

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (date of earliest event reported): October 19, 2006

EXLSERVICE HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-33089
(Commission File No.)

82-0572194
(IRS Employer
Identification No.)

350 Park Avenue
New York, New York 10022
(Address of principal executive offices)

(212) 277-7100
(Registrant's telephone number, including area code)

NOT APPLICABLE
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

Underwriting Agreement

On October 19, 2006, ExlService Holdings, Inc. (the “Company” or “we” or “us”) entered into an underwriting agreement (the “Agreement”) among the Company, Citigroup Global Markets Inc., Goldman Sachs & Co., Merrill Lynch & Co. and Thomas Weisel Partners LLC, (collectively the “Underwriters”), relating to the Company’s initial public offering of common stock, par value \$0.001 per share (the “Common Stock”). Under the Agreement, the Company agreed to sell to the Underwriters 5,000,000 shares of Common Stock at a purchase price per share of \$12.555 (the offering price to the public of \$13.50 per share minus the underwriters’ discount). The Company also provided the Underwriters with the option to purchase up to an additional 750,000 shares of Common Stock. On October 24, 2006, the Underwriters exercised this option in full. The Agreement includes customary representations, warranties and covenants by the Company. It also provides that the Company will indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, or contribute to payments the Underwriters may be required to make because of any of those liabilities. The offering closed on October 25, 2006 (the “Closing Date”).

The underwriters may, from time to time, perform various financial advisory and investment banking services for us for which they may receive customary fees and expenses. Solomon Smith Barney, an affiliate of Citigroup Global Markets Inc., has been retained by the Company to perform services with regard to the Company’s equity incentive plans and will receive customary fees and expenses for the performance thereof.

A copy of the Underwriting Agreement is attached as Exhibit 1.1 hereto and is incorporated by reference herein in its entirety.

Registration Rights Agreement

In connection with our initial public offering, we entered into a Registration Rights Agreement (the “RRA”), dated as of October 25, 2006, with Financial Technology Ventures (Q), L.P., Financial Technology Ventures, L.P., Financial Technology Ventures II (Q), L.P., Financial Technology Ventures II, L.P. (collectively, “FTVentures”), Oak Hill Capital Partners, L.P., Oak Hill Capital Management Partners, L.P. (together “Oak Hill”), Vikram Talwar, our Chief Executive Officer and Vice Chairman, Rohit Kapoor, our President, Chief Financial Officer and a member of our Board of Directors, and certain of their respective affiliates (collectively, the “Designated Stockholders”) relating to the shares of Common Stock they hold. Subject to several exceptions, including our right to defer a demand registration under certain circumstances, Designated Stockholders holding at least a majority of the registrable securities held by all of the Designated Stockholders may require that we register for public resale under the Securities Act of 1933, as amended (the “Securities Act”), all shares of Common Stock that they request be registered at any time after the expiration of certain lock-up periods following our initial public offering so long as the securities being

registered in each registration statement are reasonably expected to produce aggregate proceeds of at least \$20.0 million. However, after the earlier of 18 months from the consummation of our initial public offering or 12 months after the consummation of our initial public offering if a demand registration with regard to our shares of Common Stock has been completed, FTVentures and their affiliates, acting alone, will have the right to make one demand to register their shares of Common Stock so long as they hold shares of Common Stock representing at least 7.5% of our outstanding Common Stock at the time. Similarly, after the earlier of 18 months from the date of our initial public offering or 12 months after the consummation of our initial public offering if a demand registration with regard to our shares of Common Stock has been completed, Messrs. Talwar and Kapoor and their affiliates, acting together, will have the right to make one demand to register their shares of Common Stock so long as they hold shares of Common Stock representing in the aggregate at least 7.5% of our outstanding Common Stock at the time. We are not obligated to effectuate more than three demand registrations under the RRA. If we become eligible to register the sale of our securities on Form S-3 under the Securities Act, the Designated Stockholders have the right to require us to register the sale of the Common Stock held by them on Form S-3, subject to offering size and other restrictions. Non-requesting Designated Stockholders are entitled to piggyback registration rights with respect to any registration request made by the requesting Designated Stockholders. If the registration requested by the Designated Stockholders is in the form of a firm underwritten offering, and if the managing underwriter of the offering determines that the number of securities to be offered would have a material adverse effect on the distribution or sales price of the shares of Common Stock in the offering, the number of shares included in the offering will be determined as follows:

- first, shares offered by the requesting Designated Stockholders (pro rata, based on the number of their respective shares requested to be included in such offering);
- second, shares offered by any other stockholders (pro rata, based on the number of their respective shares requested to be included in such offering) except to the extent any such holders have agreed under existing agreements to grant priority with regard to participation in such offering to any other holders of our securities; and
- third, shares offered by us for our own account.

In addition, the Designated Stockholders have been granted piggyback rights on any registration for our account or the account of another stockholder. If the managing underwriter in an underwritten offering determines that the number of securities offered in a piggyback registration would have a material adverse effect on the distribution or sales price of the shares of Common Stock in the offering, the number of shares included in the offering will be determined as follows:

- first, shares offered by us for own account if we have initiated such registration or by any stockholders exercising demand rights with respect to such registration (pro rata, based on the number of their respective shares requested to be included in such offering);

- second, shares offered by any of our other stockholders (including the Designated Stockholders) (pro rata, based on the number of their respective shares requested to be included in such offering) except to the extent any such holders have agreed under existing agreements to grant priority with regard to participation in such offering to any other holders of our securities; and
- third, shares offered by us for our own account if any stockholder initiated such registration by exercising demand rights.

In connection with this offering or the other registrations described above, we will indemnify any selling stockholders and we will bear all fees, costs and expenses (except underwriting discounts and selling commissions).

FTVentures and Oak Hill are our principal stockholders. Vikram Talwar is our Chief Executive Officer and our Vice Chairman, and Rohit Kapoor is our President, Chief Financial Officer and a member of our Board of Directors. Certain of our customers are controlled by Oak Hill or FTVentures. In addition, prior to our initial public offering, we were party to a management arrangement with FTVentures and Oak Hill pursuant to which we made certain annual payments to FTVentures and Oak Hill in exchange for certain management services. See Item 1.02—Termination of a Material Definitive Agreement.”

A copy of the Registration Rights Agreement is attached as Exhibit 4.1 hereto and is incorporated by reference herein in its entirety.

Preferred Stock Repurchase Agreement

In connection with our initial public offering, on October 25, 2006, we entered into a Stock Repurchase Agreement (the “Repurchase Agreement”) with certain holders of our Series A Preferred Stock, par value \$0.001 per share (the “Preferred Stock”), pursuant to which we agreed to repurchase such holders’ shares of Preferred Stock using a portion of the proceeds from our initial public offering for a purchase price equal to the Liquidation Preference (as defined in our Amended and Restated Certificate of Incorporation) of such shares, including accrued but unpaid dividends, through October 25, 2006.

We will redeem the shares of preferred stock held by all the holders of shares of Preferred Stock who are not parties to the Repurchase Agreement. Through the Repurchase Agreement and the redemption, we intend to retire all our approximately \$6.5 million in aggregate principal amount of Preferred Stock, plus accrued and unpaid dividends.

Holders of our Preferred Stock include Oak Hill, FTVentures and certain members of our management. See “–Registration Rights Agreement” above for a description of certain relationships with Oak Hill and FTVentures.

A copy of the Repurchase Agreement is attached as Exhibit 99.1 hereto and is incorporated by reference herein in its entirety.

Item 1.02 Termination of a Material Definitive Agreement

In connection with our initial public offering, on October 25, 2006, we terminated our management arrangement with Oak Hill and FTVentures under which we made certain annual payments to Oak Hill and FTVentures of not more than \$200,000 per year in return for advice related to insurance matters, including directors and officers insurance, various business introductions, assistance in hiring of key employees and other services related to marketing our services to potential clients.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

On October 24, 2006, we amended and restated our Certificate of Incorporation and By-laws in connection with our initial public offering. Below is a summary of the material provisions of these documents, as amended.

Capital Stock; Stock Conversion; Stock Split

Prior to our initial public offering, we had two classes of common stock, our Series A common stock and Series B common stock. In connection with our initial public offering, each share of our Series B common stock was converted automatically and without any action on the part of the holders or our part into one share of our Series A common stock, and each option to purchase shares of our Series B common stock was adjusted to convert without any action on the part of the holders into an option to purchase the same number of shares of our Series A common stock. We refer to this conversion as the “Share Conversion.” In addition, we effected a two for one stock split of our Common Stock (the “Stock Split”). Following our initial public offering, the Stock Conversion and the Stock Split, our authorized capital stock consists of 100,000,000 shares of Common Stock and 15,000,000 shares of preferred stock.

Common Stock

The holders of our Common Stock are entitled to one vote per share on all matters submitted to a vote of stockholders, including the election of directors. Holders of the common stock do not have any preemptive rights or cumulative voting rights, which means that the holders of a majority of the outstanding Common Stock voting for the election of directors can elect all directors then being elected. The holders of our Common Stock are entitled to receive dividends when, as, and if declared by our board out of legally available funds. Upon our liquidation or dissolution, the holders of Common Stock will be entitled to share ratably in those of our assets that are legally

available for distribution to stockholders after payment of liabilities and subject to the prior rights of any holders of preferred stock then outstanding. All of the outstanding shares of Common Stock are fully paid and nonassessable. The rights, preferences and privileges of holders of common stock are subject to the rights of the holders of shares of any series of preferred stock that may be issued in the future.

Preferred Stock

We are authorized to issue up to 15,000,000 shares of preferred stock. Our board of directors is authorized, subject to limitations prescribed by Delaware law and our certificate of incorporation, to determine the terms and conditions of the preferred stock, including whether the shares of preferred stock will be issued in one or more series, the number of shares to be included in each series and the powers, designations, preferences and rights of the shares. Our board of directors also is authorized to designate any qualifications, limitations or restrictions on the shares without any further vote or action by the stockholders.

Directors' Liability; Indemnification of Directors and Officers

Our amended and restated certificate of incorporation provides that a director will not be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except:

- for any breach of the duty of loyalty;
- for acts or omissions not in good faith or which involve intentional misconduct or knowing violations of law;
- for liability under Section 174 of the Delaware General Corporation Law (relating to unlawful dividends, stock repurchases, or stock redemptions); or
- for any transaction from which the director derived any improper personal benefit.

This provision does not limit or eliminate our rights or those of any stockholder to seek non-monetary relief such as an injunction or rescission in the event of a breach of a director's duty of care. The provisions will not alter the liability of directors under federal securities laws. In addition, our certificate of incorporation and by-laws provide that we indemnify each director and the officers, employees, and agents determined by our board of directors to the fullest extent provided by the laws of the State of Delaware.

Special Meetings of Stockholders

Our amended and restated certificate of incorporation provides that special meetings of stockholders may be called only by the chairman or by a majority of the members of our board. Stockholders are not permitted to call a special meeting of stockholders, to require that the chairman call such a special meeting, or to require that our board request the calling of a special meeting of stockholders.

Stockholder Action; Advance Notice Requirements for Stockholder Proposals and Director Nominations

Our amended and restated certificate of incorporation provides that stockholders may not take action by written consent, but may only take action at duly called annual or special meetings, unless the action to be effected by written consent and the taking of such action by written consent have expressly been approved in advance by the board. In addition, our amended and restated by-laws establish advance notice procedures for:

- stockholders to nominate candidates for election as a director; and
- stockholders to propose topics for consideration at stockholders' meetings.

Stockholders must notify our corporate secretary in writing prior to the meeting at which the matters are to be acted upon or directors are to be elected. The notice must contain the information specified in our by-laws. To be timely, the notice must be received at our corporate headquarters not less than 90 days nor more than 120 days prior to the first anniversary of the date of the prior year's annual meeting of stockholders. If the annual meeting is advanced by more than 30 days, or delayed by more than 70 days, from the anniversary of the preceding year's annual meeting, or if no annual meeting was held in the preceding year or for the first annual meeting following this offering, notice by the stockholder, to be timely, must be received not earlier than the 120th day prior to the annual meeting and not later than the later of the 90th day prior to the annual meeting or the 10th day following the day on which we notify stockholders of the date of the annual meeting, either by mail or other public disclosure. In the case of a special meeting of stockholders called to elect directors, the stockholder notice must be received not earlier than 120 days prior to the special meeting and not later than the later of the 90th day prior to the special meeting or 10th day following the day on which we notify stockholders of the date of the special meeting, either by mail or other public disclosure. Notwithstanding the above, in the event that the number of directors to be elected to the board at an annual meeting is increased and we do not make any public announcement naming the nominees for the additional directorships at least 100 days before the first anniversary of the preceding year's annual meeting, a stockholder notice of nomination shall also be considered timely, but only with respect to nominees for the additional directorships, if it is delivered not later than the close of business on the tenth day following the day on which such public announcement is first made.

Election and Removal of Directors

Our board is divided into three classes. The directors in each class will serve for a three-year term, one class being elected each year by our stockholders. Our stockholders may only remove directors for cause and with the vote of at least 66^{2/3}% of the total voting power of our issued and outstanding capital stock entitled to vote in the election of directors. Our board of directors may elect a director to fill a vacancy, including vacancies created by the expansion of the board of directors.

Our amended and restated certificate of incorporation and by-laws do not provide for cumulative voting in the election of directors.

Amendment of the Certificate of Incorporation and By-Laws

Our amended and restated certificate of incorporation provides that the affirmative vote of the holders of at least 66²/₃% of the voting power of our issued and outstanding capital stock entitled to vote in the election of directors, is required to amend the following provisions of our certificate of incorporation:

- the provisions relating to our classified board of directors;
- the provisions relating to the number and election of directors, the appointment of directors upon an increase in the number of directors or vacancy, and the provisions relating to the removal of directors;
- the provisions requiring a 66²/₃% stockholder vote for the amendment of certain provisions of our articles of incorporation and for the adoption, amendment or repeal of our by-laws;
- the provisions relating to the restrictions on stockholder actions by written consent; and
- the provisions relating to the calling of meetings of stockholders.

In addition, our board of directors is permitted to alter our by-laws without obtaining stockholder approval and the affirmative vote of holders of at least 66²/₃% of the voting power of our issued and outstanding capital stock entitled to vote in the election of directors will be required for any amendment to our amended and restated by-laws by the stockholders.

Anti-Takeover Provisions of Delaware Law

We are subject to the provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prevents an interested stockholder (defined generally as a person owning 15% or more of a corporation's outstanding voting stock) of a Delaware corporation from engaging in a business combination (as defined) for three years following the date that person became an interested stockholder unless various conditions are satisfied.

Our Amended and Restated Certificate of Incorporation and our Amended and Restated By-laws are attached hereto as Exhibits 3.1 and 3.2, respectively, and are incorporated herein by reference in their entirety.

Item 8.01 Other Events

On October 25, 2006, the Company issued a press release announcing the closing of its initial public offering. A copy of the press release is attached hereto as Exhibit 99.2 and is incorporated by reference herein in its entirety.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
1.1	Underwriting Agreement
3.1	Amended and Restated Certificate of Incorporation.
3.2	Amended and Restated By-laws.
4.1	Registration Rights Agreement, dated as of October 25, 2006, by and among the Company and certain stockholders.
99.1	Stock Repurchase Agreement, dated as of October 25, 2006, by and among the Company and the holders of Series A Preferred Stock listed on Schedule I thereto.
99.2	Press Release of ExlService Holdings, Inc. dated October 25, 2006.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report on Form 8-K to be signed on its behalf by the undersigned, thereunto duly authorized.

EXLSERVICE HOLDINGS, INC.

By: /s/ Vikram Talwar
Name: Vikram Talwar
Title: Chief Executive Officer and Vice Chairman

Dated: October 25, 2006

EXHIBIT INDEX

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ExlService Holdings, Inc.

5,000,000 Shares ¹Common Stock
(\$0.001 par value)

Underwriting Agreement

New York, New York
October 19, 2006Citigroup Global Markets Inc.
Goldman, Sachs & Co.As Representatives of the several Underwriters,
c/o Citigroup Global Markets Inc.
388 Greenwich Street
New York, New York 10013

Ladies and Gentlemen:

ExlService Holdings, Inc., a corporation organized under the laws of Delaware (the "Company"), proposes to sell to the several underwriters named in Schedule I hereto (the "Underwriters"), for whom you (the "Representatives") are acting as representatives, 5,000,000 shares of common stock, \$0.001 par value ("Common Stock") of the Company (said shares to be issued and sold by the Company being hereinafter called the "Underwritten Securities"). The Company also proposes to grant to the Underwriters an option to purchase up to 750,000 additional shares of Common Stock (the "Option Securities"; the Option Securities, together with the Underwritten Securities, being hereinafter called the "Securities"). To the extent there are no additional Underwriters listed on Schedule I other than you, the term Representatives as used herein shall mean you, as Underwriters, and the terms Representatives and Underwriters shall mean either the singular or plural as the context requires. Certain terms used in this Agreement are defined in Section 20 hereof.

1. Representations and Warranties.

(i) The Company represents and warrants to, and agrees with, each Underwriter that:

(a) The Company has prepared and filed with the Commission a registration statement (file number 333-121001) on Form S-1, including a related preliminary prospectus, for registration under the Securities Act of 1933 (the "Act") of the offering and sale of the Securities. Such Registration Statement, including any amendments thereto filed prior to the Execution Time, has become effective. The Company may have filed one or more amendments thereto, including a related preliminary prospectus, each

¹ Plus an option to purchase from the Company up to 750,000 additional Securities.

of which has previously been furnished to you. The Company will file with the Commission the Prospectus in accordance with Rule 424(b). As filed, such Prospectus shall contain all information required by the Act and the rules thereunder and, except to the extent the Representatives shall agree in writing to a modification, shall be in all substantive respects in the form furnished to you prior to the Execution Time or, to the extent not completed at the Execution Time, shall contain only such specific additional information and other changes (beyond that contained in the latest Preliminary Prospectus) as the Company has advised you, prior to the Execution Time, will be included or made therein.

(b) On the Effective Date, the Registration Statement did, and when the Prospectus is first filed in accordance with Rule 424(b) and on the Closing Date (as defined herein) and on any date on which Option Securities are purchased, if such date is not the Closing Date (a "settlement date"), the Prospectus (and any supplement thereto) will, comply in all material respects with the applicable requirements of the Act and the rules thereunder; on the Effective Date and at the Execution Time, the Registration Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading; and on the date of any filing pursuant to Rule 424(b) and on the Closing Date and any settlement date, the Prospectus (together with any supplement thereto) will not, include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the Company makes no representations or warranties as to the information contained in or omitted from the Registration Statement or the Prospectus (or any supplement thereto) in reliance upon and in conformity with information furnished in writing to the Company by or on behalf of any Underwriter through the Representatives specifically for inclusion in the Registration Statement or the Prospectus (or any supplement thereto), it being understood and agreed that the only such information furnished by an Underwriter consists of the information described as such in Section 8 hereof.

(c) (i) As of the Execution Time, the Disclosure Package and the price to the public, the number of Underwritten Securities and the number of Option Securities to be included on the cover page of the Prospectus, when taken together as a whole, and (ii) each electronic road show when taken together as a whole with the Disclosure Package, and the price to the public, the number of Underwritten Securities and the number of Option Securities to be included on the cover page of the Prospectus, does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The preceding sentence does not apply to statements in or omissions from the Disclosure Package based upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives specifically for use therein, it being understood and agreed that the only such information furnished by or on behalf of any Underwriter consists of the information described as such in Section 8 hereof.

(d) (i) At the time of filing the Registration Statement and (ii) as of the Execution Time (with such date being used as the determination date for purposes of this clause (ii)), the Company was not and is not an Ineligible Issuer (as defined in Rule 405), without taking account of any determination by the Commission pursuant to Rule 405 that it is not necessary that the Company be considered an Ineligible Issuer.

(e) Each Issuer Free Writing Prospectus does not include any information that conflicts with the information contained in the Registration Statement, including any document incorporated by reference therein that has not been superseded or modified. The foregoing sentence does not apply to statements in or omissions from any Issuer Free Writing Prospectus based upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives specifically for use therein, it being understood and agreed that the only such information furnished by or on behalf of any Underwriter consists of the information described as such in Section 8 hereof.

(f) Each of the Company and its subsidiaries has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction in which it is chartered or organized with full corporate power and authority to own or lease, as the case may be, and to operate its properties and conduct its business as described in the Disclosure Package and the Prospectus, and is duly qualified to do business as a foreign corporation and is in good standing under the laws of each jurisdiction which requires such qualification except where the failure of any subsidiary of the Company, except with regard to Inductis, Inc., to be so incorporated or organized, existing and in good standing or qualified would not have a material adverse effect on the condition (financial or otherwise), prospects, earnings, business or properties of the Company and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business (a "Material Adverse Effect") or on the performance of this Agreement and the consummation of any of the transactions contemplated hereby.

(g) No consent, approval, authorization, filing with or order of any court or governmental agency or body is required in connection with the transactions contemplated herein, except such as have been obtained under the Act and such as may be required under U.S. federal, state or local law and under the blue sky laws of any jurisdiction in connection with the purchase and distribution of the Securities by the Underwriters in the manner contemplated herein and in the Disclosure Package and the Prospectus or such as the failure to obtain would not have a material adverse effect on the performance of this Agreement and the consummation of any of the transactions contemplated hereby.

(h) All the outstanding shares of capital stock of each subsidiary have been duly and validly authorized and issued and are fully paid and non-assessable, except with respect to Inductis (Singapore) PTE Ltd., and, except as otherwise set forth in the Disclosure Package and the Prospectus and, except with regard to a qualifying shareholder of Inductis (India) Private Limited, all outstanding shares of capital stock of the subsidiaries are owned by the Company either directly or through wholly owned subsidiaries free and clear of any perfected security interest or any other security interests, claims, liens or encumbrances.

(i) The Company's authorized equity capitalization is as set forth in the Disclosure Package and the Prospectus; the capital stock of the Company, after giving effect to the Share Conversion, will conform in all material respects to the description thereof contained in the Disclosure Package and the Prospectus; following the Share Conversion, the outstanding shares of Common Stock will have been duly and validly authorized and issued and fully paid and non-assessable; the Securities have been duly and validly authorized, and, when issued and delivered to and paid for by the Underwriters pursuant to this Agreement, will be fully paid and non-assessable; the Securities are duly listed, and admitted and authorized for trading, subject to official notice of issuance and evidence of satisfactory distribution, on the Nasdaq Global Market; the certificates for the Securities are in valid and sufficient form; the holders of outstanding shares of capital stock of the Company are not entitled to preemptive or other rights to subscribe for the Securities; and, except as set forth in the Disclosure Package and the Prospectus, no options, warrants or other rights to purchase, agreements or other obligations to issue, or rights to convert any obligations into or exchange any securities for, shares of capital stock of or ownership interests in the Company are outstanding.

(j) There is no franchise, contract or other document of a character required to be described in the Registration Statement or Prospectus, or to be filed as an exhibit thereto, which is not described or filed as required (and the Disclosure Package contains in all material respects the same description of the foregoing matters contained in the Prospectus); and the statements in the Preliminary Prospectus and the Prospectus under the heading "Description of Capital Stock", to the extent that they constitute a summary of the terms of the Common Stock, and under the headings "Material U.S. Federal Tax Considerations for Non-U.S. Holders" and "Underwriting", to the extent that they constitute summaries of the provisions of the laws or documents discussed therein, fairly summarize the matters described under those headings in all material respects.

(k) This Agreement has been duly authorized, executed and delivered by the Company.

(l) The Company is not and, after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in the Disclosure Package and the Prospectus under the heading "Use of Proceeds", will not be required to be registered as an "investment company" under the Investment Company Act of 1940, as amended.

(m) Neither the issue and sale of the Securities nor the consummation of any other of the transactions herein contemplated nor the fulfillment of the terms hereof has or will conflict with, result in a breach or violation of, or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to, (i) the charter, articles of association or by-laws of the Company or any of its subsidiaries, (ii) the terms of any indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or other agreement, obligation, condition, covenant or instrument to which the Company or any of its subsidiaries is a party or bound or to which its or their property is subject or (iii) any statute, law, rule, regulation, judgment, order or decree applicable to the Company or any of its subsidiaries of any court,

regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Company or any of its subsidiaries or any of its or their properties, except with respect to clauses (ii) and (iii), such conflict, breach or violation or imposition that would not have a material adverse effect on the performance of this Agreement or the consummation of any transactions contemplated hereby.

(n) No holders of securities of the Company have rights to the registration of such securities under the Registration Statement.

(o) The consolidated historical financial statements and schedules of the Company and its consolidated subsidiaries included in the Preliminary Prospectus and the Prospectus and the Registration Statement present fairly in all material respects the financial condition, results of operations and cash flows of the Company as of the dates and for the periods indicated, comply as to form with the applicable accounting requirements of the Act and have been prepared in conformity with U.S. generally accepted accounting principles applied on a consistent basis throughout the periods involved (except as otherwise noted therein).

(p) The consolidated historical financial statements and schedules of Inductis, Inc. and its consolidated subsidiaries included in the Preliminary Prospectus and the Prospectus and the Registration Statement present fairly in all material respects the financial condition, results of operations and cash flows of Inductis, Inc. as of the dates and for the periods indicated, comply as to form with the applicable accounting requirements of the Act and have been prepared in conformity with U.S. generally accepted accounting principles applied on a consistent basis throughout the periods involved (except as otherwise noted therein).

(q) The selected financial data set forth under the caption "Selected Consolidated Financial and Other Data" in the Preliminary Prospectus, Prospectus and Registration Statement fairly present, in all material respects, on the basis stated in the Preliminary Prospectus, Prospectus and the Registration Statement, the information included therein. The pro forma financial statements included in the Preliminary Prospectus, the Prospectus and the Registration Statement include assumptions that provide a reasonable basis for presenting the significant effects directly attributable to the transactions and events described therein, the related pro forma adjustments give appropriate effect in all material respects to those assumptions, and the pro forma adjustments reflect the proper application of those adjustments to the historical financial statement amounts in the pro forma financial statements included in the Preliminary Prospectus, the Prospectus and the Registration Statement. The pro forma financial statements included in the Preliminary Prospectus, the Prospectus and the Registration Statement comply as to form in all material respects with the applicable accounting requirements of Regulation S-X under the Act and the pro forma adjustments have been properly applied to the historical amounts in the compilation of those statements.

(r) Except as set forth in the Disclosure Package and the Prospectus, no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries or its or their

property is pending or, to the knowledge of the Company, threatened that (i) could reasonably be expected to have a material adverse effect on the performance of this Agreement or the consummation of any of the transactions contemplated hereby, (ii) would challenge the Share Conversion or (iii) could reasonably be expected to have a Material Adverse Effect.

(s) Except as set forth in the Disclosure Package and the Prospectus, each of the Company and each of its subsidiaries owns or leases all such properties as are necessary to the conduct of its operations as presently conducted, except as otherwise would not have a Material Adverse Effect.

(t) Neither the Company nor any subsidiary is in violation or default of (i) any provision of its charter, articles of association or bylaws, (ii) the terms of any indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or other agreement, obligation, condition, covenant or instrument to which it is a party or bound or to which its property is subject or (iii) any statute, law, rule, regulation, judgment, order or decree of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Company or such subsidiary or any of its properties, as applicable, except, in the case of clauses (ii) or (iii), for such violations or defaults as would not have a Material Adverse Effect.

(u) Ernst & Young LLP, who have certified certain financial statements of the Company and its consolidated subsidiaries and delivered their report with respect to the audited consolidated financial statements and schedules included in the Disclosure Package and the Prospectus, are independent public accountants with respect to the Company within the meaning of the Act and the applicable published rules and regulations thereunder.

(v) Russell Bedford Stefanou Mirchandani LLP, who have certified certain financial statements of Inductis, Inc. and its consolidated subsidiaries and delivered their report with respect to the audited consolidated financial statements and schedules included in the Disclosure Package and the Prospectus, are independent public accountants with respect to each of the Company and Inductis, Inc. (and its consolidated subsidiaries) within the meaning of the Act and the applicable published rules and regulations thereunder.

(w) There are no transfer taxes or other similar fees or charges under U.S. federal law or the laws of any state, or any political subdivision thereof, required to be paid in connection with the execution and delivery of this Agreement or the issuance by the Company or sale by the Company of the Securities, except for such taxes, fees or charges as would not have a material adverse effect on this Agreement and the transactions contemplated hereby; provided, however, that except as otherwise set forth in Section 5(i)(i) hereto, any such taxes, fees or charges shall be paid by the Company.

(x) The Company and its subsidiaries have filed all U.S. federal, state and local tax returns and all Indian and other foreign tax returns that are required to be filed or have requested extensions thereof (except in any case in which the failure so to file

would not have a Material Adverse Effect, except as set forth in or contemplated in the Prospectus (exclusive of any supplement thereto) and have paid all taxes required to be paid by them and any other assessment, fine or penalty levied against them, to the extent that any of the foregoing is due and payable, except for any such assessment, fine or penalty that is currently being contested in good faith or as would not have a Material Adverse Effect, except in each case as set forth in or contemplated in the Disclosure Package and the Prospectus (exclusive of any supplement thereto).

(y) No labor problem or dispute with the employees of the Company or any of its subsidiaries exists or, to the knowledge of the Company, is threatened or imminent, except as otherwise would not have a Material Adverse Effect, and the Company is not aware of any existing or imminent labor disturbance by the employees of any of its or its subsidiaries' principal suppliers, contractors or customers, that could have a Material Adverse Effect, except in each case as set forth in or contemplated in the Disclosure Package and the Prospectus (exclusive of any supplement thereto).

(z) Except as otherwise would not have a Material Adverse Effect, the Company and each of its subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged; except as otherwise would not have a Material Adverse Effect, all policies of insurance and fidelity or surety bonds insuring the Company or any of its subsidiaries or their respective businesses, assets, employees, officers and directors are in full force and effect; except as otherwise would not have a Material Adverse Effect, the Company and its subsidiaries are in compliance with the terms of such policies and instruments; and there are no claims by the Company or any of its subsidiaries under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause, except as otherwise would not have a Material Adverse Effect; and neither the Company nor any such subsidiary has been refused any insurance coverage sought or applied for, except as otherwise would not have a Material Adverse Effect; and neither the Company nor any such subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect.

(aa) No subsidiary of the Company is currently prohibited, directly or indirectly, from paying any dividends to the Company, from making any other distribution on such subsidiary's capital stock, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiary's property or assets to the Company or any other subsidiary of the Company, except as described in or contemplated by the Disclosure Package and the Prospectus (exclusive of any supplement thereto).

(bb) The Company and its subsidiaries possess all licenses, certificates, permits and other authorizations issued by the appropriate U.S. federal and state or other foreign regulatory authorities necessary to conduct their respective businesses, except as would not, individually or in the aggregate, result in a Material Adverse Effect, and neither the

Company nor any such subsidiary has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a Material Adverse Effect, except in each case as set forth in or contemplated in the Disclosure Package and the Prospectus (exclusive of any supplement thereto).

(cc) The Company and each of its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with U.S. generally accepted accounting principles and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(dd) The Company and its subsidiaries maintain "disclosure controls and procedures" (as such term is defined in Rule 13a-15(e) under the Exchange Act); such disclosure controls and procedures are effective in all material respects.

(ee) The Company has not taken, directly or indirectly, any action designed to or that would constitute or that might reasonably be expected to cause or result in, under the Exchange Act or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

(ff) The Company and its subsidiaries are (i) in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("Environmental Laws"), (ii) have received and are in compliance with all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) have not received notice of any actual or potential liability under any Environmental Law, except where such non-compliance with Environmental Laws, failure to receive required permits, licenses or other approvals, or liability would not, individually or in the aggregate, have a Material Adverse Effect, except as set forth in or contemplated in the Disclosure Package and the Prospectus (exclusive of any supplement thereto). Except as set forth in the Disclosure Package and the Prospectus, neither the Company nor any of the subsidiaries has been named as a "potentially responsible party" under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, except where such "potentially responsible party" status would not, individually or in the aggregate, have a Material Adverse Effect.

(gg) The minimum funding standard under Section 302 of the Employee Retirement Income Security Act of 1974, as amended, and the regulations and published interpretations thereunder ("ERISA"), has been satisfied by each "pension plan" (as defined in Section 3(2) of ERISA) which has been established or maintained by the Company and/or one or more of its subsidiaries, and the trust forming part of each such

plan which is intended to be qualified under Section 401 of the Code is so qualified, except as otherwise would not have a Material Adverse Effect; each of the Company and its subsidiaries has fulfilled its obligations, if any, under Section 515 of ERISA; neither the Company nor any of its subsidiaries maintains or is required to contribute to a “welfare plan” (as defined in Section 3(1) of ERISA) which provides retiree or other post-employment welfare benefits or insurance coverage (other than “continuation coverage” (as defined in Section 602 of ERISA)); each pension plan and welfare plan established or maintained by the Company and/or one or more of its subsidiaries is in compliance in all material respects with the currently applicable provisions of ERISA, except in each case as would not have a Material Adverse Effect; and neither the Company nor any of its subsidiaries has incurred or could reasonably be expected to incur any withdrawal liability under Section 4201 of ERISA, any liability under Section 4062, 4063, or 4064 of ERISA, or any other liability under Title IV of ERISA, except as otherwise would not have a Material Adverse Effect.

(hh) There is and has been no failure on the part of the Company and any of the Company’s directors or officers, in their capacities as such, to comply with Section 402 related to loans of the Sarbanes Oxley Act of 2002.

(ii) Neither the Company nor any of its subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any of its subsidiaries is aware of or has taken any action, directly or indirectly, that would result in a violation by such Persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the “FCPA”), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any “foreign official” (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA, except for such actions or violations as would not have, individually or in the aggregate, a Material Adverse Effect. The Company, its subsidiaries and, to the knowledge of the Company, its affiliates have conducted their businesses in compliance with the FCPA in all material respects and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith, except as would not have a Material Adverse Effect.

(jj) There are no loans outstanding from the Company to its directors or executive officers that would violate the provisions of Section 13(k) of the Exchange Act; the Company has an audit committee, at least one member of the Company’s audit committee is independent pursuant to Rule 10A-3 under the Exchange Act.

(kk) The operations of the Company and its subsidiaries are in compliance in all material respects with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any

governmental agency (collectively, the “Money Laundering Laws”) and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened, except for such actions, suits or proceedings as would not, individually or in the aggregate, have a Material Adverse Effect.

(ll) Neither the Company nor any of its subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any of its subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department (“OFAC”), except as would not have a Material Adverse Effect; and the Company will not directly or indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

(mm) Except as set forth in the Disclosure Package and the Prospectus, the Company and its subsidiaries own, possess, license or have other rights to use, on reasonable terms, all patents, patent applications, trade and service marks, trade and service mark registrations, trade names, copyrights, licenses, inventions, trade secrets, technology, know-how and other intellectual property (collectively, the “Intellectual Property”) necessary for the conduct of the Company’s business as now conducted or as proposed in the Disclosure Package and the Prospectus to be conducted, except where the failure to own, possess, license or have the right to use would not have a Material Adverse Effect. Except as set forth in the Disclosure Package and the Prospectus, to the knowledge of the Company, (a) there are no rights of third parties to any such Intellectual Property, except as where such rights would not have a Material Adverse Effect; (b) there is no material infringement by third parties of any such Intellectual Property, except where the infringement would not have a Material Adverse Effect; (c) there is no pending or, to the Company’s knowledge, threatened action, suit, proceeding or claim by others challenging the Company’s rights in or to any such Intellectual Property, and the Company is unaware of any facts which would form a reasonable basis for any such claim, except where such pending or threatened action, suit, proceeding or claim by others would not have a Material Adverse Effect; (d) there is no pending or threatened action, suit, proceeding or claim by others challenging the validity or scope of any such Intellectual Property, and the Company is unaware of any facts which would form a reasonable basis for any such claim, except where such pending or threatened action, suit, proceeding or claim by others would not have a Material Adverse Effect; (e) there is no pending or threatened action, suit, proceeding or claim by others that the Company infringes or otherwise violates any patent, trademark, copyright, trade secret or other proprietary rights of others, and the Company is unaware of any other fact which would form a reasonable basis for any such claim, except where such pending or threatened action, suit, proceeding or claim by others would not have a Material Adverse Effect; (f) there is no U.S. patent or published U.S. patent application which contains claims that dominate or may dominate any Intellectual Property described in the Disclosure Package and the Prospectus as being owned by or licensed to the Company or that interferes with

the issued or pending claims of any such Intellectual Property, except as would not have a Material Adverse Effect; and (g) there is no prior art of which the Company is aware that may render any U.S. patent held by the Company invalid or any U.S. patent application held by the Company unpatentable which has not been disclosed to the U.S. Patent and Trademark Office, except as would not have a Material Adverse Effect.

(nn) Neither the Company nor any of its subsidiaries has sustained since the date of the latest audited financial statements included in the Preliminary Prospectus and the Prospectus any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Preliminary Prospectus and the Prospectus; and, since the respective dates as of which information is given in the Registration Statement and the Preliminary Prospectus and the Prospectus, there has not been any change in the capital stock or longterm debt of the Company or any of its subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, otherwise than as set forth or contemplated in the Preliminary Prospectus and the Prospectus.

(oo) The Company has the right under each Stock Purchase Agreement (collectively, the "2003 Agreements") entered into by and between the Company and holders of options under the Company's 2003 Stock Option Plan and 2003 India Employee Stock Option Plan (together, the "2003 Plan") relating to the acquisition by such holders of Common Stock pursuant to the exercise of options granted by the Company under the 2003 Plan, whether such 2003 Agreements are now in effect or entered into on or after the date hereof, to prevent, in connection with the Company's initial public offering, any sales or other transfer or other dispositions of the shares of Common Stock owned or acquired under any 2003 Agreement by the respective parties thereto, and the Company has provided notice of the exercise of such right to the relevant owners of shares of Common Stock and options to acquire shares of Common Stock pursuant to each of the 2003 Agreements and such notice creates a valid, binding and enforceable obligation of each such owner not to sell, transfer or otherwise dispose of any such shares of Common Stock for the period specified in such notice. The Company Holder Agreement (the "Company Holder Agreement"), dated as of June 30, 2006, entered into by and among the Company, Inductis, Inc. and the other security holders parties thereto (the "Inductis Holders") restricts the Inductis Holders from transferring any of their shares of Common Stock subject to certain exceptions.

Any certificate signed by any officer of the Company and delivered to the Representatives or counsel for the Underwriters in connection with the offering of the Securities shall be deemed a representation and warranty by the Company, as to matters covered thereby, to each Underwriter.

2. Purchase and Sale. (a) Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Company agrees to sell to each Underwriter, and each Underwriter agrees, severally and not jointly, to purchase from the Company, at a purchase price of \$12.555 per share, the amount of the Underwritten Securities set forth opposite such Underwriter's name in Schedule I hereto.

(b) Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Company hereby grants an option to the several Underwriters to purchase, severally and not jointly, up to 750,000 Option Securities at the same purchase price per share as the Underwriters shall pay for the Underwritten Securities. Said option may be exercised in whole or in part at any time on or before the 30th day after the date of the Prospectus upon written or telegraphic notice by the Representatives to the Company setting forth the number of shares of the Option Securities as to which the several Underwriters are exercising the option and the settlement date. The maximum number of Option Securities to be sold by the Company is 750,000. The number of Option Securities to be purchased by each Underwriter shall be the same percentage of the total number of shares of the Option Securities to be purchased by the several Underwriters as such Underwriter is purchasing of the Underwritten Securities, subject to such adjustments as you in your absolute discretion shall make to eliminate any fractional shares.

3. Delivery and Payment. Delivery of and payment for the Underwritten Securities and the Option Securities (if the option provided for in Section 2(b) hereof shall have been exercised on or before the third Business Day immediately preceding the Closing Date) shall be made at 10:00 AM, New York City time, on October 25, 2006, or at such time on such later date not more than three Business Days after the foregoing date as the Representatives shall designate, which date and time may be postponed by agreement among the Representatives and the Company or as provided in Section 9 hereof (such date and time of delivery and payment for the Securities being herein called the "Closing Date"). Delivery of the Securities shall be made to the Representatives for the respective accounts of the several Underwriters against payment by the several Underwriters through the Representatives of the respective aggregate purchase price thereby to or upon the order of the Company by wire transfer payable in same-day funds to an account specified by the Company. Delivery of the Underwritten Securities and the Option Securities shall be made through the facilities of The Depository Trust Company unless the Representatives shall otherwise instruct.

If the option provided for in Section 2(b) hereof is exercised after the third Business Day immediately preceding the Closing Date, the Company will deliver the Option Securities (at the expense of the Company) to the Representatives, c/o Citigroup Global Markets, Inc. at 388 Greenwich Street, New York, New York, on the date specified by the Representatives (which shall be within three Business Days after exercise of said option) for the respective accounts of the several Underwriters, against payment by the several Underwriters through the Representatives of the purchase price thereof to or upon the order of the Company by wire transfer payable in same-day funds to the account specified by the Company. If settlement for the Option Securities occurs after the Closing Date, the Company will deliver to the Representatives on the settlement date for the Option Securities, and the obligation of the Underwriters to purchase the Option Securities shall be conditioned upon receipt of, supplemental opinions, certificates and letters confirming as of such date the opinions, certificates and letters delivered on the Closing Date pursuant to Section 6 hereof.

4. Offering by Underwriters. It is understood that the several Underwriters propose to offer the Securities for sale to the public as set forth in the Prospectus.

5. Agreements.

(i) The Company agrees with the several Underwriters that:

(a) Prior to the termination of the offering of the Securities, the Company will not file any amendment of the Registration Statement or supplement to the Prospectus or any Rule 462(b) Registration Statement unless the Company has furnished the Representatives a copy for their review prior to filing and will not file any such proposed amendment or supplement to which the Representatives reasonably object. The Company will cause the Prospectus, properly completed, and any supplement thereto to be filed in a form approved by the Representatives with the Commission pursuant to the applicable paragraph of Rule 424(b) within the time period prescribed and will provide evidence satisfactory to the Representatives of such timely filing. The Company will promptly advise the Representatives (i) when the Prospectus, and any supplement thereto, shall have been filed (if required) with the Commission pursuant to Rule 424(b) or when any Rule 462(b) Registration Statement shall have been filed with the Commission, (ii) when, prior to termination of the offering of the Securities, any amendment to the Registration Statement shall have been filed or become effective, (iii) of any request by the Commission or its staff for any amendment of the Registration Statement, or any Rule 462(b) Registration Statement, or for any supplement to the Prospectus or for any additional information, (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or of any notice objecting to its use or the institution or threatening of any proceeding for that purpose and (v) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Securities for sale in any jurisdiction or the institution or threatening of any proceeding for such purpose. The Company will use its commercially reasonable best efforts to prevent the issuance of any such stop order or the occurrence of any such suspension or objection to the use of the Registration Statement and, upon such issuance, occurrence or notice of objection, to obtain as soon as possible the withdrawal of such stop order or relief from such occurrence or objection, including, if necessary, by filing an amendment to the Registration Statement or a new registration statement and using its commercially reasonable best efforts to have such amendment or new registration statement declared effective as soon as practicable.

(b) If, at any time prior to the filing of the Prospectus pursuant to Rule 424(b), any event occurs as a result of which the Disclosure Package would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in light of the circumstances under which they were made at such time not misleading, the Company will (i) notify promptly the Representatives so that any use of the Disclosure Package may cease until it is amended or supplemented; (ii) amend or supplement the Disclosure Package to correct such statement or omission; and (iii) supply any amendment or supplement to you in such quantities as you may reasonably request.

(c) If, at any time when a prospectus relating to the Securities is required to be delivered under the Act (including in circumstances where such requirement may be satisfied pursuant to Rule 172), any event occurs as a result of which the Prospectus as then supplemented would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in the light of the circumstances under which they were made at such time not misleading, or if it shall be necessary to amend the Registration Statement or supplement the Prospectus to comply with the Act or the rules thereunder, the Company promptly will (i) notify the Representatives of any such event; (ii) prepare and file with the Commission, subject to the first sentence of paragraph (a) of this Section 5, an amendment or supplement which will correct such statement or omission or effect such compliance; and (iii) supply any supplemented Prospectus to the Representatives in such quantities as the Representatives may reasonably request.

(d) As soon as practicable, the Company will make generally available to its security holders and to the Representatives an earnings statement or statements of the Company and its subsidiaries which will satisfy the provisions of Section 11(a) of the Act and Rule 158.

(e) The Company will furnish to the Representatives and counsel for the Underwriters, without charge, signed copies of the Registration Statement (including exhibits thereto) and to each other Underwriter a copy of the Registration Statement (without exhibits thereto) and, so long as delivery of a prospectus by an Underwriter or dealer may be required by the Act (including in circumstances where such requirement may be satisfied pursuant to Rule 172), as many copies of each Preliminary Prospectus, the Prospectus and each Issuer Free Writing Prospectus and any supplement thereto as the Representatives may reasonably request. The Company will pay the expenses of printing or other production of all documents related to the offering.

(f) The Company will arrange, if necessary, for the qualification of the Securities for sale under the laws of such jurisdictions as the Representatives may designate and will maintain such qualifications in effect so long as required for the distribution of the Securities; provided that in no event shall the Company be obligated to qualify to do business in any jurisdiction where it is not now so qualified or to take any action that would subject it to service of process in suits, other than those arising out of the offering or sale of the Securities, in any jurisdiction where it is not now so subject.

(g) The Company will not, without the prior written consent of Citigroup Global Markets Inc. and Goldman, Sachs & Co., offer, sell, contract to sell, pledge, or otherwise dispose of, (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Company or any affiliate of the Company or any person in privity with the Company or any affiliate of the Company) directly or indirectly, including the filing (or participation in the filing) of a registration statement with the Commission, other than on Form S-8, in respect of, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Exchange Act with respect to, any

shares of capital stock of the Company or any securities convertible into, or exercisable, or exchangeable for, shares of such capital stock or publicly announce an intention to effect any such transaction, for a period of 180 days after the date of this Agreement; provided, however, that the Company may (i) grant options to purchase shares of Common Stock and issue and sell Common Stock, grant restricted stock and other similar equity awards pursuant to any employee stock option plan, stock ownership plan or dividend reinvestment plan of the Company in effect at the Execution Time or described in the Preliminary Prospectus and the Prospectus; (ii) issue Common Stock issuable upon the conversion of securities or the exercise of warrants or options outstanding at the Execution Time; (iii) issue Common Stock in connection with the satisfaction of the obligations of the Company under Sections 2.3 and 2.4 of the Inductis Acquisition Agreement; and (iv) issue Common Stock in connection with an acquisition or business combination, provided that prior to any such issuance the recipients of such securities shall have agreed with you in writing to be bound by the same form of agreement specified in this Section 5(f) hereof and provided, further, that the aggregate number of shares issuable by the Company in any acquisition transaction described in clause (iv) above shall not exceed the equivalent of 10% of the shares of Common Stock issued and outstanding on the Closing Date, subject to adjustment to reflect stock splits, stock dividends, reclassifications, recombinations and other similar adjustments; provided, further, that if (i) during the last 17 days of the 180-day restricted period, the Company releases earnings results or announces material news or a material event or (ii) prior to the expiration of the initial 180-day restricted period, the Company announces that it will release earnings results during the 15-day period following the last day of the 180-day restricted period, then in each case the restricted period will be automatically extended until the expiration of the 18-day period beginning on the date of release of the earnings results or the announcement of the material news or material event, as applicable, unless Citigroup Global Markets Inc. and Goldman, Sachs & Co. waive, in writing, such extension. The Company will provide the Representatives and any co-managers and each stockholder subject to the restricted period pursuant to the lockup letters described in Section 6(m) with prior notice of any such announcement that gives rise to an extension of the restricted period.

(h) The Company will not take, directly or indirectly, any action designed to or that would constitute or that might reasonably be expected to cause or result in, under the Exchange Act or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

(i) The Company agrees to pay the costs and expenses relating to the following matters: (i) the preparation, printing or reproduction and filing with the Commission of the Registration Statement (including financial statements and exhibits thereto), each Preliminary Prospectus, the Prospectus and each Issuer Free Writing Prospectus, and each amendment or supplement to any of them; (ii) the printing (or reproduction) and delivery (including postage, air freight charges and charges for counting and packaging) of such copies of the Registration Statement, each Preliminary Prospectus, the Prospectus and each Issuer Free Writing Prospectus, and all amendments or supplements to any of them, as may, in each case, be reasonably requested for use in connection with the offering and sale of the Securities; (iii) the preparation, printing,

authentication, issuance and delivery of certificates for the Securities, including any stamp or transfer taxes in connection with the original issuance and sale of the Securities; (iv) the printing (or reproduction) and delivery of this Agreement, any blue sky memorandum and all other agreements or documents printed (or reproduced) and delivered in connection with the offering of the Securities; (v) the registration of the Securities under the Exchange Act and the listing of the Securities on the Nasdaq Global Market; (vi) any registration or qualification of the Securities for offer and sale under the securities or blue sky laws of the several states (including filing fees and the reasonable fees and expenses of one firm of counsel for the Underwriters relating to such registration and qualification); (vii) any filings required to be made with the NASD, Inc. (including filing fees and the reasonable fees and expenses of one firm of counsel for the Underwriters relating to such filings); (viii) the transportation (including commercial air transportation) and other expenses incurred by or on behalf of Company representatives in connection with presentations to prospective purchasers of the Securities (other than air transportation expenses described in (ix) below); (ix) one half of the cost of any aircraft chartered in connection with presentations to prospective purchasers of the Securities; (x) the fees and expenses of the Company's accountants and the fees and expenses of counsel (including local and special counsel) for the Company; and (xi) all other costs and expenses incident to the performance by the Company of its obligations hereunder. It is understood, however, that, except as otherwise provided in this Section 5, Section 7 and Section 8 hereof, the Underwriters will pay all of their own costs and expenses, including the fees and disbursements of their counsel, any taxes on resale of any of the Securities by them and any advertising expenses connected with any offers they may make.

(j) The Company agrees, during a period of two years from the effective date of the Registration Statement, to furnish to the Representatives copies of all reports or other communications (financial or other) furnished to public stockholders, and to deliver to the Representatives as soon as they are available, copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange on which the Securities or any class of securities of the Company is listed (in each case, other than those available via the Commission's EDGAR database).

(k) The Company agrees to use the net proceeds received by it from the sale of the Securities pursuant to this Agreement in the manner specified in the Preliminary Prospectus and the Prospectus under the caption "Use of Proceeds".

(l) The Company agrees that, unless it has or shall have obtained the prior written consent of the Representatives, and each Underwriter, severally and not jointly, agrees with the Company and the Representatives that, unless it has or shall have obtained, as the case may be, the prior written consent of the Company and the Representatives, it has not made and will not make any offer relating to the Securities that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a "free writing prospectus" (as defined in Rule 405) required to be filed by the Company with the Commission or retained by the Company under Rule 433; provided that the prior written consent of the parties hereto shall be deemed to have been given in respect of the Free Writing Prospectuses included in Schedule II hereto and any electronic road show.

Any such free writing prospectus consented to by the Representatives or the Company is hereinafter referred to as a "Permitted Free Writing Prospectus." The Company agrees that (x) it has treated and will treat, as the case may be, each Permitted Free Writing Prospectus as an Issuer Free Writing Prospectus and (y) it has complied and will comply, as the case may be, with the requirements of Rules 164 and 433 applicable to any Permitted Free Writing Prospectus, including in respect of timely filing with the Commission, legending and record keeping.

(m) During the period commencing the date hereof and ending the 180th day after the date hereof, the Company will not, directly or indirectly, take any action or exercise any right designed to or that might reasonably be expected to result in or allow for, nor fail to take any action that would prevent, the sale, transfer or other disposition by any owner of shares or options to acquire shares of Common Stock under any of the 2003 Stock Purchase Agreements or the Company Holder Agreement of such owner's shares of Common Stock pursuant thereto without the prior written consent of each of Citigroup Global Markets Inc. and Goldman, Sachs & Co., and the Company will fully enforce the restrictions on such sales, transfers or other dispositions pursuant to its rights under the 2003 Stock Purchase Agreements or the Company Holder Agreement, as the case may be, and the notice referred to in Section 1(o) hereof.

6. Conditions to the Obligations of the Underwriters. The obligations of the Underwriters to purchase the Underwritten Securities and the Option Securities, as the case may be, shall be subject to the accuracy of the representations and warranties on the part of the Company contained herein as of the Execution Time, the Closing Date and any settlement date pursuant to Section 3 hereof, to the accuracy of the statements of the Company made in any certificates pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions:

(a) The Prospectus, and any supplement thereto, have been filed in the manner and within the time period required by Rule 424(b); any other material required to be filed by the Company pursuant to Rule 433(d) under the Act shall have been filed with the Commission within the applicable time periods prescribed for such filings by Rule 433; and no stop order suspending the effectiveness of the Registration Statement or any notice objecting to its use shall have been issued and no proceedings for that purpose shall have been instituted or threatened.

(b) The Company shall have requested and caused Paul, Weiss, Rifkind, Wharton and Garrison LLP, counsel for the Company, to have furnished to the Representatives their opinion and letter, dated the Closing Date and addressed to the Representatives in substantially the form of Exhibits B and C hereto.

(c) The Company shall have requested and caused Luthra & Luthra, Indian counsel for the Company, to have furnished to the Representatives their opinion, dated the Closing Date and addressed to the Representatives in substantially the form of Exhibit D hereto.

(d) The Company shall have requested and caused Amit Shashank, General Counsel for the Company, to have furnished to the Representatives his opinion, dated the Closing Date and addressed to the Representatives in substantially the form of Exhibit E.

(e) The Representatives shall have received from Cleary Gottlieb Steen & Hamilton LLP, counsel for the Underwriters, such opinion or opinions, dated the Closing Date, in form and substance satisfactory to, and addressed to, the Representatives, with respect to the issuance and sale of the Securities, the Registration Statement, the Disclosure Package, the Prospectus (together with any supplement thereto) and other related matters as the Representatives may reasonably require, and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters.

(f) The Company shall have furnished to the Representatives a certificate of the Company, signed by the Chairman of the Board, the Chief Executive Officer or the President and the principal financial or accounting officer of the Company, dated the Closing Date, to the effect that the signers of such certificate have carefully examined the Registration Statement, the Disclosure Package, the Prospectus and any amendment or supplement thereto, as well as each electronic road show used in connection with the offering of the Securities, and this Agreement and that:

- (i) the representations and warranties of the Company in this Agreement are true and correct on and as of the Closing Date with the same effect as if made on the Closing Date and the Company has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date;
- (ii) no stop order suspending the effectiveness of the Registration Statement or any notice objecting to its use has been issued and no proceedings for that purpose have been instituted or, to the Company's knowledge, threatened; and
- (iii) since the date of the most recent financial statements included in the Disclosure Package and the Prospectus (exclusive of any supplement thereto), there has been no material adverse effect on the condition (financial or otherwise), prospects, earnings, business or properties of the Company and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Disclosure Package and the Prospectus (exclusive of any supplement thereto).

(g) The Company shall have requested and caused Ernst & Young LLP to deliver to the Representatives a customary "comfort letter" substantially in the form, set forth in Exhibit F hereto and dated as of the Execution Time (the "initial letter"), and the Company shall have caused and requested Ernst & Young LLP to furnish to the Representatives a letter or letters (the "bring-down letter") of such accountants, addressed to the Representatives and dated as of the Closing Date, (i) confirming that they are

independent accountants within the meaning of the Act and the Exchange Act and the applicable rules and regulations adopted by the Commission thereunder (ii) that they have performed a review of the unaudited interim financial information of the Company for the six-month period ended June 30, 2006 and as at June 30, 2006, in accordance with Statement on Auditing Standards No. 100 (iii) stating, as of the date of the bring-down letter(s) (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Prospectus or the Disclosure Package, as of a date not more than three days prior to the date of the bring-down letter(s)), the conclusions and findings of such firm with respect to the financial information and other matters covered by the initial letter(s) and (iii) confirming in all material respects the conclusions and findings set forth in the initial comfort letter.

(h) The Company shall have requested and caused Russell Bedford Stefanou Mirchandani LLP to deliver to the Representatives a customary "comfort letter" substantially in the form, set forth in Exhibit G hereto and dated as of the Execution Time (the "initial letter"), and the Company shall have caused and requested Russell Bedford Stefanou Mirchandani LLP to furnish to the Representatives a letter or letters (the "bring-down letter") of such accountants, addressed to the Representatives and dated as of the Closing Date, (i) confirming that they are independent accountants within the meaning of the Act and the Exchange Act and the applicable rules and regulations adopted by the Commission thereunder (ii) that they have performed a review of the unaudited interim financial information of Inductis, Inc. for the six-month period ended June 30, 2006 and as at June 30, 2006, in accordance with Statement on Auditing Standards No. 100 (iii) stating, as of the date of the bring-down letter(s) (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Prospectus or the Disclosure Package, as of a date not more than three days prior to the date of the bring-down letter(s)), the conclusions and findings of such firm with respect to the financial information and other matters covered by the initial letter(s) and (iii) confirming in all material respects the conclusions and findings set forth in the initial comfort letter.

References to the Prospectus in paragraphs (g) and (h) include any supplement thereto at the date of the letter.

(i) Subsequent to the Execution Time or, if earlier, the dates as of which information is given in the Registration Statement (exclusive of any amendment thereof) and the Prospectus (exclusive of any amendment or supplement thereto), there shall not have been (i) any change or decrease specified in the letter or letters referred to in paragraphs (g) and (h) of this Section 6 or (ii) any change, or any development involving a prospective change, in or affecting the condition (financial or otherwise), earnings, business or properties of the Company and its subsidiaries taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Disclosure Package and the Prospectus (exclusive of any supplement thereto) the effect of which, in any case referred to in clause (i) or (ii) above, is, in the sole judgment of the Representatives, so material and adverse as to make it impractical or inadvisable to proceed with the offering or delivery of the Securities as contemplated by the Registration Statement (exclusive of any amendment thereof), the Disclosure Package and the Prospectus (exclusive of any amendment or supplement thereto).

(j) Prior to the Closing Date, the Share Conversion shall have been consummated in the manner described in the Disclosure Package and the Prospectus.

(k) Prior to the Closing Date, the Company shall have furnished to the Representatives such further information, certificates and documents as the Representatives may reasonably request.

(l) Subsequent to the Execution Time, there shall not have been any decrease in the rating of any of the Company's debt securities by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Act) or any notice given of any intended or potential decrease in any such rating or of a possible change in any such rating that does not indicate the direction of the possible change.

(m) The Securities shall have been listed and admitted and authorized for trading on the Nasdaq Global Market, subject to official notice of issuance and evidence of satisfactory distribution, and satisfactory evidence of such actions shall have been provided to the Representatives.

(n) At the Execution Time, the Company shall have furnished to the Representatives a letter substantially in the form of Exhibit A hereto, addressed to the Representatives, from Norwich Union, Oak Hill Capital Partners L.P., FTVentures, TCV V, L.P., TCV V Member Fund and Prudential Financial Inc. and each executive officer and director and each other employee named on Schedule III hereto.

If any of the conditions specified in this Section 6 shall not have been fulfilled when and as provided in this Agreement, or if any of the opinions and certificates mentioned above or elsewhere in this Agreement shall not be reasonably satisfactory in form and substance to the Representatives and counsel for the Underwriters, this Agreement and all obligations of the Underwriters hereunder may be canceled at, or at any time prior to, the Closing Date by the Representatives. Notice of such cancellation shall be given to the Company in writing or by telephone or facsimile confirmed in writing.

The documents required to be delivered by this Section 6 shall be delivered at the office of Cleary Gottlieb Steen & Hamilton LLP, counsel for the Underwriters, at One Liberty Plaza, New York, New York, 10006, on the Closing Date.

7. Reimbursement of Underwriters' Expenses. If the sale of the Securities provided for herein is not consummated because any condition to the obligations of the Underwriters set forth in Section 6 hereof is not satisfied, because of any termination pursuant to Section 10 hereof or because of any refusal, inability or failure on the part of the Company to perform any agreement herein or comply with any provision hereof other than by reason of a default by any of the Underwriters, the Company will reimburse the Underwriters severally through Citigroup Global Markets Inc. and Goldman, Sachs & Co., on demand for all expenses (including reasonable fees and disbursements of counsel) that shall have been incurred by them in connection with the proposed purchase and sale of the Securities.

8. Indemnification and Contribution. (a) The Company agrees to indemnify and hold harmless each Underwriter, the directors, officers, employees and agents of each Underwriter and each person who controls any Underwriter within the meaning of either the Act or the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the registration statement for the registration of the Securities as originally filed or in any amendment thereof, or in any Preliminary Prospectus, the Prospectus or any Issuer Free Writing Prospectus or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and agrees to reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Company by or on behalf of any Underwriter through the Representatives specifically for inclusion therein. This indemnity agreement will be in addition to any liability which the Company may otherwise have.

(b) Each Underwriter severally and not jointly agrees to indemnify and hold harmless the Company, each of its directors, each of its officers who signs the Registration Statement, and each person who controls the Company within the meaning of either the Act or the Exchange Act, to the same extent as the foregoing indemnity from the Company to each Underwriter, but only with reference to written information relating to such Underwriter furnished to the Company by or on behalf of such Underwriter through the Representatives specifically for inclusion in the documents referred to in the foregoing indemnity. This indemnity agreement will be in addition to any liability which any Underwriter may otherwise have. The Company acknowledges that the statements set forth in (i) the sentences related to concessions and reallowances in the Preliminary Prospectus and the Prospectus and (ii) the last paragraph on page 127 and the two paragraphs immediately thereafter related to stabilization, syndicate covering transactions and penalty bids in the Preliminary Prospectus and the Prospectus constitute the only written information furnished in writing by or on behalf of the several Underwriters for inclusion in the Preliminary Prospectus, the Prospectus or any Issuer Free Writing Prospectus.

(c) Promptly after receipt by an indemnified party under this Section 8 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 8, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from liability under paragraph (a) or (b) above unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the indemnifying party of substantial rights and defenses and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a) or

(b) above. The indemnifying party shall be entitled to appoint counsel of the indemnifying party's choice at the indemnifying party's expense to represent the indemnified party in any action for which indemnification is sought (in which case the indemnifying party shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the indemnified party or parties except as set forth below); provided, however, that such counsel shall be reasonably satisfactory to the indemnified party. Notwithstanding the indemnifying party's election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to employ separate counsel (including local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of one firm of such separate counsel (and one firm of local counsel) if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest, (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have been advised by counsel that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, (iii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action, or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. An indemnifying party will not, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party. No indemnifying party shall be liable for any settlement or compromise of, or consent to the entry of judgment with respect to, any such claim effected without its consent (which consent shall not be unreasonably withheld).

(d) In the event that the indemnity provided in paragraph (a) or (b) of this Section 8 is unavailable to or insufficient to hold harmless an indemnified party for any reason, the Company and the Underwriters severally agree to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending the same) (collectively "Losses") to which the Company and one or more of the Underwriters may be subject in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and by the Underwriters on the other from the offering of the Securities; provided, however, that in no case shall any Underwriter (except as may be provided in any agreement among underwriters relating to the offering of the Securities) be

responsible for any amount in excess of the underwriting discount or commission applicable to the Securities purchased by such Underwriter hereunder. If the allocation provided by the immediately preceding sentence is unavailable for any reason, the Company and the Underwriters severally shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and of the Underwriters on the other in connection with the statements or omissions which resulted in such Losses as well as any other relevant equitable considerations. Benefits received by the Company shall be deemed to be equal to the total net proceeds from the offering (before deducting expenses) received by it, and benefits received by the Underwriters shall be deemed to be equal to the total underwriting discounts and commissions, in each case as set forth on the cover page of the Prospectus. Relative fault shall be determined by reference to, among other things, whether any untrue or any alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information provided by the Company on the one hand or the Underwriters on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contribution were determined by pro rata allocation or any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph (d), no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 8, each person who controls an Underwriter within the meaning of either the Act or the Exchange Act and each director, officer, employee and agent of an Underwriter shall have the same rights to contribution as such Underwriter, and each person who controls the Company within the meaning of either the Act or the Exchange Act, each officer of the Company who shall have signed the Registration Statement and each director of the Company shall have the same rights to contribution as the Company, subject in each case to the applicable terms and conditions of this paragraph (d).

9. Default by an Underwriter. If any one or more Underwriters shall fail to purchase and pay for any of the Securities agreed to be purchased by such Underwriter or Underwriters hereunder and such failure to purchase shall constitute a default in the performance of its or their obligations under this Agreement, the remaining Underwriters shall be obligated severally to take up and pay for (in the respective proportions which the amount of Securities set forth opposite their names in Schedule I hereto bears to the aggregate amount of Securities set forth opposite the names of all the remaining Underwriters) the Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase; provided, however, that in the event that the aggregate amount of Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase shall exceed 10% of the aggregate amount of Securities set forth in Schedule I hereto, the remaining Underwriters shall have the right to purchase all, but shall not be under any obligation to purchase any, of the Securities, and if such nondefaulting Underwriters do not purchase all the Securities, this Agreement will terminate without liability to any nondefaulting Underwriter or the Company. In the event of a default by any Underwriter as set forth in this Section 9, the Closing Date shall be postponed for such period, not exceeding five Business Days,

as the Representatives shall determine in order that the required changes in the Registration Statement and the Prospectus or in any other documents or arrangements may be effected. Nothing contained in this Agreement shall relieve any defaulting Underwriter of its liability, if any, to the Company and any nondefaulting Underwriter for damages occasioned by its default hereunder.

10. Termination. This Agreement shall be subject to termination in the absolute discretion of the Representatives, by notice given to the Company prior to delivery of and payment for the Securities, if at any time prior to delivery and payment (i) trading in the Company's Common Stock shall have been suspended by the Commission or the Nasdaq Global Market or trading in securities generally on the New York Stock Exchange or the Nasdaq Global Market shall have been suspended or limited or minimum prices shall have been established on the New York Stock Exchange or the Nasdaq Global Market, (ii) a banking moratorium, or a material disruption in commercial banking or securities settlement or clearance services shall have been declared either by Federal or New York State authorities, or (iii) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States or India of a national emergency or war, or other calamity or crisis the effect of which on financial markets is such as to make it, in the sole judgment of the Representatives, impractical or inadvisable to proceed with the offering or delivery of the Securities as contemplated by the Preliminary Prospectus or the Prospectus (exclusive of any supplement thereto).

11. Representations and Indemnities to Survive. The respective agreements, representations, warranties, indemnities and other statements of the Company or its officers and of the Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of any Underwriter or the Company or any of the officers, directors, employees, agents or controlling persons referred to in Section 8 hereof, and will survive delivery of and payment for the Securities. The provisions of Sections 7 and 8 hereof shall survive the termination or cancellation of this Agreement.

12. Notices. All communications hereunder will be in writing and effective only on receipt, and, if sent to the Representatives, will be mailed, delivered or telefaxed to the Citigroup Global Markets Inc. General Counsel (fax no.: (212) 816-7912) and confirmed to the General Counsel, Citigroup Global Markets Inc., at 388 Greenwich Street, New York, New York, 10013, Attention: General Counsel, and Goldman, Sachs & Co. General Counsel (fax no.: (212) 902-3000) and confirmed to the General Counsel, Goldman, Sachs & Co., at 85 Broad Street, New York, New York, 10004, Attention: General Counsel; if sent to the Company, will be mailed, delivered or telefaxed to ExlService General Counsel (fax no: (212) 277-7111) and confirmed to it at 350 Park Avenue, 10th Floor, New York, New York 10022, attention of the Legal Department.

13. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers, directors, employees, agents and controlling persons referred to in Section 8 hereof, and no other person will have any right or obligation hereunder.

14. No fiduciary duty. The Company hereby acknowledges that (a) the purchase and sale of the Securities pursuant to this Agreement is an arm's-length commercial transaction

between the Company, on the one hand, and the Underwriters and any affiliate through which it may be acting, on the other, (b) the Underwriters are acting as principal and not as an agent or fiduciary of the Company and (c) the Company's engagement of the Underwriters in connection with the offering and the process leading up to the offering is as independent contractors and not in any other capacity. Furthermore, the Company agrees that it is solely responsible for making its own judgments in connection with the offering (irrespective of whether any of the Underwriters has advised or is currently advising the Company on related or other matters). The Company agrees that it will not claim that the Underwriters have rendered advisory services of any nature or respect, or owe an agency, fiduciary or similar duty to the Company, in connection with such transaction or the process leading thereto.

15. Integration. This Agreement supersedes all prior agreements and understandings (whether written or oral) between the Company and the Underwriters, or any of them, with respect to the subject matter hereof.

16. Applicable Law. This Agreement will be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed within the State of New York.

17. Waiver of Jury Trial. The Company and each of the Underwriters hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

18. Counterparts. This Agreement may be signed in one or more counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.

19. Headings. The section headings used herein are for convenience only and shall not affect the construction hereof.

20. Definitions. The terms that follow, when used in this Agreement, shall have the meanings indicated.

"Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Business Day" shall mean any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions or trust companies are authorized or obligated by law to close in New York City.

"Commission" shall mean the Securities and Exchange Commission.

"Disclosure Package" shall mean (i) the Preliminary Prospectus dated October 17, 2006, (ii) the Issuer Free Writing Prospectuses, if any, identified in Schedule II hereto, and (iii) any other Free Writing Prospectus that the parties hereto shall hereafter expressly agree in writing to treat as part of the Disclosure Package.

“Effective Date” shall mean each date and time that the Registration Statement, any post-effective amendment or amendments thereto and any Rule 462(b) Registration Statement became or becomes effective.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

“Execution Time” shall mean the date and time that this Agreement is executed and delivered by the parties hereto (6:00 p.m. New York City time on October 19, 2006).

“Free Writing Prospectus” shall mean a free writing prospectus, as defined in Rule 405.

“Inductis Acquisition Agreement” shall mean the Agreement and Plan of Merger, dated June 30, 2006, amongst the Company, Inductis, Inc. and certain other parties thereto.

“Issuer Free Writing Prospectus” shall mean an issuer free writing prospectus, as defined in Rule 433.

“Preliminary Prospectus” shall mean any preliminary prospectus referred to in paragraph 1(a) above and any preliminary prospectus included in the Registration Statement at the Effective Date that omits Rule 430A Information.

“Prospectus” shall mean the prospectus relating to the Securities that is first filed pursuant to Rule 424(b) after the Execution Time.

“Registration Statement” shall mean the registration statement referred to in paragraph 1(a) above, including exhibits and financial statements and any prospectus supplement relating to the Securities that is filed with the Commission pursuant to Rule 424(b) and deemed part of such registration statement pursuant to Rule 430A, as amended at the Execution Time and, in the event any post-effective amendment thereto or any Rule 462(b) Registration Statement becomes effective prior to the Closing Date, shall also mean such registration statement as so amended or such Rule 462(b) Registration Statement, as the case may be.

“Rule 158”, “Rule 163”, “Rule 164”, “Rule 172”, “Rule 405”, “Rule 415”, “Rule 424”, “Rule 430A” and “Rule 433” refer to such rules under the Act.

“Rule 430A Information” shall mean information with respect to the Securities and the offering thereof permitted to be omitted from the Registration Statement when it becomes effective pursuant to Rule 430A.

“Rule 462(b) Registration Statement” shall mean a registration statement and any amendments thereto filed pursuant to Rule 462(b) relating to the offering covered by the registration statement referred to in Section 1(a) hereof.

“Share Conversion” shall mean the conversion of the Company’s Class B common shares into Class A common shares, any related option conversion, share split or share consolidation and any related transactions described in the Disclosure Package, the Prospectus and the Registration Statement (exclusive of any supplement thereto).

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof, whereupon this letter and your acceptance shall represent a binding agreement among the Company and the several Underwriters.

Very truly yours,

ExlService Holdings, Inc.

By: /s/ Vikram Talwar

Name: Vikram Talwar

Title: Chief Executive Officer and Vice Chairman

The foregoing Agreement is hereby confirmed and accepted as of the date first above written.

Citigroup Global Markets Inc.

By: Citigroup Global Markets Inc.

By: /s/ John Katzenberg

Name: John Katzenberg

Title: Managing Director

Goldman, Sachs & Co.

By: Goldman, Sachs & Co

By: /s/ Goldman, Sachs & Co.

(Goldman, Sachs & Co.)

For themselves and the other several Underwriters named in Schedule I to the foregoing Agreement.

SCHEDULE I

<u>Underwriters</u>	<u>Number of Underwritten Securities to be Purchased</u>
Citigroup Global Markets Inc.	2,000,000
Goldman, Sachs & Co.	2,000,000
Merrill Lynch & Co.	600,000
Thomas Weisel Partners LLC	400,000
Total	5,000,000

SCHEDULE II

Schedule of Free Writing Prospectuses included in the Disclosure Package

None

SCHEDULE III

Bharat Hada

Alka Misra

Vinay Mittal

Baljinder Singh

Suneal Singhal

Jarrood Yahes

[Letterhead of officer, director or major shareholder of
ExlService Holdings, Inc.]

ExlService Holdings, Inc.
Public Offering of Common Stock

, 2006

Citigroup Global Markets Inc.
Goldman, Sachs & Co.

As Representatives of the several Underwriters,
c/o Citigroup Global Markets Inc.
388 Greenwich Street
New York, New York 10013

Ladies and Gentlemen:

This letter is being delivered to you in connection with the proposed Underwriting Agreement (the "Underwriting Agreement"), between ExlService Holdings, Inc., a Delaware corporation (the "Company"), and each of you as representatives of a group of Underwriters named in Schedule I thereto, relating to an underwritten public offering of Common Stock, \$0.001 par value (the "Common Stock"), of the Company.

In order to induce you and the other Underwriters to enter into the Underwriting Agreement, the undersigned will not, without the prior written consent of Citigroup Global Markets Inc. and Goldman, Sachs & Co., offer, sell, contract to sell, pledge or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the undersigned or any affiliate of the undersigned or any person in privity with the undersigned or any affiliate of the undersigned), directly or indirectly, including the filing (or participation in the filing) of a registration statement with the Securities and Exchange Commission in respect of, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Securities and Exchange Commission promulgated thereunder with respect to, any shares of capital stock of the Company or any securities convertible into, or exercisable or exchangeable for such capital stock, whether now owned or hereinafter acquired, owned directly by the undersigned (including holding as a custodian) or with respect to which the undersigned has beneficial ownership within the rules and regulations of the Commission (collectively the "Undersigned's Shares"), or publicly announce an intention to effect any such transaction, for a period of 180 days (the "Lock-Up Period") after the date of the Underwriting Agreement; provided, however, that if (i) during the last 17 days of the Lock-Up Period the Company releases earnings results or announces material news or a material event or (ii) prior to the expiration of the Lock-Up Period, the Company

announces that it will release earnings results during the 15-day period following the last day of the Lock-Up Period, then in each case the restricted period will be automatically extended until the expiration of the 18-day period beginning on the date of release of the earnings results or the announcement of the material news or material event, as applicable, unless Citigroup Global Markets Inc. and Goldman, Sachs & Co. waive, in writing, such extension; provided that in no event shall any such extension of the Lock-up Period last beyond the 34th day following the originally contemplated end of such period. The undersigned hereby acknowledges that the Company has agreed in the Underwriting Agreement to provide written notice of any event that would result in an extension of the Lock-Up Period pursuant to the previous paragraph to the undersigned (in accordance with Section 12 of the Underwriting Agreement) and agrees that any such notice properly delivered will be deemed to have been given to, and received by, the undersigned. The undersigned hereby further agrees that, prior to engaging in any transaction or taking any other action that is subject to the terms of this Lock-Up Agreement during the period from the date of this Lock-Up Agreement to and including the 34th day following the expiration of the initial Lock-Up Period, it will give notice thereof to the Company and will not consummate such transaction or take any such action unless it has received written confirmation from the Company that the Lock-Up Period (as such may have been extended pursuant to the previous paragraph) has expired.

Notwithstanding the foregoing, the undersigned may transfer any of the Undersigned's Shares (i) as a *bona fide* gift or gifts, provided that the donee or donees thereof agree to be bound in writing by the restrictions set forth herein, (ii) to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned, provided that the trustee of the trust agrees to be bound in writing by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value, (iii) with the prior written consent of Citigroup Global Markets Inc. and Goldman, Sachs & Co. on behalf of the Underwriters[,][or] (iv) to any beneficiary of the undersigned pursuant to a will or other testamentary document or applicable laws of descent, [or] (v) acquired in the initial public offering of the Common Stock or otherwise in the open market on or after the date of the Underwriting Agreement to the extent that the transfer of Shares so acquired would not result in any obligation of the transferor to make any public filing with respect to such transfer]; provided, however, that in the case of clauses (i) through (iv) above, it shall be a condition to the transfer that the beneficiary or transferee execute an agreement stating that the beneficiary or transferee is receiving and holding such capital stock subject to the provisions of this Lock-Up Agreement and there shall be no further transfer of such capital stock except in accordance with this Lock-Up Agreement. For purposes of this Lock-Up Agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin. In addition, notwithstanding the foregoing, if the undersigned is a corporation, partnership or limited liability company, such entity (and its transferees) may transfer the capital stock of the Company to any wholly-owned subsidiary of such entity or to any partner, member or controlling stockholder of such entity, provided that such transfer does not result in an obligation on the part of any party to make any public regulatory filing with the Commission.

If for any reason (i) the Underwriting Agreement shall be terminated prior to the Closing Date (as defined in the Underwriting Agreement), (ii) the Board of Directors of the Company and the Representatives agree to not pursue the offering contemplated by the Underwriting Agreement or (iii) the offering contemplated by the Underwriting Agreement is not completed prior to February 1, 2007, the agreement set forth above shall likewise be terminated, and the undersigned will be released from its obligations hereunder.

Yours very truly,

[Signature of officer, director or major stockholder]

[Name and address of officer, director or major stockholder]

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
of
EXLSERVICE HOLDINGS, INC.

(Pursuant to Section 245 of
the General Corporation Law of the State of Delaware)

The undersigned executive officer of ExlService Holdings, Inc., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certifies as follows:

FIRST: The name of the corporation is ExlService Holdings, Inc. The original Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on the 29th day of October 2002.

SECOND: The first Amended and Restated Certificate of Incorporation of the Corporation was filed on the 13th day of December 2002.

THIRD: A Certificate of Correction of Amended and Restated Certificate of Incorporation of the Corporation was filed on the 31st day of July 2003.

FOURTH: A Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Corporation was filed on the 16th day of August 2005.

FIFTH: A Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Corporation was filed on the 28th day of June 2006.

The Amended and Restated Certificate of Incorporation as amended and corrected as described in the “SECOND” through “FIFTH” paragraphs herein is referred to as the “Existing Certificate of Incorporation.”

SIXTH: This Certificate of Incorporation (the “Certificate of Incorporation”) has been duly adopted in accordance with Sections 242 and 245 of the Delaware General Corporation Law (“General Corporation Law”) and by the written consent of stockholders in accordance with Section 228 of the General Corporation Law.

SEVENTH: This Certificate of Incorporation further amends and restates in its entirety the Existing Certificate of Incorporation of the Corporation to read as follows:

1. Name. The name of the corporation is “ExlService Holdings, Inc.”

2. Address; Registered Office and Agent. The address of the Corporation’s registered office in the State of Delaware is 1209 Orange Street, City of Wilmington, County of New Castle, State of Delaware 19801; and the name of its registered agent at such address is The Corporation Trust Company.

3. Purposes. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law.

4. Number of Shares; Stock Split.

4.1 The Corporation is authorized to issue two classes of stock to be designated, respectively, “Common Stock” and “Preferred Stock.” The total number of shares of all classes of stock which the Corporation shall have authority to

issue is 115,000,000 shares, consisting of (i) 100,000,000 shares of Common Stock, \$0.001 par value per share ("Common Stock"), of which (a) 23,500,000 shares are designated as "Series A Common Stock" ("Series A Common Stock") and (b) 2,300,000 shares are designated as "Series B Common Stock" ("Series B Common Stock") and (ii) 15,000,000 shares of Preferred Stock, \$0.001 par value per share ("Preferred Stock"), of which 45,833.36 are designated as Series A Preferred Stock ("Series A Preferred Stock").

4.2 Effective upon the filing of this Certificate of Incorporation (the "Effective Time"), each issued and outstanding share of Series A Common Stock shall automatically and without any further action on the part of the holder thereof be converted into two shares of Series A Common Stock and each issued and outstanding share of Series B Common Stock shall automatically and without any further action on the part of the holder thereof be converted into two shares of Series B Common Stock (collectively, the "Stock Split"). The number of authorized shares, and the par value of the Common Stock shall not be affected by the Stock Split. Each holder of certificates of Series A Common Stock or Series B Common Stock ("Old Certificates") shall be entitled to receive, upon surrender of such Old Certificates to the Corporation for cancellation, certificates for shares of Common Stock, which will equal the number of shares represented by the Old Certificates being surrendered multiplied by two and rounded up to the nearest whole number. No script or fractional share certificate shall be issued in connection with the Stock Split. Old Certificates will be deemed for all purposes to represent the number of shares of Common Stock outstanding after giving effect to the Stock Split, except that the holder of such

unexchanged certificates shall not be entitled to receive any distributions payable by the Corporation after the Effective Date until the Old Certificates have been surrendered. Such distribution, if any, shall be accumulated and, at the time of surrender of the Old Certificates, all such unpaid distributions shall be paid without interest.

5. Classes of Shares. The designation, relative rights, preferences and limitations of the shares of each class are as follows:

5.1 Common Stock.

(a) Except as otherwise provided by law or by this Certificate of Incorporation and subject to the express terms of any series of shares of Preferred Stock, the holders of outstanding shares of Common Stock shall exclusively possess voting power for the election of Directors and for all other purposes, each holder of record of shares of Common Stock shall be entitled to one vote for each share of Common Stock standing in his or her name on the books of the Corporation. Except as otherwise provided by law or by this Certificate of Incorporation and subject to the express terms of any series of shares of Preferred Stock, the holders of shares of Common Stock shall be entitled, to the exclusion of the holders of shares of Preferred Stock of any and all series, to receive such dividends as from time to time may be declared by the Board of Directors of the Corporation (the "Board"). In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, subject to the rights, if any, of the holders of any outstanding series of Preferred Stock, the holders of shares of Common Stock shall be entitled to share ratably according to the number of shares of Common Stock held by them in all remaining assets of the Corporation

available for distribution to its stockholders. Subject to the rights of the holders of any one or more series of Preferred Stock then outstanding, the number of authorized shares of any class or classes of stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law or any corresponding provision hereinafter enacted.

(b) The Series B Common Stock shall have the additional rights, conversion features and other terms set forth in Annex A attached hereto. Following the conversion of all shares of Series B Common Stock as provided in Section 2 of Annex A, there shall only be one class of Common Stock and it shall be referred to as Common Stock.

5.2 Preferred Stock. The shares of Preferred Stock may be issued from time to time in one or more series of any number of shares, provided that the aggregate number of shares issued and not retired of any and all such series shall not exceed the total number of shares of Preferred Stock hereinabove authorized, and with such powers, including voting powers, if any, and the designations, preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, all as shall hereafter be stated and expressed in the resolution or resolutions providing for the designation and issue of such shares of Preferred Stock from time to time adopted by the Board pursuant to authority so to do which is hereby expressly vested in the Board. The powers, including voting powers, if any, preferences and relative, participating, optional and

other special rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding. Each series of shares of Preferred Stock: (a) may have such voting rights or powers, full or limited, if any; (b) may be subject to redemption at such time or times and at such prices, if any; (c) may be entitled to receive dividends (which may be cumulative or non-cumulative) at such rate or rates, on such conditions and at such times, and payable in preference to, or in such relation to, the dividends payable on any other class or classes or series of stock, if any; (d) may have such rights upon the voluntary or involuntary liquidation, winding up or dissolution of, upon any distribution of the assets of, or in the event of any merger, sale or consolidation of, the Corporation, if any; (e) may be made convertible into or exchangeable for, shares of any other class or classes or of any other series of the same or any other class or classes of stock of the Corporation (or any other securities of the Corporation or any other person) at such price or prices or at such rates of exchange and with such adjustments, if any; (f) may be entitled to the benefit of a sinking fund to be applied to the purchase or redemption of shares of such series in such amount or amounts, if any; (g) may be entitled to the benefit of conditions and restrictions upon the creation of indebtedness of the Corporation or any subsidiary, upon the issue of any additional shares (including additional shares of such series or of any other series) and upon the payment of dividends or the making of other distributions on, and the purchase, redemption or other acquisition by the Corporation or any subsidiary of, any outstanding shares of the Corporation, if any; (h) may be subject to restrictions on transfer or registration of transfer, or on the amount of shares that may be owned by

any person or group of persons; and (i) may have such other relative, participating, optional or other special rights, qualifications, limitations or restrictions thereof, if any; all as shall be stated in said resolution or resolutions of the Board providing for the designation and issue of such shares of Preferred Stock.

5.3 Series A Preferred Stock. The designation, relative rights, preferences and limitations of the Series A Preferred Stock shall be as set forth in Annex B attached hereto. Upon the retirement, repurchase, redemption or other acquisition of shares of Series A Preferred Stock by the Corporation, such shares shall be deemed to be unissued and undesignated shares of Preferred Stock and may be reissued by the Corporation as shares of any series of Preferred Stock

6. Board of Directors.

6.1 Number of Directors. The business and affairs of the Corporation shall be managed by, or under the direction of, the Board. Unless and except to the extent that the Amended and Restated By-laws of the Corporation, as such By-laws may be amended from time to time (the "By-laws"), shall so require, the election of the Directors of the Corporation need not be by written ballot. Except as otherwise provided for or fixed pursuant to the provisions of Section 5 of this Certificate of Incorporation relating to the rights of the holders of any series of Preferred Stock to elect additional Directors, the total number of Directors constituting the entire Board shall be not less than 6 nor more than 12, with the then authorized number of Directors being fixed from time to time by the Board.

During any period when the holders of any series of Preferred Stock have the right to elect additional Directors as provided for or fixed pursuant to the provisions of Section 5 hereof, then upon commencement and for the duration of the period during which such right continues: (i) the then otherwise total authorized number of Directors of the Corporation shall automatically be increased by such specified number of Directors, and the holders of such Preferred Stock shall be entitled to elect the additional Directors so provided for or fixed pursuant to said provisions, and (ii) each such additional Director shall serve until such Director's successor shall have been duly elected and qualified, or until such Director's right to hold such office terminates pursuant to said provisions, whichever occurs earlier, subject to his or her earlier death, disqualification, resignation or removal. Except as otherwise provided by the Board in the resolution or resolutions establishing such series, whenever the holders of any series of Preferred Stock having such right to elect additional Directors are divested of such right pursuant to the provisions of such stock, the terms of office of all such additional Directors elected by the holders of such stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional Directors, shall forthwith terminate and the total and authorized number of Directors of the Corporation shall be reduced accordingly.

6.2 Staggered Board. The Board (other than those Directors elected by the holders of any series of Preferred Stock provided for or fixed pursuant to the provisions of Section 5 hereof (the "Preferred Stock Directors")) shall be divided into three classes, as nearly equal in number as possible, designated as Class I,

Class II and Class III. Class I Directors shall initially serve until the 2007 annual meeting of stockholders; Class II Directors shall initially serve until the 2008 annual meeting of stockholders; and Class III Directors shall initially serve until the 2009 annual meeting of stockholders. Commencing with the annual meeting of stockholders in 2007, Directors of each class the term of which shall then expire shall be elected to hold office for a three-year term and until the election and qualification of their respective successors in office. In case of any increase or decrease, from time to time, in the number of Directors (other than Preferred Stock Directors), the number of Directors in each class shall be apportioned as nearly equally as possible.

6.3 Vacancies and Newly Created Directorships. Subject to the rights of the holders of any one or more series of Preferred Stock then outstanding, newly created directorships resulting from any increase in the authorized number of Directors or any vacancies on the Board resulting from death, resignation, retirement, disqualification, removal from office or other cause shall be filled solely by the affirmative vote of a majority of the remaining Directors then in office, even if less than a quorum of the Board. Any Director so chosen shall hold office until the expiration of the term of office of the Director whom he or she has replaced and until his or her successor shall be duly elected and qualified or until such Director's earlier death, disqualification, resignation or removal. No decrease in the number of Directors shall shorten the term of any incumbent Director.

6.4 Removal of Directors. Except for such additional Directors, if any, as are elected by the holders of any series of Preferred Stock as provided for or

fixed pursuant to the provisions of Section 5 hereof, any Director, or the entire Board, may be removed from office at any time, but only for cause and only by the affirmative vote of at least 66 2/3% of the total voting power of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of Directors, voting together as a single class.

7. Limitation of Liability. To the fullest extent permitted under the General Corporation Law, as amended from time to time, no Director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a Director, provided that this provision shall not eliminate or limit the liability of a Director (a) for any breach of the Director's duty of loyalty to the Corporation or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) under Section 174 of the General Corporation Law or (d) for any transaction from which the Director derived any improper personal benefits. If the General Corporation Law is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of Directors, then the liability of a Director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law, as so amended.

Any amendment, repeal or modification of the foregoing provision shall not adversely affect any right or protection of a Director of the Corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, repeal or modification.

8. Indemnification.

8.1 Right to Indemnification. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (a "Covered Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a Director or officer of the Corporation or, while a Director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity (an "Other Entity"), including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Covered Person. Notwithstanding the preceding sentence, except as otherwise provided in Section 8.3, the Corporation shall be required to indemnify a Covered Person in connection with a Proceeding (or part thereof) commenced by such Covered Person only if the commencement of such Proceeding (or part thereof) by the Covered Person was authorized by the Board.

8.2 Prepayment of Expenses. The Corporation shall pay the expenses (including attorneys' fees) incurred by a Covered Person in defending any Proceeding in advance of its final disposition, provided, however, that, to the extent required by applicable law, such payment of expenses in advance of the final

disposition of the Proceeding shall be made only upon receipt of an undertaking by the Covered Person to repay all amounts advanced if it should be ultimately determined that the Covered Person is not entitled to be indemnified under this Section 8 or otherwise.

8.3 Claims. If a claim for indemnification or advancement of expenses under this Section 8 is not paid in full within 30 days after a written claim therefor by the Covered Person has been received by the Corporation, the Covered Person may file suit to recover the unpaid amount of such claim and, if successful, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

8.4 Nonexclusivity of Rights. The rights conferred on any Covered Person by this Section 8 shall not be exclusive of any other rights that such Covered Person may have or hereafter acquire under any statute, provision of this Certificate of Incorporation, the By-laws, agreement, vote of stockholders or disinterested Directors or otherwise.

8.5 Other Sources. The Corporation's obligation, if any, to indemnify or to advance expenses to any Covered Person who was or is serving at its request as a Director, officer, employee or agent of an Other Entity shall be reduced by any amount such Covered Person collects as indemnification or advancement of expenses from such Other Entity.

8.6 Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Section 8 shall not adversely affect any right or protection hereunder of any Covered Person in respect of any act or omission occurring prior to the time of such repeal or modification.

8.7 Other Indemnification and Prepayment of Expenses. This Section 8 shall not limit the right of the Corporation, to the extent and in the manner permitted by applicable law, to indemnify and to advance expenses to persons other than Covered Persons when and as authorized by appropriate corporate action.

9. Adoption, Amendment and/or Repeal of By-Laws. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board is expressly authorized to make, alter and repeal the By-laws, subject to the power of the Stockholders of the Corporation to alter or repeal any By-laws whether adopted by them or otherwise. Notwithstanding any other provisions of this Certificate of Incorporation or the By-laws (and notwithstanding the fact that a lesser percentage may be permitted by applicable law, this Certificate of Incorporation or the By-laws), but in addition to any affirmative vote of the holders of any particular class of stock of the Corporation required by applicable law or this Certificate of Incorporation, the affirmative vote of the holders of at least 66²/₃% of the voting power of the shares of the then outstanding voting stock of the Corporation, voting together as a single class, shall be required to adopt new By-laws or to alter, amend or repeal the By-laws.

10. Certificate Amendments. The Corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation. In addition, other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by applicable law. All rights, preferences and privileges of whatsoever nature conferred upon stockholders, Directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted and held subject to the rights the Corporation has reserved in this Section 10. Notwithstanding any other provisions of this Certificate of Incorporation or the By-laws (and notwithstanding the fact that a lesser percentage may be permitted by applicable law, this Certificate of Incorporation or the By-laws), but in addition to any affirmative vote of the holders of any particular class of stock of the Corporation required by applicable law or this Certificate of Incorporation, the affirmative vote of the holders of at least 66 ²/₃% of the voting power of the shares of the then outstanding voting stock of the Corporation, voting together as a single class, shall be required to amend or repeal, or adopt any provisions inconsistent with Sections 6, 9, 10, 11 or 12 of this Certificate of Incorporation.

11. Written Consent Prohibition. Except as otherwise provided for or fixed pursuant to the provisions of Section 5 of this Certificate of Incorporation relating to the rights of holders of any series of Preferred Stock, no action that is required or

permitted to be taken by the stockholders of the Corporation at any annual or special meeting of stockholders may be effected by written consent of stockholders in lieu of a meeting of stockholders, unless the action to be effected by written consent of stockholders and the taking of such action by such written consent have expressly been approved in advance by the Board.

12. Special Meetings of the Corporation's Stockholders. Unless otherwise provided by applicable law and subject to the express terms of any series of shares of Preferred Stock, a special meeting of the Corporation's stockholders may be called only by (a) the Corporation's Chairman of the Board or (b) a majority of the members of the Board, and may not be called by any other person or persons.

WITNESS the signature of this Amended and Restated Certificate of Incorporation this 24th day of October, 2006.

EXLSERVICE HOLDINGS, INC.

By: /s/ Vikram Talwar

Name: Vikram Talwar

Title: Chief Executive Officer and Vice Chairman

ANNEX A
SERIES B COMMON STOCK

1. Voting Rights. The holders of shares of Series B Common Stock (the "Series B Common Holders") shall not be entitled or permitted to vote on any matter required or permitted to be voted on by the stockholders of the Corporation.

2. Conversion of Series B Common Stock.

(a) Immediately prior to the occurrence of a Conversion Event (as hereinafter defined), all of the outstanding shares of Series B Common Stock shall be converted, with no further action required by the Company and/or the holders of Series B Common Stock, into shares of Series A Common Stock at the Conversion Rate. The "Conversion Rate" shall initially be one (1) and may change, from time to time, in accordance with this Section 2 of this Annex A.

(b) Immediately prior to the occurrence of any Conversion Event, each Series B Common Holder shall surrender all certificates representing all of the Series B Common Stock held by such Series B Common Holder at the principal office of the Corporation (or such other office or agency of the Corporation as the Corporation may designate by notice in writing to the Series B Common Holders) at any time during normal business hours. Such conversion shall be deemed to have been effected as of the close of business on the date of the Conversion Event, and at such time, the rights of the Series B Common Holders shall cease and the person or persons in whose name or names the certificate or certificates for shares of Series A Common Stock are to be issued upon such conversion shall be deemed to have become holders of the Series A Common Stock represented thereby.

(c) Promptly after such surrender, the Corporation shall issue and deliver in accordance with the surrendering holder's instructions the certificate or certificates for the Series A Common Stock issuable upon such conversion.

(d) In the case of, and as a condition to, any capital reorganization of, or any reclassification, subdivision or combination of shares of Series A Common Stock or Series B Common Stock into a greater or lesser number of shares (whether with or without par value) or a change in the par value of Series A Common Stock or Series B Common Stock (or from par value to no par value, or from no par value to par value) or in the case of, and as a condition to, the consolidation or merger of the Corporation with or into another corporation (other than a merger in which the Corporation is the continuing corporation and which does not result in any reclassification of outstanding shares of Series A Common Stock or Series B Common Stock), the Conversion Rate shall be adjusted so that each share of Series B Common Stock shall be convertible, in accordance with the provisions of this Section 2 of this Annex A, into the number of shares of stock or other securities or property receivable upon such reorganization, reclassification, consolidation or merger by a holder of the number of shares of Series A Common Stock into which such share of Series B Common Stock was convertible immediately prior to such reorganization, reclassification, consolidation or merger; and, in any such case, appropriate adjustment shall be made in the application of the provisions set forth in this Section 2 of this Annex A with respect to

the rights and interests thereafter of the Series B Common Stock to the end that the provisions set forth in this Section 2 of this Annex A (including provisions with respect to the Conversion Rate and the restrictions set forth in subparagraph (a)) shall thereafter be applicable, as nearly as they reasonably may be, in relation to any shares of stock or other securities or property thereafter deliverable upon the conversion of the shares of Series B Common Stock. No adjustment under this Section 2(d) of this Annex A shall be made in respect of the Stock Split.

(e) Shares of Series B Common Stock which are converted into shares of Series A Common Stock as provided herein shall not be reissued.

(f) The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Series A Common Stock or its treasury shares solely for the purpose of issue upon the conversion of the Series B Common Stock as provided in this Section 2 of this Annex A, such number of shares of Series A Common Stock as shall then be issuable upon the conversion of all then outstanding shares of Series B Common Stock.

(g) The issuance of certificates for Series A Common Stock upon the conversion of Series B Common Stock shall be made without charge to the holders of such shares for any issuance tax in respect thereof or other cost incurred by the Corporation in connection with such conversion and the related issuance of Series A Common Stock. The Corporation shall not close its books against the transfer of Series B Common Stock or of Series A Common Stock issued or issuable upon the conversion of Series B Common Stock in any manner which would interfere with the timely conversion of Series B Common Stock.

(h) For purposes of this Section 2 of this Annex A, each of the following events shall constitute a Conversion Event: (i) the sale or other transfer or disposition of eighty percent or more of the issued and outstanding capital stock of the Corporation, or the sale, lease or other transfer or disposition of all or substantially all of the assets of the Corporation, in either case whether (A) directly or indirectly, by merger, combination or other similar transaction or (B) in a single transaction or a series of related transactions; (ii) the consummation of a sale of the common stock of the Corporation in a public offering, registered under the Securities Act of 1933; and (iii) any of the Series B Common Stock being held by any person free and clear of any vesting requirements.

ANNEX B
SERIES A PREFERRED STOCK

1. Voting Rights. The holders of shares of Series A Preferred Stock (the “Series A Preferred Holders”) shall not be entitled or permitted to vote on any matter required or permitted to be voted on by the stockholders of the Corporation.

2. Dividends. The Series A Preferred Holders shall be entitled to receive annual dividends, as and when declared by the Board out of funds legally available therefor, as set forth herein. As an annual dividend, each Series A Preferred Holder shall be entitled to 10% of the Liquidation Preference (as defined below) per share then held by them, as adjusted for any stock split, combination or similar recapitalization with respect to such share. Such annual dividends shall be payable, at the election of the Corporation, in cash or in the form of an additional Liquidation Preference. Such dividends shall accrue annually but shall be paid only upon redemption, liquidation, or as otherwise declared by the Board. Such dividends shall be cumulative and shall accrue on a day-to-day basis, whether or not earned, from and after the day immediately succeeding the date the Series A Preferred Stock is issued. Dividends payable for any partial dividend period shall be computed on the basis of actual days elapsed over a 365 day year.

3. Liquidation Preference.

(a) In the event of liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, the Series A Preferred Holders shall be entitled to receive, prior and in preference to any distribution of any assets or surplus

funds of the Corporation to the holders of shares of Common Stock (the "Common Holders") by reason of their ownership thereof, for each outstanding share of Series A Preferred Stock then held by them, an amount equal to: \$100 per share of Series A Preferred Stock, plus any declared and unpaid dividends on such Series A Preferred Stock, as adjusted for any stock split, combination or similar recapitalization with respect to such shares, and as such amount is adjusted for any dividends payable as an additional Liquidation Preference, in accordance with Section 2 above (the "Liquidation Preference"). If, upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series A Preferred Stock shall be insufficient to permit the payment to such holders of the full amount of the applicable Liquidation Preference, then the entire assets and funds of the Corporation legally available for distribution shall be distributed ratably among the holders of the Series A Preferred Stock in proportion to the Liquidation Preference each such holder is otherwise entitled to receive.

(b) After the payment to the holders of Series A Preferred Stock of the full preferential amounts specified in Section 3(a) above, no further payments shall be made to the holders of Series A Preferred Stock by reason thereof and any remaining assets of the Corporation shall then be distributed with equal priority and pro rata among the holders of Common Stock, based on the number of shares of Common Stock held by each such holder relative to the total number of outstanding shares of Common Stock.

(c) Any transaction that results in a change of voting control of the Corporation, including without limitation a reorganization, consolidation or merger of the Corporation with or into any other entity or person, or a sale, lease or conveyance of all or substantially all of the assets of the Corporation, shall be subject to the provisions of Section 5 of this Annex B.

(d) For purposes of this Section 3, a liquidation, dissolution or winding up of the Corporation shall be deemed to be occasioned by, and to include, the events set forth in Section 5(a) of this Annex B.

4. Redemption.

(a) By the Corporation.

(i) The Corporation may, at its option, and at any time, redeem, at the applicable Redemption Price (as determined in Section 4(d) below), all (but not a portion) of the Series A Preferred Stock outstanding on the Corporation Redemption Date (as defined in Section 4(a)(ii) below). The Corporation shall give notice pursuant to this Section 4 to all of the holders of the then outstanding Series A Preferred Stock at the address of each such holder appearing on the books of the Corporation or given by such holder to the Corporation for the purpose of notice.

(ii) Notice. If the Corporation elects to redeem Series A Preferred Stock in accordance with Section 4(a)(i), the Corporation shall mail a notice of redemption (the "Corporation Redemption Notice") to each Series A Preferred Holder

of record, addressed to such Series A Preferred Holder at the address of such Series A Preferred Holder appearing on the books of the Corporation or given by the Series A Preferred Holder to the Corporation for the purpose of the notice, not earlier than sixty (60) nor later than twenty (20) days before the date fixed for a redemption pursuant to this Section 4(a) (the "Corporation Redemption Date"). The notice of redemption shall include (i) the shares to be redeemed, (ii) the Corporation Redemption Date, (iii) the Redemption Price and (iv) the place at which the stockholders may obtain payment of the Redemption Price upon surrender of their share certificates.

(iii) Cessation of Rights. If funds are available on the date fixed for a redemption of the Series A Preferred Stock, then whether or not the share certificates, representing shares which are to be redeemed, are surrendered for payment of the applicable redemption price, the shares which are redeemed shall no longer be outstanding and the holders thereof shall cease to be stockholders of the Corporation with respect to the shares redeemed on or after the date fixed for redemption and shall be entitled only to receive the applicable redemption price for such redeemed shares, without interest, upon surrender of the share certificates, representing the redeemed shares.

(b) By the Holders of Series A Preferred Stock.

(i) Upon the occurrence of a Mandatory Redemption Event (as defined in this Section 4(b)(i)), the holders of more than 50% of the outstanding shares of Series A Preferred Stock shall be entitled to require, at any time within one

hundred eighty (180) days of the Mandatory Redemption Event, the Corporation to redeem, at the applicable Redemption Price, all shares of the Series A Preferred Stock held by the Series A Preferred Holders and submitted for redemption on the Mandatory Redemption Date (as defined in Section 4(b)(ii) below). For the purposes of this paragraph, a "Mandatory Redemption Event" shall be the occurrence of any of the following events: (A) any representation or warranty made by Consec, Inc., an Indiana corporation ("Consec"), under the Stock Purchase Agreement by and among Oak Hill Capital Partners, L.P., a Delaware limited partnership ("Oak Hill"), Financial Technology Ventures (Q), L.P., a Delaware limited partnership, and certain of its affiliates, Consec, the Corporation and certain of the Corporation's subsidiaries dated November 14, 2002 (the "Stock Purchase Agreement"), is materially inaccurate or breached in any material respect (without regard to any materiality qualifications or limitations on the survival of the representations and warranties contained in the Stock Purchase Agreement); (B) a material adverse change, after the date hereof, in the condition, financial or otherwise, business, properties, assets, results of operations or prospects of the Corporation or its subsidiaries; (C) during the period between April 1, 2003 and December 31, 2003, the aggregate consolidated revenue of the subsidiaries of the Corporation for any three consecutive calendar months shall be twenty five percent (25%) below the anticipated revenue for such period, as reflected in the operating plan provided to Oak Hill on October 15, 2002 (the "Plan"); or (D) during the period between April 1, 2003 and December 31, 2003, the aggregate consolidated net cash flow, as such term is used in the Plan, for any three consecutive calendar months, is twenty five percent (25%) below the

anticipated net cash flow for such period, as reflected in the Plan. If the funds of the Corporation legally available for redemption of shares of Series A Preferred Stock on any Mandatory Redemption Date are insufficient to redeem the total number of shares of Series A Preferred Stock submitted for redemption on such Mandatory Redemption Date, those funds which are legally available will be used to first redeem as many shares of Series A Preferred Stock as may be lawfully redeemed and that were submitted for redemption by holders thereof. At any time thereafter when additional funds of the Corporation are legally available for the redemption of shares of Series A Preferred Stock, such funds will immediately be used to redeem the balance of the shares which the Corporation has become obliged to redeem on any Mandatory Redemption Date (or such lesser maximum amount that shall be lawful at such time), but which it has not redeemed.

(ii) Notice. Immediately upon receipt of a demand for redemption pursuant to Section 4 (b), the Corporation shall give written notice (the "Mandatory Redemption Notice") to all of the Series A Preferred Holders of record, addressed to each Series A Preferred Holder at the address of such Series A Preferred Holder appearing on the books of the Corporation or given by such Series A Preferred Holder to the Corporation for the purpose of the notice; such Mandatory Redemption Notice shall include: (a) a date fixed for redemption which shall be within thirty (30) days after the Corporation receives a demand for redemption pursuant to Section 4(b) (the "Mandatory Redemption Date") and (b) the Redemption Price. Each share of Series A Preferred Stock submitted for redemption in accordance with this Section 4(b) shall be redeemed on the Mandatory Redemption Date at the applicable Redemption Price. On or

prior to the Mandatory Redemption Date, each holder of shares of Series A Preferred Stock submitted for redemption shall surrender the certificate or certificates evidencing such shares to the Corporation, at the place designated in the Mandatory Redemption Notice and shall thereupon be entitled to receive payment of the appropriate Redemption Price. The Corporation shall be under no obligation to redeem, pursuant to this Section 4(b), shares of Series A Preferred Stock (A) for which no stock certificate or affidavit of lost stock certificate is surrendered on or prior to such Mandatory Redemption Date or (B) to the extent that any such redemption would be in violation of applicable law.

(iii) Cessation of Rights. Subject to the last sentence of 4(b)(i) this Annex B, from and after the applicable Mandatory Redemption Date, unless there shall have been a default in payment of the appropriate Redemption Price, all rights of the holders of shares of the Series A Preferred Stock submitted for redemption in response to a Redemption Notice (except the right to receive the Redemption Price without interest upon surrender of their certificate or certificates) shall cease with respect to such shares of Series A Preferred Stock, and such shares of Series A Preferred Stock shall not thereafter be outstanding for any purpose whatsoever.

(c) [Intentionally omitted]

(d) Redemption Price. For the purposes of this Section 4 of this Annex B, as of any date, the applicable redemption price shall equal the applicable Liquidation Preference, including accrued but unpaid dividends, as of such date (the "Redemption Price").

5. Merger, Consolidation.

(a) At any time, in the event of:

(i) a consolidation or merger of the Corporation or any of its direct or indirect subsidiaries in one or a series of related transactions with or into any other corporation, or any other entity or person in which the stockholders of the Corporation immediately prior to such transaction hold in the aggregate less than one-half of the outstanding voting securities of the surviving entity after the merger,

(ii) any corporate reorganization in which the stockholders of the Corporation immediately prior to such transaction control or hold in the aggregate less than one-half of the outstanding voting securities of the surviving entity after the merger,

(iii) a sale, lease or conveyance of all or substantially all of the assets of the Corporation or any of its direct or indirect subsidiaries in one or a series of related transactions, or

(iv) a reorganization of the Corporation as defined in Section 368(a)(1)(B) of the Internal Revenue Code of 1986 or in which more than fifty percent (50%) of the outstanding stock of the Corporation is exchanged (calculated on an as-converted to Common Stock basis),

then, in any such case, the holders of the Series A Preferred Stock shall be paid an amount of cash or securities (or a combination thereof) received from the acquiring corporation, person or entity, as applicable, at the closing of any such transaction, that is equal to the amount per share that would be payable to the holders of the Series A Preferred Stock as if all such consideration received by the Corporation and its shareholders in connection with such event were being distributed in a liquidation of the Corporation pursuant to Section 3 hereof.

(b) Any securities to be delivered to the holders of the Series A Preferred Stock pursuant to this Section 5 of this Annex B shall be valued as follows:

(i) securities not subject to restrictions on free marketability covered by Section 5(b)(ii) below:

(A) if traded on a securities exchange, the value shall be deemed to be the average of the security's closing prices on such exchange over the 30-day period ending three (3) days prior to the closing;

(B) if actively traded over-the-counter, the value shall be deemed to be the average of the closing bid prices over the 30-day period ending three (3) days prior to the closing; and

(C) if there is no active public market, the value shall be the fair market value thereof, as mutually determined by the Corporation and the holders of not less than a majority of the outstanding Series A Preferred Stock.

(ii) The method of valuation of securities subject to restrictions on free marketability shall be to make an appropriate discount from the market value determined as above in Section 5(b)(i)(A)(B) or (C) to reflect the approximate fair market value thereof, as mutually determined by the Corporation and the holders of not less than a majority of the outstanding Series A Preferred Stock.

(iii) In the event of any dispute between the Corporation and the holders of Series A Preferred Stock regarding valuation issues as provided in this Section 5(b), such dispute shall be submitted to binding arbitration in accordance with the currently prevailing commercial arbitration rules of the American Arbitration Association. The decisions and awards rendered in such proceedings shall be final and conclusive and may be entered in any court having jurisdiction thereof.

(c) The Corporation shall give each holder of record of Series A Preferred Stock written notice of such proposed transaction not later than twenty (20) days prior to the stockholders' meeting called to approve any transaction described in Section 5(a) hereof, or twenty (20) days prior to the closing of such transaction, whichever is earlier, and shall also notify such holders in writing of the final approval of such transaction. The first of said notices shall describe the material terms and conditions of the contemplated transaction as well as the terms and conditions of this Section 5, and the Corporation shall thereafter give such holders prompt notice of any material changes in such proposed transaction. The transaction shall in no event take place sooner than (i) twenty (20) days after the mailing by the Corporation of the first notice provided for herein, or (ii) fifteen (15) days after the mailing by the Corporation of any additional notice of material changes provided for herein; provided, however, that such periods may be shortened upon the written consent of the holders of at least a majority of the then outstanding Series A Preferred Stock, but not to the extent of having the effect of depriving any holder of Series A Preferred Stock of actual notice of the impending transaction.

AMENDED AND RESTATED

BY-LAWS

of

ExlService Holdings, Inc.

(A Delaware Corporation)

ARTICLE 1

DEFINITIONS

As used in these By-laws, unless the context otherwise requires, the term:

1.1 "Assistant Secretary" means an Assistant Secretary of the Corporation.

1.2 "Assistant Treasurer" means an Assistant Treasurer of the Corporation.

1.3 "Board" means the Board of Directors of the Corporation.

1.4 "By-laws" means these Amended and Restated By-Laws of the Corporation, as further amended from time to time.

1.5 "Certificate of Incorporation" means the Amended and Restated Certificate of Incorporation of the Corporation, as further amended, supplemented or restated from time to time.

1.6 "Chairman" means the Chairman of the Board of Directors of the Corporation.

1.7 "CEO" means the Chief Executive Officer of the Corporation.

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- 1.8 “Chief Financial Officer” means the Chief Financial Officer of the Corporation.
- 1.9 “Controller” means the Controller of the Corporation.
- 1.10 “Corporation” means ExlService Holdings, Inc.
- 1.11 “Directors” means directors of the Corporation.
- 1.12 “Entire Board” means all then authorized directors of the Corporation.
- 1.13 “Exchange Act” means the Securities Exchange Act of 1934, as amended, or any successor statute thereto.
- 1.14 “IPO Date” “ means the date upon which the Corporation consummates the initial public offering of shares of common stock of the Corporation pursuant to an effective Registration Statement filed under the Securities Act.
- 1.15 “General Corporation Law” means the General Corporation Law of the State of Delaware, as amended from time to time.
- 1.16 “Office of the Corporation” means the executive office of the Corporation, anything in Section 131 of the General Corporation Law to the contrary notwithstanding.
- 1.17 “President” means the President of the Corporation.
- 1.18 “Secretary” means the Secretary of the Corporation.
- 1.19 “Securities Act” means the Securities Act of 1933, as amended, or any successor statute thereto.
- 1.20 “Stockholders” means stockholders of the Corporation.
- 1.21 “Treasurer” means the Treasurer of the Corporation.
- 1.22 “Vice President” means a Vice President of the Corporation.

ARTICLE 2
STOCKHOLDERS

2.1 Place of Meetings. Every meeting of Stockholders may be held at such place, within or without the State of Delaware, as may be designated by resolution of the Board from time to time. The Board may, in its sole discretion, determine that the meeting of Stockholders shall not be held at any place, but may instead be held solely by means of remote communication in accordance with Delaware law.

2.2 Annual Meeting. If required by applicable law, a meeting of Stockholders shall be held annually for the election of Directors at such date and time as may be designated by resolution of the Board from time to time. Any other business may be transacted at the annual meeting as shall have been properly brought before the meeting.

2.3 Special Meetings. Unless otherwise prescribed by applicable law and subject to the express terms of any series of shares of preferred stock, special meetings of Stockholders may be called only by (a) the Chairman or (b) a majority of the members of the Board, and may not be called by any other person or persons. Business transacted at any special meeting of Stockholders shall be limited to the purpose stated in the notice.

2.4 Fixing Record Date. For the purpose of (a) determining the Stockholders entitled (i) to notice of or to vote at any meeting of Stockholders or any adjournment thereof or (ii) to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change,

conversion or exchange of stock; or (b) any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date was adopted by the Board and which record date, unless otherwise required by applicable law, shall not be (y) in the case of clause (a)(i) above, more than 60 nor less than 10 days before the date of such meeting and (z) in the case of clause (a)(ii) or (b) above, more than 60 days prior to such action. If no such record date is fixed:

2.4.1 the record date for determining Stockholders entitled to notice of or to vote at a meeting of Stockholders shall be the close of business on the day next preceding the day on which notice is given, or, if notice is waived, the close of business on the day next preceding the day on which the meeting is held; and

2.4.2 the record date for determining Stockholders for any purpose other than those specified in Section 2.4.1 hereof shall be the close of business on the day on which the Board adopts the resolution relating thereto. When a determination of Stockholders of record entitled to notice of or to vote at any meeting of Stockholders has been made as provided in this Section 2.4, such determination shall apply to any adjournment thereof unless the Board fixes a new record date for the adjourned meeting.

2.5 Notice of Meetings of Stockholders. Whenever under the provisions of applicable law, the Certificate of Incorporation or these By-laws, Stockholders are required or permitted to take any action at a meeting, notice shall be given stating the place, if any, date and hour of the meeting, the means of remote communication, if any, by which Stockholders and proxy holders may be deemed to be

present in person and vote at such meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by applicable law, the Certificate of Incorporation or these By-laws, notice of any meeting shall be given, not less than 10 nor more than 60 days before the date of the meeting, to each Stockholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, with postage prepaid, directed to the Stockholder at his or her address as it appears on the records of the Corporation. An affidavit of the Secretary or an Assistant Secretary or of the transfer agent of the Corporation that the notice required by this Section 2.5 has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein. Any meeting of Stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken, and at the adjourned meeting any business may be transacted that might have been transacted at the meeting as originally called. If, however, the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Stockholder of record entitled to vote at the meeting.

2.6 Waivers of Notice. Whenever giving notice to Stockholders is required by applicable law, the Certificate of Incorporation or these By-laws, a waiver thereof, given by the person entitled to said notice, whether before or after the event as to which such notice is required, shall be deemed equivalent to notice. Attendance by a Stockholder at a meeting shall constitute a waiver of notice of such meeting except when

the Stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting has not been lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Stockholders need be specified in any waiver of notice unless so required by applicable law, the Certificate of Incorporation or these By-laws.

2.7 List of Stockholders. The Secretary shall prepare and make, at least 10 days before every meeting of Stockholders, a complete list of the Stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each Stockholder and the number of shares registered in the name of each Stockholder. Such list shall be open to the examination of any Stockholder, the Stockholder's agent, or attorney, at the Stockholder's expense, for any purpose germane to the meeting, for a period of at least 10 days prior to the meeting, during ordinary business hours at the principal place of business of the Corporation, or on a reasonably accessible electronic network as provided by applicable law. If the meeting is to be held at a place, the list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any Stockholder who is present. If the meeting is held solely by means of remote communication, the list shall also be open for examination as provided by applicable law. Upon the willful neglect or refusal of the Directors to produce such a list at any meeting for the election of Directors, they shall be ineligible for election to any office at such meeting. Except as provided by applicable law, the stock ledger shall be the only evidence as to who are the Stockholders entitled to examine the stock ledger, the list of Stockholders or the books of the Corporation, or to vote in person or by proxy at any meeting of Stockholders.

2.8 Quorum of Stockholders; Adjournment. Except as otherwise provided by applicable law, the Certificate of Incorporation or these By-laws, at each meeting of Stockholders, the presence in person or by proxy of the holders of a majority in voting power of all outstanding shares of stock entitled to vote at the meeting of Stockholders, shall constitute a quorum for the transaction of any business at such meeting, except that, where a separate vote by a class or series of classes is required, a quorum shall consist of no less than a majority in voting power of the shares of such classes or series of classes. When a quorum is present to organize a meeting of Stockholders and for purposes of voting on any matter, the quorum for such meeting or matter is not broken by the subsequent withdrawal of any Stockholder. In the absence of a quorum, the person presiding over the meeting or the holders of a majority in voting power of the shares of stock present in person or represented by proxy at any meeting of Stockholders, including an adjourned meeting, whether or not a quorum is present, may adjourn such meeting to another time and place. Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the Corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

2.9 Voting; Proxies. Unless otherwise provided in the Certificate of Incorporation, every Stockholder entitled to vote at any meeting of Stockholders shall be

entitled to one vote for each share of stock held by such Stockholder which has voting power upon the matter in question. At any meeting of Stockholders, all matters, except as otherwise provided by the Certificate of Incorporation, these By-laws, the rules and regulations of any stock exchange applicable to the Corporation, applicable law or pursuant to any rules or regulations applicable to the Corporation or its securities, shall be decided by the affirmative vote of a majority in voting power of shares of stock present in person or represented by proxy and entitled to vote thereon. At all meetings of Stockholders for the election of Directors, a plurality of the votes cast shall be sufficient to elect Directors as more fully provided under Section 3.3. Each Stockholder entitled to vote at a meeting of Stockholders may authorize another person or persons to act for such Stockholder by proxy but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only so long as, it is coupled with an interest sufficient in law to support an irrevocable power. A Stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary a revocation of the proxy or by delivering a new proxy bearing a later date.

2.10 Voting Procedures and Inspectors of Election at Meetings of Stockholders. The Board, in advance of any meeting of Stockholders, may, and shall if required by applicable law, appoint one or more inspectors, who may be employees of the Corporation, to act at the meeting and make a written report thereof. The Board may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting, the person presiding at the meeting may, and shall if required by applicable law, appoint one or more inspectors to

act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall (a) ascertain the number of shares outstanding and the voting power of each, (b) determine the shares represented at the meeting and the validity of proxies and ballots, (c) count all votes and ballots, (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (e) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of their duties. Unless otherwise provided by the Board, the date and time of the opening and the closing of the polls for each matter upon which the Stockholders will vote at a meeting shall be determined by the person presiding at the meeting and shall be announced at the meeting. No ballot, proxies or votes, or any revocation thereof or change thereto, shall be accepted by the inspectors after the closing of the polls unless the Court of Chancery of the State of Delaware upon application by a Stockholder shall determine otherwise. In determining the validity and counting of proxies and ballots cast at any meeting of Stockholders, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for office at an election may serve as an inspector at such election.

2.11 Conduct of Meetings; Director Nominations; Meeting Business and Other Stockholder Proposals.

2.11.1. Conduct of Meetings: The Board may adopt by resolution such rules and regulations for the conduct of the meeting of Stockholders as it shall deem

appropriate. At each meeting of Stockholders, the CEO, or in the absence of the CEO, the President, or in the absence of the President, the Chairman, or if there is no Chairman or if there be one and the Chairman is absent, a Vice President, and in case more than one Vice President shall be present, that Vice President designated by the Board (or in the absence of any such designation, the most senior Vice President, based on age, present), shall preside over the meeting. Except to the extent inconsistent with such rules and regulations as are adopted by the Board, the person presiding over any meeting of Stockholders shall have the right and authority to convene and to adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such person, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the presiding officer of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting applicable to Stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the person presiding over the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. The presiding officer at any meeting of Stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a matter or business was not properly brought before the meeting and if such presiding officer should so determine, such person shall so declare to

the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board or the person presiding over the meeting, meetings of Stockholders shall not be required to be held in accordance with the rules of parliamentary procedure. The Secretary, or in his or her absence, one of the Assistant Secretaries, shall act as secretary of the meeting. In case none of the officers above designated to act as the person presiding over the meeting or as secretary of the meeting, respectively, shall be present, a person presiding over the meeting or a secretary of the meeting, as the case may be, shall be designated by the Board, and in case the Board has not so acted, in the case of the designation of a person to act as secretary of the meeting, designated by the person presiding over the meeting.

2.11.2. Director Nominations: Only persons who are nominated in accordance with the following procedures shall be eligible for election as Directors. Nominations of persons for election to the Board may be made at an annual meeting or special meeting of Stockholders only (i) by or at the direction of the Board, (ii) by any nominating committee designated by the Board or (iii) by any Stockholder of the Corporation who was a Stockholder of record of the Corporation at the time the notice provided for in this Section 2.11 is delivered to the Secretary, who is entitled to vote for the election of Directors at the meeting and who complies with the applicable provisions of Section 2.11.4 hereof (persons nominated in accordance with (iii) above are referred to herein as “Stockholder nominees”).

2.11.3. Meeting Business: At any annual meeting of Stockholders, only such business shall be conducted as shall have been properly brought before the

meeting. To be properly brought before an annual meeting of Stockholders, (i) business must be specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board, (ii) otherwise properly brought before the meeting by or at the direction of the Board or (iii) otherwise properly brought before the meeting by a Stockholder who was a Stockholder of record of the Corporation at the time the notice provided for in this Section 2.11 is delivered to the Secretary, who is entitled to vote at the meeting and who complies with the applicable provisions of Section 2.11.4 hereof (business brought before the meeting in accordance with (iii) above is referred to as “Stockholder business”).

2.11.4. Other Stockholder Proposals: In addition to any other applicable requirements, at any annual or special meeting of Stockholders (i) all nominations of Stockholder nominees must be made by timely written notice given by or on behalf of a Stockholder of record of the Corporation (the “Notice of Nomination”) and (ii) all proposals of Stockholder business must be made by timely written notice given by or on behalf of a Stockholder of record of the Corporation (the “Notice of Business”). To be timely, the Notice of Nomination or the Notice of Business, as the case may be, must be delivered personally to, or mailed to, and received at the Office of the Corporation, addressed to the attention of the Secretary, (i) in the case of the nomination of a person for election to the Board or business to be conducted, at an annual meeting of Stockholders, not less than ninety (90) days nor more than one hundred and twenty (120) days prior to the first anniversary of the date of the prior year’s annual meeting of Stockholders or (ii) in the case of the nomination of a person for election to the Board at a special meeting of Stockholders, not more than one hundred and twenty (120) days prior

to and not less than the later of (a) ninety (90) days prior to such special meeting or (b) the tenth (10th) day following the day on which the notice of such special meeting was made by mail or Public Disclosure (as defined below); provided, however, that in the event that either (i) the annual meeting of Stockholders is advanced by more than thirty (30) days, or delayed by more than seventy (70) days, from the first anniversary of the prior year's annual meeting of Stockholders, (ii) no annual meeting was held during the prior year or (iii) in the case of the Corporation's first annual meeting of Stockholders following its IPO Date, notice by the Stockholder to be timely must be received (i) no earlier than one hundred and twenty (120) days prior to such annual meeting and (ii) no later than the later of ninety (90) days prior to such annual meeting or ten (10) days following the day the notice of such annual meeting was made by mail or Public Disclosure, regardless of any postponement, deferral or adjournment of the meeting to a later date. In no event shall the Public Disclosure of an adjournment or postponement of an annual or special meeting commence a new time period (or extend any time period) for the giving of the Notice of Nomination or Notice of Business, as applicable.

Notwithstanding anything in the immediately preceding paragraph to the contrary, in the event that the number of directors to be elected to the Board at an annual meeting is increased and there is no public announcement by the Corporation naming the nominees for the additional directorships at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a Notice of Nomination shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered at the Office of the Corporation, addressed to the attention of the Secretary, not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

The Notice of Nomination shall set forth (i) the name and record address of the Stockholder and/or beneficial owner proposing to make nominations, as they appear on the Corporation's books, (ii) the class and number of shares of stock held of record and beneficially by such Stockholder and/or such beneficial owner, (iii) a representation that the Stockholder is a holder of record of stock of the Corporation entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to propose such nomination, (iv) all information regarding each Stockholder nominee that would be required to be set forth in a definitive proxy statement filed with the Securities and Exchange Commission pursuant to Section 14 of the Exchange Act and the written consent of each such Stockholder nominee to being named in a proxy statement as a nominee and to serve if elected and (v) all other information that would be required to be filed with the Securities and Exchange Commission if the person proposing such nominations were a participant in a solicitation subject to Section 14 of the Exchange Act or any successor statute thereto. The Corporation may require any Stockholder nominee to furnish such other information as it may reasonably require to determine the eligibility of such Stockholder nominee to serve as a Director of the Corporation. The person presiding over the meeting shall, if the facts warrant, determine and declare to the meeting that any proposed nomination of a Stockholder nominee was not made in accordance with the foregoing procedures and, if he or she should so determine, shall so declare to the meeting, and the defective nomination shall be disregarded.

The Notice of Business shall set forth (i) the name and record address of the Stockholder and/or beneficial owner proposing such Stockholder business, as they appear on the Corporation's books, (ii) the class and number of shares of stock held of record and beneficially by such Stockholder and/or such beneficial owner, (iii) a representation that the Stockholder is a holder of record of stock of the Corporation entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to propose such business, (iv) a brief description of the Stockholder business desired to be brought before the annual meeting, the text of the proposal (including the text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend the By-laws, the language of the proposed amendment, and the reasons for conducting such Stockholder business at the annual meeting, (v) any material interest of the Stockholder and/or beneficial owner in such Stockholder business and (vi) all other information that would be required to be filed with the Securities and Exchange Commission if the person proposing such Stockholder business were a participant in a solicitation subject to Section 14 of the Exchange Act. Notwithstanding anything in these By-laws to the contrary, no business shall be conducted at the annual meeting of Stockholders except in accordance with the procedures set forth in Section 2.11.3 and this Section 2.11.4, provided, however, that nothing in this Section 2.11.4 shall be deemed to preclude discussion by any Stockholder of any business properly brought before the annual meeting in accordance with said procedures. Notwithstanding anything else to the contrary in these By-laws, any Stockholder business may be excluded if the exclusion of such Stockholder business is permitted by the applicable regulations of the Securities and Exchange Commission. Only such business shall be conducted at a special meeting of

Stockholders as shall have been brought before the special meeting pursuant to the Corporation's notice of meeting. The person presiding over the meeting shall, if the facts warrant, determine and declare to the meeting, that business was not properly brought before the meeting in accordance with the foregoing procedures and, if he or she should so determine, shall so declare to the meeting, and any such business not properly brought before the meeting shall not be transacted.

Notwithstanding the foregoing provisions of this Section 2.11, if the Stockholder (or a qualified representative of the Stockholder) does not appear at the annual or special meeting of Stockholders to present the Stockholder nomination or the Stockholder business, as applicable, such nomination shall be disregarded and such business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation.

For purposes of this Section 2.11, "Public Disclosure" shall be deemed to be first made when disclosure of such date of the annual or special meeting of Stockholders, as the case may be, is first made in a press release reported by the Dow Jones News Services, Associated Press or comparable national news service, or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act.

Notwithstanding the foregoing, a Stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.11. Nothing in this Section 2.11 shall be deemed to affect any rights of the holders of any series of preferred stock of the Corporation pursuant to any applicable provision of the Certificate of Incorporation.

2.12 Order of Business. The order of business at all meetings of Stockholders shall be as determined by the person presiding over the meeting.

ARTICLE 3

DIRECTORS

3.1 General Powers. Except as otherwise provided in the Certificate of Incorporation, the business and affairs of the Corporation shall be managed by or under the direction of the Board. The Board may adopt such rules and regulations, not inconsistent with the Certificate of Incorporation or these By-laws or applicable law, as it may deem proper for the conduct of its meetings and the management of the Corporation.

3.2 Number; Qualification; Term of Office. Except as otherwise provided in the Certificate of Incorporation, the Board shall consist of no fewer than 6 nor more than 12 members, the number thereof to be determined from time to time by resolution of the Board. Directors need not be Stockholders. Each Director shall hold office until a successor is duly elected and qualified or until the Director's earlier death, resignation, disqualification or removal. The Board (other than those Directors elected by the holders of any series of Preferred Stock provided for or fixed pursuant to the provisions of the Certificate of Incorporation (the "Preferred Stock Directors")) shall be divided into three classes, as nearly equal in number as possible, designated Class I, Class II and Class III. Class I Directors shall initially serve until the first annual meeting of Stockholders held after the IPO Date; Class II Directors shall initially serve until the second annual meeting of Stockholders held after the IPO Date; and Class III Directors shall initially serve until the third annual meeting of Stockholders held after the IPO Date. Commencing with the first annual meeting of Stockholders held after the IPO

Date, Directors of each class the term of which shall then expire shall be elected to hold office for a term expiring at the third succeeding annual meeting of Stockholders and until the election and qualification of their respective successors in office. In case of any increase or decrease, from time to time, in the number of Directors (other than Preferred Stock Directors), the number of directors in each class shall be apportioned as nearly equal as possible.

3.3 Election. Directors shall, except as otherwise required by applicable law or by the Certificate of Incorporation, be elected by a plurality of the votes cast at a meeting of Stockholders by the holders of shares present in person or represented by proxy at the meeting and entitled to vote in the election.

3.4 Newly Created Directorships and Vacancies. Unless otherwise provided by applicable law or the Certificate of Incorporation and subject to the rights of the holders of any series of Preferred Stock then outstanding, any newly created Directorships resulting from any increase in the authorized number of Directors or any vacancies in the Board resulting from death, resignation, retirement, disqualification, removal from office or other cause shall be filled solely by the affirmative vote of a majority of the remaining Directors then in office although less than a quorum, or by a sole remaining Director, and Directors so chosen shall hold office until the expiration of the term of office of the Director whom he or she has replaced and until his or her successor is duly elected and qualified or until such Director's earlier death, disqualification, resignation or removal. No decrease in the number of Directors constituting the Board shall shorten the term of any incumbent Director. When any Director shall give notice of resignation effective at a future date, the Board may fill such vacancy to take effect when such resignation shall become effective in accordance with the General Corporation Law.

3.5 Resignation. Any Director may resign at any time upon notice given in writing or by electronic transmission to the Corporation. Such resignation shall take effect at the time therein specified, and, unless otherwise specified in such resignation, the acceptance of such resignation shall not be necessary to make it effective.

3.6 Removal. Except for Preferred Stock Directors, any Director, or the Entire Board, may be removed from office at any time, but only for cause and only by the affirmative vote of at least $66\frac{2}{3}\%$ of the total voting power of the outstanding shares of stock of the Corporation entitled to vote generally in the election of Directors, voting together as a single class.

3.7 Compensation. Each Director, in consideration of his or her service as such, shall be entitled to receive from the Corporation such amount per annum or such fees (payable in cash or equity) for attendance at Directors' meetings, or both, as the Board may from time to time determine, together with reimbursement for the reasonable out-of-pocket expenses, if any, incurred by such Director in connection with the performance of his or her duties. Each Director who shall serve as a member of any committee of Directors in consideration of serving as such shall be entitled to such additional amount per annum or such fees for attendance at committee meetings, or both, as the Board may from time to time determine, together with reimbursement for the reasonable out-of-pocket expenses, if any, incurred by such Director in the performance of his or her duties. Nothing contained in this Section 3.7 shall preclude any Director from serving the Corporation or its subsidiaries in any other capacity and receiving proper compensation therefor.

3.8 Regular Meetings. Regular meetings of the Board may be held without notice at such times and at such places within or without the State of Delaware as shall from time to time be determined by the Board.

3.9 Special Meetings. Special meetings of the Board may be held at any time or place, within or without the State of Delaware, whenever called by the Chairman, the CEO, the President or the Secretary or by any two or more Directors then serving as Directors on at least 24 hours' notice to each Director given by one of the means specified in Section 3.12 hereof other than by mail, or on at least three days' notice if given by mail.

3.10 Telephone Meetings. Directors or members of any committee designated by the Board may participate in a meeting of the Board or of such committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 3.10 shall constitute presence in person at such meeting.

3.11 Adjourned Meetings. A majority of the Directors present at any meeting of the Board, including an adjourned meeting, whether or not a quorum is present, may adjourn such meeting to another time and place. At least 24 hours' notice of any adjourned meeting of the Board shall be given to each Director whether or not present at the time of the adjournment, if such notice shall be given by one of the means specified in Section 3.12 hereof other than by mail, or at least three (3) days' notice if by mail. Any business may be transacted at an adjourned meeting that might have been transacted at the meeting as originally called.

3.12 Notice Procedure. Subject to Sections 3.9 and 3.10 hereof, whenever, under the provisions of applicable law, the Certificate of Incorporation or these By-laws, notice is required to be given to any Director, such notice shall be deemed given effectively if given in person or by telephone, by mail addressed to such Director at such Director's address as it appears on the records of the Corporation, with postage thereon prepaid, or by telegram, telex, telecopy or other means of electronic transmission.

3.13 Waiver of Notice. Whenever the giving of any notice to Directors is required by applicable law, the Certificate of Incorporation or these By-laws, a waiver thereof, in writing, signed by the person or persons entitled to said notice, whether before or after the event as to which such notice is required, shall be deemed equivalent to notice. Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting except when the Director attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting has not been lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Directors or a committee of Directors need be specified in any written waiver of notice unless so required by applicable law, the Certificate of Incorporation or these By-laws.

3.14 Organization. At each meeting of the Board, the Chairman, or in the absence of the Chairman, the CEO or, in the absence of the CEO, the President, or in the absence of the President, a chairman chosen by a majority of the Directors present, shall preside. The Secretary shall act as secretary at each meeting of the Board. In case

the Secretary shall be absent from any meeting of the Board, an Assistant Secretary shall perform the duties of secretary at such meeting; and in the absence from any such meeting of the Secretary and all Assistant Secretaries, the person presiding at the meeting may appoint any person to act as secretary of the meeting.

3.15 Quorum of Directors. The presence in person of a majority of the Entire Board shall be necessary and sufficient to constitute a quorum for the transaction of business at any meeting of the Board.

3.16 Action by Majority Vote. Except as otherwise expressly required by applicable law, the Certificate of Incorporation or these By-laws, the act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board.

3.17 Action Without Meeting. Unless otherwise restricted by the Certificate of Incorporation or these By-laws, any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if all Directors or members of such committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

ARTICLE 4

COMMITTEES OF THE BOARD

The Board may, by resolution, designate one or more committees, each committee to consist of one or more of the Directors of the Corporation. The Board may

adopt charters for one or more of such committees. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. If a member of a committee shall be absent from any meeting, or disqualified from voting thereat, the remaining member or members present at the meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may, by a unanimous vote, appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent permitted by applicable law (including Section 141(c)(2) of the General Corporation Law as it exists now or may hereafter be amended) and to the extent provided in the resolution of the Board designating such committee or the charter for such committee, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it. The Board may remove any Director from any committee at any time, with or without cause. Unless otherwise specified in the resolution of the Board designating a committee or the charter for such committee, at all meetings of such committee, a majority of the then authorized members of the committee shall constitute a quorum for the transaction of business, and the vote of a majority of the members of the committee present at any meeting at which there is a quorum shall be the act of the committee. Each committee shall keep regular minutes of its meetings. Unless the Board otherwise provides, each committee designated by the Board may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board conducts its business pursuant to Article 3 of these By-laws.

ARTICLE 5

OFFICERS

5.1 Positions. The officers of the Corporation shall be a CEO, a President, a Secretary, a Treasurer and such other officers as the Board may elect, including a Chairman, a Chief Financial Officer, a Controller, one or more Vice Presidents and one or more Assistant Secretaries and Assistant Treasurers, who shall exercise such powers and perform such duties as shall be determined from time to time by resolution of the Board. The Board may elect one or more Vice Presidents as Executive Vice Presidents and may use descriptive words or phrases to designate the standing, seniority or areas of special competence of the Vice Presidents elected or appointed by it. Any number of offices may be held by the same person unless the Certificate of Incorporation or these By-laws otherwise provide.

5.2 Election. The officers of the Corporation shall be elected by the Board at its annual meeting or at such other time or times as the Board shall determine.

5.3 Term of Office. Each officer of the Corporation shall hold office for the term for which he or she is elected and until such officer's successor is elected and qualifies or until such officer's earlier death, resignation or removal. Any officer may resign at any time upon written notice to the Corporation. Such resignation shall take effect at the date of receipt of such notice or at such later time as is therein specified, and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective. The resignation of an officer shall be without prejudice to the contract

rights of the Corporation, if any. Any officer may be removed at any time, with or without cause, by the Board. Any vacancy occurring in any office of the Corporation may be filled by the Board. The removal of an officer, with or without cause, shall be without prejudice to the officer's contract rights, if any. The election or appointment of an officer shall not of itself create contract rights.

5.4 Fidelity Bonds. The Corporation may secure the fidelity of any or all of its officers or agents by bond or otherwise.

5.5 Chairman. The Chairman, if one shall have been appointed, shall preside at all meetings of the Board and shall exercise such powers and perform such other duties as shall be determined from time to time by resolution of the Board.

5.6 Chief Executive Officer. The CEO shall have general supervision over, and direction of, the business and affairs of the Corporation, subject, however, to the control of the Board and of any duly authorized committee of the Board. The CEO shall preside at all meetings of the Stockholders and at all meetings of the Board at which the Chairman (if there be one) is not present. The CEO may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts and other instruments, except in cases in which the signing and execution thereof shall be expressly delegated by resolution of the Board or by these By-laws to some other officer or agent of the Corporation, or shall be required by applicable law otherwise to be signed or executed and, in general, the CEO shall perform all duties incident to the office of CEO of a corporation and such other duties as may from time to time be assigned to the CEO by resolution of the Board.

5.7 President. The President shall have general supervision over, and direction of, the business and affairs of the Corporation, subject, however to the control of the CEO and the Board and any duly authorized committee of the Board. In the absence of the CEO, the President shall preside at meetings of the Stockholders and at meetings of the Board at which the Chairman (if there be one) is not present. The President may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts and other instruments, except in cases in which the signing and execution thereof shall be expressly delegated by resolution of the Board or by these By-laws to the CEO or some other officer or agent of the Corporation, or shall be required by applicable law otherwise to be signed or executed and, in general, the President shall perform all duties incident to the office of President of a corporation and such other duties as may from time to time be assigned to the President by resolution of the Board.

5.8 Chief Financial Officer. The Chief Financial Officer shall have overall supervision of the financial operations of the Corporation and shall perform all duties incident to the office of chief financial officer of a corporation and such other duties as may from time to time be assigned the Chief Financial Officer by the CEO or resolution of the Board.

5.9 Controller. The Controller shall be the chief accounting officer of the Corporation and shall perform all duties incident to the office of controller of a corporation and such other duties as may from time to time be assigned the Controller by the CEO, the Chief Financial Officer or resolution of the Board.

5.10 Vice Presidents. The Vice-Presidents shall perform such duties as may from time to time be assigned to such Vice Presidents by the CEO, the President or

resolution of the Board. At the request of the CEO or, in the absence of the CEO, the President, or, in the President's absence, at the request of the Board, the Vice Presidents shall (in such order as may be designated by the Board, or, in the absence of any such designation, in order of seniority based on age) perform all of the duties of the President and, in so performing, shall have all the powers of, and be subject to all restrictions upon, the President. Any Vice President may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts or other instruments, except in cases in which the signing and execution thereof shall be expressly delegated by resolution of the Board or by these By-laws to some other officer or agent of the Corporation, or shall be required by applicable law otherwise to be signed or executed.

5.11 Secretary. The Secretary shall attend all meetings of the Board and of the Stockholders and shall record all the proceedings of the meetings of the Board and of the Stockholders in a book to be kept for that purpose, and shall perform like duties for committees of the Board, when required. The Secretary shall give, or cause to be given, notice of all special meetings of the Board and of the Stockholders and shall perform such other duties as may be prescribed by the Board, the CEO or the President, under whose supervision the Secretary shall be. The Secretary shall have custody of the corporate seal of the Corporation, and the Secretary, or an Assistant Secretary, shall have authority to affix the same on any instrument requiring it, and when so affixed, the seal may be attested by the signature of the Secretary or by the signature of such Assistant Secretary. The Board may, by resolution, give general authority to any other officer to affix the seal of the Corporation and to attest the same by such officer's signature. The Secretary or an Assistant Secretary may also attest all instruments signed by the CEO, the

President or any Vice President. The Secretary shall have charge of all the books, records and papers of the Corporation relating to its organization and management, shall see that the reports, statements and other documents required by applicable law are properly kept and filed and, in general, shall perform all duties incident to the office of Secretary of a corporation and such other duties as may from time to time be assigned to the Secretary by resolution of the Board, by the CEO or by the President.

5.12 Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds, securities and notes of the Corporation; receive and give receipts for moneys due and payable to the Corporation from any sources whatsoever; deposit all such moneys and valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board; against proper vouchers, cause such funds to be disbursed by checks or drafts on the authorized depositories of the Corporation signed in such manner as shall be determined by the Board and be responsible for the accuracy of the amounts of all moneys so disbursed; regularly enter or cause to be entered in books or other records maintained for the purpose full and adequate account of all moneys received or paid for the account of the Corporation; have the right to require from time to time reports or statements giving such information as the Treasurer may desire with respect to any and all financial transactions of the Corporation from the officers or agents transacting the same; render to the CEO, the President or the Board, whenever the CEO, the President or the Board shall require the Treasurer so to do, an account of the financial condition of the Corporation and of all financial transactions of the Corporation; disburse the funds of the Corporation as ordered by the Board; and, in general, perform all duties incident to the office of Treasurer of a corporation and such other duties as may from time to time be assigned to the Treasurer by resolution of the Board, by the CEO or by the President.

5.13 Assistant Secretaries and Assistant Treasurers. Assistant Secretaries and Assistant Treasurers shall perform such duties as shall be assigned to them by the Secretary or by the Treasurer, respectively, or by resolution of the Board, by the CEO or by the President.

ARTICLE 6

INDEMNIFICATION

6.1 Right to Indemnification. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (a "Covered Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that he or she, or a person for whom he or she is legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity (an "Other Entity"), including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Covered Person in connection with such Proceeding. Notwithstanding the preceding sentence, except as otherwise provided in Section 6.3, the Corporation shall be required to indemnify a Covered Person in connection with a Proceeding (or part thereof) commenced by such Covered Person only if the commencement of such Proceeding (or part thereof) by the Covered Person was authorized by the Board.

6.2 Prepayment of Expenses. The Corporation shall pay the expenses (including attorneys' fees) incurred by a Covered Person in defending any Proceeding in advance of its final disposition, provided, however, that, to the extent required by applicable law, such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an undertaking by the Covered Person to repay all amounts advanced if it should be ultimately determined that the Covered Person is not entitled to be indemnified under this Article 6 or otherwise.

6.3 Claims. If a claim for indemnification or advancement of expenses under this Article 6 is not paid in full within 30 days after a written claim therefor by the Covered Person has been received by the Corporation, the Covered Person may file suit to recover the unpaid amount of such claim and, if successful, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

6.4 Nonexclusivity of Rights. The rights conferred on any Covered Person by this Article 6 shall not be exclusive of any other rights that such Covered Person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, these By-laws, agreement, vote of stockholders or disinterested directors or otherwise.

6.5 Other Sources. The Corporation's obligation, if any, to indemnify or to advance expenses to any Covered Person who was or is serving at its request as a

director, officer, employee or agent of an Other Entity shall be reduced by any amount such Covered Person collects as indemnification or advancement of expenses from such Other Entity.

6.6 Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article 6 shall not adversely affect any right or protection hereunder of any Covered Person in respect of any act or omission occurring prior to the time of such repeal or modification.

6.7 Other Indemnification and Prepayment of Expenses. This Article 6 shall not limit the right of the Corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Covered Persons when and as authorized by appropriate corporate action.

ARTICLE 7
GENERAL PROVISIONS

7.1 Certificates Representing Shares. Every holder of stock shall be entitled to have a certificate signed by or in the name of the Corporation by the Chairman, if any, the CEO, the President or a Vice President and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer, certifying the number of shares owned by such Stockholder in the Corporation. Any or all of the signatures upon a certificate may be facsimiles. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon any certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, such certificate may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue.

7.2 Transfer and Registry Agents. The Corporation may from time to time maintain one or more transfer offices or agents and registry offices or agents at such place or places as may be determined from time to time by the Board.

7.3 Lost, Stolen or Destroyed Certificates. The Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

7.4 Form of Records. Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or by means of, or be in the form of, any information storage device or method, provided that the records so kept can be converted into clearly legible paper form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect such records pursuant to applicable law.

7.5 Seal. The corporate seal shall have the name of the Corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

7.6 Fiscal Year. The fiscal year of the Corporation shall be determined by resolution of the Board.

7.7 Amendments. Subject to the provisions of the Certificate of Incorporation, these By-laws may be altered, amended or repealed and new By-laws may be adopted either (i) by the Board or (ii) by the affirmative vote of at least 66 ²/₃% of the voting power of shares of stock present in person or represented by proxy and entitled to vote thereon. The power of the Board to alter, amend or repeal By-laws or to adopt new By-laws shall not divest or limit the power of Stockholders to alter, amend or repeal By-laws or to adopt new By-laws.

REGISTRATION RIGHTS AGREEMENT

by and among

EXLSERVICE HOLDINGS, INC.

and the STOCKHOLDERS named herein

Dated: October 25, 2006

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REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT, dated as of October 25, 2006, by and among ExlService Holdings, Inc., a Delaware corporation (the "Company"), and the stockholders that are party to this Agreement from time to time, as set forth on the signature page hereto.

WHEREAS, the Company intends to consummate an Initial Public Offering (as hereinafter defined);

WHEREAS, the parties hereto desire to provide for, among other things, the grant of registration rights with respect to the Registrable Securities (as hereinafter defined) in contemplation of such Initial Public Offering.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. (a) Definitions. As used in this Agreement, and unless the context requires a different meaning, the following terms have the meanings indicated:

"Affiliate" means, with respect to a Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to a Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

"Agreement" means this Registration Rights Agreement as the same may be amended, supplemented or modified in accordance with the terms hereof.

"Approved Underwriter" has the meaning set forth in Section 3(f) of this Agreement.

"Automatic Shelf Registration Statement" means an "automatic shelf registration statement" as defined in Rule 405 promulgated under the Securities Act.

"Board of Directors" means the Board of Directors of the Company.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in the State of New York or Delaware are authorized or required by law or executive order to close.

"Closing Price" means, with respect to the Registrable Securities, as of the date of determination, (a) if the Registrable Securities are listed on a national securities exchange, the closing price per share of a Registrable Security on such date published in

The Wall Street Journal (National Edition) or, if no such closing price on such date is published in The Wall Street Journal (National Edition), the average of the closing bid and asked prices on such date, as officially reported on the principal national securities exchange on which the Registrable Securities are then listed or admitted to trading; or (b), if the Security is not listed or admitted to trading on any national securities exchange, the last sale price or, if such last sale price is not reported, the average of the high bid and low asked prices in the over-the-counter market, as reported by The Nasdaq Stock Market LLC or such other system then in use; or (c) if on any such date the Security is not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Security selected by the Company; or (d) if none of (a), (b) or (c) is applicable, a market price per share determined in good faith by the Board of Directors. If trading is conducted on a continuous basis on any exchange, then the closing price shall be as set forth at 4:00 P.M. New York City time.

“Commission” means the Securities and Exchange Commission or any similar agency then having jurisdiction to enforce the Securities Act.

“Common Stock” means (i) the Common Stock, par value \$0.001 per share, of the Company, (ii) any other common stock of the Company, (iii) any securities of the Company or any successor or assign of the Company into which such stock described in clauses (i) and (ii) is reclassified or reconstituted or into which such stock is converted or otherwise exchanged in connection with a combination of shares, recapitalization, merger, sale of assets, consolidation or other reorganization or otherwise or (iv) any securities received as a dividend or distribution in respect of the securities described in clauses (i), (ii), and (iii) above.

“Company” has the meaning set forth in the preamble to this Agreement.

“Company Free Writing Prospectus” means each Free Writing Prospectus prepared by or on behalf of the Company or used or referred to by the Company in connection with the offering of Registrable Securities.

“Company Underwriter” has the meaning set forth in Section 4(a) of this Agreement.

“Demand Registration” has the meaning set forth in Section 3(a) of this Agreement.

“Designated Stockholder” means collectively Financial Technology Ventures (Q), L.P., Financial Technology Ventures, L.P., Financial Technology Ventures II (Q), L.P., Financial Technology Ventures II, L.P., Oak Hill Capital Management Partners, L.P., Oak Hill Capital Partners, L.P., Vikram Talwar, the Vikram Talwar 2004 Spousal Lifetime Access Trust, the Vikram Talwar 2004 Grantor Retained Annuity Trust, the Urvashi Talwar 2004 Spousal Lifetime Access Trust, Rohit Kapoor, the Rohit Kapoor 2005 Spousal Lifetime Access Trust, the Shikha Kapoor 2005 Family Trust, the Rohit Kapoor 2005 Grantor Retained Annuity Trust and the assignees of each of the foregoing as permitted by Section 2(d) of this Agreement.

“Designated Stockholders’ Counsel” has the meaning set forth in Section 8(a)(i) of this Agreement.

“Disclosure Package” means, with respect to any offering of securities, (i) the preliminary Prospectus, (ii) each Free Writing Prospectus and (iii) all other information, in each case, that is deemed, under Rule 159 promulgated under the Securities Act, to have been conveyed to purchasers of securities at the time of sale of such securities (including, without limitation, a contract of sale).

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder.

“Existing Agreements” means, collectively, the (i) Stock Purchase Agreement, dated July 22, 2004, by and between the Company and NUI Investments Limited, (ii) Supplemental Stockholders Agreement, dated December 3, 2004, by and among the Company, TCV V, L.P. and TCV V Member Fund, L.P. and (iii) Option Agreement, dated as of July 1, 2004, by and between the Company and The Prudential Insurance Company of America Corporation.

“Free Writing Prospectus” means any “free writing prospectus” as defined in Rule 405 promulgated under the Securities Act.

“FTV” means Financial Technology Ventures (Q), L.P., Financial Technology Ventures, L.P., Financial Technology Ventures II (Q), L.P. and Financial Technology Ventures II, L.P., acting collectively.

“Hedging Counterparty” means a broker-dealer registered under Section 15(b) of the Exchange Act or an Affiliate thereof.

“Hedging Transaction” means any transaction involving a security linked to the Registrable Securities or any security that would be deemed to be a “derivative security” (as defined in Rule 16a-1(c) promulgated under the Exchange Act) with respect to the Registrable Securities or transaction (even if not a security) which would (were it a security) be considered such a derivative security, or which transfers some or all of the economic risk of ownership of the Registrable Securities, including, without limitation, any forward contract, equity swap, put or call, put or call equivalent position, collar, non-recourse loan, sale of exchangeable security or similar transaction. For the avoidance of doubt, the following transactions shall be deemed to be Hedging Transactions:

(a) transactions by a Designated Stockholder in which a Hedging Counterparty engages in short sales of Registrable Securities pursuant to a Prospectus and may use Registrable Securities to close out its short position;

(b) transactions pursuant to which a Designated Stockholder sells short Registrable Securities pursuant to a Prospectus and delivers Registrable Securities to close out its short position;

(c) transactions by a Designated Stockholder in which the Designated Stockholder delivers, in a transaction exempt from registration under the Securities Act, Registrable Securities to the Hedging Counterparty who will then publicly resell or otherwise transfer such Registrable Securities pursuant to a Prospectus or an exemption from registration under the Securities Act; and

(d) a loan or pledge of Registrable Securities to a Hedging Counterparty who may then become a selling stockholder and sell the loaned securities or, in an event of default in the case of a pledge, sell the pledged securities, in each case, in a public transaction pursuant to a Prospectus.

“Incidental Registration” has the meaning set forth in Section 4(a) of this Agreement.

“Indemnified Party” has the meaning set forth in Section 9(c) of this Agreement.

“Indemnifying Party” has the meaning set forth in Section 9(c) of this Agreement.

“Initial Public Offering” means the initial public offering of the shares of Common Stock of the Company pursuant to an effective Registration Statement filed under the Securities Act.

“Initiating Holders” (a) means, at any time, the Majority Designated Stockholders and (b) upon the earlier of (A) 18 months after the consummation of the Initial Public Offering or (B) 12 months after the consummation of the Initial Public Offering if a Demand Registration has been completed, also means (i) FTV and (ii) the Management Stockholders.

“Inspector” has the meaning set forth in Section 8(a)(viii) of this Agreement.

“IPO Pricing Date” means the date upon which the Company prices the Initial Public Offering.

“Liability” has the meaning set forth in Section 9(a) of this Agreement.

“Lock-up Agreement” means, with respect to each Designated Stockholder, the lock-up agreement entered into by such Designated Stockholder with the underwriters of the Initial Public Offering.

“Majority Designated Stockholders” means beneficial owners of Registrable Securities representing more than 50% of the total number of outstanding Registrable Securities (on an as-converted basis).

“Majority Initiating Holders” means Initiating Holders holding a majority of the Registrable Securities held by all of the Initiating Holders.

“Majority S-3 Initiating Holders” means S-3 Initiating Holders holding a majority of the Registrable Securities held by all of the S-3 Initiating Holders.

“Management Stockholders” means Vikram Talwar, the Vikram Talwar 2004 Spousal Lifetime Access Trust, the Vikram Talwar 2004 Grantor Retained Annuity Trust, the Urvashi Talwar 2004 Spousal Lifetime Access Trust, Rohit Kapoor, the Rohit Kapoor 2005 Spousal Lifetime Access Trust, the Shikha Kapoor 2005 Family Trust and the Rohit Kapoor 2005 Grantor Retained Annuity Trust, acting collectively.

“Market Price” means, on any date of determination, the average of the daily Closing Price of the Registrable Securities for the immediately preceding thirty (30) days on which the national securities exchanges are open for trading; provided, however, that if the Closing Price is determined pursuant to clause (c) of the definition of Closing Price, the “Market Price” means such Closing Price on the date of determination.

“NASD” means the National Association of Securities Dealers, Inc.

“Permitted Assignee” means, with respect to any Person, to the extent applicable, (i) such Person’s parents, spouse, siblings, children (including stepchildren and adopted children), children’s spouses, grandchildren or grandchildren’s spouses thereof (“Family Members”), (ii) a corporation, partnership or limited liability company, a majority of the beneficial interests of which shall be held by such Person, such Person’s Affiliates and/or such Person’s Family Members, (iii) a trust, the beneficiaries of which are such Person and/or such Person’s Family Members, (iv) such Person’s heirs, executors, administrators, estate or a trust under such Person’s will, (v) an entity described in Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended, that is established by such Person, (vi) any Affiliate of such Person and (vii) any Person to whom such Person transfers Registrable Securities representing at least 0.5% of the outstanding Common Stock as of the date of such transfer.

“Permitted Withdrawal” has the meaning set forth in Section 3(g) of this Agreement.

“Person” means any individual, firm, corporation, partnership, limited liability company, trust, incorporated or unincorporated association, joint venture, joint stock company, limited liability company, government (or an agency or political subdivision thereof) or other entity of any kind, and shall include any successor (by merger or otherwise) of such entity.

“Pledgee” has the meaning set forth in Section 2(d)(i).

“Prospectus” means the prospectus related to any Registration Statement (including, without limitation, a prospectus or prospectus supplement that discloses information previously omitted from a prospectus filed as part of an effective registration statement in reliance on Rule 415, 430A or 430B (or any successor rules or regulations) under the Securities Act), as amended or supplemented by any amendment or prospectus supplement, including post-effective amendments, and all materials incorporated by reference in such prospectus.

“Records” has the meaning set forth in Section 8(a)(viii) of this Agreement.

“Registrable Securities” means, subject to Section 2(b) and Section 2(d)(i), any and all shares of Common Stock now or hereafter owned by the Designated Stockholders or issued or issuable upon conversion of any convertible securities or exercise of any warrants or options now or hereafter held by any of the Designated Stockholders.

“Registration Expenses” has the meaning set forth in Section 8(d) of this Agreement.

“Registration Statement” means a registration statement filed pursuant to the Securities Act.

“S-3 Initiating Holders” has the meaning set forth in Section 5(a) of this Agreement.

“S-3 Participating Stockholders” has the meaning set forth in Section 5(a) of this Agreement.

“S-3 Registration” has the meaning set forth in Section 5(a) of this Agreement.

“Seasoned Issuer” means an issuer eligible to use Form S-3 or F-3 for a primary offering in reliance on General Instruction I.B.1 to those Forms.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

“underwritten public offering” of securities means a public offering of such securities registered under the Securities Act in which an underwriter, placement agent or other intermediary participates in the distribution of such securities, including, without limitation, a Hedging Transaction in which a Hedging Counterparty participates.

“Valid Business Reason” has the meaning set forth in Section 3(a) of this Agreement.

“Well-Known Seasoned Issuer” means a “well-known seasoned issuer” as defined in Rule 405 of the General Rules and Regulations promulgated under the Securities Act and which (a) is a “well-known seasoned issuer” under paragraph (1)(i)(A) of such definition or (b) is a “well-known seasoned issuer” under paragraph (1)(i)(B) of such definition and is also eligible to register a primary offering of its securities relying on General Instruction I.B.1 of Form S-3 or Form F-3 under the Securities Act.

(b) Interpretation. Unless otherwise noted:

(i) All references to laws, rules, regulations and forms in this Agreement shall be deemed to be references to such laws, rules, regulations and forms, as amended from time to time or, to the extent replaced, the comparable successor thereto in effect at the time.

(ii) All references to agencies, self-regulatory organizations or governmental entities in this Agreement shall be deemed to be references to the comparable successor thereto.

(iii) All references to agreements and other contractual instruments shall be deemed to be references to such agreements or other instruments as they may be amended from time to time.

2. General; Securities Subject to this Agreement

(a) Grant of Rights. The Company hereby grants registration rights to the Designated Stockholders upon the terms and conditions set forth in this Agreement.

(b) Registrable Securities. For the purposes of this Agreement, Registrable Securities held by any Designated Stockholder will cease to be Registrable Securities, when (i) a Registration Statement covering such Registrable Securities has been declared effective under the Securities Act by the Commission and such Registrable Securities have been disposed of pursuant to such effective Registration Statement (except as provided by Section 2(d)), (ii) the entire amount of the Registrable Securities held by any Designated Stockholder (x) represents less than 0.5% of the outstanding Common Stock and (y) may be sold in a single sale, in the opinion of counsel reasonably satisfactory to the Company, without any limitation as to volume pursuant to Rule 144 (or any successor rule or regulation) under the Securities Act or (iii) they have ceased to be outstanding.

(c) Holders of Registrable Securities. A Person is deemed to be a holder of Registrable Securities whenever such Person owns of record Registrable Securities, or holds an option to purchase, or a security convertible into or exercisable or exchangeable for, Registrable Securities whether or not such purchase, conversion, exercise or exchange has actually been effected. If the Company receives conflicting instructions, notices or elections from two or more Persons with respect to the same Registrable Securities, the Company may act upon the basis of the instructions, notice or election received from the registered owner of such Registrable Securities. Registrable Securities issuable upon exercise of an option or upon conversion, exercise or exchange of another security shall be deemed outstanding for the purposes of this Agreement.

(d) Transfer of Registration Rights.

(i) Each Designated Stockholder may transfer or pledge Registrable Securities with the associated registration rights under this Agreement (including transfers occurring by operation of law or by reason of intestacy) to a Permitted Assignee, an Affiliate of such Permitted Assignee or a pledgee (“Pledge”) only if (1) such Permitted Assignee, Affiliate or Pledgee agrees in writing to be bound as an Designated Stockholder by the provisions of this Agreement, with such agreement substantially in the form of Annex A hereto, and (2)(A) immediately following such transfer or pledge, the further disposition of such Registrable Securities by such Permitted Assignee, Affiliate or Pledgee would be restricted under the Securities Act and the entire amount of all such Registrable Securities could not be sold in a single sale, in the opinion of counsel reasonably satisfactory to the Company, without any limitation as to volume pursuant to Rule 144 (or any successor rule or regulation) under the Securities Act or (B) such Permitted Assignee, Affiliate or Pledgee, together with its Affiliates, beneficially owns Registrable Securities representing more than 5% of the outstanding shares of Common Stock as of the date of such transfer or pledge; provided, that, FTV and the Management Stockholders may not pursuant to this Section 2(d)(i) transfer any of their rights to act as the Initiating Holders pursuant to clause (b) of the definition thereof. Upon any transfer of Registrable Securities other than as set forth in this Section 2(d), such securities shall no longer constitute Registrable Securities, except that any Registrable Securities that are pledged or made the subject of a Hedging Transaction, which Registrable Securities are not ultimately disposed of by the Designated Stockholder pursuant to such pledge or Hedging Transaction shall, to the extent such Registrable Securities remain “restricted securities” under the Securities Act, be deemed to remain “Registrable Securities” notwithstanding the release of such pledge or the completion of such Hedging Transaction.

(ii) If a Designated Stockholder assigns its rights under this Agreement in connection with the transfer of less than all of its Registrable Securities, the Designated Stockholder shall retain its rights under this Agreement with respect to its remaining Registrable Securities. If a Designated Stockholder assigns its rights under this Agreement in connection with the transfer of all of its Registrable Securities, such Designated Stockholder shall have no further rights or obligations under this Agreement, except under Section 8 hereof in respect of offerings in which it participated.

3. Demand Registration.

(a) Request for Demand Registration. At any time, and from time to time, the Initiating Holders may make a written request to the Company to register, and the Company shall register, under the Securities Act (other than pursuant to a Registration Statement on Form S-4 or S-8 or any successor form thereto), in accordance with the terms of this Agreement (a “Demand Registration”), the number of Registrable Securities stated in such request; provided, however, that the Company shall not be obligated to effect (i) more than three such Demand Registrations, (ii) a Demand Registration if the Initiating Holders propose to sell Registrable Securities in such Demand Registration at an anticipated aggregate offering price (calculated based upon

the Market Price of the Registrable Securities on the date on which the Company receives the written request for such Demand Registration) to the public of less than \$20,000,000 unless such Demand Registration includes all of the then-outstanding Registrable Securities, (iii) any such Demand Registration commencing prior to the time permitted under any applicable Lock-up Agreement of the Designated Stockholders, as such Lock-up Agreement may be amended or waived, or (iv) any such Demand Registration within ninety (90) days after the effective date of any other Registration Statement of the Company (other than a Registration Statement on Form S-4 or S-8 or any successor form thereto); provided, further, however, that notwithstanding the foregoing, each of FTV and the Management Stockholders may not exercise its right to act an Initiating Holder pursuant to clause (b) of the definition thereof (i) more than once or (ii) if such holder does not own at least 7.5% of the Company's outstanding Common Stock as of the date such holder seeks to exercise such right. In addition, if the Board of Directors, in its good faith judgment, determines that any registration of Registrable Securities should not be made or continued because it would materially interfere with any material financing, acquisition, corporate reorganization or merger or other material transaction involving the Company (a "Valid Business Reason"), (x) the Company may postpone filing a Registration Statement (but not the preparation of the Registration Statement) relating to a Demand Registration until such Valid Business Reason no longer exists, but in no event for more than forty-five (45) days after the date when the Demand Registration was requested or, if later, after the occurrence of the Valid Business Reason and (y) in case a Registration Statement has been filed relating to a Demand Registration, the Company, upon the approval of a majority of the Board of Directors, may postpone amending or supplementing such Registration Statement (in which case, if the Valid Business Reason no longer exists or if more than forty-five (45) days have passed since such postponement, the Initiating Holders may request the prompt amendment or supplement of such Registration Statement or request a new Demand Registration (which request shall not be counted as an additional Demand Registration for purposes of clause (i) above)). The Company shall give written notice to all Designated Stockholders of its determination to postpone a Registration Statement and of the fact that the Valid Business Reason for such postponement no longer exists, in each case, promptly after the occurrence thereof. Notwithstanding anything to the contrary contained herein, the Company may not postpone a filing under this Section 3(a) due to a Valid Business Reason more than once in any six (6) month period. Each request for a Demand Registration by the Initiating Holders shall state the amount of the Registrable Securities proposed to be sold and the intended method of disposition thereof.

(b) Incidental or "Piggy-Back" Rights with Respect to a Demand Registration. Any Designated Stockholder which has not requested a registration under Section 3(a) may, pursuant to this Section 3(b), offer its Registrable Securities under any Demand Registration. The Company shall (i) as promptly as practicable, but in no event later than five (5) days after the receipt of a request for a Demand Registration from an Initiating Holder, give written notice thereof to all of the Designated Stockholders (other than Initiating Holders which have requested a registration under Section 3(a)), which notice shall specify the number of Registrable Securities subject to the request for Demand Registration, the names and notice

information of the Initiating Holders and the intended method of disposition of such Registrable Securities, and (ii) subject to Section 3(e), include in the Registration Statement filed pursuant to the Demand Registration all of the Registrable Securities held by such Designated Stockholders from whom the Company has received a written request for inclusion therein within ten (10) days of the date on which the Company sent the written notice referred to in clause (i) above. Each such request by such Designated Stockholders shall specify the number of Registrable Securities proposed to be registered. The failure of any Designated Stockholder to respond within such 10-day period referred to in clause (ii) above shall be deemed to be a waiver of such Designated Stockholder's rights under this Section 3(b) with respect to such Demand Registration. Any Designated Stockholder may waive its rights under this Section 3(b) prior to the expiration of such 10-day period by giving written notice to the Company.

(c) Effective Demand Registration. The Company shall use its commercially reasonable efforts to cause any such Demand Registration to become effective as promptly as practicable but in no event later than the later of (i) one hundred and twenty (120) days after it receives a request under Section 3(a) hereof and (ii) ninety (90) days after the effective date of any other Registration Statement of the Company (other than a Registration Statement on Form S-4 or S-8 or any successor form thereto) that had been filed but not yet declared effective at the time such Demand Registration was made, and to remain continuously effective for the lesser of (i) the period during which all Registrable Securities registered in the Demand Registration are sold or (ii) 120 days.

(d) Expenses. Except as provided in Section 3(g) or 8(d), the Company shall pay all Registration Expenses in connection with a Demand Registration, whether or not such Demand Registration becomes effective.

(e) Underwriting Procedures. If the Company or the Majority Initiating Holders so elect, the Company shall use its commercially reasonable efforts to cause the offering made pursuant to such Demand Registration to be in the form of a firm commitment underwritten offering and the managing underwriter or underwriters selected for such offering shall be the Approved Underwriter selected in accordance with Section 3(f). In connection with any Demand Registration under this Section 3 involving an underwritten offering, none of the Registrable Securities held by any Designated Stockholder making a request for inclusion of such Registrable Securities pursuant to Section 3(a) or 3(b) hereof shall be included in such underwritten offering unless such Designated Stockholder accepts the terms of the offering as agreed upon by the Company, the Majority Initiating Holders and the Approved Underwriter, and then only in such quantity as set forth below. If the Approved Underwriter advises the Company that the aggregate amount of such Registrable Securities requested to be included in such offering is sufficiently large to have a material adverse effect on the distribution of sales price of the Registrable Securities in such offering, then the Company shall include in such Demand Registration, to the extent of the amount that the Approved Underwriter believes may be sold without causing such material adverse effect, first, such number of Registrable Securities of the Designated Stockholders participating in the offering under

Section 3(a) or 3(b), which Registrable Securities shall be allocated pro rata among such Designated Stockholders participating in the offering (on an as converted basis), based on the number of Registrable Securities held by each such Designated Stockholder, second, any other securities of the Company requested by holders thereof to be included in such registration, pro rata among such other holders on the basis of the number of securities that each such holder requested to be included in such registration, except to the extent any such holders have agreed under the Existing Agreements to grant priority with regard to participation in such registration to any of the other holders, and third, securities offered by the Company for its own account.

(f) Selection of Underwriters. If any Demand Registration or S-3 Registration, as the case may be, of Registrable Securities is in the form of an underwritten offering, the Company shall select and obtain one or more investment banking firms of national reputation to act as the managing underwriter or underwriters of the offering; provided, however, that such firm shall, in any case, also be approved by the Majority Initiating Holders or Majority S-3 Initiating Holders, as the case may be, such approval not to be unreasonably delayed or withheld. Notwithstanding the foregoing, if any S-3 Registration of Registrable Securities is in the form of a Hedging Transaction, the Majority S-3 Initiating Holders shall select and obtain an investment banking firm of national reputation to act as the managing underwriter (or the equivalent position) of the Hedging Transaction; provided, however, that such firm shall, in any case, also be approved by the Company, such approval not to be unreasonably delayed or withheld. An investment banking firm or firms selected pursuant to this Section 3(f) shall be referred to as the "Approved Underwriter" in this Agreement.

(g) Withdrawal. The Majority Initiating Holders shall be entitled to withdraw or revoke a request for a Demand Registration without the prior written consent of the Company if (i) such withdrawal or revocation is as a result of facts or circumstances arising after the date on which a request for a Demand Registration was made and the Initiating Holders reasonably determine that participation in such registration would have a material adverse effect on the Initiating Holders, (ii) the Closing Price declines by more than ten percent (10%) from the date the Initiating Holders requested such Demand Registration or (iii) the Initiating Holders agree to pay all fees and expenses incurred by the Company in connection with such withdrawn registration (each, a "Permitted Withdrawal"). If a Permitted Withdrawal occurs under clauses (i) or (ii) above, the related Demand Registration shall be counted as a Demand Registration for purposes of Section 3(a), and if a Permitted Withdrawal occurs under clause (iii) above, the related Demand Registration shall not be counted as a Demand Registration for purposes of Section 3(a). Any Permitted Withdrawal shall constitute and effect an automatic withdrawal by all other Initiating Holders and any other Designated Stockholder participating in such Demand Registration pursuant to the provisions of Section 3(b). In addition, immediately upon determination of the price at which such Registrable Securities are to be sold in the offering, if such price is below the price which any Designated Stockholder participating in the Demand Registration finds acceptable, such Designated Stockholder shall then have the right, by written notice to the Company, to withdraw its Registrable Securities from being included in such Registration Statement.

4. Incidental or “Piggy-Back” Registration.

(a) Request for Incidental or “Piggy-Back” Registration. At any time after the IPO Pricing Date, if the Company proposes to file a Registration Statement with respect to an offering of Common Stock by the Company for its own account (other than a Registration Statement on Form S-4 or S-8 or any successor form thereto) or for the account of any stockholder of the Company other than Designated Stockholders pursuant to Sections 3 and 5 hereof, then the Company shall give written notice of such proposed filing to each of the Designated Stockholders at least twenty (20) days before the anticipated filing date, which notice shall describe the proposed registration and distribution and offer such Designated Stockholders the opportunity to register the number of Registrable Securities that each such Designated Stockholder may request (an “Incidental Registration”). The Company shall use its commercially reasonable efforts (within twenty (20) days after the notice provided for in the preceding sentence) to cause the managing underwriter or underwriters in the case of a proposed underwritten offering (the “Company Underwriter”) to permit each Designated Stockholder who has requested in writing to participate in the Incidental Registration pursuant to this Section 4(a) to include the number of such Designated Stockholder’s Registrable Securities indicated by such Designated Stockholder in such offering on the same terms and conditions as the Common Stock of the Company or the account of such other stockholder, as the case may be, included therein. Prior to the effective date of the Registration Statement with respect to which such Incidental Registration has been requested, immediately upon determination of the price at which such Registrable Securities are to be sold, if such price is below the price which any Designated Stockholder who requested to participate in the Incidental Registration finds acceptable, such Designated Stockholder shall then have the right, by written notice to the Company, to withdraw its request to have its Registrable Securities included in such Registration Statement. Any withdrawal of the Registration Statement by the Company for any reason shall constitute and effect an automatic withdrawal of any Incidental Registration related thereto. In connection with any Incidental Registration under this Section 4(a) involving an underwritten offering, the Company shall not be required to include any Registrable Securities in such underwritten offering unless the Designated Stockholders thereof accept the terms of the underwritten offering as agreed upon between the Company, such other stockholders, if any, and the Company Underwriter, and then only in such quantity as set forth below. If the Company Underwriter determines that the registration of all or part of the securities that have been requested to be included would materially adversely affect the distribution or sales price of the securities in such offering, then the Company shall be required to include in such Incidental Registration, to the extent of the amount that the Company Underwriter believes may be sold without causing such material adverse effect, first, all of the shares of Common Stock to be offered for the account of the Company, in the case of a Company initiated Incidental Registration, or the stockholders who have requested such Incidental Registration, in the case of a stockholder initiated Incidental Registration, second, any Registrable Securities and any

other shares of Common Stock requested by holders thereof (including the Designated Stockholders) to be included in such registration, pro rata among the Designated Stockholders and such other holders on the basis of the number of securities that each such holder requested to be included in such registration, except to the extent any such other holders have agreed under the Existing Agreements to grant priority with regard to participation in such registration to any of the other holders, and third, all of the shares of Common Stock to be offered for the account of the Company, in the case of a stockholder initiated Incidental Registration.

(b) Expenses. Except as provided in Section 8(d), the Company shall bear all Registration Expenses in connection with any Incidental Registration pursuant to this Section 4, whether or not such Incidental Registration becomes effective.

5. Form S-3 Registration.

(a) Request for a Form S-3 Registration. Upon the Company becoming eligible for use of Form S-3 or any successor form thereto under the Securities Act in connection with a secondary public offering of its equity securities, in the event that the Company shall receive from the Majority Designated Stockholders (collectively, the "S-3 Initiating Holders") a written request that the Company register under the Securities Act on Form S-3 or any successor form then in effect (an "S-3 Registration") the sale of all or a portion of the Registrable Securities owned by such S-3 Initiating Holders (which S-3 Registration may be a shelf registration pursuant to Rule 415 promulgated under the Securities Act (or any successor rule or regulation)), the Company shall give written notice of such request to all of the other Designated Stockholders (other than S-3 Initiating Holders which have requested an S-3 Registration under this Section 5(a)) as promptly as practicable but in no event later than ten (10) days before the anticipated filing date of such Form S-3, which notice shall describe the proposed registration, the intended method of disposition of such Registrable Securities and any other information that at the time would be appropriate to include in such notice, and offer such other Designated Stockholders the opportunity to register the number of Registrable Securities as each such Designated Stockholder may request in writing to the Company, given within ten (10) days of the date on which the Company sent the written notice of such registration. Each request for an S-3 Registration by the S-3 Initiating Holders shall state the amount of the Registrable Securities proposed to be sold and the intended method of disposition thereof. With respect to each S-3 Registration, the Company shall, subject to Section 5(b), (i) include in such offering the Registrable Securities of the S-3 Initiating Holders and the Designated Stockholders who have requested in writing to participate in such registration on the same terms and conditions as the Registrable Securities of the S-3 Initiating Holders included therein (collectively, the "S-3 Participating Stockholders") and (ii) use its commercially reasonable efforts to cause such registration pursuant to this Section 5(a) to become and remain effective as soon as practicable but in no event earlier than 90 days after the effective date of any other Registration Statement of the Company (other than a Registration Statement on Form S-4 or S-8 or any successor form thereto) that had been filed with the Commission

but not yet declared effective at the time such registration was requested. Notwithstanding the foregoing, immediately upon determination of the price at which such Registrable Securities are to be sold in a S-3 Registration that is a firm commitment underwritten offering, if such price is below the price which any Participating S-3 Stockholder finds acceptable, such Participating S-3 Stockholder shall then have the right, by written notice to the Company, to withdraw its Registrable Securities from being included in such offering; provided, that such a withdrawal by any one of the S-3 Initiating Holders shall constitute and effect an automatic withdrawal by all other Participating S-3 Stockholders. If the S-3 Initiating Holders request, and if the Company is a Well-Known Seasoned Issuer, the Company shall cause such S-3 Registration to be made pursuant to an Automatic Shelf Registration Statement and may omit the names of the Participating S-3 Stockholders and the amount of the Registrable Securities to be offered thereunder.

(b) Form S-3 Underwriting Procedures. If the Majority S-3 Initiating Holders so elect, the Company shall use its commercially reasonable efforts to cause such S-3 Registration pursuant to this Section 5 to be in the form of a firm commitment underwritten offering and the managing underwriter or underwriters selected for such offering shall be the Approved Underwriter selected in accordance with Section 3(f). In connection with any S-3 Registration under Section 5(a) involving an underwritten offering, the Company shall not be required to include any Registrable Securities in such underwritten offering unless the Designated Stockholders thereof accept the terms of the underwritten offering as agreed upon between the Company, the Approved Underwriter and the Majority S-3 Initiating Holders, and then only in such quantity as set forth below. If the Approved Underwriter advises the Company that the registration of all or part of the Registrable Securities which the S-3 Initiating Holders and the other Designated Stockholders have requested to be included would materially adversely affect the distribution or sales price of the Registrable Securities in such public offering, then the Company shall include in such underwritten offering, to the extent of the amount that the Approved Underwriter believes may be sold without causing such material adverse effect, first, such number of Registrable Securities of the Designated Stockholders participating in the offering under Section 3(a), which Registrable Securities shall be allocated pro rata among such Designated Stockholders participating in the offering (on an as converted basis), based on the number of Registrable Securities held by each such Designated Stockholder, second, any other securities of the Company requested by holders thereof to be included in such registration, pro rata among such other holders on the basis of the number of securities that each such holder requested to be included in such registration, except to the extent any such holders have agreed under the Existing Agreement to grant priority with regard to participation in such registration to any of the other holders, and third, securities offered by the Company for its own account.

(c) Limitations on Form S-3 Registrations. If the Board of Directors has a Valid Business Reason, (x) the Company may postpone filing a Registration Statement relating to an S-3 Registration (but not the preparation of the Registration Statement) until such Valid Business Reason no longer exists, but in no

event for more than forty-five (45) days after the date when the S-3 Registration was requested or, if later, after the occurrence of the Valid Business Reason and (y) in case a Registration Statement has been filed relating to a S-3 Registration, the Company, upon the approval of a majority of the Board of Directors or may postpone amending or supplementing such Registration Statement (in which case, if the Valid Business Reason no longer exists or if more than forty-five (45) days have passed since such postponement, the S-3 Initiating Holders may request the prompt amendment or supplement of such Registration Statement or a new S-3 Registration). The Company shall give written notice to all Designated Stockholders of its determination to postpone or delay amending or supplementing a Registration Statement and of the fact that the Valid Business Reason for such postponement or delay no longer exists, in each case, promptly after the occurrence thereof. Notwithstanding anything to the contrary contained herein, the Company may not postpone a filing or delay amending or supplementing a filing, under this Section 5(c), due to a Valid Business Reason more than once in any six (6) month period. In addition, the Company shall not be required to effect any registration pursuant to Section 5(a), (i) within ninety (90) days after the effective date of any other Registration Statement of the Company (other than a Registration Statement on Form S-4 or S-8 or any successor form thereto), (ii) if Form S-3 is not available for such offering by the S-3 Initiating Holders or (iii) if the S-3 Initiating Holders, together with the Designated Stockholders (other than S-3 Initiating Holders which have requested an S-3 Registration under Section 5(a)) registering Registrable Securities in such registration, propose to sell their Registrable Securities at an aggregate price (calculated based upon the Market Price of the Registrable Securities on the last date on which the Company could receive requests for inclusion in such S-3 Registration under Section 5(a)) to the public of less than \$20,000,000.

(d) Expenses. Except as provided in Section 8(d), the Company shall bear all Registration Expenses in connection with any S-3 Registration pursuant to this Section 5, whether or not such S-3 Registration becomes effective.

(e) Automatic Shelf Registration Statement. After the Registration Statement with respect to a S-3 Registration that is an Automatic Shelf Registration Statement becomes effective, upon written request by the S-3 Initiating Holders, the Company shall, as promptly as practicable after receiving such request, (i) file with the Commission a prospectus supplement naming the S-3 Participating Stockholders as selling stockholders and the amount of Registrable Securities to be offered and to include, to the extent not included or incorporated by reference in the Registration Statement, any other information omitted from the Prospectus used in connection with such Registration Statement as permitted by Rule 430B promulgated under the Securities Act (including the plan of distribution) and (ii) to pay any necessary filing fees within the time period required.

6. Hedging Transactions.

(a) In any S-3 Registration, the S-3 Initiating Holders may elect to engage in a Hedging Transaction. The Company agrees that, in connection with

any proposed Hedging Transaction, if, in the reasonable judgment of Designated Stockholders' Counsel (after good-faith consultation with counsel to the Company), it is necessary or desirable to register under the Securities Act such Hedging Transaction or sales or transfers (whether short or long) of Registrable Securities in connection therewith, then the Company shall use commercially reasonable efforts to take such actions (which may include, among other things, the filing of a prospectus supplement or post-effective amendment to a Registration Statement to include additional or changed information that is material or is otherwise required to be disclosed, including, without limitation, a description of such Hedging Transaction, the name of the Hedging Counterparty, identification of the Hedging Counterparty or its Affiliates as underwriters or potential underwriters, if applicable, or any change to the plan of distribution) as may reasonably be required to register such Hedging Transaction or sales or transfers of Registrable Securities in connection therewith under the Securities Act in a manner consistent with the rights and obligations of the Company hereunder with respect to the registration of Registrable Securities. Any information regarding the Hedging Transaction included in a Registration Statement, Prospectus or Free Writing Prospectus pursuant to this Section 6(a) shall, for purposes of Section 9, be deemed to be information provided by the Designated Stockholder that is party to such Hedging Transaction and is selling Registrable Securities pursuant to such Registration Statement for purposes of Section 9.

(b) The selection of any Hedging Counterparty shall not be subject to Section 3(f), but the Hedging Counterparty shall be selected by the Designated Stockholders holding a majority of the Registrable Securities subject to the Hedging Transaction that are proposed to be included in such Registration Statement.

(c) If in connection with a Hedging Transaction, a Hedging Counterparty or any Affiliate thereof is (or may be considered) an underwriter or selling stockholder, then it shall be required to provide customary indemnities to the Company regarding the plan of distribution and like matters.

(d) The Company further agrees to include, under the caption "Plan of Distribution" (or the equivalent caption), in each Registration Statement and any related Prospectus (to the extent such inclusion is permitted under applicable Commission regulations and is consistent with comments received from the Commission during any Commission review of the Registration Statement), language substantially in the form of Annex B hereto and to include in each Prospectus supplement filed in connection with any proposed Hedging Transaction language mutually agreed upon by the Company, the relevant Designated Stockholder and the Hedging Counterparty describing such Hedging Transaction.

7. Holdback Agreements.

(a) Restrictions on Public Sale by Designated Stockholders.

(i) To the extent requested by the Approved Underwriter or the Company Underwriter, as the case may be, in the case of an

underwritten public offering, each Designated Stockholder (other than any Pledgee or Hedging Counterparty), agrees (x) not to effect any public sale or distribution of any Registrable Securities or of any securities convertible into or exchangeable or exercisable for such Registrable Securities, including a sale pursuant to Rule 144 (or any successor rule or regulation) promulgated under the Securities Act, or offer to sell, contract to sell (including, without limitation, any short sale), grant any option to purchase or enter into any hedging or similar transaction with the same economic effect as a sale of any Registrable Securities and (y) except as otherwise consented to by the Company, not to make any request for a Demand Registration or S-3 Registration under this Agreement, in each case, during the period beginning on the effective date of any Registration Statement relating to a registration in which Designated Stockholders of Registrable Securities are participating and ending on the ninetieth (90th) day following the actual effective date of such Registration Statement (except as part of such registration); provided, however, that any waiver or exception from these provisions with respect to a Designated Stockholder by the Company, any Approved Underwriter or any Company Underwriter shall automatically apply to all Designated Stockholders. In connection with the Initial Public Offering, in lieu of the foregoing provisions of this Section 7(a), each Designated Stockholder shall comply with the terms of its applicable Lock-up Agreement.

(ii) Notwithstanding anything herein to the contrary, no Pledgee or Hedging Counterparty shall be required to agree to any restriction on its ability to trade in any securities, including the restrictions set forth in this Section 7(a). The Designated Stockholders hereby agree that they shall act in good faith with respect to the restrictions set forth in Section 7(a) and shall take no action or omit to take any action with the intention of circumventing or evading the restrictions applicable to them under this 7(a).

(b) Restrictions on Public Sale by the Company. Unless the Company shall have received the prior written consent of the Majority Designated Stockholders, the Company agrees not to (i) effect any public sale or distribution of any of its securities, or any securities convertible into or exchangeable or exercisable for such securities (except pursuant to registrations on Form S-4 or S-8 or any successor form thereto), (ii) file any Registration Statements relating to the registration of securities for the Company's account (except pursuant to registrations on Form S-4 or S-8 or any successor form thereto), or (iii) make any public announcements related to clause (i) or (ii), in each case, during the period beginning on the effective date of any Registration Statement relating to a registration in which the Designated Stockholders of Registrable Securities are participating and ending on the earlier of (X) the date on which all Registrable Securities registered on such Registration Statement are sold and (Y) 90 days after the actual effective date of such Registration Statement (except as part of such registration).

8. Registration Procedures.

(a) Obligations of the Company. Whenever registration of Registrable Securities has been requested or required pursuant to Section 3, Section 4 or Section 5, the Company shall use its commercially reasonable efforts to effect the

registration and sale of such Registrable Securities in accordance with the intended method of distribution thereof as quickly as practicable, and in connection with any such request, the Company shall:

(i) as expeditiously as possible, prepare and file with the Commission a Registration Statement on any form for which the Company then qualifies or which counsel for the Company shall deem appropriate and which form shall be available for the sale of such Registrable Securities in accordance with the intended method of distribution thereof, and cause such Registration Statement to become effective; provided, however, that (x) before filing a Registration Statement or Prospectus or any amendments or supplements thereto (including, without limitation, any documents incorporated by reference therein), or before using any Free Writing Prospectus, the Company shall provide one firm of legal counsel selected by the Designated Stockholders holding a majority of the Registrable Securities being registered in such registration ("Designated Stockholders' Counsel") and any other Inspector with an opportunity to review and comment on such Registration Statement and each Prospectus included therein (and each amendment or supplement thereto) and each Free Writing Prospectus to be filed with the Commission, subject to such documents being under the Company's control, and (y) the Company shall notify the Designated Stockholders' Counsel and each seller of Registrable Securities pursuant to such Registration Statement of any stop order issued or threatened by the Commission and take all reasonable actions required to prevent the entry of such stop order or to remove it if entered;

(ii) as expeditiously as possible, prepare and file with the Commission such amendments and supplements to such Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement effective for the lesser of (x) 120 days (or, in the case of an S-3 Registration, three years from the effective date of the Registration Statement if such Registration Statement is filed pursuant to Rule 415 promulgated under the Securities Act (or any successor rule or regulation)) and (y) such shorter period which will terminate when all Registrable Securities covered by such Registration Statement have been sold (or, if such Registration Statement is an Automatic Shelf Registration Statement, on the third anniversary of the date of filing of such Automatic Shelf Registration Statement); and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such Registration Statement;

(iii) as expeditiously as possible, furnish to each seller of Registrable Securities such number of copies of such Registration Statement, each amendment and supplement thereto (in each case including all exhibits thereto), the Prospectus included in such Registration Statement (including each preliminary Prospectus), any Prospectus filed under Rule 424 under the Securities Act and any Free Writing Prospectus as each such seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such seller;

(iv) as expeditiously as possible, register or qualify such Registrable Securities under such other securities or “blue sky” laws of such jurisdictions as any seller of Registrable Securities may reasonably request, and to continue such registration or qualification in effect in such jurisdiction for as long as permissible pursuant to the laws of such jurisdiction, or for as long as any such seller requests or until all of such Registrable Securities are sold, whichever is shortest, and do any and all other acts and things which may be reasonably necessary or advisable to enable any such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller; provided, however, that the Company shall not be required to (x) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 8(a)(iv), (y) subject itself to taxation in any such jurisdiction or (z) consent to general service of process in any such jurisdiction;

(v) as expeditiously as possible following its actual knowledge thereof, notify each seller of Registrable Securities: (A) when a Prospectus, any Prospectus supplement, any Free Writing Prospectus, a Registration Statement or a post-effective amendment to a Registration Statement has been filed with the Commission, and, with respect to a Registration Statement or any post-effective amendment, when the same has become effective; (B) of any request by the Commission or any other federal or state governmental authority for amendments or supplements to a Registration Statement, related Prospectus or Free Writing Prospectus or for additional information; (C) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceedings for such purpose; and (D) of the existence of any fact or happening of any event of which the Company has knowledge which makes any statement of a material fact in such Registration Statement, related Prospectus or Free Writing Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue or which would require the making of any changes in the Registration Statement, Prospectus or Free Writing Prospectus in order that, in the case of the Registration Statement, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and that in the case of such Prospectus or Free Writing Prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(vi) as expeditiously as possible, upon the occurrence of any event contemplated by Section 8(a)(v)(D) or, subject to Sections 3(a) and 5(c), the existence of a Valid Business Reason, as promptly as practicable, prepare a supplement or amendment to such Registration Statement, related Prospectus or Free Writing Prospectus and furnish to each seller of Registrable Securities a reasonable number of copies of such supplement to or an amendment of such Registration Statement, Prospectus or Free Writing Prospectus as may be necessary so that, after delivery to the purchasers of such Registrable Securities, in the case of the Registration Statement, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading,

and that in the case of such Prospectus or Free Writing Prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(vii) enter into and perform customary agreements (including an underwriting agreement in customary form with the Approved Underwriter or Company Underwriter, if any, selected as provided in Section 3, Section 4 or Section 5, as the case may be) and take such other commercially reasonable actions as are reasonably required in order to expedite or facilitate the disposition of such Registrable Securities and shall provide all reasonable cooperation, including causing its appropriate officers to attend and participate in “road shows” and other information meetings organized by the Approved Underwriter or Company Underwriter, if applicable, and causing counsel to the Company to deliver customary legal opinions in connection with any such underwriting agreements;

(viii) make available at reasonable times for inspection by any managing underwriter or broker/dealer participating in any disposition of such Registrable Securities pursuant to a Registration Statement, any attorney retained by any such managing underwriter or broker/dealer and Designated Stockholders’ Counsel (each, an “Inspector” and collectively, the “Inspectors”), all financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries (collectively, the “Records”) as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company’s and its subsidiaries’ officers, directors and employees, and the Company’s independent registered public accounting firm, to supply all information reasonably requested by any such Inspector in connection with such Registration Statement. Records that the Company determines, in good faith, to be confidential and which it notifies the Inspectors are confidential shall not be disclosed by the Inspectors (and the Inspectors shall confirm their agreement in writing in advance to the Company if the Company shall so request) unless (x) the disclosure of such Records is necessary, in the Company’s judgment, to avoid or correct a misstatement or omission in the Registration Statement, (y) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction after exhaustion of all appeals therefrom or (z) the information in such Records was known to the Inspectors on a non-confidential basis prior to its disclosure by the Company or has been made generally available to the public. Each seller of Registrable Securities agrees that it shall, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company and allow the Company, at the Company’s expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential. In the event that the Company is unsuccessful in preventing the disclosure of such Records, such seller agrees that it shall furnish only portion of those Records which it is advised by counsel is legally required and shall exercise all reasonable efforts to obtain reliable assurance that confidential treatment will be accorded to those Records;

(ix) if such sale is pursuant to an underwritten offering, obtain a “cold comfort” letter dated the effective date of the Registration Statement and

the date of the closing under the underwriting agreement from the Company's independent registered public accounting firm in customary form and covering such matters of the type customarily covered by "cold comfort" letters as the managing underwriter reasonably requests;

(x) furnish, at the request of any seller of Registrable Securities on the date such securities are delivered to the underwriters for sale pursuant to such registration or, if such securities are not being sold through underwriters, on the date the Registration Statement with respect to such securities becomes effective, an opinion, dated such date, of counsel representing the Company for the purposes of such registration, addressed to the underwriters, if any, and to the seller making such request, covering such legal matters with respect to the registration in respect of which such opinion is being given as the underwriters, if any, and such seller may reasonably request and are customarily included in such opinions;

(xi) comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable but no later than fifteen (15) months after the effective date of the Registration Statement, an earnings statement covering a period of twelve (12) months beginning after the effective date of the Registration Statement, in a manner which satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder;

(xii) cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed, provided that the applicable listing requirements are satisfied;

(xiii) cooperate with each seller of Registrable Securities and each underwriter participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with the NASD;

(xiv) use its commercially reasonable efforts to cause the Registrable Securities covered by such Registration Statement to be registered with or approved by such other governmental agencies or authorities, as may be reasonably necessary by virtue of the business and operations of the Company to enable the seller or sellers of Registrable Securities to consummate the disposition of such Registrable Securities; and

(xv) take all other steps reasonably necessary to effect the registration of the Registrable Securities contemplated hereby and reasonably cooperate with the holders of such Registrable Securities to facilitate the disposition of such Registrable Securities pursuant thereto;

(xvi) as expeditiously as possible and within the deadlines specified by the Securities Act, make all required filings of all Prospectuses and Free Writing Prospectuses with the Commission; and

(xvii) as expeditiously as possible and within the deadlines specified by the Securities Act, make all required filing fee payments in respect of any Registration Statement or Prospectus used under this Agreement (and any offering covered thereby).

(b) Seller Requirements. In connection with any offering under any Registration Statement under this Agreement, each Designated Stockholder (i) shall promptly furnish to the Company in writing such information with respect to such Designated Stockholder and the intended method of disposition of its Registrable Securities as the Company may reasonably request or as may be required by law for use in connection with any related Registration Statement or Prospectus (or amendment or supplement thereto) and all information required to be disclosed in order to make the information previously furnished to the Company by such Designated Stockholder not contain a material misstatement of fact or necessary to cause such Registration Statement or Prospectus (or amendment or supplement thereto) not to omit a material fact with respect to such Designated Stockholder necessary in order to make the statements therein not misleading; (ii) shall comply with the Securities Act and the Exchange Act and all applicable state securities laws and comply with all applicable regulations in connection with the registration and the disposition of the Registrable Securities; and (iii) shall not use any Free Writing Prospectus without the prior written consent of the Company. If any seller of Registrable Securities fails to provide such information required to be included in such Registration Statement by applicable securities laws or otherwise necessary or desirable in connection with the disposition of such Registrable Securities in a timely manner after written request therefor, the Company may exclude such seller's Registrable Securities from a registration under Sections 3, 4 or 5 hereof.

(c) Notice to Discontinue. Each Designated Stockholder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 8(a)(v)(D) or, subject to Section 3(a) and 5(c), the existence of Valid Business Reason, such Designated Stockholder shall forthwith discontinue disposition of Registrable Securities pursuant to the Registration Statement covering such Registrable Securities until such Designated Stockholder's receipt of the copies of the supplemented or amended Prospectus or Free Writing Prospectus contemplated by Section 8(a)(vi) (or if no supplemental or amended prospectus or Free Writing Prospectus is required, upon confirmation from the Company that use of the Prospectus or Free Writing Prospectus is once again permitted) and, if so directed by the Company, such Designated Stockholder shall deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Designated Stockholder's possession, of the Prospectus or Free Writing Prospectus covering such Registrable Securities which is current at the time of receipt of such notice. If the Company shall give any such notice, the Company shall extend the period during which such Registration Statement shall be maintained effective pursuant to this Agreement (including, without limitation, the period referred to in Section 8(a)(ii)) by the number of days during the period from and including the date of the giving of such notice pursuant to Section 8(a)(v)(D) to and including the date when sellers of such Registrable Securities under such Registration Statement shall have received the copies of the supplemented or amended Prospectus or Free Writing Prospectus contemplated by and meeting the requirements of Section 8(a)(v).

(d) Registration Expenses. The Company shall pay all expenses arising from or incident to its performance of, or compliance with, this Agreement, including, without limitation, (i) Commission, stock exchange and NASD registration and filing fees, (ii) all fees and expenses incurred in complying with state securities or “blue sky” laws (including reasonable fees, charges and disbursements of counsel to any underwriter incurred in connection with “blue sky” qualifications of the Registrable Securities as may be set forth in any underwriting agreement), (iii) all printing, messenger and delivery expenses, (iv) the fees, charges and expenses of counsel to the Company and of its independent registered public accounting firm and any other accounting fees, charges and expenses incurred by the Company (including, without limitation, any expenses arising from any “cold comfort” letters or any special audits incident to or required by any registration or qualification) and, the reasonable and documented legal fees, charges and expenses of one law firm designated by the holders of a majority of the Registrable Securities participating in any registration incurred by the Designated Stockholders in any such registration and (v) any liability insurance or other premiums for insurance obtained in connection with any Demand Registration or piggy-back registration thereon, Incidental Registration or S-3 Registration pursuant to the terms of this Agreement, regardless of whether such Registration Statement is declared effective. All of the expenses described in the preceding sentence of this Section 8(d) are referred to herein as “Registration Expenses.” The Designated Stockholders of Registrable Securities sold pursuant to a Registration Statement shall bear the expense of any broker’s commission or underwriter’s discount or commission relating to registration and sale of such Designated Stockholders’ Registrable Securities and shall, other than as set forth in clause (iv) above, bear the fees and expenses of their own counsel.

9. Indemnification; Contribution.

(a) Indemnification by the Company. The Company agrees to indemnify and hold harmless each Designated Stockholder, its partners, directors, officers, Affiliates, stockholders, members, employees, trustees and each Person who controls (within the meaning of Section 15 of the Securities Act) such Designated Stockholder from and against any and all losses, claims, damages, liabilities and expenses, or any action or proceeding in respect thereof (including reasonable costs of investigation and reasonable attorneys’ fees and expenses) (each, a “Liability” and collectively, “Liabilities”), arising out of or based upon (a) any untrue, or allegedly untrue, statement of a material fact contained in the Disclosure Package, the Registration Statement, the Prospectus, any Free Writing Prospectus or in any amendment or supplement thereto; and (b) the omission or alleged omission to state in the Disclosure Package, the Registration Statement, the Prospectus, any Free Writing Prospectus or in any amendment or supplement thereto any material fact required to be stated therein or necessary to make the statements therein not misleading under the circumstances such statements were made; provided, however, that the Company shall not be held liable in any such case to the extent that any such Liability arises out of or is based upon an untrue

statement or alleged untrue statement or omission or alleged omission contained in such Disclosure Package, Registration Statement, Prospectus, Free Writing Prospectus or such amendment or supplement thereto in reliance upon and in conformity with information concerning such Designated Stockholder furnished in writing to the Company by or on behalf of such Designated Stockholder expressly for use therein, including, without limitation, the information furnished to the Company pursuant to Sections 8(b) and 9(b). The Company shall also provide customary indemnities to any underwriters of the Registrable Securities, their officers, directors and employees and each Person who controls such underwriters (within the meaning of Section 15 of the Securities Act) to the same extent as provided above with respect to the indemnification of the Designated Stockholders of Registrable Securities.

(b) Indemnification by Designated Stockholders. In connection with any offering in which a Designated Stockholder is participating pursuant to Section 3, 4 or 5, such Designated Stockholder agrees severally to indemnify and hold harmless the Company, the other Designated Stockholders, any underwriter retained by the Company and each Person who controls the Company, the other Designated Stockholders or such underwriter (within the meaning of Section 15 of the Securities Act) to the same extent as the foregoing indemnity from the Company to the Designated Stockholders (including indemnification of their respective partners, directors, officers, members, employees and trustees), but only to the extent that Liabilities arise out of or are based upon a statement or alleged statement or an omission or alleged omission that was made in reliance upon and in conformity with information with respect to such Designated Stockholder furnished in writing to the Company by or on behalf of such Designated Stockholder expressly for use in such Disclosure Package, Registration Statement, Prospectus, Free Writing Prospectus or such amendment or supplement thereto, including, without limitation, the information furnished to the Company pursuant to Section 8(b); provided, however, that the total amount to be indemnified by such Designated Stockholder pursuant to this Section 9(b) shall be limited to the net proceeds received by such Designated Stockholder in the offering to which such Disclosure Package, Registration Statement, Prospectus, Free Writing Prospectus or such amendment or supplement thereto relates.

(c) Conduct of Indemnification Proceedings. Any Person entitled to indemnification or contribution hereunder (the "Indemnified Party") agrees to give prompt written notice to the indemnifying party (the "Indemnifying Party") after the receipt by the Indemnified Party of any written notice of the commencement of any action, suit, proceeding or investigation or threat thereof made in writing for which the Indemnified Party intends to claim indemnification or contribution pursuant to this Agreement; provided, however, that the failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of any Liability that it may have to the Indemnified Party hereunder (except to the extent that the Indemnifying Party is materially prejudiced or otherwise forfeits substantive rights or defenses by reason of such failure). If notice of commencement of any such action is given to the Indemnifying Party as above provided, the Indemnifying Party shall be entitled to participate in and, to the extent it may wish, jointly with any other Indemnifying Party similarly notified, to assume the defense of

such action at its own expense, with counsel chosen by it and reasonably satisfactory to such Indemnified Party. Each Indemnified Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be paid by the Indemnified Party unless (i) the Indemnifying Party agrees to pay the same, (ii) the Indemnifying Party fails to assume the defense of such action with counsel reasonably satisfactory to the Indemnified Party or (iii) the named parties to any such action (including any impleaded parties) include both the Indemnifying Party and the Indemnified Party and such parties have been advised by such counsel that either (x) representation of such Indemnified Party and the Indemnifying Party by the same counsel would be inappropriate under applicable standards of professional conduct or (y) there may be one or more legal defenses available to the Indemnified Party which are different from or additional to those available to the Indemnifying Party. In any of such cases, the Indemnifying Party shall not have the right to assume the defense of such action on behalf of such Indemnified Party, it being understood, however, that the Indemnifying Party shall not be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) for all Indemnified Parties and all such expenses shall be reimbursed as incurred. No Indemnifying Party shall be liable for any settlement entered into without its written consent, which consent shall not be unreasonably withheld. No Indemnifying Party shall, without the consent of such Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which such Indemnified Party is a party and indemnity has been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability for claims that are the subject matter of such proceeding. Notwithstanding the foregoing, if at any time an Indemnified Party shall have requested the Indemnifying Party to reimburse the Indemnified Party for fees and expenses of counsel as contemplated by this Section 9, the Indemnifying Party agrees that it shall be liable for any settlement of any proceeding effected without the Indemnifying Party's written consent if (i) such settlement is entered into more than thirty (30) business days after receipt by the Indemnifying Party of the aforesaid request and (ii) the Indemnifying Party shall not have reimbursed the Indemnified Party in accordance with such request or contested the reasonableness of such fees and expenses prior to the date of such settlement.

(d) Contribution. If the indemnification provided for in this Section 9 from the Indemnifying Party is unavailable to an Indemnified Party hereunder or insufficient to hold harmless an Indemnified Party in respect of any Liabilities referred to herein, then each Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Liabilities in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions which resulted in such Liabilities, as well as any other relevant equitable considerations. The relative faults of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, such Indemnifying Party or

Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party as a result of the Liabilities referred to above shall be deemed to include, subject to the limitations set forth in Sections 9(a), 9(b) and 9(c), any legal or other fees, charges or expenses reasonably incurred by such party in connection with any investigation or proceeding; provided, that the total amount to be contributed by any Designated Stockholder shall be limited to the net proceeds (after deducting the underwriters' discounts and commissions) received by such Designated Stockholder in the offering.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 9(d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

10. Rule 144. The Company covenants that from and after the IPO Pricing Date it shall take such action as may be required from time to time to enable such Designated Stockholder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (i) Rule 144 under the Securities Act, as such rule may be amended from time to time, or (ii) any similar rules or regulations hereafter adopted by the Commission. The Company shall, upon the request of any Designated Stockholder, deliver to such Designated Stockholder a written statement as to whether it has complied with such requirements.

11. Miscellaneous.

(a) Stock Splits, etc. The provisions of this Agreement shall be appropriately adjusted for any stock dividends, splits, reverse splits, combinations recapitalizations and the like occurring after the date hereof.

(b) No Inconsistent Agreements. The Company hereby represents and warrants that, except for the Existing Agreements, it has not previously entered into any agreement granting registration rights to any Person with respect to any securities of the Company. The Company shall not enter into any agreement with respect to its securities that is inconsistent with the rights granted to the Designated Stockholders in this Agreement or grant any additional registration rights to any Person or with respect to any securities that are not Registrable Securities which rights are inconsistent with the rights granted in this Agreement.

(c) Remedies. The Designated Stockholders, in addition to being entitled to exercise all rights granted by law, including recovery of damages, shall be entitled to specific performance of their rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agrees to waive in any action for specific performance the defense that a remedy at law would be adequate.

(d) Amendments and Waivers. Except as otherwise provided herein, the provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given unless consented to in writing by the Company and Majority Designated Stockholders; provided, however, that no amendment, modification, supplement, waiver or consent to depart from the provisions hereof shall be effective if such amendment, modification, supplement, waiver or consent to depart from the provisions hereof materially and adversely affects the substantive rights or obligations of one Designated Stockholder, or group of Designated Stockholders, without a similar and proportionate effect on the substantive rights or obligations of all Designated Stockholders, unless each such disproportionately affected Designated Stockholder consents in writing thereto.

(e) Notices. All notices, demands and other communications provided for or permitted hereunder shall be made in writing and shall be made by registered or certified first-class mail, return receipt requested, telecopy, electronic transmission, courier service or personal delivery:

(i) If to the Company:

ExlService Holdings, Inc.
350 Park Avenue
New York, New York 10022
Telecopy: (212) 277-7111
Attention: General Counsel

with a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019-6064
Telecopy: (212) 757-3990
Attention: John C. Kennedy, Esq.

(ii) If to any Designated Stockholder, at its address as it appears in the books and records of the Company.

All such notices, demands and other communications shall be deemed to have been duly given when delivered by hand, if personally delivered; when delivered by courier, if delivered by commercial courier service; five (5) Business Days after being deposited in the mail, postage prepaid, if mailed; and when receipt is acknowledged, if telecopied, or electronically transmitted. Any party may by notice given in accordance with this Section 11(e) designate another address or Person for receipt of notices hereunder.

(f) Permitted Assignees; Third Party Beneficiaries. This Agreement shall inure to the benefit of and be binding upon the permitted assignees of the parties hereto as provided in Section 2(d). Except as provided in Section 9, no Person other than the parties hereto and their permitted assignees is intended to be a beneficiary of this Agreement.

(g) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(h) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(i) GOVERNING LAW. **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW THEREOF.**

(j) Severability. If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired.

(k) Rules of Construction. Unless the context otherwise requires, references to sections or subsections refer to sections or subsections of this Agreement. Terms defined in the singular have a comparable meaning when used in the plural, and vice versa.

(l) Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto with respect to the subject matter contained herein. There are no restrictions, promises, representations, warranties or undertakings with respect to the subject matter contained herein, other than those set forth or referred to herein. This Agreement supersedes all prior agreements and understandings among the parties with respect to such subject matter.

(m) Further Assurances. Each of the parties shall execute such documents and perform such further acts as may be reasonably required or desirable to carry out or to perform the provisions of this Agreement.

(n) Other Agreements. Nothing contained in this Agreement shall be deemed to be a waiver of, or release from, any obligations any party hereto may have under, or any restrictions on the transfer of Registrable Securities or other securities of the Company imposed by, any other agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned have executed, or have caused to be executed, this Registration Rights Agreement on the date first written above.

EXLSERVICE HOLDINGS, INC.

By: /s/ Rohit Kapoor

Name: Rohit Kapoor

Title: President and CFO

OAK HILL CAPITAL PARTNERS, L.P.

By: /s/ John R. Monsky

Name: John R. Monsky

Title: Vice President

OAK HILL CAPITAL MANAGEMENT PARTNERS, L.P.

By: /s/ John R. Monsky

Name: John R. Monsky

Title: Vice President

FINANCIAL TECHNOLOGY VENTURES, L.P.

By: /s/ David A Haynes

Name: David A. Haynes

Title: Partner and COO

FINANCIAL TECHNOLOGY VENTURES (Q), L.P.

By: /s/ David A Haynes

Name: David A. Haynes

Title: Partner and COO

FINANCIAL TECHNOLOGY VENTURES II (Q), L.P.

By: /s/ David A Haynes

Name: David A. Haynes

Title: Partner and COO

FINANCIAL TECHNOLOGY VENTURES II, L.P.

By: /s/ David A Haynes

Name: David A. Haynes

Title: Partner and COO

/s/ Vikram Talwar

Vikram Talwar

VIKRAM TALWAR 2004 SPOUSAL LIFETIME ACCESS TRUST

By: /s/ Urvashi Talwar

Name: Urvashi Talwar

Title: Trustee

By: /s/ Rohit Kapoor

Name: Rohit Kapoor

Title: Trustee

URVASHI TALWAR 2004 SPOUSAL LIFETIME ACCESS TRUST

By: /s/ Vikram Talwar

Name: Vikram Talwar

Title: Trustee

By: /s/ Rohit Kapoor

Name: Rohit Kapoor

Title: Trustee

VIKRAM TALWAR 2004 GRANTOR RETAINED ANNUITY TRUST

By: /s/ Vikram Talwar

Name: Vikram Talwar

Title: Trustee

/s/ Rohit Kapoor

Rohit Kapoor

ROHIT KAPOOR 2005 SPOUSAL LIFETIME ACCESS TRUST

By: /s/ Shikha Kapoor

Name: Shikha Kapoor

Title: Trustee

By: /s/ Tulika Kapoor

Name: Tulika Kapoor

Title: Trustee

SHIKHA KAPOOR 2005 FAMILY TRUST

By: /s/ Rohit Kapoor

Name: Rohit Kapoor

Title: Trustee

By: /s/ Tulika Kapoor

Name: Tulika Kapoor

Title: Trustee

ROHIT KAPOOR 2005 GRANTOR RETAINED ANNUITY TRUST

By: /s/ Rohit Kapoor

Name: Rohit Kapoor

Title: Trustee

[Name and Address of Transferee]

ExlService Holdings, Inc.
350 Park Avenue
New York, New York 10022

[Name and Address of Transferor]

_____, 200__

Ladies and Gentlemen:

Reference is made to the Registration Rights Agreement, dated as of _____, 2006 (the "Registration Rights Agreement"), by and among ExlService Holdings, Inc., a Delaware corporation, and the certain stockholders named therein. All capitalized terms used herein but not otherwise defined shall have the meanings given to them in the Registration Rights Agreement.

In connection with the transfer by **[Name of Transferor]** of Registrable Securities with associated registration rights under the Registration Rights Agreement to **[Name of Transferee]** as transferee (the "Transferee"), the Transferee hereby agrees to be bound as a Designated Stockholder by the provisions of the Registration Rights Agreement as provided under Section 2(d)(i) thereto.

This consent shall be governed by New York law.

Yours sincerely,

[Name of Transferee]

By: _____
Name:
Title:

Plan of Distribution

A selling stockholder may also enter into hedging and/or monetization transactions. For example, a selling stockholder may:

- enter into transactions with a broker-dealer or affiliate of a broker-dealer or other third party in connection with which that other party will become a selling stockholder and engage in short sales of our common stock under this prospectus, in which case the other party may use shares of our common stock received from the selling stockholder to close out any short position;
- sell short our common stock under this prospectus and use shares of our common stock held by the selling stockholder to close out any short position;
- enter into options, forwards or other transactions that require the selling stockholder to deliver, in a transaction exempt from registration under the Securities Act, shares of our common stock to a broker-dealer or an affiliate of a broker-dealer or other third party who may then become a selling stockholder and publicly resell or otherwise transfer shares of our common stock under this prospectus;
- loan or pledge shares of our common stock to a broker-dealer or affiliate of a broker-dealer or other third party who may then become a selling stockholder and sell the loaned shares or, in an event of default in the case of a pledge, become a selling stockholder and sell the pledged shares, under this prospectus; or
- enter into derivative transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. If the applicable prospectus supplement indicates, in connection with those derivatives, the third parties may sell securities covered by this prospectus and the applicable prospectus supplement, including in short sale transactions. If so, the third party may use securities pledged by the selling stockholder or borrowed from the selling stockholder or others to settle those sales or to close out any related open borrowings of stock, and may use securities received from the selling stockholder in settlement of those derivatives to close out any related open borrowings of stock. The third party in such sale transactions will be an underwriter and will be identified in the applicable prospectus supplement (or a post effective amendment).

This STOCK REPURCHASE AGREEMENT, dated October 25, 2006 (this "Agreement"), by and among ExlService Holdings, Inc., a Delaware corporation (the "Company"), and the holders of Series A Preferred Stock, par value \$0.001 per share, of the Company (the "Preferred Stock"), listed on Schedule I hereto (the "Selling Stockholders").

WHEREAS, the Company is in the process of consummating an initial public offering (the "Public Offering") of its shares of common stock, pursuant to the Securities Act of 1933; and

WHEREAS, the Company intends to use a portion of the proceeds from the Public Offering to repurchase all of its outstanding shares of Preferred Stock;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I
REPURCHASE

1.1 Share Repurchase. Upon consummation of the Public Offering, (the "Repurchase Date"), and effective solely upon such consummation and the other terms of this Agreement, each Selling Stockholder agrees to sell, and the Company agrees to repurchase, the number of shares of Preferred Stock set forth opposite such Selling Stockholder's name on Schedule I hereto (with respect to each Selling Stockholder, such Selling Stockholder's "Repurchased Shares").

1.2 Consideration. The aggregate consideration payable by the Company for the Repurchased Shares (the "Repurchase Price") shall equal the applicable Liquidation Preference (as defined in the Company's Amended and Restated Certificate of Incorporation), including accrued and unpaid dividends, of such Repurchased Shares as of the Repurchase Date. The applicable Repurchase Price shall be payable to each Selling Stockholder upon receipt by the Company of the share certificates representing such Selling Stockholders' Repurchased Shares and all other documents evidencing the Selling Stockholder's ownership of the Repurchased Shares, properly endorsed by the Selling Stockholder for transfer to the Company or accompanied by properly executed assignments to the Company in proper form, together with transfer tax stamps, if any. Payment of the applicable Repurchase Price shall be made by wire transfer to those Selling Stockholders who have provided wire transfer instructions to the Company at least 2 business days prior to the Repurchase Date or by check.

1.3 Cessation of Rights. Unless there shall have been a default in payment by the Company of the Repurchase Price, all rights of the Selling Stockholders to the Repurchased Shares shall cease with respect to such shares from and after the Repurchase Date and the Selling Stockholders shall cease to be stockholders of the Company with respect to such Repurchased Shares and shall be entitled only to receive the applicable Repurchase Price, without interest, upon surrender of the share certificates representing such Repurchased Shares and other documents as provided in Section 1.2 above.

ARTICLE II
REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of the Parties. The Company represents to each Selling Stockholder and each Selling Stockholder represents, severally, and not jointly, to the Company that:

(a) such party has the full power and authority to enter into, execute and deliver this Agreement and to perform the transactions contemplated hereby and, if such party is not a natural person, such party is duly incorporated or organized and existing under the laws of the jurisdiction of its incorporation or organization;

(b) the execution and delivery by such party of this Agreement and the performance by such party of the transactions contemplated hereby have been duly authorized by all necessary corporate or other action of such party;

(c) assuming the due authorization, execution and delivery hereof by the other parties, this Agreement constitutes the legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally; and

(d) the execution, delivery and performance of this Agreement by such party and the consummation of the transactions contemplated hereby will not, (i) violate any provision of the organizational or governance documents of such party, (ii) require such party to obtain any consent, approval or action of, or make any filing with or give any notice to, any governmental authority in such party's country of organization or any other person pursuant to any instrument, contract or other agreement to which such party is a party or by which such party is bound, other than any such consent, approval, action or filing that has already duly obtained or made, (iii) conflict with or result in any material breach or violation of any of the terms and conditions of, or constitute (or with notice or lapse of time or both constitute) a default under, any instrument, contract or other agreement to which such party is a party or by which such party is bound, (iv) violate any order, judgment or decree against, or binding upon, such party or upon its respective securities, properties or businesses, or (v) violate any law or regulation of such party's country of organization or any other country in which it maintains its principal office.

2.2 Additional Representations and Warranties of the Selling Stockholders. Each Selling Stockholder represents, severally, and not jointly, to the Company that such Selling Stockholder owns beneficially and of record its Repurchased Shares and has good, valid and marketable title to its Repurchased Shares, free and clear of all encumbrances. Such Selling Stockholder has the unrestricted power and authority to transfer its Repurchased Shares to the Company. Upon delivery to the Company of the share certificates representing such Selling Stockholder's Repurchased Shares and payment therefor, the Company shall acquire good, valid and marketable title to such Repurchased Shares, free and clear of all encumbrances.

ARTICLE III
MISCELLANEOUS

3.1 Survival. All of the representations and warranties made herein shall survive indefinitely.

3.2 Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto in connection with the subject matter hereof.

3.3 Heirs, Successors and Assigns. The terms of this Agreement shall be binding upon, and shall inure to the benefit of the Company and the Selling Stockholders and their respective heirs, successors and assigns.

3.4 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement. If a provision of this Agreement is held to be invalid and the rest of this Agreement is not invalidated, each party shall use all reasonable efforts to effect as far as practicable and valid under applicable law a new provision to achieve the purpose of such invalidated provision.

3.5 Counterparts. This Agreement may be executed by in any number of counterparts, each when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument.

3.6 Further Assurances. Each of the parties shall execute such documents and perform such further acts (including obtaining any consents, exemptions, authorizations or other actions by, or giving any notices to, or making any filings with, any governmental authority or any other person) as may be reasonably required or desirable to carry out or to perform the provisions of this Agreement.

3.7 GOVERNING LAW; WAIVER OF JURY TRIAL.

(a) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAW PROVISIONS THEREOF.

(b) TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, EACH PARTY HEREBY WAIVES, AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE SUBJECT MATTER HEREOF, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING OR WHETHER IN CONTRACT OR TORT OR OTHERWISE.

(c) The parties hereto irrevocably submit to the exclusive jurisdiction of any state or federal court sitting in the County of New York, in the State of New York over any suit, action or proceeding arising out of or relating to this Agreement. To the fullest extent they may effectively do so under applicable law, the parties hereto irrevocably waive and agree not to assert, by way of motion, as a defense or otherwise, any claim that they are not subject to the jurisdiction of any such court, any objection that they may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

[Remainder of page intentionally left blank]

above. IN WITNESS WHEREOF, the undersigned have executed, or have caused to be executed, this Repurchase Agreement on the date first written

EXLSERVICE HOLDINGS INC.

By: /s/ Rohit Kapoor
Name: Rohit Kapoor
Title: President and CFO

SELLING STOCKHOLDERS:
OAK HILL CAPITAL PARTNERS, L.P.

BY: OHCP GenPar, L.P.,
Its general partner

BY: OHCP MGP, LLC,
Its general partner

By: /s/ John R. Monsky
Name: John R. Monsky
Title: Vice President

OAK HILL CAPITAL MANAGEMENT PARTNERS, L.P.

BY: OHCP GenPar, L.P.,
Its general partner

BY: OHCP MGP, LLC,
Its general partner

By: /s/ John R. Monsky
Name: John R. Monsky
Title: Vice President

FINANCIAL TECHNOLOGY VENTURES, L.P.

By: Financial Technology Management, LLC, its general partner

By: /s/ Richard N. Garman

Name: Richard N. Garman

Title: Managing Partner

FINANCIAL TECHNOLOGY VENTURES (Q), L.P.

By: Financial Technology Management, LLC, its general partner

By: /s/ Richard N. Garman

Name: Richard N. Garman

Title: Managing Partner

FINANCIAL TECHNOLOGY VENTURES II, L.P.

By: Financial Technology Management II, LLC, its general partner

By: /s/ Richard N. Garman

Name: Richard N. Garman

Title: Managing Partner

FINANCIAL TECHNOLOGY VENTURES II (Q), L.P.

By: Financial Technology Management II, LLC, its general partner

By: /s/ Richard N. Garman

Name: Richard N. Garman

Title: Managing Partner

/s/ Vikram Talwar

Vikram Talwar

/s/ Rohit Kapoor

Rohit Kapoor

Sumir Anand

Lalit Vaj

Sanjay Gupta

/s/ Vikas Bhalla

Vikas Bhalla

/s/ Deepak Dhawan

Deepak Dhawan

Pavan Bagai

Parul Kumar Gupta

Joby Joseph

Narasimha Kini

Amitabh Ganju

Gulshan Dua

Sandeep Gill

Suneal Singhal

Alka Misra

Sandeep Kejirwal

Bharat S. Hada

Baljinder Singh

SCHEDULE 1
Repurchased Shares

<u>Selling Stockholder</u>	<u>Repurchased Shares</u>
Oak Hill Capital Partners, L.P.	29,182.00
Oak Hill Capital Management Partners, L.P.	748.26
Financial Technology Ventures, L.P.	178.30
Financial Technology Ventures (Q), L.P.	4,810.07
Financial Technology Ventures II, L.P.	29.46
Financial Technology Ventures II (Q), L.P.	4,958.92
Vikram Talwar	1,496.51
Rohit Kapoor	1,496.51
Sumir Anand	113.18
Lalit Vij	219.49
Sanjay Gupta	129.70
Vikas Bhalla	181.38
Deepak Dhawan	282.94
Pavan Bagai	957.77
Parul Kumar Gupta	56.59
Joby Joseph	34.92
Narasimha Kini	84.88
Amitabh Ganju	42.44
Gulshan Dua	56.59
Sandeep Gill	49.88
Suneal Singhal	56.59
Alka Misra	39.91
Sandeep Kejirwal	19.95
Bharat S Hada	28.29
Baljinder Singh	49.88

EXLSERVICE HOLDINGS, INC. ANNOUNCES
CLOSING OF INITIAL PUBLIC OFFERING

New York, October 25, 2006 - ExlService Holdings, Inc. ("EXL") (NASDAQ: EXLS) announced today that it has successfully completed its initial public offering of 5,000,000 shares of its common stock at \$13.50 per share. On Tuesday, October 24, 2006, the underwriters fully exercised their option to purchase an additional 750,000 shares to cover over-allotments, increasing the total number of shares offered to 5,750,000. The net proceeds of the offering will be approximately \$72.2 million after underwriting discounts and commissions but prior to estimated offering expenses payable by EXL. EXL intends to use the net proceeds from the offering to repurchase or redeem all of its issued and outstanding Series A Preferred Stock, repay all of its outstanding senior promissory notes payable to certain of its stockholders and for working capital and general corporate purposes.

Citigroup Corporate and Investment Banking and Goldman, Sachs & Co acted as joint book-running managers of the offering and Merrill Lynch, Pierce, Fenner & Smith Incorporated and Thomas Weisel Partners LLC acted as co-managers.

The registration statement relating to the initial public offering of shares of common stock has been declared effective by the Securities and Exchange Commission. This press release does not constitute an offer to sell or the solicitation of an offer to buy the securities described above, nor shall there be any sale of such shares of common stock in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. The offering of these securities will be made only by means of a prospectus, copies of which may be obtained from Citigroup Corporate and Investment Banking (Brooklyn Army Terminal, 140 58th Street, 8th Floor, Brooklyn, NY 11220; phone (718) 765-6732) or Goldman, Sachs & Co. (85 Broad Street, New York, NY 10004, Attn: Prospectus Dept. (fax: 212.902.9316) or by e-mail to: prospectus-ny@ny.email.gs.com).

About ExlService Holdings, Inc.

ExlService Holdings, Inc. is a recognized provider of end to end offshore services, including Business Process Outsourcing (BPO), research and analytics, and risk advisory services. It primarily serves the needs of Global 1000 companies in the banking, financial services and insurance sector. EXL is headquartered at 350 Park Avenue, New York, NY.

This press release contains forward-looking statements. You should not place undue reliance on those statements because they are subject to numerous uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control. Forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategy. These statements often include words such as "may," "will," "should," "believe," "expect," "anticipate," "intend," "plan," "estimate" or

similar expressions. These statements are based on assumptions that we have made in light of our experience in the industry as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances. You should understand that these statements are not guarantees of performance or results. They involve known and unknown risks, uncertainties and assumptions. Although we believe that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect our actual financial results or results of operations and could cause actual results to differ materially from those in the forward-looking statements. These factors are discussed in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections and elsewhere in the company’s Registration Statement on Form S-1. These risks could cause actual results to differ materially from those implied by forward-looking statements in this release.

You should keep in mind that any forward-looking statement made by us herein, or elsewhere, speaks only as of the date on which we make it. New risks and uncertainties come up from time to time, and it is impossible for us to predict these events or how they may affect us. We have no obligation to update any forward-looking statements after the date hereof, except as required by federal securities laws.