

VIRTUSA CORPORATION

Corporate Governance Guidelines

The Board of Directors (the “Board”) of Virtusa Corporation (the “Company”) has adopted the corporate governance guidelines set forth below to assist and guide the Board in the exercise of its responsibilities. These guidelines should be interpreted in accordance with any requirements imposed by applicable federal or state law or regulation, the Marketplace Rules of the National Association of Securities Dealers, Inc. and the Certificate of Incorporation and By-laws of the Company. The Board may review and amend these guidelines from time to time.

I. **DIRECTOR QUALIFICATION STANDARDS**

- **Director Criteria:** The Board shall consider and approve from time to time the criteria that it deems necessary or advisable for prospective director candidates. The Board shall have full authority to modify such criteria from time to time as it deems necessary or advisable. The Board has delegated to the Nominating and Corporate Governance Committee the responsibility for developing and recommending to the Board for its consideration and approval such criteria for prospective director candidates as the Nominating and Corporate Governance Committee deems necessary or advisable in light of the policies and principles in the Company’s Policy Governing Director Qualifications and Nominations. The Nominating and Corporate Governance Committee will recommend to the Board from time to time such criteria for its consideration and approval.
- **Process For Identifying and Selecting Directors:** The Board has delegated to the Nominating and Corporate Governance Committee the responsibility of identifying suitable candidates for nomination to the Board (including candidates to fill any vacancies that may occur) and assessing their qualifications in light of the policies and principles in these Corporate Governance Guidelines and the Company’s Policy Governing Director Qualifications and Nominations. The Nominating and Corporate Governance Committee will recommend prospective director candidates for the Board’s consideration and review the prospective candidates’ qualifications with the Board. The Board shall retain the ultimate authority to nominate a candidate for election by the stockholders as a director or to fill any vacancy that may occur.

In identifying prospective director candidates, the Nominating and Corporate Governance Committee may consider all facts and circumstances that it deems appropriate or advisable, including, among other things, the skills of the prospective director candidate, his or her depth and breadth of business experience or other background characteristics, his or her independence and the needs of the Board.

- **Independence:** At least a majority of the members of the Board shall meet the independence requirements set forth in Rule 4200(a)(15) of the Marketplace Rules of the National Association of Securities Dealers, Inc. At least annually, the Board will evaluate all relationships between the Company and each director in light of relevant facts and circumstances for the purposes of determining the independence of the members of the Board.

- **Limit on Number of Other Boards:** Carrying out the duties and fulfilling the responsibilities of a director require a significant commitment of an individual's time and attention. The Board does not believe, however, that explicit limits on the number of other boards of directors on which the directors may serve, or on other activities the directors may pursue, are appropriate. The Board, however, recognizes that excessive time commitments can interfere with an individual's ability to perform his or her duties effectively. In connection with its assessment of director candidates for nomination, the Nominating and Corporate Governance Committee will assess whether the performance of any director has been or is likely to be adversely impacted by excessive time commitments, including service on other boards of directors. Directors must notify the Chairman of the Board in connection with accepting a seat on the board of directors of another business corporation so that the potential for conflicts or other factors compromising the director's ability to perform his or her duties may be fully assessed.
- **Changes in Directors' Primary Responsibilities and Outside Commitments:** It is the Company's policy that every director, including the Chief Executive Officer and any other directors with Company management responsibilities, must notify the Chairman of the Nominating and Corporate Governance Committee of his or her retirement, of any change in employer, and of any other significant change in the director's principal professional occupation or roles and responsibilities and, in connection with any such change, offer his or her resignation from the Board for consideration by the Board. The Nominating and Corporate Governance Committee, in its discretion, will then consider the continued appropriateness of Board membership under the new circumstances and the action, if any, to be taken with respect to the offer of resignation on the Board and to recommend appropriate action to the Chairman of the Board.
- **Term and Age Limits:** The Board does not believe that arbitrary limits on the number of consecutive terms a director may serve or on the directors' ages are appropriate in light of the substantial benefits resulting from a sustained focus on the Company's business, strategy and industry over a significant period of time. Each individual's performance will be assessed by the Nominating and Corporate Governance Committee and Board in light of relevant factors in connection with assessments of candidates for nomination to be directors.
- **Succession:** The Nominating and Corporate Governance Committee, with input from the Board, conducts on a periodic basis an assessment of the performance and development of the Chief Executive Officer. The Nominating and Corporate Governance Committee shall have the responsibility and obligation to conduct and lead all succession planning actions and to recommend to the Board of Directors of the Company succession plans with respect to the Chief Executive Officer, the President and Chief Operating Officer, and other members of senior management of the Company. In this connection, the Nominating and Corporate Governance Committee shall conduct periodic discussions, not less than once a year, regarding succession of the Chief Executive Officer, the President and Chief Operating Officer, and other members of senior management and, with the recommendations of the Chief Executive Officer, identifies potential successor candidates for those roles. As a matter of policy, the Chief Executive Officer should provide the board, on an ongoing basis, his or her recommendations as to his/her successor and the successor the President and Chief Operating Officer, in the event of an unexpected disability or event requiring succession to these roles.

II. DIRECTOR RESPONSIBILITIES

- **Role of Directors:** The business and affairs of the Company are managed by or under the direction of the Board, acting on behalf of the stockholders. The Board has delegated to the officers of the Company the authority and responsibility for managing the Company's everyday affairs. The Board has an oversight role and is not expected to perform or duplicate the tasks of the Chief Executive Officer or senior management.
- **Attendance at Meetings:** Each member of the Board is expected to make reasonable efforts to attend regularly scheduled meetings of the Board and to participate in telephone conference meetings or other special meetings of the Board. In the event that directors are unable to make at least 75% of those regular or special meetings (together with the meetings of committees on which such director serves), the Company will be required to disclose that fact in its annual proxy statement. Participation at any meeting via telephone (or similar means) shall be deemed attendance at such meeting. In addition, attendance and participation at meetings is an important component of the directors' duties and, as such, attendance rates will be taken into account by the Nominating and Corporate Governance Committee in connection with assessments of director candidates for renomination as directors.
- **Attendance at Annual Meetings of Stockholders:** The Board's policy is to encourage all directors and all nominees for election as directors to attend the Company's annual meeting of stockholders.
- **Time Commitment; Advance Distribution and Review of Materials:** Directors are expected to spend the time needed and meet as frequently as the Board deems necessary or appropriate to discharge their responsibilities. Senior management is responsible for distributing information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting to the directors. Directors should review these materials in advance of the meeting when reasonably practicable.

III. BOARD STRUCTURE

- **Size of Board:** The Board presently has eight (8) members. It is the present sense of the Board that a board consisting of between six (6) and ten (10) members is an appropriate size for the Company; however, the Board reserves the right to increase or decrease the size of the Board, subject to any relevant provisions in the Company's By-laws, depending on an assessment of the Board's needs and other relevant circumstances at any given time.
- **Board Leadership:** The Company's By-laws provide that the Chairman of the Board, if one is elected, shall preside, when present, at all meetings of the stockholders and the Board. The Chairman of the Board shall have such other powers and shall perform such other duties as the Board may from time to time designate.
- **Lead Independent Director:** The Board notes that shareholders of the Company elect all directors of the Board and all have an equal voice. The Board as a whole is free, should a special situation arise, to call upon any one or more directors to provide leadership in a given situation. The Board understands that leadership in certain subject areas falls to the committee chair(s) responsible for the subject matter giving rise to the need, and that the chairs function as the committee liaisons to the Chairman and the rest of the Board.

It is the policy of the Board that at such times as the Chairman is not an independent director, it is appropriate and necessary for the independent directors to designate a Lead Director who would be expected to serve in such capacity for several years. The Nominating and Corporate Governance Committee shall review the designation of the Lead Director from time to time and recommend any change in the Lead Director it deems appropriate to the Board.

- **Committees:** The Board intends at all times to have an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. Each of these standing committees will have a written charter that sets forth the responsibilities of such committee and the qualifications for committee membership. Membership on such committees is limited to independent directors. The Board may from time to time establish additional committees as necessary or appropriate.
- **Executive Sessions:** The independent directors will meet at regularly scheduled executive sessions without management participation. The Lead Director shall preside at these meetings, and his or her name, or the process by which he or she is selected, will be disclosed in the annual proxy statement or, if the Company does not file an annual proxy statement, in the Company's annual report on Form 10-K filed with the Securities and Exchange Commission. In order that interested parties may be able to make their concerns known to the independent directors, the Company has also set forth in these Corporate Governance Guidelines a method for such parties to communicate directly and confidentially with the presiding director or with the independent directors as a group.

IV. DIRECTOR ACCESS TO MANAGEMENT AND INDEPENDENT ADVISORS

- Directors have complete access to senior members of management. Directors are expected to use good judgment to ensure that his or her conduct is not distracting to the business operation of the Company. The Board, and each committee thereof, shall have the authority to request that any officer or employee of the Company, the Company's outside legal counsel, the Company's independent auditor or any other professional retained by the Company to render advice to the Company, attend a meeting of the Board, or such committee, or meet with any members of or advisors to the Board.
- In carrying out its responsibilities, the Board, and each committee thereof, shall be entitled to rely on the advice and information that it receives from management and such experts, advisors and professionals with whom the Board, or any such committee, may consult. The Board or any committee thereof shall also have the authority to engage legal, accounting or other advisors to provide it with advice and information in connection with carrying out its or their responsibilities.

V. DIRECTOR COMPENSATION

- The form and amount of director compensation will be reviewed periodically, but at least annually, by the Compensation Committee, which shall make recommendations to the Board based on such review. The Board shall retain the ultimate authority to determine the form and amount of director compensation.
- The Company's executive officers shall not receive additional compensation for their service as directors.

VI. DIRECTOR ORIENTATION AND CONTINUING EDUCATION

- The Company will conduct an orientation program for each new director within a reasonable time following the meeting at which the director is elected. The orientation will be designed to familiarize the new director with the Company's business and strategic plans, key policies and practices, principal officers and management structure, auditing and compliance processes and its code of business conduct and ethics.
- The Company's General Counsel will be responsible for periodically providing materials or briefing sessions for continuing directors on topics that will assist them in discharging their duties.

VII. MANAGEMENT SUCCESSION

- See Section I of these Guidelines.

VIII. ANNUAL PERFORMANCE EVALUATION OF THE BOARD AND COMMITTEES

- The Board will conduct a self-evaluation at least annually for the purpose of determining whether it and its committees are functioning effectively, and each committee of the Board will conduct a self-evaluation at least annually for the purpose of determining whether it is functioning effectively. These evaluations will consider the performance of the Board or the committee, as the case may be, as a unit.
- The Nominating and Corporate Governance Committee will oversee the evaluation process.

IX. SECURITYHOLDER COMMUNICATIONS WITH THE BOARD

- The Board provides to every securityholder the ability to communicate with the Board, as a whole, and with independent or individual directors on the Board through an established process for securityholder communication (as that term is defined by the rules of the Securities and Exchange Commission) ("Securityholder Communication") as follows:

For Securityholder Communication directed to the Board as a whole, securityholders may send such communication to the attention of the Chairman of the Board via U.S. Mail or Expedited Delivery Service to the address listed below:

Virtusa Corporation
2000 West Park Drive,
Westborough, MA 01581
Attn: Chairman of the Board of Directors

For Securityholder Communication directed to an individual director in his or her capacity as a member of the Board, securityholders may send such communication to the attention of the individual director via U.S. Mail or Expedited Delivery Service to the address listed below:

Virtusa Corporation
2000 West Park Drive
Westborough, MA 01581
Attn: [Name of Individual Director]

- The Company will forward by U.S. mail any such Securityholder Communication to each director, and the Chairman of the Board in his or her capacity as a representative of the

Board, to whom such Securityholder Communication is addressed to the address specified by each such director and the Chairman of the Board.

- Communications from an officer or director of the Company and proposals submitted by securityholders to be included in the Company's annual proxy statement, pursuant to Rule 14a-8 of the Securities Exchange Act of 1934 (and related communications) will not be viewed as a Securityholder Communication. Communications from an employee or agent of the Company will be viewed as Securityholder Communication only if such communications are made solely in such employee's or agent's capacity as a security holder.

X. MISCELLANEOUS

- **Conflicts of Interest and Ethics Compliance:** Each of the Company's directors is required to comply with the Company's Code of Business Conduct and Ethics (the "Code"). Concerns regarding violations of the Code by independent directors of the Code are referred to the Compliance Officer in accordance with the Code; violations of the Code by non-independent directors of the Code are referred to the Company's General Counsel.
- **Employee Membership on Company Boards:** It is the policy of the Company that no employee may join a board of directors, lobbying group, or any other entity that may be currently or in the future competitive with the Company's business without the express approval of the approval of the Company's Chief Executive Officer.
- **Communications:** The Board believes that the management should be responsible for communications with the press, media and other outside parties made on behalf of the Company, though individual Board members may, at the request of management or of the Board, communicate with outside parties on behalf of the Company. If, and to the extent, the Chief Executive Officer is incapacitated or otherwise not available, the Lead Director shall have authority to communicate with the press, media and other outside parties, or, in such event, upon prior approval of the Lead Director, other members of senior management shall have authority to make such communications.
- **Guidelines not Limiting:** These Corporate Governance Guidelines are not intended to modify, extinguish or in any other manner limit the indemnification, exculpation and similar rights available to the directors of the Company under applicable law, the Company's Certificate of Incorporation and/or its By-laws or by contract.
- **Modifications/Amendments:** Although these Corporate Governance Guidelines have been approved by the Board, it is expected that these guidelines will evolve over time as customary practice and legal requirements change. In particular, guidelines that encompass legal, regulatory or exchange requirements as they currently exist will be deemed to be modified as and to the extent such legal, regulatory or exchange requirements are modified. In addition, these guidelines may also be amended by the Board at any time as it deems appropriate.

ADOPTED: May 31, 2007

Amendment No. 1 to Corporate Governance Guidelines (“Guidelines”)

Amendment No.1 to Corporate Governance Guidelines

The Corporate Governance Guidelines (“Guidelines”) are hereby amended as follows:

The following section of the Guidelines is hereby deleted; “**Term and Age Limits:** The Board does not believe that arbitrary limits on the number of consecutive terms a director may serve or on the directors’ ages are appropriate in light of the substantial benefits resulting from a sustained focus on the Company’s business, strategy and industry over a significant period of time. Each individual’s performance will be assessed by the Nominating and Corporate Governance Committee and Board in light of relevant factors in connection with assessments of candidates for nomination to be directors.”

The following text replaces the above deleted text in the Guidelines:

“**Term and Age Limits:** The Board does not believe that arbitrary limits on the number of consecutive terms a director may serve are appropriate in light of the substantial benefits resulting from a sustained focus on the Company’s business, strategy and industry over a significant period of time, except that the Board does believe establishing mandatory age limits of the directors is in the best interests of the Board, its stockholders and the Company. Therefore, no director may stand for re-election who is 72 years of age or older, except that such limitation and restriction does not apply to any current director of the Company who is 72 years of age or older as of the date of this Amendment. Each individual’s performance will be assessed by the Nominating and Corporate Governance Committee and Board in light of relevant factors in connection with assessments of candidates for nomination to be directors.”

Date of Nominating and Corporate Governance Committee Approval: January 22, 2010

Date of Board Approval: February 3, 2010

Amendment No. 2 to Corporate Governance Guidelines

Amendment No.2 to Corporate Governance Guidelines

The Corporate Governance Guidelines (“Guidelines”) are hereby amended as follows:

In the Guidelines, after the Section “Executive Sessions,” a Section entitled “Stock Ownership Guidelines” is hereby added as follows:

“Stock Ownership Guidelines: It is the policy of the Board that each executive officer and non-employee director, consistent with his or her responsibilities to the stockholders of the Company as a whole, should hold a significant equity interest in the Company. In accordance with the foregoing, the Board has adopted, effective [November 19, 2010], the Virtusa Corporation Stock Ownership and Retention Program and Guidelines (the “Ownership Plan”). Under the Ownership Plan, each executive officer or a director of the Company (each a “Covered Individual”) must attain minimum ownership levels in the Company equal in value to a defined multiple of their base salary within three years after the later of becoming a Covered Individual or the effective date of the Ownership Plan. The defined ownership levels are as follows:

<u>Position</u>	<u>Ownership Level (Value) (\$)</u>
Chief Executive Officer	5x salary
All other executive officers	3x salary
Non-employee directors	4x annual cash Board fees (excluding Chairmanship fees)

Shares that count toward the satisfaction of the minimum value requirement include shares owned outright by the Covered Individual or by his or her spouse or minor children, shares held in trust for the benefit of the Covered Individual or for the benefit of his or her spouse or minor children, or restricted stock or restricted stock units (excluding performance based shares to the extent not vested) granted pursuant to the equity compensation plans of the Company. In addition, the intrinsic value of vested options will also be included for purposes of the calculating the minimum value requirement. Unexercised, unvested options will not count towards satisfaction of the minimum value requirement.”

The Section under the Guidelines entitled “Board Leadership” is hereby deleted in its entirety and replaced in its entirety with the following:

“Board Leadership: The Company’s By-laws provide that the Chairman of the Board, if one is elected, shall preside, when present, at all meetings of the stockholders and the Board. The Chairman of the Board shall have such other powers and shall perform such other duties as the Board may from time to time designate. The Board believes that having the Company’s chief executive officer as chairman of the board facilitates the Board’s decision-making process because the chief executive officer has first-hand knowledge of the Company’s operations and the major issues facing the Company, and is most capable of effectively identifying strategic priorities and leading the discussion and execution of strategy. This also enables the chief

executive officer to act as the key link between the board of directors and other members of management. The Board believes the combined role of chief executive officer and chairman, together with a lead independent director having the duties described in these guidelines, is in the best interest of stockholders because it provides the appropriate balance between strategy development and independent oversight of management. The Nominating and Corporate Governance Committee shall review the designation of the Chairman of the Board on an annual basis.”

Date of Nominating and Corporate Governance and Compensation Committee Approval:
November 19, 2010

Date of Board Approval: November 19, 2010