure that an auditors' certificate 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.

21.28 Cash movements

- (a) The Obligors shall ensure that at all times:
 - (i) the Put Providers or the Subsidiaries of the Target 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; and
 - (ii) the Put Providers and the Subsidiaries of the Target have in place all necessary Authorisations to effect any dividend, share buyback or subordinated shareholder loan referred to in paragraph (i) above.
- (b) The Obligors shall ensure that at all times:
 - (i) any Excess Cash is made available by way of dividend, share buyback or subordinated shareholder loans in order to enable the Borrower to make any mandatory prepayments required to be made pursuant to Clause 7.6 (*Mandatory prepayment — Excess Cash*); and
 - (ii) 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 paragraph (i) above.

21.29 Accession of Additional Guarantors and additional Put Providers

- (a) Each Obligor shall ensure that the Target and each Subsidiary of the Target which is a Material Subsidiary (excluding any such Subsidiaries incorporated in India) becomes a Guarantor pursuant to Clause 25.2 (*Additional Guarantors*) by no later than the date which is 30 days after the Acquisition Closing Date (or such other period which may be mutually agreed between the Company and the Agent).
- (b) Each Obligor shall ensure that any person (other than any persons referred to in paragraph (a) above and 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 45 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).
- (c) Each Obligor shall ensure that any member of the Group that is incorporated in India and that becomes a Material Subsidiary after the date of this Agreement becomes a Put Provider by no later than the date which is 45 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).

- (d) Each Obligor shall ensure that Ntrance Customer Services Private Limited becomes a Put Provider by no later than the date which is 60 days after the Acquisition Closing Date (or such other period as may be mutually agreed between the Company and the Agent).

21.30 Transfer of Customer Operational Services (Chennai) Private Limited

Each Obligor shall ensure that:

- (a) Customer Operational Services (Chennai) Private Limited becomes a direct wholly owned Subsidiary of the Target by no later than 45 days after the date of the first Utilisation of the Facility (or such other period which may be mutually agreed between the Company and the Agent); and
- (b) Noida Customer Operations Private Limited becomes a direct, wholly owned Subsidiary of the Target by no later than 45 days after the date of the first Utilisation of the Facility (or such other period which may be mutually agreed between the Company and the Agent).

21.31 Additional Security Documents and additional Non Disposal Documents

Each Obligor shall ensure that:

- (a) a copy of the Target Share Charge duly executed by the parties to it (along with any Authorisations, legal opinions and perfection documents that the Agent requests), in each case in form and substance satisfactory to the Agent, is delivered to the Agent by no later than the date which is 30 days after the Acquisition Closing Date (or such other period which may be mutually agreed between the Company and the Agent);
- (b) a copy of the Sri Lankan Share Charge duly executed by the parties to it (along with any Authorisations, legal opinions and perfection documents that the Agent requests), in each case in form and substance satisfactory to the Agent, is delivered to the Agent by no later than the date which is 30 days after the Acquisition Closing Date (or such other period which may be mutually agreed between the Company and the Agent);
- (c) a copy of the Target Designated Account Charge duly executed by the parties to it (along with any Authorisations, legal opinions and perfection documents that the Agent requests), in each case in form and substance satisfactory to the Agent, is delivered to the Agent by no later than the date which is 60 days after the Acquisition Closing Date (or such other period which may be mutually agreed between the Company and the Agent);
- (d) a copy of the Ntrance and Marketics Non Disposal Undertaking and the Ntrance and Marketics Non Disposal POA duly executed by the parties to it (along with any Authorisations, legal opinions and perfection documents that the Agent requests), in each case in form and substance satisfactory to the Agent, is delivered to the Agent by no later than the date which is 7 days after the Acquisition Closing Date (or such other period which may be mutually agreed between the Company and the Agent);
- (e) a copy of the Target Subsidiaries Non Disposal Undertaking and the Target Subsidiaries Non Disposal POA duly executed by the parties to it (along with any Authorisations, legal opinions and perfection documents that the Agent requests), in each case in form and substance satisfactory to the Agent, is delivered to the Agent by no later than the date which is 60 days after the Acquisition Closing Date (or such other period which may be mutually agreed between the Company and the Agent); and

- (f) a copy of the Master Service Agreement Account Charge duly executed by the parties to it (along with any Authorisations, legal opinions and perfection documents that the Agent requests), in each case in form and substance satisfactory to the Agent, is delivered to the Agent by no later than the date which is 7 days after the Acquisition Closing Date (or such other period which may be mutually agreed between the Company and the Agent).

21.32 Master Service Agreement and Put Option Agreement

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 Master Service Agreement or the Put Option Agreement except on the instructions of the Agent (acting on the instructions of the Majority Lenders or 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 Master Service Agreement and 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 Master Service Agreement or 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 Master Service Agreement or 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 Master Service Agreement or the Put Option Agreement or other pending proceedings or proceedings threatened in writing,

which could have a Material Adverse Effect.

21.33 Statutory auditors' certificate

Each Obligor shall ensure that the Borrower submits a statutory auditors' certificate as to end use of funds to the Agent by no later than the date that is three Months after the date of each Utilisation.

21.34 Additional documents

- (a) The Borrower shall procure that a certified copy of the register of pledges of (x) the Purchaser (noting the Purchaser Share Charge) and (y,) the Borrower (noting the WNS Mauritius Share Charge) are provided to the Agent within three Business Days of the date of first Utilisation of the Facility.

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- (b) The Borrower shall provide to the Agent (in form and substance satisfactory to the Agent) within 15 days of the date of the first Utilisation of the Facility a copy of the Information Memorandum.
- (c) The Borrower shall provide to the Agent (in form and substance satisfactory to the Agent) within one Business Day of the Acquisition Closing Date:
 - (i) a copy of the Master Service Agreement, duly executed by the parties to it; and
 - (ii) a copy of the Acquisition Agreement, duly executed by the parties to it.
- (d) The Borrower shall procure that a legal opinion of the legal advisers to the Borrower in Singapore in respect of the entry into and performance of the Acquisition Agreement not breaching Singapore law is provided to the Agent (in form and substance satisfactory to the Agent) by no later than the date which is 15 days after the Acquisition Closing Date.
- (e) The Borrower shall provide to the Arranger (in form and substance satisfactory to the Arranger) within 14 days of the date of this Agreement a copy of a Fee Letter in respect of the arrangement fee for the Facility duly executed by the parties to it.

21.35 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.

21.36 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.

21.37 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 18.29 (*US regulation*).

21.38 Margin Regulations

- (a) No Obligor may use any 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.

21.39 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.

21.40 Transfer pricing

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

22. Accounts

22.1 Maintenance of Accounts

- (a) The Borrower, the Purchaser and, following the Acquisition Closing Date, the Target shall maintain the Accounts with the Account Bank in accordance with the terms of this Agreement.
- (b) Neither the Borrower nor the Purchaser shall open any current, deposit or other account with any bank or financial institution other than the Accounts, the Mauritian Account and the Purchaser Mauritian Account.
- (c) The terms and conditions relating to the establishment and maintenance of the Accounts and the Borrower's, the Purchaser's and the Target'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) Subject to paragraph (e) below, the Borrower shall maintain, at all times on and following the first Utilisation, in the DSRA, a DSRA Balance equal to or greater than the then DSRA Amount.
- (e) In calculating the DSRA Amount, the Agent shall use the highest LIBOR applicable to the outstanding Loans at the time of calculation.
- (f) Subject to paragraph (g) below, if any amount is withdrawn from the DSRA in accordance with the terms of this Agreement, and as a result the then DSRA Balance falls to below the DSRA Amount, the Borrower shall procure that the DSRA Balance is increased to an amount which is greater than or equal to the then DSRA Amount no later than the Business Day immediately following such withdrawal.
- (g) Notwithstanding to paragraph (j) below, the Purchaser shall ensure that any payments that it receives under or in connection with the Master Service Agreement are paid directly into the Master Service Agreement Account as soon as practicable.
- (h) The Borrower shall ensure that, notwithstanding paragraph (i) below:
 - (i) any Put Providers Share Sale Proceeds that it receives are paid into the WNS Mauritius Designated Account; and
 - (ii) (following the Acquisition Closing Date) any Target Subsidiaries Share Sale Proceeds that the Target receives are paid into the Target Designated Account.
- (i) Subject to paragraphs (g) and (h) 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.

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- (j) Subject to paragraph (g) above, the Purchaser shall ensure that any payments it receives are paid into the Purchaser 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.

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, the Purchaser or the Target (as the case may be) and the Borrower, the Purchaser or the Target (as the case may be) may instruct the Agent or 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:
- (i) while a Default has occurred and is continuing; or
 - (ii) in relation to the DSRA, if the DSRA Balance is (or would, following such withdrawal, be) less than the DSRA Amount at the time of that withdrawal.

22.3 Withdrawals

- (a) Unless instructed to do so by the Agent or the Security Trustee, the Account Bank shall not effect any withdrawal or transfer from any Account (and shall not be liable to the Borrower, the Purchaser or the Target 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, the Purchaser or the Target, the Borrower, the Purchaser or the Target (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, the Purchaser or the Target 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 DSRA by the Borrower except through the Agent or the Security Trustee as expressly permitted by this Clause 22.
- (f) No sum may be transferred or withdrawn from the WNS Mauritius Designated Account or the Target Designated Account except with the prior written consent of the Agent or the Security Trustee or as expressly permitted by this Clause 22.

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- (g) The Agent and the Security Trustee each have sole signing rights in relation to the DSRA, the WNS Mauritius Designated Account and the Target Designated Account.
- (h) If no Event of Default is continuing, the Purchaser may withdraw amounts standing to the credit of the Master Service Agreement Account and apply them towards payments made in the ordinary course of business of the Purchaser. For the purposes of this paragraph (h), "payments made in the ordinary course of business of the Purchaser" means routine payments made by the Purchaser for the purposes of its day to day business, including (but not limited to):
 - (i) payments made by the Purchaser in respect of any salaries, bonuses or reimbursement for expenses due and payable to any employees of the Purchaser;
 - (ii) payment of invoices payable by the Purchaser in respect of its day to day business; or
 - (iii) payments made by the Purchaser for the purposes of servicing any Financial Indebtedness (including payment of principal or interest in relation to such Financial Indebtedness) of the Purchaser 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 Purchaser;
 - (b) any payments made in respect of any lease and/or buy-back arrangements;
 - (c) payments of any dividends by the Purchaser; and
 - (d) payments of any extraordinary costs or expenses.
- (i) Subject to paragraph (j) below, the Purchaser has sole signing rights in respect of the Master Service Agreement Account.
- (j) If an Event of Default is continuing:
 - (i) Neither the Borrower, the Purchaser nor the Target shall withdraw any amount from any Account; and
 - (ii) the Agent or 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*).

22.4 Instructions

- (a) Subject to Clause 22.3 (*Withdrawals*), the Borrower hereby irrevocably authorises and instructs the Agent and the Security Trustee to debit, at any time, amounts standing to the credit of the DSRA and apply them in the order of priority set out in Clause 29.5 (*Partial payments*).
- (b) Upon request by the Agent or the Security Trustee, the Account Bank shall promptly notify the Agent or the Security Trustee of the balance of the DSRA.

22.5 Access to Accounts

- (a) Each of the Borrower, the Purchaser and the Target irrevocably consents to the Agent and the Security Trustee or any of their respective appointed representatives (in the case of the

Target on the Acquisition Closing Date) having access to review the books and records of the Account Bank relating to any Account and consents (in the case of the Target on the Acquisition Closing Date) 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, the Purchaser, the Target, 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, the Purchaser or the Target (as the case may be).

22.6 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, the Purchaser, the Target or any other person any sum which it is expecting to receive for the account of the Borrower, the Purchaser or the Target 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.

22.7 No assignment

No Account nor the Borrower's, the Purchaser's or the Target'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.

22.8 Notice of Security

The Borrower and the Security Trustee hereby give notice to the Account Bank (and the Account Bank hereby acknowledges and accepts this Agreement as notice) of the Security created over the Accounts pursuant to the Borrower Account Charge and the Account Bank agrees:

- (a) not to claim or exercise any security in, set-off and/or counterclaim Security created by the other rights in respect of the Accounts save as expressly contemplated in this Clause 22; and
(b) that it will pay all moneys standing to the credit of the DSRA or the WNS Mauritius Designated Account as directed by the Security Trustee upon being notified by the Security Trustee that the Security created by the Borrower Account Charge has become enforceable.

22.9 Opening of Accounts

Each Obligor shall ensure that the Target Designated Account is opened with the Account Bank no later than the date which is seven days after the Acquisition Closing Date.

23. Events of Default

Each of the events or circumstances set out in this Clause 23 (other than Clause 23.24 (*Acceleration*) and Clause 23.25 (*Clean-up Period*)) 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.

23.2 Financial covenants

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

23.3 Other obligations

- (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 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 Group is less than its liabilities (taking into account contingent and prospective liabilities).
- (c) A moratorium is declared in respect of any indebtedness of any member of the 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 Group;
 - (ii) a composition, compromise, assignment or arrangement with any creditor of any member of the 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 Group or any of its assets;
 - (iv) enforcement of any Security over any assets of any member of the 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 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 (in the case of the Target at any time after the Acquisition Closing Date) is not or ceases to be a wholly owned Subsidiary of the Company.
- (b) A Put Provider or the Purchaser is not or ceases to be a wholly owned Subsidiary of the Borrower.
- (c) At any time after the Acquisition Closing Date, the Target or any Subsidiary of the Target is not or ceases to be a 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.

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 March 2008) 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

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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 the Syndication Side Letter within six months of the Change in Largest Shareholder.

23.21 Master Service Agreement

- (a) Subject to paragraph (c) below, the Master Service Agreement is not in full force and effect at any time on or after the Acquisition Closing Date.
- (b) It is or becomes unlawful for any party to perform its material obligations under the Master Service Agreement.
- (c) The Master Service Agreement expires, terminates or is terminated for any reason whatsoever, provided that if the Master Service Agreement is partially terminated in accordance with its terms, an Event of Default shall only occur if such partial termination (or any series of partial terminations) results in a reduction in the number of full time employees of the Purchaser invoiced for by the Purchaser pursuant to the terms of the Master Service Agreement falling below 3,000 full time employees in any three consecutive monthly invoices presented pursuant to the Master Service Agreement.

23.22 Change in law

There is or could reasonably be expected to be a material reduction in the rate of return from the Put Option Agreement 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.

23.23 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.

23.24 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 Utilisations, 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 Utilisations 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.

23.25 Clean-up period

(a) Notwithstanding any other provision of any Finance Document:

- (i) any breach of a Clean-Up Representation or a Clean-Up Undertaking; or
- (ii) any Event of Default constituting a Clean-Up Default,

existing on the Acquisition Closing Date and/or during the period from the Acquisition Closing Date up to the date falling two Months after the Acquisition Closing Date will be deemed not to be breach of representation, a breach of covenant or an Event of Default (as the case may be) if:

- (A) it would have been (if it were not for this provision) a breach of representation, a breach of covenant or an Event of Default only by reason of circumstances relating exclusively to any member of the Target Group (or any obligation to procure or ensure in relation to a member of the Target Group);
- (B) it was not procured or approved by any member of the Group;
- (C) it is capable of remedy and all reasonable steps are being taken to remedy it; and
- (D) it is not likely to have a Material Adverse Effect.

(b) If the relevant circumstances are continuing on or after the Clean-Up Date, there shall be a breach of representation or warranty, breach of covenant or Event of Default, as the case may be notwithstanding the above (and without prejudice to the rights and remedies of the Finance Parties).

(c) For the avoidance of doubt, this Clause 23.25 (*Clean-up period*) shall not restrict the Agent's right to give any notice under Clause 23.24 (*Acceleration*) or any other Finance Party's right to take any action with respect to any Default which is not a Clean-Up Default.

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.

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 an assignment or transfer takes effect or the Transfer Certificate is delivered to the Agent in accordance with Clause 24.5 (*Procedure for transfer*), 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 a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.
- (b) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it 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;

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- (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 Disclosure of information

Any Lender may disclose to:

- (a) any of its Affiliates;
- (b) its head office and any other branch;
- (c) any other Finance Parties; 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 required to be disclosed by any applicable law or regulation,

any information about any Obligor, the Group and the Finance Documents as that Lender 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 24.7 supersedes any previous agreement relating to the confidentiality of this information.

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

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(ii) the Agent has received all of the documents and other evidence listed in and appearing to comply with the requirements of Part II (*Conditions precedent required to be delivered by an Additional Guarantor*) of Schedule 2 (*Conditions precedent*) in relation to that Additional Guarantor.

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

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 Schedule 7 (*Security trust provisions*).
- (f) 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.

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

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 Schedule 7 (*Security trust provisions*)) or the Arranger as a trustee or fiduciary of any other person.
- (b) Neither the Agent, the Security Trustee (except as expressly provided in Schedule 7 (*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) The Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.
- (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 the Information Memorandum; 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 (and without prejudice to the provisions of paragraph (c) of Clause 30 (*Disruption to payment systems, etc.*)), 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 Lenders' indemnity to the Agent and the Security Trustee

- (a) Subject to paragraph (b) below, each Lender shall (in proportion to its Available Commitment and participations in the Utilisations then outstanding to the Available Facility and all the Utilisations then outstanding) 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) or in the case of any cost, loss or liability pursuant to Clause 30 (*Disruption to payment systems, etc.*) notwithstanding the Agent's negligence, gross negligence or any other category of liability whatever but not including any claim based on the fraud of the Agent 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 Available Commitment to the Available Facility immediately prior to its reduction to zero, unless there are then any Utilisations outstanding in which case it shall be in proportion to its participations in the Utilisations then outstanding to all the Utilisations then outstanding.

26.12 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, at its own cost, 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.

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- (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.

26.13 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.

26.14 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.

26.15 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 the Information Memorandum and any other 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.

26.16 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.

26.17 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.

26.18 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 26.11 (*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*).

26.19 Security trust provisions

The provisions of Schedule 7 (*Security trust provisions*) shall bind each Party.

26.20 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.

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.

SECTION 11
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 31 (*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)(i) to (iv) above.
- (c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

29.6 No set-off by Obligors

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 a Utilisation or Unpaid Sum or a part of a Utilisation or Unpaid Sum shall be made in the currency in which that Utilisation or 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 Schedule 7 (*Security trust provisions*).

30. Disruption to payment systems, etc.

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the Agent is notified by the Company that a Disruption Event has occurred:

- (a) the Agent may, and shall if requested to do so by the Company, consult with the Company with a view to agreeing with the Company such changes to the operation or administration of the Facility as the Agent may deem necessary in the circumstances;
- (b) the Agent shall not be obliged to consult with the Company in relation to any changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
- (c) the Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) above but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;
- (d) any such changes agreed upon by the Agent and the Company shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 36 (*Amendments and waivers*);
- (e) the Agent shall not be liable for any damages, costs or losses whatsoever (including, without limitation, for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 30; and
- (f) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

31. Set-off

Without prior notice to the Obligor, a Finance Party may but is not obliged to, set off any matured 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.

32. Notices

32.1 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.

32.2 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.

32.3 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 32.2 (*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.

32.4 Notification of address, fax number and email address

Promptly upon receipt of notification of an address, fax number or email address or change of address, fax number or email address pursuant to Clause 32.2 (*Addresses*) or changing its own address, fax number or email address, the Agent shall notify the other Parties.

32.5 Reliance

- (a) Any notice sent under this Clause 32 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.

32.6 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.

33. Calculations and certificates

33.1 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.

33.2 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.

33.3 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.

34. 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.

35. 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.

36. Amendments and waivers

36.1 Required consents

- (a) Subject to Clause 36.2 (*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 36.

36.2 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 or the Guarantors 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 36; or
 - (viii) the release of any Security created pursuant to any Security Document or of any Charged Assets (except as provided in any Security Document),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.

37. 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

38. Governing law

This Agreement is governed by English law.

39. Enforcement

39.1 Jurisdiction

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a 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 39.1 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.

39.2 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
- (b) agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

39.3 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.

39.4 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.

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The Company

WNS (HOLDINGS) LIMITED

Address: Channel House, 7 Esplanade, St Helier, Jersey, Channel Islands

Fax No.: +44 (1534) 847001

Attention: Ramesh Shah / Neeraj Bhargava

By: /s/ Neeraj Bhargava

The Borrower

WNS (MAURITIUS) LIMITED

Address: 10, Frere Felix, de Valois Street, Port Louis, Mauritius

Fax No.: 230 (212) 5265

Attention: Louis Cheong Tin, Yuraj Kumar Juwaheer, Vikas Gupta

By: /s/ Vikas Gupta

The Guarantors

WNS (HOLDINGS) LIMITED

Address: Channel House, 7 Esplanade, St Helier, Jersey, Channel Islands

Fax No.: +44 (1534) 847001

Attention: Ramesh Shah / Neeraj Bhargava

By: /s/ Neeraj Bhargava

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WNS GLOBAL SERVICES (UK) LIMITED

Address: The Lodge, Harmondsworth Lane, West Drayton, Middlesex, UB7 0AB

Fax No.: +44 208 754 8570

Attention: Suzanne Westserhoff / J J Selvadurai

By: /s/ J. J. Selvadurai

WNS NORTH AMERICA INC.

Address: 420 Lexington Avenue, Suite 2515, New York, NY 10170, USA

Fax No.: +1 212 599-6962

Attention: Lydia Chua / Ramesh Shah

By: /s/ Neeraj Bhargava

WNS CAPITAL INVESTMENT LIMITED

Address: 10, Frere Felix, de Valois Street, Port Louis, Mauritius

Fax No.: 230 (212) 5265

Attention: Louis Cheong Tin, Yuraj Kumar Juwaheer, Vikas Gupta

By: /s/ Vikas Gupta

The Arranger

ICICI BANK UK PLC

By: /s/ Aarti Sharma

ICICI BANK CANADA

By: /s/ Sri Ram H. Iyer /s/ Rajesh Ramakrishnan

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The Original Lenders

ICICI BANK UK PLC

By: /s/ Aarti Sharma

ICICI BANK CANADA

By: /s/ Sri Ram H. Iyer /s/ Rajesh Ramakrishnan

The Agent

ICICI BANK UK PLC

Address: 5th Floor, Alperton House
Bridgewater Road
Wembley HA0 1EH
United Kingdom

Fax No.: +44 208 795 5468

Attention: Mr Haresh Wadhwa

By: /s/ Aarti Sharma

The Security Trustee

MORGAN WALKER SOLICITORS LLP

Address: 115 Chancery Lane
London WC2A 1PR
United Kingdom

Fax No.: +44 207 831 9638

Attention: Mr Ashok Sancheti

By: /s/ (signed)

The Account Bank

ICICI BANK UK PLC

By: /s/ Aarti Sharma

**WNS (HOLDINGS) LIMITED
LIST OF SUBSIDIARIES**

S/No.	Name of Subsidiary	Place of Incorporation
1.	WNS Global Services Netherlands Cooperative U.A.	The Netherlands
2.	WNS North America Inc.	Delaware, USA
3.	WNS Global Services (UK) Limited	United Kingdom
4.	WNS (Mauritius) Limited	Mauritius
5.	Town & Country Assistance Limited	United Kingdom
6.	WNS Global Services (Romania) S.R.L.	Romania
7.	WNS Philippines Inc.	The Philippines
8.	WNS Mortgage Services Private Limited	India
9.	WNS Workflow Technologies Limited	United Kingdom
10.	WNS Workflow Technologies (India) Private Limited	India
11.	Chang Limited	United Kingdom
12.	Call 24x7 Limited	United Kingdom
13.	WNS Global Services Private Limited	India
14.	NTrance Customer Services Private Limited	India
15.	WNS Global Services (Private) Limited	Sri Lanka
16.	First Offshoring Technologies Private Limited	India
17.	Marketics (Technologies) India Private Limited	India
18.	Marketics, Inc.	Delaware, USA
19.	WNS Capital Investment Limited	Mauritius
20.	Aviva Global Services Singapore Private Limited	Singapore
21.	Aviva Global Services Lanka (Private) Limited	Sri Lanka
22.	Aviva Global Shared Services Private Limited	India
23.	Aviva Global Services (Bangalore) Private Limited	India
24.	Customer Operational Services (Chennai) Private Limited	India
25.	Business Applications Associates Limited	United Kingdom
26.	Business Associates Application, Inc.	Delaware, USA
27.	Baizan International Software Technology (Beijing) Co. Ltd.	China

**Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Neeraj Bhargava, certify that:

1. I have reviewed this annual report on Form 20-F of WNS (Holdings) Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the company and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: August 1, 2008

By: /s/ Neeraj Bhargava
Name: Neeraj Bhargava
Title: Group Chief Executive Officer

**Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Alok Misra, certify that:

1. I have reviewed this annual report on Form 20-F of WNS (Holdings) Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the company and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: August 1, 2008

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

**Certification of Chief Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of WNS (Holdings) Limited (the "Company") hereby certifies, to such officer's knowledge, that:

- (i) the accompanying annual report on Form 20-F of the Company for the year ended March 31, 2008 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 1, 2008

/s/ Neeraj Bhargava

Name: Neeraj Bhargava

Title: Group Chief Executive Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. Section 1350, and is not being "filed" either as part of the Report or as a separate disclosure statement, and is not to be incorporated by reference into the Report or any other filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing. The foregoing certification shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of Section 18 or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended.

**Certification of Chief Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of WNS (Holdings) Limited (the "Company") hereby certifies, to such officer's knowledge, that:

- (i) the accompanying annual report on Form 20-F of the Company for the year ended March 31, 2008 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 1, 2008

/s/ Alok Misra

Name: Alok Misra

Title: Group Chief Financial Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. Section 1350, and is not being "filed" either as part of the Report or as a separate disclosure statement, and is not to be incorporated by reference into the Report or any other filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing. The foregoing certification shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of Section 18 or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended.

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-136168) pertaining to the 2002 Stock Incentive Plan and the 2006 Incentive Award Plan of WNS (Holdings) Limited of our reports, each dated July 29, 2008, with respect to the consolidated financial statements of WNS (Holdings) Limited and the effectiveness of internal control over financial reporting of WNS (Holdings) Limited included in its Annual Report on Form 20-F for the year ended March 31, 2008.

Ernst & Young

Mumbai, India
July 29, 2008