

I. Purpose

The primary purpose of the Audit Committee (the “Committee”) is to oversee, or provide assistance to the Board of Directors (the “Board”) of ExlService Holdings, Inc., a Delaware corporation (the “Company”), in fulfilling its oversight responsibilities with respect to (a) the accounting and financial reporting processes of the Company, including the integrity of the financial statements and other financial information provided by the Company to its stockholders, the public, any stock exchange and others, (b) the Company’s compliance with legal and regulatory requirements, (c) the Company’s independent registered public accounting firm’s qualifications and independence, (d) the audit of the Company’s financial statements (e) the performance of the Company’s internal audit function and independent registered public accounting firm and (f) such other matters as shall be mandated under applicable laws, rules and regulations (including Section 10A of the Securities Exchange Act of 1934 and the rules promulgated thereunder, as amended (the “Exchange Act”), as well as Nasdaq Marketplace Rules (as amended from time to time, the “Nasdaq Rules”) (together, the “Applicable Requirements”).

Although the Committee has the powers and responsibilities set forth in this Charter, the role of the Committee is oversight. The members of the Committee are not full-time employees of the Company and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing and, in any event, do not serve in such capacity. Consequently, it is not the duty of the Committee to conduct audits or to determine that the Company’s financial statements and disclosures are complete and accurate and are in accordance with U.S. generally accepted accounting principles (“GAAP”) and other Applicable Requirements. These are the responsibilities of management and the Company’s independent registered public accounting firm.

II. Organization

The Committee shall consist of three or more directors, each of whom shall satisfy the independence, financial literacy, experience and expertise requirements of Section 10A-3 of the Exchange Act and any other Applicable Requirements, subject, if applicable, to any phase-in and cure periods thereunder, including that one director who does not satisfy the applicable independence requirements of the Nasdaq Rules may be appointed to and serve on the Committee, subject to compliance with the requirements of Nasdaq Rule 5605(c)(2)(B). No member of the Committee shall have participated in the preparation of the financial statements of the Company or any current subsidiary at any time during the past three years, and all members shall be able to read and understand fundamental financial statements, including a company’s balance sheet, income statement and cash flow statement. Additionally, at least one member of the Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in such individual’s financial sophistication (including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities). Determinations of independence, financial literacy, experience and expertise shall be made by the Board as the Board interprets such qualifications in its business judgment and in accordance with the Applicable Requirements.

The members of the Committee shall be appointed by the Board on the recommendation of the Nominating and Governance Committee. Members of the Committee may be removed at any time by action of the Board. The Committee's chairperson shall be designated by the Board or, if it does not do so, the members of the Committee shall elect a chairperson by a vote of the majority of the full Committee.

The Committee members shall not serve on more than three public company audit committees simultaneously.

The Committee may form and delegate authority to subcommittees when appropriate, provided that the subcommittees are composed entirely of directors who satisfy the applicable independence requirements of the Applicable Requirements.

III. Meetings

The Committee shall meet at least four times per year on a quarterly basis, or more frequently as circumstances require. Meetings shall be called by the chairperson of the Committee or, if there is no chairperson, by a majority of the members of the Committee. Meetings may be held telephonically or by other electronic means to the extent permitted by the Company's organizational documents and applicable Delaware law. The Committee shall also periodically meet separately with each of management, the Company's independent registered public accounting firm and the internal audit group.

IV. Authority and Responsibilities

In recognition of the fact that the Company's independent registered public accounting firm is ultimately accountable to the Board and the Committee, the Committee shall (a) have the sole authority and responsibility to select, evaluate and, where appropriate, replace the Company's independent registered public accounting firm (or to nominate the Company's independent registered public accounting firm for stockholder approval), (b) approve all audit engagement fees and terms and all non-audit engagements with the Company's independent registered public accounting firm and (c) perform such other duties and responsibilities set forth under the Applicable Requirements. The Committee may consult with management and the internal audit group but shall not delegate these responsibilities, other than to subcommittees as permitted by this Charter.

In fulfilling its duties and responsibilities hereunder, the Committee will be entitled to reasonably rely on (a) the integrity of those persons within the Company and of the professionals and experts (such as the Company's independent registered public accounting firm) from which it receives information, (b) the accuracy of the financial and other information provided to the Committee by such persons, professionals or experts and (c) representations made by the Company's independent registered public accounting firm as to any services provided by such firm to the Company.

To fulfill its responsibilities, the Committee shall:

1. Be directly responsible for the appointment, compensation, retention (including termination) and oversight of the work of any independent registered public accounting firm engaged by the Company (including for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services or other work for the Company and including resolution of disagreements between

management and the Company's independent registered public accounting firm regarding financial reporting) and ensure that such firm shall report directly to it.

2. Have the sole authority to review in advance, and grant any appropriate pre-approvals, of (a) all auditing services to be provided by the Company's independent registered public accounting firm and (b) all non-audit services to be provided by such firm as permitted by Applicable Requirements, and, in connection therewith, to approve all fees and other terms of engagement. The Committee may delegate the authority to pre-approve audit and permitted non-audit services between meetings of the Committee to a designated member of the Committee, provided that the decisions made by such member are presented to the full Committee for ratification at its next scheduled meeting. The Committee shall also review and approve disclosures required to be included by the Company in Securities and Exchange Commission ("SEC") periodic reports filed under Section 13(a) of the Exchange Act with respect to audit and non-audit services.
3. Evaluate on an annual basis the performance of the Company's independent registered public accounting firm, including the lead audit partner, and present the conclusions of such evaluation to the Board. In making its evaluation, the Committee should take into account the opinions of management and the Company's internal auditors.
4. At least annually, obtain and review an annual report from the Company's independent registered public accounting firm describing (a) such firm's internal quality control procedures, (b) any material issues raised by the most recent internal quality control review, peer review, or Public Company Accounting Oversight Board ("PCAOB") review or inspection of the Company's independent registered public accounting firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the Company's independent registered public accounting firm, and any steps taken to deal with any such issues; and (c) all relationships between such firm and the Company. The Committee is responsible for engaging in a dialogue with the Company's independent registered public accounting firm with respect to any disclosed relationships or services that might impact the firm's objectivity and independence and to take, or recommend that the full Board take, appropriate action to oversee the independence of the Company's independent registered public accounting firm.
5. Confirm that the "lead partner," the "concurring partner" and the other "audit partner" rotation requirements under the Applicable Requirements, including Regulation S-X, have been complied with. Consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the Company's independent registered public accounting firm on a regular basis.
6. Review all reports and communications required to be submitted by the Company's independent registered public accounting firm to the Committee under the Applicable Requirements and PCAOB and U.S. accounting standards, and discuss with the independent registered public accounting firm any significant matters in such reports and communications.
7. Review, based upon the recommendation of the Company's independent registered public accounting firm and the Chief Audit Executive, the scope and plan of work to be done by the Company's independent registered public accounting firm.

With respect to the Company’s financial statements and other financial reporting:

8. Review and discuss the Company’s annual audited and quarterly unaudited financial statements with management, the internal audit group and the Company’s independent registered public accounting firm, including disclosures made in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” to be included in the Company’s annual report on Form 10-K or quarterly reports on Form 10-Q, prior to submission to stockholders, any governmental body, stock exchange or the public.
9. Consider and approve for adoption the Company’s annual audited financial statements in the Company’s annual report, and the Company’s quarterly financial statements in the Company’s quarterly reports, for filing with the SEC.
10. Prepare the report required by the SEC to be included in the Company’s annual proxy statement, if applicable, and any other reports of the Committee required by any Applicable Requirements.

With respect to annual audits:

11. Review and discuss with management and the Company’s independent registered public accounting firm (a) major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company’s selection or application of accounting principles and policies, compliance with GAAP and, where appropriate, the Company’s provision for future occurrences which may have a material impact on its financial statements, (b) analyses prepared by management and/or the Company’s independent registered public accounting firm setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative approaches under GAAP and (c) the effect of regulatory and accounting initiatives on the financial statements of the Company.
12. Prior to the filing of any audited financial statements with the SEC, review with the Company’s independent registered public accounting firm (a) all critical accounting policies and practices used by the Company, (b) all alternative accounting treatments of financial information reported in GAAP related to material items that have been discussed with management, including the ramifications of the use of such alternative treatments and disclosures and the treatment preferred by the Company’s independent registered public accounting firm, (c) any reports or communications (and management’s responses thereto) submitted to the Committee by the Company’s independent registered public accounting firm in accordance with PCAOB or U.S. accounting standards and (d) other material written communications between the Company’s independent registered public accounting firm and management.

With respect to periodic reviews:

13. At its periodic meetings with each of management, the Company’s independent registered public accounting firm and the internal audit group, review (a) any significant disagreement between

management and the Company's independent registered public accounting firm or the internal audit group in connection with the preparation of the financial statements, (b) any difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information, (c) any communications between the audit engagement team and the Company's independent registered public accounting Firm's national office regarding auditing or accounting issues, (d) any management letters issued and (e) management's response to each.

14. Periodically discuss with the Company's independent registered public accounting firm, without management being present, (a) their judgment about the quality, integrity and appropriateness of the Company's accounting principles and financial disclosure practices as applied in its financial reporting and (b) the completeness and accuracy of the Company's financial statements.
15. Consider and approve, if appropriate, significant changes to the Company's accounting principles and financial disclosure practices as suggested by the Company's independent registered public accounting firm, management or the internal audit group. Review with the Company's independent registered public accounting firm, management and the internal audit group, at appropriate intervals, the extent to which any changes or improvements in accounting or financial practices, as approved by the Committee, have been implemented.
16. Review and discuss with management, the internal audit group, the Company's independent registered public accounting firm and the Company's in-house and independent counsel, as appropriate, the Company's internal audit and compliance reports and any legal, regulatory or compliance matters (including global tax strategy and tax planning matters) that could have a significant impact on the Company's financial statements, including applicable changes in regulatory and accounting initiatives, standards or rules and changes in applicable tax regulations.

With respect to discussions with management:

17. Review and discuss with management the Company's earnings press releases and any earnings guidance, including the use of non-GAAP financial measures (as defined in SEC Regulation G) and other pro forma presentations, as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussions may be done generally (i.e., discussion of the types of information to be disclosed and the types of presentations to be made).
18. Review and discuss with management all material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons.
19. Review and discuss with management the Company's major financial risk exposures and the steps management has taken to monitor, control and manage such exposures, including the Company's risk assessment and risk management guidelines and policies.
20. Review and discuss with management the Company's business continuity and disaster preparedness planning.

With respect to the internal audit function, internal controls and compliance matters:

21. Review, based upon the recommendation of the Company's independent registered public accounting firm and the Chief Audit Executive, the scope and plan of the work to be done by the internal audit group and the responsibilities, budget and staffing needs of the internal audit group.
22. Review and approve the appointment and replacement of the Company's Chief Audit Executive.
23. Review on an annual basis the performance of the internal audit group. In consultation with the Company's independent registered public accounting firm and the internal audit group, review the adequacy of the Company's internal controls, disclosure processes and its procedures designed to ensure compliance with laws and regulations, and any special audit steps adopted in light of material control deficiencies, if any.
24. Establish and periodically review procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
25. Oversee the Company's compliance program and obtain regular updates from management and the Company's Chief Compliance & Ethics Officer regarding the Company's activities to ensure compliance with internal policies, laws and regulations regarding ethical business conduct.
26. Periodically review and discuss the Company's Code of Conduct and Ethics ("Code") and approve any material changes to the Code.
27. Periodically review the processes used to disseminate the Code to the Company's employees, monitor employee compliance with the Code, and enforce the Code's provisions.
28. Ensure the Chief Compliance & Ethics Officer has unfettered access to the Committee to discuss concerns or request guidance.
29. Review (a) the internal control report prepared by management, including management's assessment of the effectiveness of the Company's internal control over financial reporting, (b) the Company's independent registered public accounting firm's attestation, and report, on the assessment made by management, in each case, as and when required by Section 404 of the Sarbanes-Oxley Act of 2002 and (c) management's responses to such reports.
30. Review with management and the Company's independent registered public accounting firm any reports or disclosure submitted by management to the Committee as contemplated by the Certifications required under Section 302 of the Sarbanes-Oxley Act of 2002.
31. Consider the effectiveness of the Company's internal control system, including information technology security and control.

32. Review and discuss with management and the Company's internal auditors any fraud, material or otherwise, that involved management or other employees who have a significant role in the Company's internal controls and that have come to the attention of management or the internal auditors.

With respect to its other authorities and responsibilities:

33. Oversee the Company's cybersecurity policies and program and cyber strategy related risks, including the potential impact of those exposures on the Company's business, financial results, operations and reputation, steps that management has taken to mitigate any such risks, and any significant legislative or regulatory developments that could materially impact the Company's cyber strategy or exposure to such risks. Obtain regular updates from management on cybersecurity and related matters.
34. Review and approve all related-party transactions required to be disclosed pursuant to Item 404 of SEC Regulation S-K, as may be amended from time to time.
35. Review and approve (a) any amendment to or waiver from the Company's Code of Conduct and Ethics for the chief executive officer and senior financial officers and (b) any public disclosure made regarding such change or waiver.
36. Oversee the disclosure, processes and controls related to the Company's environmental, social and governance programs and obtain, as applicable, internal and external assurance over related reporting. Obtain regular updates from the Nominating and Governance Committee, Compensation and Talent Management Committee and management on such programs and related matters.
37. Review and approve insurance matters.
38. Review and assess the adequacy of this Charter annually and recommend to the Board any changes deemed appropriate by the Committee.
39. Review its own performance annually.
40. Report regularly to the Board.
41. Perform any other activities consistent with this Charter, the Company's by-laws and governing law, as required under the Applicable Requirements or as the Committee or the Board otherwise deems necessary or appropriate.
42. Provide an open avenue of communication between the internal audit group, the Company's independent registered public accounting firm and the Board.
43. Review any other reports the Company issues that relate to the Committee's responsibilities.

The foregoing responsibilities and duties set forth in this Charter should serve as a guide only, with the express understanding that the Committee may carry out additional responsibilities and duties and adopt additional policies and procedures as may be necessary in light of any changing business, legislative, regulatory, legal or other conditions.

V. Former employees of the company's independent registered public accounting

The Committee shall be required to pre-approve the hiring of any employee or former employee of the Company's independent registered public accounting firm who was a member of the Company's audit engagement team within the preceding two fiscal years. The Committee shall not approve the hiring of any individual for a financial reporting oversight role if such person is or was an employee of the Company's independent registered public accounting firm and was a member of the Company's audit engagement team within the preceding two fiscal years unless (a) (i) such individual is to be employed for a limited period of time due to an emergency or unusual situation and (ii) the Committee determines that the hiring of such individual is in the best interests of the Company's stockholders or (b) such individual becomes employed by the Company as a result of a business combination and the Committee was made aware of such individual's prior relationship with the Company as a member of its audit engagement team.

VI. Resources

The Committee shall have the authority to retain or terminate, at its sole discretion, independent legal, accounting and other advisors or consultants (collectively, "Advisors") to advise the Committee to the extent it considers it necessary to carry out its duties or assist in the conduct of an investigation and shall oversee the work of such Advisors. The Committee may request any officer or employee of the Company or the Company's outside counsel or the Company's independent registered public accounting firm to attend a meeting of the Committee or to meet with any members of, or advisors or consultants to, the Committee. The Committee may seek any information it requires from all employees (all of whom are directed to cooperate with the Committee's requests) or external parties.

The Committee shall have the sole authority to determine the terms of engagement and extent of funding necessary for payment of (a) compensation to the Company's independent registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, (b) compensation to any Advisors retained to advise the Committee and (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Company shall provide funds for payment of all such fees and expenses accrued and approved by the Committee.