

VIRTUSA CORPORATION
AUDIT COMMITTEE CHARTER

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 as set forth in this Charter under “Selection and Removal” below. 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 (“SEC”) 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, as further set forth below.

FINANCIAL LITERACY

Each member of the Audit Committee must be financially literate, as such qualification is interpreted by the board of directors in its business judgment, or must become financially literate within a reasonable period of time after his or her appointment to the Audit Committee. At least one member of the Audit Committee must have accounting or related financial management expertise, as the board of directors interprets such qualification in its business judgment. Unless otherwise determined by the board of directors (in which case disclosure of such determination shall be made in the Company’s annual report filed with the SEC), at least one member of the Audit Committee shall be an “audit committee financial expert” (as defined by applicable SEC rules).

CHAIR

Unless the board of directors elects a chair of the Audit Committee, the Audit Committee shall elect a chair by majority vote.

COMPENSATION

The compensation of Audit Committee members shall be as determined by the board of directors. No member of the Audit Committee may receive, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries, other than fees paid in his or her capacity as a member of the board of directors or a committee of the board.

SELECTION AND REMOVAL

Members of the Audit Committee shall be appointed by the board of directors, upon the recommendation of the Nominating and Corporate Governance Committee. Unless otherwise determined by the Board (in which case disclosure of such determination shall be made in accordance with applicable NASDAQ rules) no member of the Audit Committee may serve on the audit committee of more than two other public companies. The board of directors may remove members of the Audit Committee from such committee, with or without cause.

PURPOSE

The purpose of the Audit 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 prepare an audit committee report as required by the SEC to be included in the Company's annual proxy statement. The Audit 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.

AUTHORITY AND RESPONSIBILITIES

The Audit Committee shall discharge its responsibilities, and shall assess the information provided by the Company's management and the independent registered public accounting firm, in accordance with its business judgment. Management is responsible for the preparation, presentation, and integrity of the Company's financial statements, for the appropriateness of the accounting principles and reporting policies that are used by the Company and for establishing and maintaining adequate internal control over financial reporting. The independent registered public accounting firm is responsible for auditing the Company's financial statements and the company's internal controls over financial reporting, and for reviewing the Company's unaudited interim financial statements. The authority and responsibilities set forth in this Charter do not reflect or create any duty or obligation of the Audit Committee to plan or conduct any audits, to determine or certify that the Company's financial statements are complete, accurate, fairly presented, or in accordance with generally accepted accounting principles or applicable law, or to guarantee the independent registered public accounting firm's report.

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

General

1. 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.
2. To prepare and publish when and where appropriate an annual committee report in the Company's proxy statement.
3. 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.
4. 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.
5. 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.
6. The Audit Committee shall coordinate with the Compensation Committee the evaluation of the Company's financial management personnel.
7. Matters required to be discussed by Statement on Auditing Standards (SAS) No. 61, Communication With Audit Additional Powers. The Audit Committee shall have such other duties as may be delegated from time to time by the board of directors.
8. The Audit Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate, including the authority to request any officer, employee or advisor of the Company to meet with the Audit Committee or any advisors engaged by the Audit Committee. The Audit Committee is empowered, without further action by the Board of Directors, to cause the company to pay the ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.
9. At least annually, the Audit Committee shall evaluate its own performance.

Oversight of Independent Registered Public Accountant

10. 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 independent registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company (including resolution of disagreements between management and the independent registered public accountant regarding financial reporting). The Audit Committee may, in its discretion, seek stockholder ratification of the independent registered public accountant it appoints. The independent registered public accountant and each such independent 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 inform 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 (company's) independent registered public accounting firm is not authorized to provide any prohibited non-audit services (as defined in Rule 2-01 (c) (4) of Regulation S-X) to the Company. The Audit Committee is empowered, without further action by the Board of Directors, to cause the company to pay the compensation of the independent registered public accounting firm established by the Audit Committee. 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.
11. To ascertain that the lead (or concurring) audit partner from any independent registered 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.
12. 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.
 - Review with the independent registered public accountant any major issues identified by the independent registered public accountant as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies
13. At least annually, the Audit Committee shall obtain a quality-control report and review the report by the independent register public account firm describing:

- The firm's internal quality-control procedures; and
 - Any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any review, inquiry or investigation by governmental or professional authorities (i.e. PCAOB), within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.
14. To set policies for the hiring of employees or former employees of the Company's independent registered public accountant.

Audited Financial Statements

15. 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. The Audit Committee shall direct management to advise the Audit Committee in the event that the Company proposes to disclose interim financial information prior to the completion of the independent registered public accounting firm's review of interim financial information.
16. 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.
17. 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

Review of Other Financial Disclosures

18. To discuss with management and the independent registered public accountant, as appropriate, earnings press releases and financial information and earnings guidance provided to analysts and to rating agencies, and the effect of regulatory

and accounting initiatives, as well as the off-balance sheet structures, on the financial statements of the company. Also, to inquire of the CEO and CFO regarding the “quality of earnings” of the company.

Controls and Procedures

19. The Audit committee shall coordinate the board of directors’ oversight of the Company’s internal control over financial reporting disclosure controls and procedures and code of business conduct and ethics. The Audit Committee shall receive and review the reports of the CEO and CFO required by rule 13a-14 of the Exchange Act.
20. The Audit Committee shall discuss the Company’s policies with respect to risk assessment and risk management, including guidelines and policies to govern the process by which the Company’s exposure to risk is handled.
21. 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.

AUTHORITY

The committee shall meet separately at least quarterly (8 times per year) with management, with the Director of Internal Audit and also with the Company's independent registered public accountant. The Audit Committee may also act by unanimous written consent in lieu of a meeting.

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 Audit Committee shall keep such records of its meetings as it deems necessary.

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 may form and delegate authority to one or more subcommittees (including a subcommittee consisting of a single member), as it deems appropriate from time to time under the circumstances. Any decision of a subcommittee to pre-approve

audit, review, attest, or non-audit services shall be presented to the full Audit Committee at its next scheduled meeting.

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