

# **VIRTUSA CORPORATION**

## **AUDIT COMMITTEE CHARTER**

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### **MEMBERSHIP**

The Audit Committee of the board of directors of Virtusa Corporation (the "Company") shall consist of a minimum of three directors. Members of the committee shall be appointed by the board of directors upon the recommendation of the Nominating and Corporate Governance Committee and may be removed by the board of directors in its discretion. All members of the committee shall be independent directors under the NASDAQ's listing requirements and the Company's independence guidelines and shall also satisfy the Securities and Exchange Commission's more rigorous independence requirement for members of the audit committee. All members shall have sufficient financial experience and ability to enable them to discharge their responsibilities and at least one member shall be a financial expert.

### **PURPOSE**

The purpose of the committee shall be to assist the board in its oversight of the integrity of the financial statements of the Company, of the Company's compliance with legal and regulatory requirements, of the independence and qualifications of the independent registered public accountant, and of the performance of the Company's internal audit function and independent registered public accountant. The committee shall review with the General Counsel and the Director of Internal Audit legal and regulatory matters that, in the opinion of management, may have a material impact on the financial statements, related company compliance policies, and programs and reports received from regulators.

### **RESPONSIBILITIES**

In furtherance of this purpose, the committee shall have the following authority and responsibilities:

1. To discuss with management and the independent registered public accountant the annual audited financial statements and quarterly financial statements, including the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and any other matters required to be reviewed under applicable legal, regulatory or NASDAQ requirements.
2. To discuss with management and the independent registered public accountant, as appropriate, earnings press releases and financial information as

well as earnings guidance provided to analysts and to rating agencies. Also, to make inquiries of the CEO and CFO regarding the “quality of earnings” of the Company.

3. To select the independent registered public accountant to examine the Company's accounts, controls and financial statements. The committee shall have the sole authority and responsibility to select, evaluate, compensate and oversee the work of any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company (including resolution of disagreements between management and the auditor regarding financial reporting). The independent registered public accountant and each such registered public accounting firm will report directly to the committee. The committee shall have the sole authority to approve all audit engagement fees and terms and the committee or the chair may approve fees for engagements which are de minimis and the committee, at the next scheduled meeting, must pre-approve any audit and non-audit service provided to the Company by the Company's independent registered public accountant. The committee shall obtain and review at least annually a formal written report from the independent registered public accountant. The committee will review at least annually all relationships between the independent registered public accountant and the Company.

4. To ascertain that the lead (or concurring) audit partner from any public accounting firms performing audit services, serves in that capacity for no more than five fiscal years of the company. In addition, ascertain that any partner, other than the lead or concurring partner, serves no more than seven years at the partner level on the company's audit.

5. To discuss with management and the independent registered public accountant, as appropriate, any audit problems or difficulties and management's response, and the Company's risk assessment and risk management policies, including the Company's major financial risk exposure and steps taken by management to monitor and mitigate such exposure.

6. To review the Company's financial reporting and accounting standards and principles, significant changes in such standards or principles or in their application and the key accounting decisions affecting the Company's financial statements, including alternatives to, and the rationale for, the decisions made.

7. To review and approve the Internal Audit Department Charter and internal corporate audit staff functions, including: (i) purpose, authority and organizational reporting lines; (ii) annual audit plan, budget and staffing, and changes thereto; (iii) concurrence in the appointment, compensation and rotation if deemed necessary; and (iv) to monitor Internal Audit's results and compliance herewith.

8. To review, with the Chief Financial Officer, the Director of Internal Audit, or such others as the committee deems appropriate, the Company's internal system of audit and financial controls and the results of internal audits, as well as

significant findings noted on internal audits during the year, and management's responses thereto.

9. To prepare and publish when and where appropriate an annual committee report in the Company's proxy statement.

10. To set policies for the hiring of employees or former employees of the Company's independent registered public accountant.

11. To review and investigate any matters pertaining to the integrity of management, including conflicts of interest, related party transactions, or adherence to standards of business conduct as required in the policies of the Company. In connection with these reviews, the committee will meet, as deemed appropriate, with the General Counsel and other Company officers or employees.

12. To establish procedures for the receipt, retention and treatment of complaints on accounting, internal accounting controls or auditing matters, as well as for confidential, anonymous submissions by Company employees of concerns regarding questionable accounting or auditing matters.

13. To review and approve or ratify any transaction between the Company and a related person, which is required to be disclosed under the rules of the Securities and Exchange Commission. For purposes of this requirement, the terms "Transaction" and "related person" have the meaning contained in Item 404 of Regulation S-K.

14. Review with management and the independent registered public accountant:

- The Company's annual financial statements and related footnotes
- The independent registered public accountant's audit of the financial statements and their report thereon
- The independent registered public accountant's judgments about the quality, not just the acceptability, of the company's accounting principles as applied in its financial reporting
- The independent registered public accountant's overall audit plan and subsequent significant changes thereto
- Any serious difficulties or disputes with management encountered during the audit
- Matters required to be discussed by Statement on Auditing Standards (SAS) No. 61, Communication With Audit

## **AUTHORITY**

The committee shall meet separately at least quarterly with management, with the Director of Internal Audit and also with the Company's independent registered public accountant.

The committee shall recommend, based on review and discussions with management and the independent registered public accountant, whether the Company's audited financial statements shall be included in the Company's annual report on Form 10-k.

The committee shall report its actions and any recommendations to the board after each committee meeting at the next regularly scheduled board meeting and shall conduct and present to the board an annual performance evaluation of the committee. The committee shall review at least annually the adequacy of this charter and recommend any proposed changes to the board for approval.

The committee shall have authority to retain such outside counsel, experts and other advisors as the committee may deem appropriate in its sole discretion. The committee shall have sole authority to approve related fees and retention terms.

The Audit Committee will perform such other functions as assigned by law, the Company's charter or bylaws, or the board of directors.

April 1, 2007